Scotland, it may be contended, even although the fund may largely exceed the sum mentioned in the Act, that, according to a possible construction of the clause

in question, the liability may arise.

S. It has been urged in Parliament, that the guarantee on the part of the Imperial Treasury ought now to cease, both on grounds of justice and because the reason originally assigned by Lord John Russell in 1840 for placing it on the Consolidated Fund, instead of the revenue of Canada, no longer exists; and it may be further argued, that in making this final settlement the sums so guaranteed ought to be received out of the general provisions of the Act, and definitively charged on the revenues.

9. Her Majesty's Government would, however, feel themselves bound to oppose the introduction of any such provision into the present Bill. They would regard it as wholly incompatible with the general principles upon which

the measure is based, and with the assurances already given to Canada.

I cannot, however, avoid expressing a hope, that, if at some future time the Parliament of Canada should think proper to legislate upon the subject of the Clergy Reserves, they will not lose sight of the expectations which this guarantee, whatever may be its force, held out at the time to the Churches of England and Scotland, more especially as it was inserted in the Act of 1840, for the purpose of promoting a settlement of the question which was then regarded as highly beneficial to Canada, and which has in the interval greatly mitigated those religious disputes which had before extensively prevailed.

I have, &c. (Signed) NEWCASTLE.