

SIR,—

Rarotonga, 7th October, 1903.

I have the honour to forward herewith the judgments given by the High Court in the six cases brought by the Federal Government against their sometime Paymaster, Jimmy te Pou, *alias* Makea Daniela.

Mr. Moss, M.H.R., has forced me very unwillingly into this position, that I must either bring before your notice the true circumstances of the prosecution, or allow you to believe that Makea Daniela was a much-persecuted and deeply injured man.

The first judgment will disclose that the Federal Government claimed a refund of £100 12s., money that had been illegally advanced to the so-called Makea Daniela, and for which there was no voucher other than a receipt by the Paymaster, and a remark on the document by Mr. F. J. Moss to the effect that Makea Daniela must account to the Treasury for these advances. This remark was altogether superfluous, for neither Mr. Moss nor his Auditor ever required the Paymaster to show that he had not put the money in his own pocket. Every circumstance connected with this case was irregular and calculated to rouse suspicion, but for this Makea Daniela cannot be blamed. Firstly, it was proved that Ngamaru and the Ngati-Makea Tribe offered to make this road for the sum of \$50, which sum would have been expended in the purchase of food, as is customary in these Islands, and it has not been explained why this offer was not accepted. Secondly, it would seem probable that there was some ground for the Native belief that this advance of £60 18s. brought about the seizure of the Cook Islands revenue for the fiscal year 1897-98, for we have the evidence of Mr. Scard that if the Parliament had not voted the money Mr. Moss would have been held personally responsible for the repayment. That the seizure of the revenue was a desperate measure, and absolutely illegal, is a matter that I think admits of no doubt. Thirdly, we have the evidence of Makea Daniela to the effect that £31 of the money now claimed from him was in fact drawn by Mr. Moss for other purposes. That such may have been the case is possible, but Makea Daniela does not deny receiving £100, on behalf of the road, and his memory is so exceedingly treacherous that this Court could take but little notice of unsupported testimony on his part. Fourthly, the witnesses of Makea Daniela, his own people, show that the statement of expenditure handed into the Court by him was absolutely untrustworthy, false, and fraudulent.

From the second judgment it will be seen that the Federal Government claimed £35 4s., fees and fines of the Arikis' Courts collected by Makea Daniela, and illegally retained by him. Comment is unnecessary in this case; but I submit a copy of his letter (A) admitting that he had converted this money to his own use, and the evidence discloses that he had probably taken £108 of the public money, since it is clear that he did not pay to the Treasury the £73 which he claimed to have paid.

Judgment No. 3 speaks for itself. Makea Daniela did not do the work of the Department during the period for which he was paid, and the attempt by Mr. Moss to foist on the Parliament a deputy in the shape of a private employee of Makea Daniela's, was not only a gross irregularity but also a deliberate attempt to reduce the authority of that assembly of the people.

In judgment No. 4, it will be seen that Makea Daniela received the benefit of the doubt, but it discloses also that the man's whole official history was one of fraud, and that he had been aided and abetted therein in a manner difficult to understand.

The embezzlement charges speak for themselves, and the sums of money there dealt with form only a small part of the public moneys lost to the Federation by the hands of Makea Daniela.

I have, &amp;c.,

The Hon. C. H. Mills, Minister for the Islands.

W. E. GUDGEON.

A.

SIR,—

Rarotonga, 12th July, 1897.

In paying for the piles used for the U.S.S. Co.'s wharf I have used the Government money, and have paid out £35 more than has been repaid by the company to me, viz,—

				\$
Paid by me	..	..	..	1,082
Repaid me by U.S.S. Co.	..	..	..	730

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\$352, equal to £35 4s.

There is also £20 for myself which has not been paid me, and which I have not included in the above \$1,082.

I am now asking you to allow me a little time in which to make up this £35 that I have paid out for piles, and which the Union Company refuse to pay. I am unable to pay this at present. I have no agreement with the company and cannot collect from them, I cannot ask the Rarotonga Government for it. I have done this work for the public good, but will have to pay for doing so myself.

You advised me to write again to the Union Company for it; that I cannot do, as you will see by the copy of letters sent by me to Mr. Henderson, now enclosed. I knew I would lose this as I had no agreement with the Union Company whatever.

I remain, &amp;c.,

F. J. Moss, Esq., British Resident.

MAKEA DANIELA.

True copy.—W. E. GUDGEON.

[NOTE.—To understand this letter it is necessary that it should be explained that Makea Daniela was the Collector of Revenue and Paymaster to the Local Government of Rarotonga and the Federal Government of the Cook Islands, and that while holding this position he contracted verbally with the