

First Enclosure in No. 5.

No. 5.
Sir G. Arthur to
the Marquis of
Normanby,
12 April 1839.

Enclosure No. 1.

REPORT of the Committee of the House of Assembly of Upper Canada on the
Clergy Reserves.

To the Honourable the Commons House of Assembly in Provincial Parliament.
assembled.

The Committee, to whom was referred that part of his Excellency's opening Speech which related to the Clergy Reserves, beg leave to make the following Report:—

THAT, deeply impressed with the importance of the subject, and anxious, if possible, to suggest some measure which might be acceptable to the community, keep in view the spirit of the object for which the reserves were set apart, and avoid the excitement of any feelings on this most difficult topic, your Committee determined to commence and prosecute their labours with calm and impartial feelings.

Their first object was to fix on some leading principles as the basis of the plan they might recommend to your honourable House, the adoption of which would tend to reduce the question to one of mere detail; and the following subjects were carefully considered:—

First.—The propriety of carrying into full operation the system commenced under the authority of the Imperial Parliament; viz. selling all the clergy reserves.

Second.—The funds in which the proceeds of all sales should be invested.

Third.—The purposes to which the sums so raised should be devoted, and whether the principal monies or the annual interest only should be appropriated.

Fourth.—The mode by which such appropriation should be carried into effect.

Your Committee, on the first of these points, came to a determination to recommend to your honourable House that all the clergy reserves should be sold. Among other arguments which weighed with your Committee in arriving at this conclusion, it may suffice to mention, that there appeared no other certain mode of obtaining an immediate income to any considerable amount from these lands.

In considering the next question, your Committee, while they would advise the investment of the proceeds of all sales of the reserves in provincial funds, feel it their duty strongly to press on your honourable House that the interest should be so safely secured that hereafter no difficulty may be experienced in its collection. At the same time, it was their desire that the proceeds should be loaned to the province, so as to be of immediate service for its internal improvement; and, with a view of combining these two objects, your Committee have resolved to recommend to your honourable House that the monies accruing from such sales shall be immediately invested in provincial debentures bearing an interest of six per cent. per annum, and shall (if only the interest be appropriated) be expended in making and improving the public highways throughout the province; the interest to be secured by tolls on such roads, by a tax on the districts wherein the money shall be laid out, and by any other mode which your honourable House shall see fit to adopt.

The third and most important subject of deliberation with your Committee was, to what purposes the proceeds of these sales should be applied, and whether the appropriation should be confined to the interest or extend also to the principal money.

Your Committee have felt themselves bound, by every consideration of the future welfare of this province, to urge on your honourable House that the proceeds of these lands should be exclusively appropriated to religious purposes, and they have selected three objects to which they think the expenditure may be properly made applicable:—

First.—The maintenance of public worship.

Second.—The erection of churches and chapels.

Third.—The education of individuals for the office of the ministry.

Considering also that these invaluable benefits should be secured not only to the present but to future generations, your Committee submit, that only the annual interest should be thus expended.

Your Committee have not found it, in their judgment, advisable to offer any plan of distribution of the interest of the sales which would be complete in all its details, but have thought it more advisable to leave them unsettled to a certain extent, so as to leave to the Executive Government a power to provide for any changes from time to time in the circumstances of different religious bodies in the community. They have, therefore, resolved to recommend to your honourable House that the Lieutenant-Governor in council should be empowered to appropriate such interest in the following manner:—

First.—Not more than one-fourth to the Church of England.

Second.—Not more than one-fourth to the Church of Scotland.

Third.—The residue among such bodies of Christians as he shall think fit, in order to promote to the uttermost the "diffusion of religion and true piety throughout the province."

In order to carry out the recommendation of your Committee, independently of the general sanction of the home Government, the direct assistance of the Imperial Parliament will be necessary to authorize the transfer of the proceeds of clergy reserves already sold from the British funds into provincial securities.

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