I.—8.

specified even the number of reserves which are to be set apart for the Natives, nor are the numbers or residences of the Natives (unless the numbers in red ink on the coast-line of the map intend to convey that information), nor any other particulars in reference to them, given, except that, as reference is made in the deed to a single tribe only, an inference might be reasonably deduced that it was the single possessor of any interests in the lands disposed of. Further, the deed does not even state in what manner the first instalment was distributed, who were its recipients, and what amount their several portions consisted of, and the reasons which induced you to make such apportionment; in fact, His Excellency can gather nothing from the deed which would in any way guide the Government in arranging the payments of the next instalments supposing your absence or other circumstances precluded your attendance in the execution of this duty.

In conclusion, the Lieutenant-Governor cannot sufficiently express the regret and disappointment which he has experienced in finding that you have so completely disregarded both the letter and spirit of the instructions given you for your guidance, and have precipitately hurried over the very important and responsible arrangements confided to your management, and the unfinished and indefinite execution of which may hereafter prove the source of much difficulty, anxiety, and expense to the Government, to the New Zealand Company, and to the future settlers whom that

body, on the faith of the late purchase, may be induced to send out.

I have, &c. W. GISBORNE.

H. T. Kemp, Esq., &c.

PS.—I am directed to add in this postscript that His Excellency has received your two subsequent letters in further relation to your mission (one dated yesterday and the other this day), in which you refer to the periods appointed for paying the remaining instalments; but His Excellency cannot see any explanation whatever given of the total disregard of your instructions, as specified in my letter above; and therefore His Excellency must still require from you such explanation to be implicitly and satisfactorily made. Neither do these two letters afford the Lieutenant-Governor the information required by him upon other points touched upon in my letter. You do not say how or to whom the £500 were apportioned, although you recommend the next £500 to be given to two individuals living at either extreme of the block, without in any way indicating how the Natives residing at the intervening settlements are to have their claims considered and satisfied. It does not even appear from any of the documents which His Excellency has yet received from you that these people have been at all seen or consulted by you, or have in any way been apprised of the appears to be, His Excellency observes, a little doubtful even to yourself, when you say that, if blocks are reserved for them near their respective locations, you "think there would be then but little obstacle and little or no interference with the interests of the Company in the division and survey of the district."—W. G.

No. 5.—Despatch from Lieut.-Governor Eyre to His Excellency the Governor-in-Chief on Mr. Kemp's Deviation from Instructions.

Referring to my Despatch No. 49, in which I acquainted your Excellency that I had, in conformity with the instructions contained in your Excellency's Despatch No. 7, appointed Mr. Kemp Commissioner for the purchase of the Natives' rights in the tract of country lying between the Ngatitoa boundary-line and the Otago Block in the Middle Island, I have now the honour to inform your Excellency of Mr. Kemp's return, and at the same time to transmit for your perusal copies of a deed of sale subscribed by the Natives, of the chart to which the deed refers, of Mr. Kemp's report, of a correspondence which has taken place with him on the subject, and of communications which have passed between Colonel Wakefield and myself relative to the transactions to which these documents refer. My Despatch No. 49 will already have put your Excellency in possession of the steps taken to effect the extinguishment of the Native title to the tract of country in the Middle Island, between the Ngatitoa boundary-line and the Otakau Block, and also of the instructions which I issued to Mr. Kemp for his guidance in the discharge of the important and responsible duty confided to him.

The accompanying enclosures will so fully inform your Excellency of the unfortunate arrangements entered into by Mr. Kemp that I should only waste time in repetition by now recurring to them, further than to express my extreme regret that Mr. Kemp should have taken upon himself to act in direct disobedience of his instructions upon all the more important points connected with negotiations intrusted to him. The most serious mistakes into which Mr. Kemp has been led are: (1.) The recognising Native rights over the whole of the country between the given limits. (2.) The making a purchase without marking a single reserve, or in any way indicating the number, extent, or situation of the lands to be set apart as reserves. (3.) The arrangement that the purchasemoney should be paid half-yearly instead of annually. (4.) The drawing-up the deed of sale in a

form which is not legally valid.

The last error has arisen in part from the misdirection of the Crown Solicitor, who was instructed to provide Mr. Kemp with a proper form, and I have therefore called upon that officer for an explanation, of which I enclose a copy among the other documents. The other errors were entirely Mr. Kemp's own, and are of a very serious character. That relating to the reserves will, I fear, cause some difficulty both to the Government and to the New Zealand Company hereafter, whilst the one relating to the payment of the future instalments will, in a great measure, defeat the objects contemplated in directing that they should be made annually, and be extended over a series of years—viz., to allow time for the country being occupied by Europeans before such payments cease, and to provide for the purchase-money being given to the Natives in a manner most likely to prove of real and permanent advantage to them. The good results which have occurred in similar