

“ 40, BURLINGTON ROAD,
 “ ST. STEPHEN'S SQUARE,
 “ LONDON,
 “ 6th August, 1867.

“ SIR ;

“ Will you please to inform His Grace the Duke of Buckingham and Chandos that I purpose leaving London, on my return to Prince Edward Island, on 16th August, instant, and should His Grace please or deem it requisite I shall wait upon His Grace at the Colonial Office, at any time before 16th August which he may appoint.

“ I am not aware whether any decision has yet been arrived at respecting the demand made upon the local Government of Prince Edward Island for the payment of £4,979 11s. 2d. for maintenance of Troops, &c, referred to in my Letter of 9th July last ; but if so, I trust it will be communicated to me before my return to America.

“ Yours faithfully,

“ JOSEPH HENSLEY,

“ Attorney General,

“ Prince Edward Island.

“ H. J. BRYANT, Esquire,

“ Secretary to His Grace

“ the Duke of Buckingham and Chandos.”

On 10th August I received a communication from Mr. Bryant, and again on 14th August the following Letter :

“ COLONIAL OFFICE,

“ 14th August.

“ DEAR SIR ;

“ The Duke of Buckingham and Chandos will be glad to see you here on Friday next at 4 o'clock.

“ Yours faithfully,

“ H. J. BRYANT.

“ J. HENSLEY, Esq.”

I accordingly called at the Colonial Office on Friday, 16th August, and had an interview with His Grace the Duke of Buckingham and Chandos, when His Grace informed me that the War Office, on his recommendation, had modified the demand made in respect of the maintenance of Troops, and that a Despatch to your Excellency notifying the same had been prepared, which His Grace was good enough to read to me. This Despatch having since been received by your Excellency, it is unnecessary for me now further to advert to it. His Grace made several enquiries on other matters connected with the Government and interests of this Island, to which I need not on the present occasion refer, as they did not relate to the objects of my mission.

I shall now proceed to detail to your Excellency the steps which I took after my arrival in England to ascertain from the various Proprietors of Lands resident there and in Scotland and Ireland, the terms upon which they would be willing to sell their Lands to the Government.

I addressed at once Letters to Colonel Cumberland, Lady Georgiana Fane, Viscount Melville, and Miss Sullivan, and through Colonel Cumberland to Lady Wood and Miss

Government of Prince Edward Island, to ascertain whether they were willing to sell their Estates to the Government, and if so, upon what terms ; that it was the desire of the Government, if possible, to purchase all large Estates belonging to non resident Proprietors, and that I was anxious to have a personal interview, if possible, in order to explain the position of matters in the Island, and the views of the Government on the whole question.

I received from Colonel Cumberland a Letter under date 13th July, 1867, from Buxton, acknowledging receipt of my communication, and informing me that Lady Wood and Miss Fanning were then in Paris. Colonel Cumberland replied to that part of my Letter which related to the proposition to treat with him and Mrs Cumberland for the purchase of their Estates, as follows :—

“ With regard to the subject of your Letter, all I can say is that we are not disposed to part with our Estate in the Island except on terms which would yield us the same amount of income we at present derive from it. Indeed I do not see how it can reasonably be expected we should do so on any other, but if such were offered to us we should only be too happy to dispose of all our interest, &c.”

After receiving this reply from Colonel Cumberland, I again wrote to him a Letter, of which a copy follows, dated 6th August, 1867 :—

“ DEAR SIR ;

“ In your Letter to me dated 13th July last, you state that you are not disposed to part with your Estate in the Island, except on terms which will yield the same amount of Income as at present ; “ but if such were offered to us we should be only too happy to dispose of all our interest, &c.” Of course I am not informed as to the precise amount of that Income, and, therefore, before I can state what the Government are prepared to give, I require to know :

“ 1st. The area of the Land held by you and Mrs. Cumberland ? How much under Lease (for long or short terms) and how much wilderness ?

“ 2nd. The gross annual Rental, and the probable arrears of Rent ?

“ 3rd. The sum or price asked for the whole, including arrears ?

“ As regards times and modes of payment, I beg leave to give the following instances of terms on which Proprietors have sold to the Government.

“ The Worrell Estate, estimated at an area of 79,000 acres or thereabouts, cost £23,500 currency, about 4s. sterling per acre, and was paid for in Debentures, bearing interest at five per cent per annum, payable annually, the principal payable in Ten years.

“ The Selkirk and Montgomery Estates, together, cost £17,366 5s. 9d currency, paid one-half in cash and the other half in Debentures, payable in Ten years, with interest at five per cent. per annum.

“ The Cunard Estate, area 212,000 acres, cost £79,500 currency, or £53,000 sterling. The terms of purchase as follows :—

“ £5,000 sterling paid at time of executing the Deeds of conveyance, and Debentures for the balance then de-