

purchases from the adoption of this course ought to have been quite sufficient to have induced Mr. Kemp to remain firm in declining to accede to terms requiring payments at shorter intervals. There was also this further necessity for adhering to it in the present instance, that the Natives who sold the Otago Block, and many of whom were largely interested in the land Mr. Kemp was sent to acquire, were known to have derived little or no advantage from the sums paid them for that district in consequence of the improvident and hasty manner in which they ran through the whole amount, whilst there were no future payments for them to fall back upon when experience had taught them more fully and more correctly the real value of money, and the best manner of expending it.

With regard to Mr. Kemp's not having set apart or distinctly marked out the necessary reserves for the Natives prior to effecting the purchase, I can only remark that my instructions to Mr. Kemp positively enjoined him to do this, as your Excellency will observe upon referring to the copy of those instructions forwarded in my Despatch No. 49 that I applied to the New Zealand Company's principal agent to provide a surveyor for making the requisite surveys, and marking the boundaries, and that in consequence of such application the New Zealand Company's principal surveyor was detached from Otakou on this service, and went prepared, as Colonel Wakefield has informed me since Mr. Kemp's return, to remain absent for three months if necessary, to complete the whole arrangement properly. It is my duty also to inform your Excellency with regard to a passage in Mr. Kemp's report, dated the 19th June, in which mention is made of Captain Oliver, of H.M.S. "Fly," and of Mr. Kettle, the New Zealand Company's principal surveyor, as co-operating with and assisting Mr. Kemp in his arrangements, that, upon my making inquiries of Captain Oliver on the subject, he distinctly informed me that when Mr. Kemp applied to him for advice he explicitly told him that he could not give advice without knowing Mr. Kemp's instructions, and these Mr. Kemp never offered to show him. Colonel Wakefield has also assured me that Mr. Kettle was equally unable to give advice for the same reason, and he, moreover, did not go as a coadjutor of Mr. Kemp, but to act under him in marking off reserves or making surveys.

It remains for me to observe that, in accordance with the wishes of the New Zealand Company's principal agent, I purpose, as soon as the worst of the winter months are over, to send down a new Commissioner, accompanied by a surveyor, for the purpose of defining and determining all the Native reserves, and after the due completion of which I propose that another and more formal deed should be executed by the Natives, and the second instalment, which by that time would become due, be paid to them. By thus correcting the mistakes which have occurred without the lapse of any long interval of time, and before circumstances can have arisen to make the Natives disposed to take advantage of any opening left them to extort further payments, I would trust that some of the difficulties, otherwise unavoidable, may in a great measure be obviated, and especially as the comparatively small amount and scattered character of the population offer greater facilities for attempting such a rearrangement than could have been hoped for in any other portion of New Zealand.

In conclusion, I have to inform your Excellency that, upon Mr. Kemp's applying to me for the allowance of a guinea a day, which had been promised to him in addition to his salary on his undertaking the mission to the Middle Island, I have felt it my duty, in consequence of his having totally disregarded the instructions given him, to withhold the payment until I can receive your Excellency's directions. A copy of my Private Secretary's letter to Mr. Kemp on this subject is enclosed, from which your Excellency will observe that, though I felt it my duty to withhold payment of the full allowance, I offered, in order to prevent his being subjected to any inconvenience, to pay such expenses as he might actually have incurred, but this offer he has not availed himself of. I may here mention that Mr. Kemp was provided by the Government with passages backwards and forwards in H.M.S. "Fly," that he lived on board free of all expense, and was only absent from the ship three nights during the whole of the time he was away from Wellington. It is quite impossible, therefore, that Mr. Kemp could have incurred any very heavy expenses on account of his mission whatever might be the inconveniences he was subjected to in quitting his home and residing on board a man-of-war for seven or eight weeks.

The fact of Mr. Kemp having resided on board ship the whole time excepting three nights will, I think, be quite sufficient to prove to your Excellency how utterly impossible it was for him to discharge properly, under such circumstances, the trust confided to him. Mr. Kemp could not have been sufficiently among the Natives to learn thoroughly their wishes or wants, could not have seen the tracts they desired to have as reserves, and could not have visited even the Native settlements nearest to Otakou and Akaroa respectively. On this subject I would beg to call your Excellency's attention to my Private Secretary's letter of the 7th July, No. 108, in which several distinct inquiries were put to Mr. Kemp, but which, in his reply of the 8th July, he declines to answer, by stating that he is unable to give any further information. I append therefore a copy of a letter from Captain Oliver, R.N., of H.M.S. "Fly," showing that, with the exception of the three nights referred to, Mr. Kemp was never absent from the ship at night. I would also refer your Excellency to the important information sought to be obtained as a matter of record in the queries put in my Private Secretary's letter of the 7th instant, as to the names, ranks, hapus, &c., of the individual Natives, who, being residents of the settlements between Otakou and Akaroa, marked in the maps by red-ink figures, were present at the sale at Akaroa as representatives of their respective kaingas. This information, unfortunately, Mr. Kemp states he cannot give. In his letter of the 27th June he gives the names of certain Natives said to be representatives of the settlements intervening between Akaroa and Otakou; but he does not state that they were residents of these places, and does not give their hapus, although in his letter of the 22nd June he speaks of their being subdivided into several tribes. Moreover, out of seven settlements marked on the map as existing between Akaroa and Otakou three only had representatives present, according to