

under the local Ordinance, and who consequently remains in possession of his strict legal rights.

7. Next, the Ordinance restores the upset price of £1 an acre throughout the Islands in direct contravention of the rights of the Canterbury Association as secured by Act of Parliament, of the contracts of the New Zealand Company (which have now devolved upon the Crown) with the Otago Association, and of the provisions of 14th and 15th Victoria, cap. 86, sec. 1, which enacted, that so long as the Cook's Straits settlements (in which for the present purpose, I include New Plymouth) exist, land should not be sold in them below its then price.

8. On these grounds, as I have already said, Her Majesty cannot be advised to confirm this law. But it will be allowed to remain in force, and I wish to point out to you the effect which the recent legislation in this country will have in enabling you to give practical effect to its most important provisions, comprising some of those which, when originally enacted, were contrary to the Imperial Law, and could not be rendered effective by any exercise of the prerogative.

9. Under the Act 14th and 15th Victoria, cap. 86, sec. 10, taken in connection with the previous Act 9 and 10 Victoria, cap. 382, sec. 51, the award of an officer to be nominated by you, will have the exonerating effect which the Colonial Ordinance assumes to give to the decision of a Government Commissioner, subject only to this limitation, that as the English Acts of Parliament only contemplate the issue of grants of land, the exonerating effect will not extend to cases in which the alleged liabilities of the Crown have been satisfied in scrip. If, therefore, an award wrongly made in favour of a person who shall prove not entitled, has been so satisfied, the Crown will remain liable to discharge its obligations a second time when the rightful owner appears, some mode may occur to you of obviating this possibility, but even should this not be the case, I do not think the mere chance of such an inconvenience need interfere with your operations in settling the claims of the Company's settlers. I need scarcely observe, however, that it furnishes an additional reason for caution in examining them.

10. I have next to point out, that under the first section of the same Act, and the instructions conveyed in Lord Grey's despatch of August 8th, 1851, you are not only empowered (subject to the above condition as to price) to make regulations for the disposal of Crown Lands within the Cook's Straits settlements, but, without any such restrictions, to make regulations "for the closing and determination of the affairs of the said settlements" If you think it advisable (in concurrence with the general feeling of the settlers) to exercise this power, I apprehend that the regulations respecting the price of land contained in the New Zealand Company's terms of purchase, would fall of themselves, and the instructions as to the sale of land, which are in force in the rest of the Colony, would at once take effect within the settlements. Farther, the 72nd section of the new Constitutional Act invests the General Assembly with a power wholly unrestricted (except as regards Canterbury and Otago) of "regulating the sale, letting, disposal and occupation of the Waste Lands of the Crown in New Zealand;" and the proviso contained in the same section, taken conjointly with the 79th section, declares that, until otherwise enacted by the General Assembly, the same powers shall be exercised by the Crown, or the Governor if duly authorized by the Crown. It follows that under the authority conveyed to you in my despatch of the 16th instant, enclosing the Constitutional Act, you will be at liberty to make such regulations generally throughout New Zealand for the disposal of land during the short interval which may elapse, until the assembling of the new Legislature, as you may think advisable, nor can I foresee any legal difficulty in regard to the mode of dealing with Crown lands, which these very large powers will not enable you to overcome.

11. The quasi judicial machinery established by the Colonial Ordinance will, I hope, suffice to deal satisfactorily with most of the Compensation Claims which may call for revision. With regard to these, I think that although cases of gross fraud, or exorbitancy, should be severely scrutinized; yet the mass of the claims should be dealt with in such a liberal spirit as may secure a general submission to the provisions of the Ordinance. And I take this opportunity of observing that I do not consider that the merits of any particular case, involving as they all do, mixed considerations of justice and policy, can be properly dealt with in this country. I cannot, of course, prevent, or prohibit, direct appeals from any decisions at which the authorities appointed by you may arrive, to the Secretary of State, if the parties choose to make them; but it is my earnest wish, if possible, to leave the adjustment of each separate case entirely to those authorities.