tant subject, you have stated that while your Society is prepared to grant us aid, in proportion to the emount raised here, in accordance with the resolutions passed 20th July, 1860, yet this aid is not to be available in the case of local efforts; but that the "object in proposing such a scheme was to stimulate a great Diocesan movement for raising a fund applicable to the most destitute missions, and so promote the ultimate independence of the Colorial Church." I do not know what may be applicable to other Dioceses, but I am quite sure that here this most desirable result will be much more readily and effectually attained by aiding the local efforts for individual Parishes. As I stated in my letter last year, we have hardly a Parish in this Diocese that holds any endowment for the support of the incumbent. Some small amounts have been raised, in a few instances, very recently; and there are some not very productive glebes, most of which have been lately acquired. And it is far more important that these existing Parishes should be helped, as quickly as possible, that they may attain a state of independence, than that the principle of dependence should be kept up, though under the idea of extending more widely the work of the Church. It is true we shall always want some Diocesan funds for strictly missionary work; and I have commenced a list of subscribers for the purpose of raising such a fund. But while in every locality, both in this city and throughout the country, every congregation is anxious to do something for their own permanent endowment, it is not likely that much will be raised for a general fund. In the city of Montreal, where we might look for the principal subscriptions, very large sums have been expended in the erection of our churches since 1850, and more will be required to complete them, and free them from debt. Three of them, including the Cathedral, have been entirely rebuilt, after having been destroyed by fire; and the only one still remaining, that I found when I came out here, has been very much enlarged, viz. St. George's. Only one of the city clergy, as yet, is provided with a parsonage house; and all of them are entirely dependent on their congregations, without one sixpence of endowment. being the state of the Diocese, it seems to me that instead of making exertions to extend and perpetuate a system of dependent churches, it will be far more prudent to make sure of the ground which we now occupy. The old system has been carried on too long already, and has produced an unhealthy state, and should first be remedied with care and wise treatment, and then I have no fear but that we shall always be able to raise amongst ourselves a fair annual sum for further missionary work; which in the present condition of our several parishes it is impossible to realize. I have very recently received from one of my clergy a letter, which breathes so hearty and healthy a spirit, and is so full of practical good sense, that I think I cannot do better than insert a copy of it here:

"Knowlton, 26th Feb. 1861.

"My Lord, Enclosed I send twenty dollars for The Society for the Propagation of the Gospel. I held a missionary meeting in Knowlton the other day, at which were present our new Rural Dean (the Rev. G.