

balance in hand of £5,000. It was considered that the unexpended residue of private subscriptions would be more than enough to satisfy the claims of those who were entitled to a further instalment. The Government, both local and home, intend, I believe, to appropriate the remaining moiety of the Imperial grant (which has just arrived in hard sovereigns) to the restoration of official buildings. Then comes the question, *What is to be done with the Queen's letter collections?* The Bishop does not like to trouble Earl Grey with further extracts, but the above seems to shew that there are actually in St. John's nearly £35,000 unemployed, and almost, it would seem, uncalled for. His (the Lord Bishop's) friend thought with many others, that if any additional large sum be appropriated to the sufferers by the fire, it would do more harm than good. The Lord Bishop, therefore, hopes that Earl Grey will find and grant that the whole residue of the Queen's letter fund now remaining in England may be appropriated without inconvenience to the rebuilding of the Church. His Lordship asks whether there is any necessity of putting the monies collected through the Queen's letter into the acting Governor's hands? He would suggest that the Government at home might more conveniently direct the application and prescribe the guarantees or certificates, if it might not be put under his control. He alluded to the residue reserved for rebuilding the Church.—P. 56.

Letter from Earl Grey to the Lord Bishop, dated 15th December:—it was not in the power of Earl Grey to issue any directions respecting the appropriation of these funds until he had been in possession of the Report which he was expecting on the subject from the officer administering the Government of Newfoundland.—Page 56.

Colonel Law to Earl Grey, 26th November—in explanation of some circumstances connected with the funds derived from the Government and other sources. He concurs in the advantage to be derived from a portion of the Government grant being reserved for the re-erection of official buildings, or other public purposes connected with the general interests of the colony, and had taken every step which he had thought likely to effect in this direction. He wished directions to retain the balance of the Government grant now in the Commissariat chest, to await His Lordship's further instructions.—P. 57.

In reply, 23d December, Colonel Law is authorized to retain in his hands the remaining portion of the Government fund (£15,000) until the receipt of final instructions for its appropriation.—P. 58.

Another application from the Lord Bishop to Earl Grey (17th December) states, that after the second instalment to the sufferers there will be a large balance of the Government grant, exclusive of the Queen's letter collections. Hopes the appropriation for the Episcopal Church will be made without delay. The residue from the Queen's letter might in reason and justice be applied to the rebuilding of the Church.—P. 58.

To which, on the 22d December, the noble Earl replied that he had received by the last Mail a despatch from the acting Governor of Newfoundland, confirming certain statements (as to the payments which had been made, and the funds remaining), and that he (Earl Grey) had thought it right to direct the Governor to reserve for the purpose of rebuilding the Church one-half of the total amount of collections. It is proper to state that between the date of the foregoing despatch and