I am directed by Governor Sir George Grey to acquaint you that until further provision is made by the General Assembly the Land Fund of the Province will be appropriated in the following manner.

2. One-fourth of the gross proceeds of the Land sold or let in the manner stated in the 74th clause of the New Zealand Constitution Act, will be retained for the benefit of the New Zealand Company.

3. The remaining three-fourths of the gross proceeds, together with the proceeds arising from the rents of Crown Lands, from the fees on Crown Lands, &c. &c., will be subject in the first place to deductions for the cost of the Land Department. Surveys, &c., as also for such proportion of the land fund as the Commissioners may be direc ed from time to time to deduct for payment to the aborigines for the purchase of their lands.

4. After these deductions have been made the balance remaining is to be divided into two equal parts, one of which is to be retained by the Commissioner for emigration purposes, while the other part will be paid over at the close of each'. month to the Provincial Treasurer, or to the Provincial account at the Union Bank

of Australia.

5. The General Government will for the present apply the portion of Land Revenue applicable to emigration purposes, in accordance with the terms of the proclamation of the 4th March, 1854; but if the Provincial Council of any Province would prefer having any alteration made in this arrangement, the Governor will be prepared to receive any representa ions which may be made by the Superintendent of such Province upon the subject.

6. It must however be understood that if any portion of the Province is proclaimed a Hundred, nothing contained in the foregoing paragraphs will prevent the Governor, under the authority of the Royal Instructions of the 12th August, 1850, from authorising the application of any proportion not exceeding one-third of the gross proceeds of the sales of Crown lands within such Hundred to such

purposes as shall be signified to him by the Wardens of that Hundred.

7. You will have the goodness to remit, in notes of the Colonial Bank of Issue, to the Commissariat Officer in charge at Wellington, at the close of each month, for remission to the Lords Commissioners of Her Majesty's Treasury, the one-fourth of the gross proceeds of the Land Fund which may be payable to the New Zealand Company; transmitting at the same time certified accounts in duplicate showing the total receipts for the month, over which the New Zealand Company have any claim, in order that these documents may be forwarded to the Lords of the Treasury, that it may be apparent that the New Zealand Company have received the full amount of the one-fourth to which they are entitled by Act of Parliament. With respect to the land comprised within the Otago Block of the 144,000 acres, full instructions have already been given you in my letter of the 22nd of June last, and the Superintendent has been informed that the arrangements therein directed will be acted upon until new Regulations may be made in the manner provided by clause 78 of the New Zealand Constitution Act.

I have, &c.,

(Signed) ALFRED DENNITT, Civil Secretary.

The Commissioner of Crown Lands, Otago.

53-1075

(Circular.)

Civil Secretary's Office,

Wellington, 12th August, 1853,

Sir,-

The Commissioner of Crown Lands has received instructions to submit to your Honor a Return according to the enclosed Form of all Lands which are to be put up at the upset price of 5s. an acre. This form, as your