

With regard to the scholarships, I do not understand how the Council, as you appear to think, has complied with the requirement that the establishment of scholarships should be the subject of statute or regulation, by heading its advertisement as "Regulations for Scholarships," when it ignores the condition of the approval of the Governor in Council, which is rendered necessary by the 12th section. It cannot, surely, be justly held that the establishment of scholarships, as well as appropriation of money, can be made by the Council, and at the same time the condition avoided, the fulfilment of which is to render such establishment binding on the University, and on candidates for degrees, and recognisable by courts of justice.

The whole question of these scholarships is at present beset with complications. They have been publicly offered before they have been legally established, and before any colleges have been affiliated to the University; and in the case of the University of Otago, as I understand, without the condition of affiliation, inasmuch as the necessity of an application for affiliation, and consequently, I presume, of observance of other stipulations are dispensed with. In fact, it would appear that the University of New Zealand, after it has refused amalgamation, wishes to force affiliation on the University of Otago.

Under all these circumstances, the Government have considered that the most advisable course will be to allow the whole question to be reconsidered by the Legislature in its approaching session, with a view to the adoption of such measures as will render the University capable of discharging its functions with most efficiency, and of thus securing the greatest advantage to the cause of education.

I understand that the Council wish to meet at Wellington while Parliament sits, and with the view of enabling it to do so, His Excellency the Governor in Council will be advised to sanction the statute relative to the convening of future sessions of the Council. The other statutes and *Gazette* notices may, the Government think, be temporarily postponed, until the Legislature have considered the whole subject.

H. J. Tancred, Esq.,
Chancellor of the Council of the University of
New Zealand.

I have, &c.,
W. GISBORNE.

No. 25.

Hon. Mr. GISBORNE to Hon. Major RICHARDSON.

SIR,—

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

I have the honor to acknowledge the receipt of a letter, of the 16th ultimo, written in your absence by the Vice-Chancellor of the University of Otago, and I have been in correspondence on the subject of it with the Chancellor of the University of New Zealand.

After careful consideration of all the circumstances arising out of the recent meeting of the Council of the University of New Zealand, and of legal difficulties connected therewith, the Government have decided on submitting the whole question to the further consideration of the General Assembly in its approaching session.

The Government have no power to allot to the University of Otago any portion of the sum of three thousand pounds (£3,000) which, in pursuance of the 15th section of "The University Act, 1870," the Colonial Treasurer has paid to the University of New Zealand.

The Hon. Major Richardson,
Chancellor of the Otago University, Dunedin.

I have, &c.,
W. GISBORNE.

No. 26.

Mr. TANCRED to Hon. Mr. GISBORNE.

SIR,—

Christchurch, 11th July, 1871.

In further reference to my letter of the 6th instant, it has occurred to me that, with a view to giving effect to the wishes of the Council, as expressed at its last meeting at Dunedin, it devolves upon me to take any steps that may be required for the removal of any merely technical objections that may exist to regulations adopted.

With this object, I enclose for the Governor's approval, copies of the regulations adopted by the Council, relating: 1. To the conditions on which scholastic or collegiate institutions may be affiliated to this University. 2. The regulations for scholarships. 3. The appropriation of funds.

If, as would appear from your letter of the 3rd instant, there is a doubt whether the Council is competent to make the regulations for scholarships as adopted. I presume there is no objection to those which relate to the other subjects. I would, therefore, respectfully suggest that His Excellency may be advised to approve of those headed, "Conditions of Affiliation" and "Appropriation of Funds," in order to remove the technical objection to their validity mentioned in your letter.

It being the opinion of the Attorney-General that proper statutes or regulations for the management and disposal of the University funds should be made and submitted for the approval of the Governor in Council, it is very desirable that I should be placed in a position to carry out the wishes of the Council, and that I should have legal authority for incurring those incidental expenses of the Council which have been indicated by resolution.

With regard to the regulations for scholarships, and the objection raised to them, that University scholarships cannot be held in affiliated institutions, I may remark that the regulations do not in so many words contravene this dictum. They merely provide that successful candidates must enter their names on the books of an affiliated institution, and attend the course of studies pursued there, but this is not necessarily inconsistent with the scholarships being held at the University also.