

CHURCHWARDENS' REPORT.

EASTER, 1886.

To the Vestry and Congregation of St. James' Cathedral :

In presenting their accounts for the past year, the Churchwardens have to regret the recurrence of a deficit of ordinary income against ordinary expenditure to about the same amount as has occurred in each of the previous years since the income from the endowments of the Church has been in suspense. The Churchwardens must once more point out the financial impropriety of meeting this deficit by borrowings from the surplus receipts of St. James' Cemetery, a capital fund derived from sales of land.

The Churchwardens confidently expect that the litigation concerning the endowments will be finally terminated within a few months. The application for leave to appeal to the Supreme Court direct from the Chancery Division, which was pending at the time of last Easter Vestry, was decided in November last in favor of your Churchwardens' contention ; and the appeal is now set down for final argument at the head of the Ontario list for hearing at the approaching sittings of the Supreme Court.

The Churchwardens believe it will be acknowledged by the congregation as a duty to exert every possible effort to equalize the ordinary income and expenditure as far as possible, irrespective of the result of the litigation.

The Churchwardens, believing that the debenture debt has been bearing too high a rate of interest, have successfully arranged for its redemption from the late holders, and are now in a position to re-arrange the debt at a lower rate of interest.

The Churchwardens fear that any further reduction of the regular staff of salaries would involve a serious diminution of efficiency.

On the other hand, there are two sources from which an increased income appears to be possible. One means is, by increasing the ground rents on pews held in freehold, which are generally much below the rentals of surrounding pews. Most of these pews were purchased from the Church over 30 years ago, and have long ago repaid to their holders the capital of their original price. The other source is, by providing for the drafts upon the general income for the poor of the parish, a very considerable item at present, by a special collection for that purpose from Communicants on Communion Sundays.

It is hoped by these two means to produce an increased income of upwards of \$1,000. The balance, it is to be hoped, will be largely, if not wholly, made up by those members who have not yet given their adherence to the envelope system of collection, a method which experience has shown to be the most just and reliable method of contribution to the necessary expenses of a congregation.