

Prince Edward Island, on 13th September instant, 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 :—

“HONORABLE JOSEPH HENSLEY—

“DEAR SIR,

“Having received advice from Lord Meville, 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 Agents for the Government in endeavouring 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 1½ 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 unfavourable 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