

The matter, however, now presses on us in a way that must be met one way or the other. Either we must rise to the emergency, and surmount the difficulty, or we shall be crushed by it.

Having been requested by the Committee appointed by the Diocesan Church Society, to endeavour "personally to see the Committee of the Society for the Propagation of the Gospel, and if possible, bring the long pending negotiation relative to its grants to this diocese to a close." I lost no time in repairing to London, and was enabled to be present at the June meeting of the Committee of the Society for the Propagation of the Gospel. I found that the grants made to all the Colonies had already been the subject of repeated discussion, and that the terms of our future relations had been virtually settled by the Report of a Sub-Committee, all members, I believe, of the General Board. These terms, modified slightly, so as to be somewhat more favourable to us, were adopted unanimously by the General Committee, and have since been sanctioned by the Board, and are as follows :—

1. After January 1, 1866, no missionary on the Society's list, in this diocese, is to draw directly on the Society for the Propagation of the Gospel, but on the Church Society of the province, for his salary.

2. In lieu of the present stipends paid by the Society for the Propagation of the Gospel, the Society entrust to the Bishop and the Church Society the sum of £2,860 *stg.*, leaving it to them to arrange with the clergy as to the sums to be paid to them.

3. This sum of £2,860 is to be continued undiminished for the next three years, *i. e.*, till January 1, 1869.

4. In addition to this sum, the Society charges itself with pensions to two clergymen and seven widows, amounting to £550 per annum, so long as these pensioners live.

You may naturally expect from me some remarks on this determination of the Society at home.

1. It is useless to discuss the question whether the former terms offered by the Society in the year 1861 were, or were not, more favourable than the terms offered to us in 1865. It is sufficient for me to state distinctly, that those terms were accepted unanimously by us at the Annual Meeting of our Church Society; that the acceptance of the terms was plainly announced to the Society for the Propagation of the Gospel, and that the negotiation fell through; not from any fault or tardiness on our part, but because we never could obtain from the Committee the names of the clergy, and other pensioners, whom we were expected to pay, with the sums to be paid to them. In that case, we certainly cannot charge ourselves with any want of readiness to discharge our duty to the Church. What I now state to you has been more than once brought under the notice of the Committee of the Society for the Propagation of the Gospel, but no notice whatever has been taken of it.

2. I am, however, of opinion that if so great a change in our relations