

PRINCE EDWARD ISLAND AND THE DOMINION.

THE TERMS OFFERED BY THE CANADIAN GOVERNMENT.

It has already been stated in these columns, says the *St. John, N. B. Telegraph*, that for some days past the Government of Prince Edward Island have been in possession of the proposals looking to Union which the Government of Canada were disposed to offer. These terms, for proper reasons, were not at once communicated to the public. Having reached the Administrator of the Island Government, they had first to be submitted to the members of the Government for their consideration; but these gentlemen were not all present at Charlottetown, and hence, a slight delay has risen in communicating the information to the body of the people. We have reason to believe that by this time the terms are known to many of the Islanders. The terms appear to be exceedingly liberal to the Colony. Besides relieving the Island of the expense of maintaining its most expensive departments, Canada proposes to maintain efficient steam communication between the Island and the Dominion in winter as well as summer; it offers a liberal allowance to meet all local expenditures; it guarantees \$800,000 which the Island may expend in buying up the lands held by the large non resident proprietors; it provides for the payment to the Island of a large sum, or interest thereon, owing to the smallness of the debt with which the Island would enter the Union; and makes other provisions not less satisfactory.

Report of a Committee of the Honourable the Privy Council, Approved by His Excellency the Governor General in Council on the 14th December, 1869:

The Committee of the Council have had under consideration a memorandum, dated 11th of December, 1869, from the Hon. Sir George E. Cartier and Messrs. Tilley and Kenny, stating that at the desire of their colleagues they visited the Island of Prince Edward in August last, and having while there had an opportunity of discussing informally with members of the government and other leading public men the question of the political union of the Island with the Dominion, and having, in view of the importance of establishing a basis on which such union can be effected, carefully considered the question under its financial aspect, they have come to the conclusion that the following proposals, which they submit for the concurrence of the Council, should form the financial basis of such union, viz:—

1. The Dominion Government will assume and defray all charges for the following services, viz:

The salary of the Lieutenant Governor.

The salaries of the judges of the Supreme Court and District or County Courts when established.

The charges in respect of the Department of Customs.

The Postal Department.

The Protection of the Fisheries.

The Protection for the Militia.

The Light Houses, Shipwrecked Crews, Quarantine, and Marine Hospitals.

The Geological Survey.

The Penitentiary.

Efficient steam service for the conveyance of mails and passengers to be established and maintained between the Island and the Dominion, winter and summer, thus placing the Island in continuous communication with

the Intercolonial Railway and the Railway system of the Dominion;

And such other charges as may be incident to and connected with the services which, by the British North America Act, 1867, appertain to the general government, and as are or may be allowed to the other Provinces.

1. Canada to be charged with the debts and liabilities of the Island existing at the time of the Union.

3. That the Island, not having incurred debts equal to those of the other Provinces now constituting the Dominion, shall be entitled to receive by half yearly payments in advance from the general government interest at the rate of five per cent per annum on the difference between the actual amount of its indebtedness and the indebtedness per head of the population at which Nova Scotia and New Brunswick are now allowed in the Union, or the payment of such difference in five per cent government bonds payable in London, as the Island government may elect, taking the population of the Island in 1861 as the basis of the calculation.

4. The Dominion Government to pay \$25,000 per annum to the Island to meet the expenses of the Local Government and Legislature.

5. An annual payment to be made to the Island Government equal to eighty cents per head of the population, to be augmented in proportion to the increase of the population as may be shown by each decennial census, until the population amounts to 400,000, at which rate such grant shall thereafter remain, it being understood that the first census shall be taken in the year 1871.

They submit that much discontent has for many years existed amongst the inhabitants of the Island, arising from the fact that the lands of the colony had been granted by the Imperial Government in large blocks and chiefly to persons resident abroad, thus leaving the Government of the Island no lands, the proceeds of the sale of which could, as in the other British colonies, be appropriated towards local improvements and the maintenance of the Government.

That this discontent has been increased from the fact that many of the settlers in the Island can only obtain land on lease instead of by purchase, as in the other British North American Colonies.

That up to the present time the Island Government have failed to secure a consideration in lieu of the lands thus granted by the Crown, notwithstanding the efforts that have been made by the Government and Legislature of the Island to remove the obstruction of the settlement of the colony arising from this cause, there still remains about one-third of the Island owned by absentee proprietors, a very considerable portion of which is unoccupied and in the condition of a wilderness.

That in the event of the Island becoming part of the Union, the Government of the Dominion will endeavor to secure for the Island from the Imperial Government fair compensation for the loss of Crown Lands. Should the Dominion Government fail in their efforts to secure such compensation they will undertake to raise by loan, guaranteed by the Imperial Government, or upon their own securities should such guarantee be refused, Eight Hundred Thousand Dollars, and pay the same to the Island Government as a compensation for the loss of such Crown Lands; this sum to be in addition to the other sums mentioned in the preceding proposals.

That the Dominion Government will also use their influence to secure such legislation

as will enable the Government of the Island to purchase the land now held in large blocks upon terms just and equitable to all parties concerned.

The Committee concur in the said memorandum and submit the same for your Excellency's sanction.

WM. H. LEE,
Clerk of Privy Council.

THE SAN DOMINGO PURCHASE.

WHAT THE UNITED STATES WILL GAIN.

Correspondence of the New York Times.

Washington, Jan. 10.—The President this afternoon transmitted to the Senate, in Executive Session, the Samana Bay lease and the San Domingo annexation treaties—the terms of which have been fully alluded to in these despatches—together with a brief special message on the subject. It is not necessary to recite the terms of the treaties, but a brief history of the negotiations and manner and spirit in which they were conducted by both the Dominican Government and our own, will be found interesting. I will not go back, further than the last session of Congress, though the subject dates nearly two years prior to that. Last winter Mr. J. W. Fabans appeared there as the commercial agent of San Domingo. It was doubted by some whether he had the authority he assumed, but it finally transpired that his authorization was full and complete. The last Congress did not listen very patiently to measures of this character from the late administration, and nothing was accomplished. But with the advent of President Grant the representations were renewed, and after some months of consideration he determined to ascertain for himself, through his own agents, the condition of affairs in that island, and to what extent this alleged desire for annexation was well founded. Early in July, therefore, just as General Babcock was about leaving the city on a summer leave of absence, the President ordered him to proceed to New York and take the steamer for San Domingo, the capital of the republic, and make a thorough investigation into affairs—especially into the feeling on the subject of annexation. Senator Cole was a fellow-passenger on this trip, but not in an official capacity, nor did he know at the time the object of the mission. The President displayed characteristic caution and shrewdness in the selection of his agent.

THE GOVERNMENT OF THE ISLAND.

On arriving at the island, General Babcock found President Baez and his government in peaceful possession, and was cordially received. The government of the republic is composed as follows:—President Baez, who is a Castilian, and speaks very little English; Secretary of State M. M. Gauthier, who was the Commissioner of the Dominican Government in conducting the negotiations. He speaks French and Spanish, but no English; Attorney-General Felix Del Monte who speaks English well and writes it much better; Secretary of War and Marine, Hungria; Secretary of the Treasury Curiel. These officers are all white, being either of Castilian or French descent. There is also a Supreme Court of which Senor Tejera, a pure Castilian, is Chief Justice. The republic is divided into seven provinces each of which has a representative in the Senate, which is the only legislative body, there being no House of Representatives. The Senate meets regularly once a year for legislative business, and is liable to be called