Despatch from the Right Honourable Earl Grey, Secretary of State.

No. 2.

(No. 551.)

Copy of a DESPATCH from the Right Hon. the Earl Grey to the Right Hon, the Earl of Elgin and Kincardine.

My Lord,

* Page 1.

Downing Street, January 27, 1851.

I HAVE hitherto deferred answering your Lordship's despatch No. 198, of the 19th of July last*, in which you transmitted to me an Address to Her Majesty from the House of Assembly, on the subject of the Clergy Reserves, because when this despatch reached me the session of the Provincial Legislature having already been brought to an end, and that of the Imperial Parliament being about to close, nothing could for some months be done on the subject referred to, and I therefore thought it advisable that it should be reserved for that full and deliberate consideration of Her Majesty's Government, which its difficulty and

importance deserved.

2. I have now to instruct your Lordship to inform the House of Assembly when it shall again be called together, that their Address to the Queen, which was transmitted to me in your despatch, has been laid before Her Majesty, and that Her Majesty has been pleased to receive it very graciously. further inform the House, that while Her Majesty's servants greatly regret that a subject of so much difficulty as that of the Clergy Reserves should, after an interval of some years, have again been brought under discussion, it has appeared to them on mature deliberation, that the desire expressed by the Assembly in this Address ought to be acceded to, and they will accordingly be prepared to recommend to Parliament that an Act should be passed, giving to the Provincial Legislature full authority to make such alterations as they may think fit in the existing arrangements with regard to the Clergy Reserves, provided that existing interests are respected.

3. In coming to this conclusion Her Majesty's Government have been mainly influenced by the consideration, that, great as would in their judgment be the advantages which would result from leaving undisturbed the existing arrangement by which a certain portion of the public lands of Canada are made available for the purpose of creating a fund for the religious instruction of the inhabitants of the province, still the question whether that arrangement is to be maintained or altered is one so exclusively affecting the people of Canada, that its decision ought not to be withdrawn from the Provincial Legislature, to which it properly belongs to regulate all matters concerning the domestic interests of the

province.

4. It has therefore appeared to Her Majesty's Government that it would be impossible for them, consistently with the principles on which they have always held that the Government of Canada ought to be conducted, to advise Her Majesty to refuse to comply with the prayer of the Address of the House of Assembly; and they have had the less difficulty in coming to this conclusion, because they have observed with satisfaction, that the Assembly, in their Address, have recognized the claims of those who are now in the enjoyment of incomes derived from the funds realized by the sale of the lands in question, and have not asked, that in any alteration of the Act of Parliament now in force, authority should be given to the Provincial Legislature to interfere with the continuance of these incomes for the lives of the parties by whom they are received. The course thus taken by the Assembly is alike consistent with sound policy and with justice, and has obviated what would otherwise have been a great difficulty in the way of accomplishing the object they have in view.

5. You will cause copies of this despatch to be laid before both Houses of

the Parliament of Canada at their next meeting.

I have, &c. GREY. (Signed)

The Earl of Elgin and Kincardine,

&c.

&c.