The Examiner.

A WEEKLY JOURNAL OF POLITICS, LITERATURE AND NEWS.

"This is true Liberty, when Freeborn Men, having to advise the Public, may speak free."---Euripides.

VOL. XVIII. 1 CHARLOTTETOWN, PRINCE EDWARD ISLAND, MONDAY, NOVEMBER 18, 1867. 1 NO. 2

BUY CHEAP

BY PURCHASING AT

J. W. FALCONER & Co's,

Who have, by late English vessels, received a choice lot of

DRESS GOODS!

COTTONS,

COTTON WARP, CLOTHS,

FLANNELS, MANTLES, SHAWLS,

SCARFS, HATS, FLOWERS,

FEATHERS, &c.

GROCERIES:

In Teas, Sugar, &c.

South Side Queen Square, Oct. 28, 1867.

THE FALL IMPORTATION,

Per Ships *ABEONA & L. C. OWEN,*

JUST ARRIVED

AT

Queen Square House.

WM. HEARD.

Charlottetown, October 21, 1867.

THE NEW SERIES OF SCHOOL BOOKS.

THE NEW SERIES OF READING BOOKS, authorized by the Board of Education for use in the PUBLIC SCHOOLS of this Island, can now be had complete at

HARVIE'S BOOKSTORE,

QUEEN STREET.

A LIBERAL DISCOUNT allowed to Teachers and and wholesale Dealers.

☞ Please send in your orders.

Ch'town, Sept. 30, 1867. tf

STOVES! STOVES! STOVES!

500 COOK STOVES, suitable for coal warranted to WORK WELL, consisting of MAGICIAN, VICTORIA and HELPING HAND.

DODD & ROGERS.

COOK STOVES FOR WOOD WATERLOO, BROADSIDE, PREMIUM, and YARMOUTH COOK.

DODD & ROGERS.

FARMERS' BOILERS all sizes.

DODD & ROGERS.

PARLOR, AIR TIGHT and SHOP STOVES.

DODD & ROGERS.

REGISTER GRATES and MARBLE MANTLES.

DODD & ROGERS.

ROOFING PITCH and FELT.

DODD & ROGERS.

ONE No. 3 Singer's Sewing Machine.

DODD & ROGERS.

Ch'town, Oct. 14, 1867. pt isl 6w

FALL 1867.

Halifax, N. S.

W. & C. MURDOCH & CO.

BEG to announce the completion of their Fall Importations of a large and well assorted Stock of every description of DRY GOODS, suitable for the Season, and to the inspection of which they invite their friends and wholesale buyers generally.

ALSO ON HAND—

Chests half chests superior Congou TEA, (in bond or duty paid,) Soft Madras INDIGO.

Pentagon Building, Ordnance Square, September 30, 1867. } 3m

TOWNEND'S HATS AND CAPS.

A LARGE STOCK of the above, received ex "LOTUS," from LONDON, of the newest STYLES and SHAPES—

Good Silk HATS, 7s 6d to 14s.
Paris Velvet do, 20s 27s 6d.
Townend's best do, 32s 6d.
Boys & Gent's. FELT HATS, in great variety.
A large Stock of Tweed and Cloth CAPS, And also in Ladies' STRAW HATS, &c.&c.

G. & S. DAVIES.

Charlottetown, June 7, 1867.

Charlottetown Academy for young Ladies.

TERMS, including Board and Tuition in English, French, and Music, £12 10s per quarter, payable in advance. Day pupils £5 per quarter. Vocal Music, German and Drawing, extra. A quarter's notice required previous to the removal of a pupil. For further particulars, apply to the Principal, Mrs. McDONELL, or to the Rev. D. Fitz gerald, Rector of Charlottetown, P. E. Island.

N. B. French, German, and Drawing Classes open to young ladies who are not pupils in the Academy. Instruction in Music £3 per quarter.

October 21, 1867.

Morning School for young Ladies.

UNDER the SUPERINTENDENCE of the PRINCIPAL of the CHARLOTTETOWN ACADEMY. Terms for Tuition in English, £1 per quarter; French, £1 per quarter; Music, £1 10s per quarter. Terms in all cases payable in advance. A quarter's notice required previous to the removal of a pupil. For further particulars, apply to Mrs. McDONELL, Great George Street.

October 21, 1867.

Land Tax Office.

THE Office of COLLECTOR of LAND TAX—Corner of Grafton and Hillsborough Streets, Charlottetown, a few doors from the 'Examiner' Office.

DAVID LAWSON, Deputy Collector.

Charlottetown, October 21, 1867 [all papers

July 10th, 1867.

Cheap Goods! New Goods!

HEARTZ & SON

HAVE just received by *Java*, direct from ENGLAND, a further supply of

DRY GOODS,

which, owing to the decline in Cotton, they will be able to sell this Importation cheaper than the Stock imported this Spring.

GOODS:—Consisting of Grey, White, Striped, and Painted Cottons, Ginghams, Grey and White Sheeting, Striped Bedding, Cotton, Union and Linnen Ticking, Towels and Towelings, Cheese Cloth, &c, &c.

DRESS GOODS:—French Merino, Circassians, Poplins, Coburgs, Lustres, and Fancies.

CLOTHS:—Fine Cloths, Tweeds, Does, Silk, Mixed, Russel Cord, &c.

SUNDRIES:—Bugle and Straw Trimmings and Ornaments, in Black, White & Mixed; Velvet Trimmings, &c.; Buttons and Clasp Dewdrops, Feathers and Flowers, Corsets, Prunella and Kid Boots, Gents' Hats, Collars, Ties, Braces, Handkerchiefs, &c, &c.

P. S.—The above, along with Stock on hand, will be sold, wholesale and retail, cheap for Cash.

July 15, 1867. HEARTZ & SON.

Public Lands.

Townships Nos. 38, 39, 40, 41, 42, 43, 44, 45, 46, 53, 54 *and* 55.

NOTICE

To the Tenants on the above named Townships, and all persons desirous of purchasing Wilderness Land thereon.

THE Commissioner of Public Lands will attend at the following places, on the days hereinafter stated, for the receipt of all amounts due on the purchase of Public Lands, and for the sale of Wilderness Land:—

On Monday, the 2nd day of December next, at 10, a. m, at Mr. John Casey's, Grand River Road, Lot 53.

On Tuesday, the 3rd day of December, at 10, a. m, at Mr. Richard Burdett's, Dundas, Lot 55.

On Thursday, the 5th day of December, at 10, a. m, and on Friday, the 6th day of December, at Mrs. Patrick Scully's, Souris, Lot 44.

On Monday, the 9th day of December, at 10, a. m, and on Tuesday, the 10th day of December, at Mrs. Sutherland's, St. Peter's Bay, Lot 41.

On Wednesday, the 11th day of December, at 10, a. m, and on Thursday, the 12th day of December, at Mr. D. Phelan's, Morell, Lot 39.

NOTICE.

Those Tenants who have not accepted the provisions of the Land Purchase Act, and have omitted to pay their rent, are hereby finally notified that, unless payment is made to the Commissioner, at the time and place above named, distraints will be issued for its recovery.

JOHN ALDOUS, Commissioner.

Land Office, 26th October, 1867. isl

Fall Arrangement.

THE Steamer *PRINCESS OF WALES* will leave CHARLOTTETOWN, for SUMMERSIDE and SHEDIAC, for the remainder of the season, at SIX o'clock in the MORNING—every FRIDAY MORNING — instead of the Evening, as heretofore.

F. W. HALES, S. N. C.

November 4, 1867.

NEW GOODS!

FOR

SPRING & SUMMER, 1867,

AT

Glasgow House.

THE Subscriber begs to acquaint his customers, and the public, that he has, by the *Undine* and *L. C. Owen* from Liverpool, *Empress* and *County of Pictou* from Glasgow, and *Abeona* from London, completed his SPRING IMPORTATIONS, which comprise the usual assortment of

Staple and Fancy Dry Goods,

GROCERIES, &c. &c.

which are now ready for Sale.

FREDERICK LePAGE.

Charlottetown, June 3, 1867.

FIRST FALL IMPORTATION!

BRITISH DRY GOODS

FOR

Fall Season, 1867.

JUST RECEIVED AT THE

BRITISH WAREHOUSE!

PER SHIP "DAVID CANNON,"

7 Boxes and 6 Bales

Cottons & Woollens.

W. & A. BROWN.

September 16, 1867.

ALTERATION IN BUSINESS.

Notice to Debtors.

THE Subscriber hereby notifies that a complete change being about to be made in the Business carried on at Orwell, heretofore, by the late Patrick Stephens, deceased, and subsequently by the undersigned.

And this is to give notice to those parties indebted to Mary Stephens, Executrix, and to the undersigned, by Judgments, Notes of Hand, and Book Accounts, that unless they pay their respective accounts in full this Fall, they shall be sued without further notice on the closing of the Navigation.

All kinds of merchantable produce taken in payment.

R. J. CLARKE.

Orwell Cheap Store, Sept. 30, 1867. } tf

Alteration in Business.

NOTICE TO DEBTORS.

THE Subscriber, intending to close his present business this Autumn, hereby notifies all persons indebted to him, either by Bond, Note, Book account or otherwise, to make payment on or before the 1st day of November next. All amounts unpaid at the above day will be handed over for collection without further notice.

H. HASZARD,

Charlottetown, Oct. 7th 1867. ex isl

Final Notice!

AS the Subscriber intends making an alteration in his Business, and expects shortly to leave the Island, he hereby respectfully requests all persons indebted to him by Note of Hand, Book Account, or otherwise, that after the Twentieth day of November next, all sums remaining at that date unsettled will positively be handed over to his Attorney for immediate collection. Payment in Cash will be taken in Charlottetown by Messrs. Davies & Weeks. Produce of all kinds taken as payment at market prices.

SOLOMON MUTCH.

Southport, 21st October, 1867 pat isl

STOVES.

FOR SALE No 1 and No. 2 MODEL PARLOR STOVES, cheap for Cash or approved Credit.

A. McNEILL.

Reading Room Building, Oct. 28, 1867. }

CANOE ADRIFT.

GONE adrift from the Breastwork in front of Government House, a CANOE. Any party giving information of its whereabouts will be rewarded.

Government House, 4th Nov'r, 1867.

Executors' Notice.

ALL persons indebted to the Estate of JAMES BARR, late of Charlottetown, Pensioner, deceased, are requested to make immediate payment to the undersigned, Executors of the last Will and Testament of the said James Barr; and all persons having claims against said estate are requested to furnish the same, duly attested, for settlement to said Executors.

R. REDDIN, J. QUIRK, } Executors.

Ch'town, 4th Nov., 1867. 1m isl her gaz

AGENCY

OF THE

ROYAL INSURANCE COMPANY

FIRE & LIFE.

PARTIES desiring Policies in this office will please send in their proposals to WM. FULL, Esq., Queen Street, Charlottetown, who is authorized to receive and answer the same.

JOS. F. ELLIS, Agent, Pictou.

October 21, 1867. 1m

REPORT

OF THE

HONORABLE JOSEPH HENSLEY,

Attorney General,

TO THE GOVERNMENT OF P. E. ISLAND, RESPECTING HIS MISSION TO ENGLAND ON THE SUBJECT OF THE LOAN BILL AND OTHER MATTERS.

To His Excellency George Dundas, Esquire, Lieutenant Governor of Prince Edward Island, &c., &c., &c.

ATTORNEY GENERAL'S OFFICE,
CHARLOTTETOWN,
20th September, 1867.

SIR:

1. On the 15th June last an Order was made by your Excellency in Council, authorizing me to proceed to England, on behalf of the Government, to negotiate a Loan under the Act passed in the last Session of the Legislature, intituled "An Act to authorize the Government to raise a Loan of Money for the Public Services of this Island," the amount to be negotiated not to exceed £50-000 Sterling, the Union Bank of London being appointed the Agents under my directions to raise the Loan, and authority given me to instruct the Bank as to the terms upon which the Loan was to be raised.

2. On the same day another Order was made by your Excellency in Council, authorizing me to apply to the various Proprietors of Township Lands resident in England, Scotland and Ireland, and ascertain from them the terms upon which they would be willing to sell their Lands to the Government.

3. I was also authorized by another Order made by your Excellency in Council, of the same date, to submit the views of the Executive Council to the Imperial Government in relation to a certain communication from the Commissariat department at Halifax, signed "C. Routh," dated 18th of May, 1867, forwarding a demand for the payment of the sum of £4,979 11s. 2d. Sterling, as per accounts accompanying said communication, made for the transport of Troops by sea to Prince Edward Island, for their maintenance there, and other contingent expenses, which the Secretary of State had ordered to be forwarded to this Government with a view to its early payment; and which demand this Government conceived to have been made under a misapprehension of the facts, and that on notice thereof being brought to the attention of the Imperial Government, Mr. Routh would be instructed to withdraw it.

4. In execution of these Orders I left Prince Edward Island on the 20th of June, and arrived on the 29th June last, and having addressed a Letter on the 3rd July to His Grace the Duke of Buckingham and Chandos, Her Majesty's Principal Secretary of State for the Colonies, through H. J. Bryant, Esquire, His Grace's Private Secretary, requesting the honor of an interview, I received on the 4th of July the following reply:—

Colonial Office,
4th July, 1867.

Sir,

I beg leave to acknowledge the receipt of your Letter of yesterday's date, and to inform you that the Duke of Buckingham and Chandos will be glad to see you on Monday next, the 8th instant, at this Office, about 3 o'clock

Yours faithfully,
H. J. BRYANT.

J. Hensley, Esquire.

I accordingly, on Monday, 8th July, went to the Colonial Office, and had the honor of being received by his Grace the Duke of Buckingham and Chandos.

The matter first alluded to was the Loan Bill, and my object was to obtain from His Grace an assurance that it would be submitted in Council to Her Majesty the Queen, with a recommendation that it should be left to its operation. This was necessary before I could attempt to negotiate the Loan. The nature of the Loan Bill and its object had already been brought to his His Grace's notice by your Excellency's Despatch, and by my own official Report as Attorney General, dated the 4th June, 1867, a copy of which, marked (A), is herewith transmitted. His Grace at once informed me that the Act would be submitted for Her Majesty's approval at the next sitting of the Privy Council, and a Despatch notifying this would at once be forwarded to your Excellency. No allusion was made by his Grace to the Memorial of Mr. Wm. H. Hope, which had been forwarded against the Loan Bill, and I therefore found it unnecessary to advert to it.

I then proceeded to submit to his Grace the views of this Government on the demand for payment of £4,979 11s 2d sterling, for maintenance, &c. of Troops, which I contended should not be made, and which this Government should not be called upon to pay. I brought to his Grace's attention the various Despatches upon the subject which had passed between the Colonial Office and the Local Authorities of Prince Edward Island, with the view of satisfying his Grace that no agreement to pay for the maintenance of the Troops had been made or settled, or was contemplated by this Government, as apparently assumed by the Despatch No. 8, of 4th March, 1867, from Earl Carnarvon, then Secretary of State for the Colonies, to your Excellency. I also submitted to His Grace a statement of the heavy expenditure for Military purposes made by this Colony during the last three or four years, and adverted to the fact that the dissatisfaction which prevailed in Prince Edward Island in 1865—which was the cause of the Troops being sent there—arose entirely from the grievances in connection with the Land Tenures, which the Local Government, by means of the Land Purchase and Loan Bills, were *bona fide* anxiously endeavouring to redress and remove. I handed to His Grace an epitome of the Despatches, and he assured me that the matter should receive his consideration, and requested me to call again at the Colonial Office at an early day to receive his decision upon it.

On the following day, 9th July, I addressed to His Grace, through his Secretary H. J. Bryant, Esquire, the subjoined Letter on the same subject:—

40, Burlington Road,
St. Stephen's Square,
9th July, 1867.

Sir,

When I had the honor of an interview, yesterday, with His Grace the Duke of Buckingham and Chandos, I left with him a paper containing a hastily drawn and rather informal epitome of various Despatches which, during the last two years, have passed between Her Majesty's Principal Secretaries of State for the Colonial Department and the Administrator of the Government and the Lieutenant Governor of Prince Edward Island, on the subject of the Detachments of Troops stationed there, and particularly in relation to an application recently made on behalf of the War Department for the payment of £4,979 11s. 2d. Sterling, by the Island Government, for the maintenance of those Troops.

I should, perhaps, also have left the various printed Despatches and Minutes of Council, of which the epitome was drawn and to which it relates, and I therefore now enclose them. His Grace was good enough to say that the epitome should be returned to me when the consideration of the matter had been concluded, and I shall be glad if you will, at the same time, cause the present enclosed printed papers to be in like manner returned.

My request to His Grace was that he would consent to reconsider the determination arrived at, and communicated in Despatch No. 8, of 4th of March last, and recommend the Secretary at War not to demand from the Government of Prince Edward Island the payment of the sum above specified for maintenance of Troops, and I endeavoured to bring to His Grace's notice the whole history of the unfortunate Land Question in the Colony, and what a constant source of trouble, expense, and discontent it had proved, and how much the advancement and prosperity of the Colony had been retarded by it. That it had in a great measure caused the troubles which led to the Troops being required there in 1865, and the claim which, on account of the Land Tenures, I thought the Colony had on the consideration of the Imperial Government, particularly in the matter of the present application. That the Island Government were by strenuous and *bona fide* efforts endeavouring to extinguish any cause for discontent by buying out the claims of Proprietors of Lands, and had of late been under heavy outlay for that purpose, having last year purchased 212,000 acres of Land, the Estate of the late Sir Samuel Cunard, at a cost of £53,-000 sterling, and were still continuing their efforts to acquire further Lands. That I am now in England for the express purpose of endeavouring to raise money on the Public Credit for the purchase of such other Proprietory Estates as could be acquired. That the Island Government had expended (when viewed in relation to its Revenues) a large sum during the last two years for building Barracks and other Military and Militia purposes and expenses, as specified in the epitome, fully as much as its resources could afford, quite irrespective of the present demand.

That the Executive Government of Prince Edward Island in its Minute, dated 17th October, 1865, (now enclosed) while willingly submitting to pay the transport of the Troops from Halifax, and all expenses incurred, whether for maintenance or otherwise, "when they are sent into the Country Districts to assist the Sheriff and his Officers in maintaining the supremacy of the Law," (which latter obligation had been faithfully discharged) respectfully remonstrated; and I again, on behalf of the Government, respectfully remonstrated against the hardship of paying the expenses of the maintenance of the Troops while stationed in the Colony, that is, their ordinary maintenance when in Barracks and not employed in assisting the Sheriff.

I believe that the Detachment of Troops has, since the 20th June last, been withdrawn from Prince Edward Island, and, therefore, no such question as the present is likely again to arise.

You will, perhaps, be so good as to communicate the contents of this Letter to His Grace, and oblige,

Sir,
Yours faithfully,
JOSEPH HENSLEY,
Attorney General of
Prince Edward Island.

I subsequently called on several occasions at the Colonial Office, as requested by His Grace, and had interviews with Mr. Bryant; and on 6th August last, being very desirous of ascertaining the views of the Imperial Government on the application made by me respecting the demand for payment, to which I have just alluded, I addressed the following Letter to His Grace, through his Secretary:—

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 propose 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 Sulivan, and through Colonel Cumberland to Lady Wood and Miss Fanning, stating that I was authorized, on behalf of the 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 delivered, payable as follows:—

£7,166 13s. 4d. sterling, payable on 1st January, 1867.
£7,166 13s 4d. do do 1st July, 1867.
£7,166 13s. 4d. do do 1st January, 1868,

with interest in each case at the rate of six per cent. per annum from the date of the Deeds.

The balance of £26,500 sterling payable at the expiration of ten years from the date of purchase, bearing interest at five per cent. per annum, payable annually and secured by the Government Debentures.

On receiving your reply, I shall at once, if necessary, communicate with the Government in the Island, and obtain their views with respect to it as soon as possible.

As I shall probably be leaving London finally on 16th instant, I shall be glad to hear from you on this subject so soon as you can conveniently reply to this Letter.

I am, dear Sir,
Very truly yours,
JOSEPH HENSLEY.

Colonel Bentinck H. Cumberland.

On 7th August, Colonel Cumberland, in acknowledgment of my last Letter, wrote as follows:—

MONTGOMERY HOUSE, BUXTON,
7th August, 1867.

Dear Sir,

In reply to your letter of yesterday's date, and in compliance with your request for an early acknowledgment of it, I have only to repeat what I have already stated, that if the Government of Prince Edward Island will consent to purchase the property belonging to Mrs. Cumberland and myself there, for a sum equivalent to the Rental we at present receive from it, we shall be quite ready to close with the offer; but until such is signified to us by the Government, or yourself as their accredited Agent, it will be unnecessary for you to be furnished with the particulars you specify.

When any of our Tenants are desirous of purchasing their farms, our Agent, Mr. Wright, has been instructed to sell them their Leaseholds for the sum equal to the Rent paid by them, &c. &c.

Believe me very truly yours,
B. H. CUMBERLAND.

On 25th July, Lady Wood and Miss Fanning addressed a letter to me stating that they had been informed by Colonel Cumberland that I was desirous to communicate with them respecting the purchase of their property in Prince Edward Island, and that they would be happy to hear from me on the subject, and to be made acquainted with the time and mode of payment to those Proprietors who might feel disposed to part with their Estates in the Colony.

I wrote to Lady Wood and Miss Fanning at Bath, on 2nd August, giving them the information asked for, and specifying instances of the times and modes of payment adopted on the several occasions of purchase, in manner as referred to in my Letter to Colonel Cumberland, of 6th August; and I also offered to go to Bath to confer with them should they desire it.

After consideration of my last Letter, Lady Wood and Miss Fanning wrote to me on 7th August, stating that they regretted that they were unable to furnish me with the information I required concerning the Township Lands in Prince Edward Island, "namely area of Land owned by them, how much under Lease, gross annual Rental, probable arrears of Rent, information which they themselves have been very desirous to obtain for some time past, and which it is quite necessary they should possess before they can decide upon the terms upon which they would dispose of their property in the Colony." That they would urge upon their present Agent, Mr. Charles Wright, the necessity there was for their being furnished with the above information at his earliest convenience, having obtained it, they would immediately communicate with me and state the terms upon which they would be disposed to treat with the Local Government for the sale of their Township Lands.

On 13th July, I had an interview at Fulham, near London, with Miss Sulivan, the present owner of about 70,000 acres on Townships Nos. 9, 16, 22 and 61. Miss Sulivan expressed herself as then unwilling to part with her Estates in the Island, but determined to visit them herself, personally, and then finally to decide what course she would pursue, a determination which, as your Excellency is aware, Miss Sulivan has since carried out.

I called by appointment, on 19th July last, at 7, Portugal Street, Park Lane, London, upon Lord Viscount Melville, who is understood to own 10,023 acres of Land on Township No. 29, and 1182 acres of Land on Township No. 53. I explained to His Lordship the object of my visit, and the desire of the Government to purchase his Estates, if terms could be agreed upon. His Lordship discussed the matter very freely, and finally, although he could not name a price at which he could sell, agreed to direct his Agent in Prince Edward Island to give me, on my return, full information on all points respecting his Estates, as to the area, annual rent, and probable amount of arrears of Rent, &c., to enable me to take the views of the Local Government on an offer to purchase his Estates, which offer His Lordship expressed himself as willing to receive. I subsequently, on 6th August last, wrote to Lord Melville, as follows:—

THE VISCOUNT MELVILLE—

My Lord,

I purpose leaving London for America on 16th August, instant, and on reaching Prince Edward Island I shall apply to your Agent, Mr. Bourke, for particulars connected with your Lordship's Estates in the Island. May I ask your Lordship to write to Mr. Bourke, and request him to give me all the information I may require on the subject. I shall then proceed to take the views of the Local Government on an offer to purchase your Lordship's Estates, and communicate the decision to your Lordship as speedily as possible, and now have the honor to remain,

Your Lordship's
Most obedient servant,
JOSEPH HENSLEY.

To this his Lordship replied through his Solicitor, John McKenzie, Esquire, of Edinburgh, that a Letter had been written to Mr. Bourke, requesting him to give me such information as I might require. Since my return to Prince Edward Island, on 13th September, I have seen Mr. Bourke, and have obtained information from him respecting Lord Melville's Estate, which will be fully communicated to the Government, and their views taken on the offer of purchase to be made to him. The following Letter, received by me from Mr. Bourke, gives some of the necessary particulars:—

HON. JOSEPH HENSLEY—

Dear Sir,

"Having received advice from Lord Melville, wishing me to render you, for the information of the Government, a statement of the number of acres of Land His Lordship holds on this Island, with the rental and arrears due thereon. In compliance with which I beg to send the following statement, viz:—

On Lot 29, 10,023 acres; Rental,	£587	0	0
Arrears due, 31st Dec., 1866,	3613	0	0
On Lot 53, 1182 acres; Rental,	68	0	0
Arrears due, 31st Dec., 1866,	281	0	0

Any further information which the Government may require that I can give, I shall be always happy to communicate.

I have the honor to be, Sir,
Yours, &c.
J. R. BOURKE.

On 29th July I went to Yeovil, in Dorsetshire, and had an interview with Lady C. Georgiana Fane, (with whom I had previously been in correspondence on the subject) respecting her Estates at Crapaud, on Lot 29, which comprise about 9000 acres of Land. I urged her Ladyship to offer her lands to the Government, but found her unwilling at that time to part with them. On 6th August I addressed a Letter to Lady Georgiana Fane, on the same subject, in which I again brought to her notice (as I had previously done) that a very strong desire existed in the Island to abolish the Leasehold Tenure, and give an opportunity to the occupants to convert their holdings into Freehold, and that as it was very essential to the public good that this object should, if possible, be attained, I hoped she would, on further consideration, determine to offer her "Township Lands to the Government on generous terms." Her Ladyship acknowledged the receipt of this Letter, and subsequently I had another interview, but I still found that she had not made up her mind to an offer of sale. I also had an interview with Sir Graham Montgomery (who owns a portion of Lot 34), at the Treasury, Whitehall, respecting his Lands in Prince Edward Island. Although nothing definite resulted from it, I have reason to expect shortly some further communication on the subject from him, or through his Agent, the Honorable T. H. Haviland, which, when received, I shall at once make known to your Excellency.

Having learned that Messrs. Thomsons, owners of a moiety of Township No. 26, were absent from the country at the time, I was unable to treat with them respecting the sale of their property, but recommend that application shall be hereafter made to them on the subject.

I did not apply to the Reverend John McDonald, because I had reason to believe that his interest in that portion of Townships Nos. 35 and 36, from which he receives now his rents, amounts to a life estate only, and, therefore, that he could not dispose of it absolutely in fee-simple, as contemplated by the provisions of the Land Purchase Bill.

Having been also authorized to negotiate a Loan under the Act of last Session, I found it necessary, in the first place, for the information of those who might be likely to take it up, to obtain and compile official and authentic statements of the financial condition of Prince Edward Island, its Revenue and Expenditure, amount of Debt, Imports and Exports, during several years past, and also of the result, as nearly as could be estimated, of the operations of the Government in purchasing Lands under the Land Purchase Act. I applied, therefore, to the Commissioner of Public Lands, to Thomas DesBrisay, Esquire, one of the Public Auditors, and to Andrew Mitchell, Esquire, formerly Deputy Colonial Secretary, and obtained from them the necessary information under their hands which is set forth in the printed papers (B), (C), (D), (E), (F), (G), and (H), which accompany this Report. I deposited at the Union Bank and circulated elsewhere in London copies of these printed papers, together with printed copies appended of my Official Report on the reasons for passing the Loan Bill, and my own Memorandum on the subject dated in London, 3rd July, 1867, both of which are also herewith sent marked (A) and (I) respectively. On 4th July, I obtained the following Letter from J. A. Barton, Esquire, the Manager of the Union Bank of London, stating particulars of the terms upon which the Bank would act as Agent for the Government in endeavoring to negotiate a Loan:—

UNION BANK OF LONDON,
2 Prince's Street,
4th July, 1867.

My Dear Sir,

Referring to the conversation I had with you on the subject of the Loan to the Prince Edward Island Government, and the commission we should charge for conducting that business, I find that, on comparing notes with other parties who have had similar transactions, a commission of 1¼ per cent. would not be unreasonable. I am, therefore, prepared to undertake the business on those conditions.

I am, dear Sir,
Yours faithfully,
J. A. BARTON,
General Manager.

Honorable Joseph Hensley.

¼ per cent. commission if the Loan falls to the ground.

Subsequently I had numerous interviews with Mr. Barton, and with many gentlemen connected with the Stock and Money Market, on the subject of the proposed Loan, the final result of which was a determination upon my part to delay for a time, placing the application absolutely before the public. It was evidently, notwithstanding the abundance and cheapness of money, a very unfavorable time for the operation. A general indisposition to invest in any new securities, Home, Foreign, or Colonial, existed, and this was proved by the failure of several attempts to raise Loans. An attempt was made during the month of July to raise a Loan of £100,-000 for the Colony of Tasmania. This Loan was publicly advertised and Tenders invited. The minimum price fixed by the Tasmanian Government at which Tenders would be accepted was 95, that is a bonus of five per cent. on each Bond or Debenture for £100, which was also to bear interest at six per cent. per annum. At this price there was only one Tender, and that for £1000 only; and consequently the Tasmanian authorities were obliged to let the application lie over for a time. An attempt to raise a Loan of money in the month of August for the Russian Government also failed. The following correspondence which passed between myself and Mr. Alexander Scrimgeour, of the firm of Messrs. J. & A. Scrimgeour, No. 18, Old Broad Street, London, extensive Brokers, and Brokers for the Union Bank of London, will explain clearly the state of the money market at the time, as regarded the Loan proposition. I had handed to Mr. Alexander Scrimgeour, for his opinion and advice, the papers connected with the Loan, and on 21st July, he wrote to me as follows:—

DUNKELD,
21st July, 1867.

Dear Sir,

I have read the Papers respecting the Loan for Prince Edward Island very carefully, and there is only one suggestion which I have to make, which is as to the application of the Sinking Fund.

I have do doubt that it would tend to make the Loan popular if the Sinking Fund were made to act by a five per cent. annual drawing at par, that is to say, if £5,000 Bonds were drawn each year by lot, and paid off at £100, thus redeeming the whole loan in twenty years, as authorized by the Act.

The advantage of this plan to the Government is, that it renders the Sinking Fund self-acting, obviating the necessity of investing from year to year, sometimes at a great disadvantage, for a period of twenty years, while to the Bond-holder it is very attractive, as assuming the Bonds to be issued at a discount, it gives him the chance of an almost immediate profit on his investment In cases where the Sinking Fund is arranged in this way the shorter the date at which the Loan expires the better, ten year Bonds would command a better price than twenty years.

About this time last year, when things were very dull, we floated a Loan for New South Wales (£850,-000) on this plan with great success, and I feel satisfied that it will become more and more general.

I assume that you will have taken care to comply with the requirements of the Committee of the London Stock Exchange, by having the Bonds numbered and the whole series inserted on the face of the Bonds. You can obtain a Bond at our Office if you require a sample.

From what I hear, things seem extremely dull in London just now, and I should recommend your waiting a little, if practicable.

I am, dear Sir,
Yours truly,
A. SCRIMGEOUR.

I replied to this letter on 26th July last, as follows:—

Dear Sir,

I received your Letter of 21st instant, and I am much obliged to you for the suggestions respecting the Loan contained in it. I quite agree with you that it would be more likely to float to advantage if the Sinking Fund had been applied to the payment of Bonds annually drawn, but as the Act now stands its provisions will not admit of such an arrangement, and any issue which takes place would have to be strictly in accordance with the local statute, payable too at twenty years from date. I am very desirous, if it can be done without too great a disadvantage, to raise the Loan at once, because I have to return to America on 17th August, and would like, if practicable, to complete the matter by that time. Will you be so kind as to give me your opinion as to the price at which you think the Bonds would now sell, issued as the Act now authorizes. The Canada, New Brunswick and Nova Scotia Bonds, which are pretty much in same form as those I propose to issue, appear to me to be worth now about 96½ a ¾, Prince Edward Island being in the same group of Colonies, and its financial condition rather better (relatively) it appears to me than the others, ought, I think, to get as good a price for her Bonds. But what I want your opinion on are the following points:

1st. What price, in your opinion, would the Prince Edward Island Bonds probably obtain if now put on the market in their present form?

2nd. What price, if put on the Market, say two or three months hence?

3rd. What increased price in either case do you consider would be obtained if the Sinking Fund was made applicable to an annual discharge of the Bonds by drawings; and

4th. What increase if ultimate time for payment should be made in ten instead of twenty years.

I have seen your father on this matter since I saw you, and his views coincide with yours. I have arranged to meet Mr. Barton at the Union Bank, on next Wednesday, at ½ past 10 o'clock, to determine what course I shall pursue now about the Loan, and I shall be very much obliged if you will be so good as to give me a reply and your opinion on the points to which I have referred, so that I may receive it on or before Wednesday morning next.

You will please bear in mind that I desire to issue the Loan now if practicable, but I shall be very much guided by your opinion and advice.

I am, dear Sir,
Yours very truly,
JOSEPH HENSLEY.

Mr. Scrimgeour replied to the following effect:—

24, UNION STREET, ABERDEEN,
29th July, 1867.

Dear Sir,

I beg to thank you for your letter of 26th inst. It would of course be impossible to do anything not strictly in accordance with the Act. In reading it over it appeared to me that it would admit of the Sinking Fund being applied by annual drawings, provided the Loan was extinguished in twenty years, but no doubt I am mistaken in this.

The comparison you make with other Bonds is perfectly just, nevertheless if any one of those Colonies whose Bonds now stand at 96 were to attempt a fresh issue I feel certain they could not do so within five per cent. of present price *at least.* Any answer to your questions must of course be quite problematical, but I should venture the following conjectures:—

1st. The Loan, in its present form, would not at the present time be taken above 90, if at that.

2nd. Provided nothing unforseen take place in the meantime, I should expect an opportunity within three or four months of placing the Loan at from 93 a 95.

3rd. I consider that if the Loan were made for ten years, redeemable by annual drawings, it would go quite as readily at 95 as at 90 in its present shape.

4th. The maturity might be arranged to suit the convenience of the Colony, but the shorter the date of payment the higher the price the Bonds would be likely to fetch.

My father, who is on the spot, will be able to give you a more reliable opinion of the state of the market, but from all I hear it is almost impossible to imagine a more unfavorable time than the present for an operation of this sort.

I am, dear Sir,
Yours very truly,
A. SCRIMGEOUR.

After receiving this communication from Mr. Scrimgeour I again consulted with Mr. Barton, the Manager of the Union Bank, and others engaged in business on the London Stock Exchange, and concluded, in accordance with Mr. Scrimgeour's advice, which I found to be sound, not to attempt to negotiate the Loan at that time, but to allow it to stand over until after my return to Prince Edward Island. This course had several manifest advantages. The local Government would, by communication with me personally, be better able to judge of the propriety of negotiating the Loan at the present time. The disposition of the remaining Proprietors of Lands to part with their Estates would be more fully ascertained, and the amount of money likely to be required for that purpose known. I should also be able to take the opinion of the Government on the change in the scheme of the Loan recommended by Mr. Scrimgeour, by making the Sinking Fund act by a five per cent. annual drawing at par of the Bonds to be issued, which was not contemplated in my original authority and instructions, and which I could not venture to make on my own responsibility. On consideration of this point, I am now inclined to think that this change may be effected, should it be deemed advisable, (and I fully agree with Mr. Scrimgeour as to its advantages) by an Order in Council authorizing it. The Union Bank would hardly undertake to issue Bonds with annual series of drawings without such order. It is true that by writing to the Government in the Island I could have recommended and pointed out the desirableness of this change, and that the Order in Council could have been made and forwarded to me in England, and that I could, after receiving it, have brought the Loan forward at the time suggested by Mr. Scrimgeour, but as this would have required me to remain in England until October or November, which I thought in many respects undesirable, I concluded to return to the Island after fully instructing Mr. Barton, as Manager of the Union Bank, as to the course to be pursued hereafter respecting the Loan. I therefore again, before leaving England, on 31st August, called upon Mr. Barton and left with him all necessary papers to enable him to act in the matter, on being advised and instructed by this Government after my return, and made all other necessary preliminary arrangements with him.

The anticipations of Mr. Scrimgeour as to an improvement in the money market, with respect to Colonial Securities has already been realized, for by latest advices from England, almost all of them were commanding at least two (?) per cent. better prices than they commanded in July last, and there seems a probability that their value will still further improve during the next two or three months.

I shall hereafter lay before Your Excellency any further communications which I may receive from Proprietors of Lands, or others, on any of the matters referred to in this Report, which I now respectfully submit for Your Excellency's information and the guidance of the Government.

I have the honor to be,
Your Excellency's
Most obedient servant,
JOSEPH HENSLEY,
Attorney General.

Honorable John Aldous, Commissioner of Public Lands.

Sir,

I have to request that you will furnish me with a Return and Account of the amount of the Securities in your Office for the Balances due on Lands sold under the Land Purchase

Ch'town, Nov