

It seems to me, and I believe this opinion is shared by the members of the Council generally, that, for some time to come, the University will best promote those great objects for which it was established, and that it will most effectually aid the interests of higher intellectual culture in all parts of the Colony by working through affiliated institutions, and by thus giving encouragement to learning wherever a taste for literature exists among whatever class it may be found.

As regards the intention of the Council, to consider the University of Otago, an affiliated institution, for the purposes of scholarships, you object that the Council has no power to establish scholarships in affiliated colleges, and *a fortiori* has not power to establish them in the non-affiliated University of Otago.

I am not quite sure that I understand the exact point of this objection. It appears to me that if scholarships can be held only in the University, and in no other institution, it matters little whether the institution proposed to be admitted to this privilege is affiliated or not, both are equally excluded. In any case, however, this objection becomes of less moment, practically, as nothing has as yet been actually done in the matter of affiliating colleges; but it is the intention of the Council, when the proper time arrives to affiliate the University of Otago, as well as any other institutions which may be entitled to this distinction.

The precise mode in which the case of scholarships in the Otago University is to be dealt with, is a matter for future consideration. All that the Council is pledged to at present is, to take such steps as may be necessary to allow of scholarships being held in that institution without a formal application being made on its behalf, as is required in the case of other institutions seeking affiliation.

I have now, I think, adverted to all the points referred to in your letter, and I have done so at some length, because I am anxious to lay before the Government as fully as possible, the suggestions which have occurred to me during the late meeting of the Council, in order that, should any alteration of the Act be in contemplation, the attention of the Government may be drawn to questions which appear to me of considerable importance, and which may materially affect the future usefulness of the University.

I have, &c.,

HENRY JOHN TANCRED,
Chancellor.

The Hon. the Colonial Secretary, Wellington.

No. 24.

The Hon. Mr. GISBORNE to Mr. TANCRED.

Colonial Secretary's Office,
Wellington, 15th July, 1871.

SIR,—

I have the honour to acknowledge the receipt of your letter of the 6th instant, in reference to the points raised in my letter of the 3rd, relative to the action of the Council of the University of New Zealand, at its late meeting in Dunedin.

I gladly recognise your wish to co-operate with the Government in removing all doubts respecting the legality of that action, and in best attaining the object of the Legislature in passing the University Act of last Session, and, in the few further remarks which I venture to make, I desire to reciprocate that wish to its fullest extent.

In referring to the fact that no site had been fixed for the University, I did not intend to impute to the Council any responsibility for that omission, but merely wished to point out that until such site had been fixed, certain measures taken by the Council were, as the Government were advised, of doubtful validity. One of the objects of summoning the Council at Dunedin was to facilitate the amalgamation, and thus combine the respective means and powers of the two Universities of New Zealand and Otago; and, failing this, to elicit on the part of both Councils that discussion and expression of views which would best guide the Government and the Legislature in their further deliberations on this subject, and ensure to their action the greatest probability of success. It is, therefore, a matter of regret to the Government that if, as you state, the Council felt that it was "no part of its functions to take action in the matter" (the selection of site), it should have "expressed its opinion by resolution that the establishment of the University at any particular place is not desirable at present." The twofold result, I fear, is that the amalgamation of the two Universities has been prevented, and that considerable embarrassment is entailed on the Governor in Council with respect to the establishment, as contemplated by the Act, of the University at a particular place, in direct contravention of the expressed opinion of the Council.

The Government cannot concur in your argument that the appropriation of the funds of the Council is not, under the University Act, the subject of statute or regulation to be approved by the Governor in Council. They are of opinion that, if statutes and regulations are necessary for the matters, some of comparatively minor importance, specified in the 10th section, the appropriation of money was intended to have been similarly treated. This view is strengthened by the fact that though the 15th section generally states the objects towards which the sum received by the University from the Colonial Treasury shall be appropriated, no limitation, even of that general nature, is made respecting the appropriation of other funds to which the University may be entitled. It may, therefore, be reasonably inferred that the Legislature would impose the same conditions on appropriation of money as it does on what may be considered comparatively matters of mere routine; and this inference is fully substantiated by the terms of the 10th section which extends the jurisdiction of the statutes and regulations to "all other matters whatsoever regarding the said University," and those of the 12th section, which require the sanction of the Governor in Council to such statutes before they bind the members of the University, as it cannot be supposed that the Council would have been allowed to make appropriations by which the Members of the University would not be bound.