ers from leaving the port; indeed so slack has the Government become in awarding punishment to merited offenders (foreigners) that I have formally declared to the governor of this island that, unless some reform should take place in that particular, I should feel it my duty to represent it to Com. Jones of the Pacific squadron.

The promise made by the King to Capt. Jones, referred to in the fourth demand, has been most religiously complied with, and the parties interested in the matter having voluntarily left their case with Sir George Simpson as arbitrator, the business has been fully and definitely settled, and is now only brought forward among other equally frivolous charges in order to swell the amount of "grievances" of British subjects.

In an interview between Mr. Simpson and the King, after he had formally acceded to the demands made by Capt. Paulet, he, Mr. Simpson, demanded that new trials should be granted in every instance in which decisions had been made affecting British subjects, since Mr. Charlton, the late consul, left, and this he contended was granted him by the King in acceding to the two last demands made by Capt. Paulet. The King, overwhelmed with this and similar unjust and exorbitant demands, gave up in despair. The final result of the business terminated in the provisional cession of the islands, before referred to.

I have thus briefly reviewed the character of the "demands" made on this Government by Capt. Paulet under the direction of Mr. Simpson; of the injustice of them no one conversant with the facts for a moment doubts.

I would observe in passing that Lord Paulet is a young man of whose intellectual capacities very little can be said, and could the Government of Great Britain be induced to send out a commission for the purpose of instituting an inquiry into the causes which led him to pursue the course he has, the result would by no means be creditable to him. Such a commission the King most devoutly wishes might be sent, and it is intended, I learn, to solicit the Governments of France and the United States to use their influence in bringing it about.

The geographical situation of the islands is such as to render it highly desirable that they should be neutral and their ports accessible at all times, in peace or war, by vessels of every nation.

Of their value to American interests the Department must be fully aware from repeated communications and returns from this agency.

A census of American citizens resident at these islands taken under my direction gives the number of 404, a large proportion of which are more or less interested in landed property, and they are not a little solicitous as to the national character they shall have to assume in order to retain their estates, should the islands become British territory. So, also, in regard to the titles of their estates, a majority of which are held simply by the right of gift from some chief, now deceased, to some person, also deceased, and from whom the estate has passed without that formality which an English court of law would deem requisite in order to establish a valid title.

It will be perceived on referring to the King's letter of February 18, (No. 7) to Capt. Paulet, that he complies with his demands only under protest; this was undoubtedly done with the hope of exciting the sympathies of foreign governments, but are there not other considerations which should induce the Government of the United States to exert its influence to secure the recognition of the independence of these islands by the European powers.