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PRINCE EDWARD ISLAND.

PAPERS on the Subject of affording the
IMPERIAL GUARANTEE to a LOAN for the
Service of PRINCE EDWARD ISLAND.

(Presented to Parliament by Her Majesty's Command.)

Ordered, by The House of Commons, to be Printed,
16 April 1858.

PRINCE EDWARD ISLAND.

**PAPERS on the Subject of affording the IMPERIAL GUARANTEE to a LOAN
for the Service of PRINCE EDWARD ISLAND.**

Colonial Office, }
16 April 1858. }

CARNARVON.

(PRESENTED TO PARLIAMENT BY HER MAJESTY'S COMMAND.)

*Ordered, by The House of Commons, to be Printed,
16 April 1858.*

SCHEDULE.

Number in Series.	FROM WHOM.	DATE and NUMBER.	SUBJECT.	Page.
		1855:		
1	Lieut.-Governor Daly to the Right Hon. Lord J. Russell.	19 May - No. 28. (Extract.)	Enclosing a Bill, intituled, "An Act to impose a Rate or Duty on the Rent-rolls of the Proprietors of certain rented Township Lands in Prince Edward Island, in order to defray the Expenses of any Armed Force which may be required on account of the withdrawal of the Troops, and for the further Encouragement of Education;" with Explanatory Remarks thereon - - - -	1
2	Lieut.-Governor Daly to the Right Hon. Lord J. Russell.	28 June - No. 38.	Enclosing a Bill, intituled, "An Act to secure Compensation to Tenants in Prince Edward Island, and thereby to promote the Improvement of the Soil" - - - -	5
3	Lieut.-Governor Daly to the Right Hon. Lord J. Russell.	2 July - No. 39.	Enclosing a Petition to the Queen from certain Landed Proprietors against the preceding Act -	9
4	The Right Hon. Sir G. Grey to Lieut.-Governor Daly.	17 November No. 13. (Extract.)	Stating that Her Majesty's Government, having considered these Acts, find themselves unable to advise Her Majesty to give her assent to them; objections pointed out - - - -	11
5	Lieut.-Governor Daly to the Right Hon. H. Labouchere.	10 December No. 70. (Extract.)	Acknowledging the preceding Despatch, and stating at length his reasons for sanctioning the introduction of the two Acts - - - -	12
6	The Right Hon. H. Labouchere to Lieut.-Governor Daly.	21 December No. 3. (Extract.)	Referring to the Correspondence in regard to the two Acts; Suggestions in reference to the Settlement of the long-pending Land Questions; and stating that, should a Loan be necessary in carrying out such suggestions, Her Majesty's Government would not be indisposed to take into consideration any plan showing in what way the interest of such Loan could locally be provided for, and how the Lands bought up could be disposed of - - - -	14
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7	The Right Hon. H. Labouchere to Lieut.-Governor Daly.	2 January No. 5. (Extract.)	Acknowledging his Despatch of 10 December (No. 4 of Series), as regards the course which he pursued in reference to these Acts - - - -	15
8	Lieut.-Governor Daly to the Right Hon. H. Labouchere.	24 January No. 4. (Extract.)	In reply to Despatches Nos. 6 and 7 of Series, stating that the Legislature is summoned for 14 February, and that he will then be able to report on the subjects alluded to in those Despatches - - - -	15
9	Lieut.-Governor Daly to the Right Hon. H. Labouchere.	3 March No. 15. (Extract.)	Enclosing Copies of his Speech on opening the Legislature on the 14 February, and the Addresses of the Council and Assembly in reply - - - -	16
10	The Right Hon. H. Labouchere to Lieut.-Governor Daly.	8 April - No. 19.	Acknowledging the preceding Despatch - - - -	19
11	Lieut.-Governor Daly to the Right Hon. H. Labouchere	18 April - No. 22. (Extract.)	Enclosing a Joint Address to Her Majesty from both Houses of the Legislature on the Subject of the Land Question, and with reference to a Loan for the purchase of the rights of Landlords in the Island - - - -	19

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12	The Right Hon. H. Labouchere to Lieut.-Governor Daly.	18 July - No. 24.	Stating, in reply, that Her Majesty's Government are prepared to consider favourably this suggestion; but that they wish to be informed of the Amount of the proposed Loan, and to be furnished at the same time with a full Statement of the Financial Resources of the Island, and of the Provision to be made for securing the Repayment of the Principal and Interest of the Loan - -	20
13	Lieut.-Governor Daly to the Right Hon. H. Labouchere.	5 September No. 41.	Enclosing Minute of Council, with accompanying Statements, furnishing the Information required in regard to the Financial Resources of the Colony - - - - -	21
14	The Right Hon. H. Labouchere to Lieut.-Governor Sir D. Daly.	23 November No. 43.	Acknowledging the preceding Despatch, and stating that Her Majesty's Government are prepared to authorise a Loan of 100,000 <i>l.</i> , to be appropriated to the Purchase of the Rights of Landed Proprietors in the Island, on certain conditions stated; the Subject to be again brought under the consideration of the Council, with a view to the introduction of the Measure necessary for giving effect to the proposed Arrangement - - - - -	23
15	The Right Hon. H. Labouchere to Lieut.-Governor Sir D. Daly.	11 December No. 45.	Enclosing, for his guidance in framing the Act above alluded to, Copy of an Act of the Legislature of Jamaica, passed in 1852, for raising a sum of Money for the benefit of that Island - - -	24
		1857 :		
16	Lieut.-Governor Sir D. Daly to the Right Hon. H. Labouchere.	19 January No. 6. (Extract.)	Acknowledging the preceding Despatch. Satisfaction evinced in the Island in regard to the proposed Measure - - - - -	24
17	Lieut.-Governor Sir D. Daly to the Right Hon. H. Labouchere.	1 May - No. 22. (Extract.)	Enclosing Copies of " An Act for raising Monies to be applied to the Purchase of Lands under the Act 16 Vict. c. 18, intituled, ' An Act for the Purchase of Lands on behalf of the Government of Prince Edward Island, and to regulate the Sale and Management thereof, and for other Purposes therein mentioned.' " - - - - -	25
18	The Right Hon. H. Labouchere to Lieut.-Governor Sir D. Daly.	15 June - No. 17.	Enclosing, in reply to the preceding Despatch, a Copy of a Letter from the Lords Commissioners of the Treasury on the Subject, and requesting to be furnished with certain information - -	28
19	Lieut.-Governor Sir D. Daly to the Right Hon. H. Labouchere.	13 July - No. 34.	Furnishing, as far as possible, the information required, and enclosing a Commission appointing the Lords of the Treasury to be Agents for the execution of the Loan Act - - - - -	29
20	The Right Hon. H. Labouchere to Lieut.-Governor Sir D. Daly.	14 August No. 22.	Acknowledging the preceding Despatch, and informing him of the unavoidable postponement till next Session of the introduction of the measure into Parliament for the Guarantee of the proposed Loan - - - - -	30
21	Lieut.-Governor Sir D. Daly to the Right Hon. H. Labouchere.	7 September No. 46. (Extract.)	Stating, in reply, that he fears the delay will occasion disappointment in the Island - - - - -	31
		1858 :		
22	Lieut.-Governor Sir D. Daly to the Right Hon. H. Labouchere.	5 January No. 1. (Extract.)	Stating that much anxiety is felt for the completion of the arrangements for the introduction of the Imperial Measure - - - - -	31

PRINCE EDWARD ISLAND.

— No. 1. —

EXTRACT of a DESPATCH from Lieutenant-Governor *Daly* to the Right Hon. Lord *John Russell*; dated Prince Edward Island, 19 May 1855.

(No. 28.)

(Received, 18 June 1855.)

(Answered, No. 13, 17 November 1855, page 11.)

I HAVE the honour to transmit to your Lordship three copies of a Bill intituled, "An Act to impose a Rate or Duty on the Rent-rolls of the Proprietors of certain Rented Township Lands in Prince Edward Island, in order to defray the Expenses of any Armed Force which may be required on account of the withdrawal of the Troops, and for the further Encouragement of Education."

This Bill, as its title denotes, is intended to supply the necessary means for the support of a permanent force for the protection of the colony, to fill the place of the detachment of Her Majesty's troops withdrawn, and any surplus, after the attainment of that object, to be applied to the general purposes of education.

The nature of this Act rendered the insertion of a suspending clause necessary, and it cannot go into operation until it shall have received the Royal Assent.

It is certainly liable to the objection of exclusive or class taxation; but I have seen with regret the impossibility of procuring any other measure which could effect the object contemplated, being the establishment of a force upon which reliance could be placed for the maintenance of tranquillity and the defence of the colony.

The paramount feeling in and out of the Legislature is, that the proprietors, being the class most immediately and vitally interested in the maintenance of a power to enable the Government to enforce the law, ought to bear the whole expense, and in that view the Bill has been passed in both branches of the Legislature by large majorities. I regret to be obliged to assure your Lordship that I can see no ground for entertaining the slightest expectation that any less objectionable measure could be passed in the Provincial Legislature.

It cannot be doubted that a general resistance to the payment of rents would follow from a continuance of the present powerless position of the Government, and that attempts to establish a court of escheat, and every other means to harass the proprietors, would be resorted to. It is from the anticipation of these evils that I feel impelled respectfully to urge the expediency of allowing this Bill to go into immediate operation.

Enclosure, in No. 1.

Encl. in No. 1.

AN ACT to impose a Rate or Duty on the Rent-rolls of the Proprietors of certain rented Township Lands in *Prince Edward Island*, in order to defray the expenses of any Armed Force which may be required on account of the withdrawal of the Troops, and for the further encouragement of Education.—[Passed 17 April 1855.]

WHEREAS Her Majesty's forces, heretofore stationed in this island, have been withdrawn, and it is deemed expedient that, in the event of any emergency, provision should be made

for raising an armed force for the protection of the colony: And whereas the proprietors of township lands in the said island have leased a large portion thereof to tenants, from whom they derive large rents, and covenants are generally contained in the leases of such lands, that the tenants or occupiers thereof shall pay all taxes imposed or to be imposed on the lands so leased to them, whereby the said proprietors evade the payment of said taxes, and the principal part thereof is paid by the tenantry: And whereas such lands have greatly increased in value from the industry of the tenants, and from the prosperity and progressive state of the colony, independently of any outlay made by the proprietors of such lands: it is therefore deemed just and equitable that the said proprietors should contribute towards defraying the expenses of any armed force for the protection of the colony, and also for the further encouragement of education:

Imposes a tax of 5 per cent. on the rent-roll of the proprietors, &c., of more than 500 acres of leased or rented lands. Payable annually to the treasurer or his deputies, &c.

I. Be it therefore enacted by the Lieutenant-governor, Council and Assembly, as follows: From and after the time when this Act shall go into operation, and during the continuance thereof, the proprietor or owner, or the agent, factor, trustee, or receiver of any proprietor or owner of more than 500 acres of leased or rented lands, situate on any township in this island, shall yearly and every year, and at the time and in manner hereinafter directed, pay into the hands of the treasurer of this island, for the time being, or into the hands of any of his deputies, appointed as hereinafter mentioned, the sum of 1s. of the lawful current money of the said island for every 20s. of the like lawful money which such proprietors or owners, or the agent, factor, trustee or receiver of any such proprietors or owners is now or hereafter may be entitled to receive, as the annual rent of such lands; and upon every fractional part of 20s. which any proprietor, owner or agent, factor, trustee or receiver may be entitled to receive as such rent as aforesaid, the like proportion of duty at the rate before directed shall be charged and paid: provided that no rate or duty shall be charged of a lower denomination than one penny.

First annual payment to become due, &c., on 1st June 1856, and subsequent payments on same day in each year. Treasurer to call for same by advertisements, &c.

II. The first annual payment of the rate or duty hereby imposed shall become due and be payable, and made on the 1st day of June, in the year of our Lord 1856, and on the same day in every succeeding year during the continuance of this Act; and the said treasurer shall call for the said rate or duty by advertisement in the "Royal Gazette," inserted for at least six weeks previous to the said 1st day of June in each year.

Treasurer to appoint deputies in each county, &c.; And define and publish their districts, &c. Treasurer responsible for the conduct, &c., of his deputies. Deputies to open books and give receipts for amount of rate paid, &c. Books to be kept open until 5th December, and to be then forwarded, with monies received, &c., to treasurer. Remuneration to deputies.

III. The said treasurer shall, by writing under his hand and seal, nominate and appoint such and so many deputies for each county in this island as to the said treasurer shall seem meet, and which deputies shall be appointed for certain districts or sections of the several counties in this island respectively, to be defined and published by the said treasurer, who shall be responsible for the faithful discharge of their duties; and such deputies, when so appointed, shall, and they are hereby authorised and empowered, to open books of account for the receipt of the rate or duty hereby imposed upon all persons chargeable with the same, and to give receipts for the said rate or duty, and to take and receive the statement or return, and administer the oath in the fourth section of this Act directed to be taken by persons chargeable with the said rate or duty; and such deputies shall keep open their books until the 5th day of December in each year, and shall immediately thereafter forward all sums of money received by them under this Act, together with their books or true copies thereof; and the return or statement hereinafter required to be made by such deputies to the said treasurer; and each and every such deputy shall be allowed the sum of 5*L*. per centum on all monies collected and received by him under this Act.

Proprietors, &c., of more than 500 acres of land, &c., when paying rate, are to deliver a statement, on oath, setting forth situation of their lands, amount of annual rent receivable, &c. According to form in Schedule (A).

IV. The proprietor or owner, or the agent, factor, trustee or receiver of any such proprietor or owner of more than 500 acres of leased or rented township lands in this island, and all other persons chargeable under this Act, at the time of paying the rate or duty hereby imposed, shall fill up and deliver to the said treasurer, or his deputies, a true and correct statement or return in writing, signed by the person making the same, and which statement or return shall be according to the form in Schedule (A) to this Act annexed, and shall contain the names of the proprietors or owners of such lands, and the names of the agent, factor, trustee or receiver of such proprietors or owners—the amount of annual rent which such proprietors or owners, or such agent, factor, trustee or receiver is entitled to receive for the same—and where the said lands may be situate—and the amount of rate or duty chargeable on account of the rent of such lands; which statement or return shall be accompanied by a declaration on oath and signed by the party making the same, of the truth of such statement or return, which oath shall be in the form prescribed by Schedule (B) to this Act annexed, and taken before the said treasurer or his deputies, to be appointed under this Act, who are hereby respectively required and empowered to administer the same.

Declaration, on oath, accompanying statement, to be in form as set forth in Schedule (B). Oath to be administered by treasurer or his deputies, &c.

Penalty on proprietor, &c., neglecting or refusing to make return, or making false returns, &c.; Or neglecting to pay rate, &c.

V. Any proprietor or owner, or any agent, factor, trustee or receiver, or any person chargeable under this Act, who shall neglect or refuse to make, or shall falsely make the said statement or return, or who shall refuse to take and subscribe the oath required by this Act, or who, having made such statement or return, shall neglect or refuse to pay the said rate or duty, shall forfeit and pay for every such neglect or refusal, or false return, the sum of 20*L*., and treble the amount of rate or duty at which such person ought to be rated under this Act.

VI. Whereas

VI. Whereas difficulty may arise in determining the amount of rate or duty payable under this Act, by persons refusing to make or falsely making the return hereby required: be it therefore enacted, that it shall be the duty of the deputies to be appointed by the said treasurer as hereinafter directed, when they make their return, with their books and accounts, as required by the third section of this Act, to certify to the said treasurer the number of acres of leased or rented township lands in their respective districts—the names of the respective proprietors or owners thereof—and the names of the agent or receiver of such proprietors or owners—the number of acres held by each proprietor or owner—the amount of annual rent which such proprietors, or the agent, or receiver of such proprietors or owners may be entitled to receive for such lands—and where situate in this island; and for all the purposes of this Act such return shall be held correct until the contrary be proved; and the onus of disproving the truth of such return shall be on the person or persons complaining to be injured thereby.

VII. The said treasurer, on receiving such returns from his deputies, shall, in order to recover the rate or duty, or any part or portion thereof, which any person or persons chargeable under this Act shall have neglected or refused to pay, contrary to the provisions of this Act, shall compute thereby the amount of rate or duty payable or in arrear by any such persons under this Act; and having so ascertained the amount of such rate or duty, the said treasurer shall sue for and recover the same, with costs, together with the said penalty of 20*L.*, in the Supreme Court in Queen's County, from any person or persons chargeable under this Act with the said rate or duty, and the said penalty of 20*L.*, and who is or are in arrear for the same; and for that purpose shall, from time to time, as the same may be required, cause to be issued out of the said court, at the suit of such treasurer, against each and every such person or persons so chargeable or in arrear as aforesaid, a writ of summons, returnable at any sitting of the Supreme Court in Queen's County, subsequent to the issuing thereof, a copy of which shall be published in the "Royal Gazette" newspaper of this island for eight successive weeks; and in which summons it shall be stated that the defendants are sued, under the seventh section of this Act, for the said rate or duty, and the amount thereof, and such statement shall throw upon the defendant the burthen of disproving the truth thereof; and if the defendant, at the return of the said writ of summons, shall not appear, or, appearing, shall fail in proving that he is not liable for any part of the amount charged against him in such summons, the Court shall, without further proof than of the publication of the summons as herein directed, proceed to give judgment for double the amount of rate or duty which it shall in such case find to be chargeable under this Act, together with the said penalty of 20*L.*, and costs of the said action; and the amount of said judgment shall be levied and recovered as follows, that is to say: if the defendant named in such summons be the proprietor or owner of the lands in respect of the rent of which such proprietor or owner is chargeable with the said rate or duty, and for which such person is sued under this Act, then execution shall issue against the lands, wheresoever situate in this island, of such proprietor, or against the goods and chattels of such proprietor or owner, for the full amount of the said judgment; but if the said defendant be only the agent or receiver of such proprietor, or owner, or person beneficially entitled to such rent, then execution shall issue either against his lands, goods and chattels, to the amount of 20*L.*, being the penalty imposed upon him, and against the lands or goods and chattels of the proprietor or owner for whom he is agent or receiver, for the residue of the amount of said judgment.

VIII. In any case where execution, directed to the sheriff of any county in this island as aforesaid, shall issue out of the said Supreme Court, such sheriff shall levy on such lands, tenements, hereditaments and real estate, and shall make public sale thereof, at the courthouse, in the county where such lands may be situate, after having first given three calendar months' notice thereof in the "Royal Gazette" newspaper of this island, and out of the proceeds of such sale he shall pay into the hands of the treasurer of this island the amount of the said judgment and costs; and after retaining and deducting an amount sufficient to defray the fees of such sheriff, and the expense of such advertisement and sale as aforesaid, and all other incidental expenses, shall pay the balance to the proprietor or owner of such lands, or to the agent or receiver of such proprietor or owner; and the sheriff is hereby empowered and directed to make and execute a deed to the purchaser or purchasers of such lands and real estate; which deed, when so executed and registered, shall vest in such purchaser or purchasers a good and sufficient title, seizin and estate in fee simple of; and in the premises therein described, without entry or possession given, against all the former owners or holders thereof, subject only to the conditions of the original grant thereof from the Crown: Provided always, that in the event of any such sale of lands, tenements, hereditaments, or real estate as aforesaid, an equity of redemption shall nevertheless be open to the former owner or owners, proprietor or proprietors, his or their agents, heirs, or assigns, for the space of two years next after the day on which the same shall have been sold, he, she or they repaying the purchase-money, with lawful interest thereon, and also all reasonable expenses attending the same, and a fair allowance for such improvements as shall or may be made thereon; the same, in case of a dispute, to be ascertained by the Supreme Court; provided, that in all cases of sale of lands under the provisions of this Act, the fee simple or freehold interest only shall be sold subject to any lease thereof, previously *bonâ fide* made to any person or persons; and if the premises so sold, or any part thereof, shall have been leased to any tenant or tenants before the extending execution thereon, whose lease or leases or tenancy shall not have expired at the time of the sale, that then it

Treasurer's deputies, when they make the return as required by the 3d section, are to certify to treasurer the quantity of acres leased, &c., in their districts, names of owners, and amount of annual rent, &c.

Such return to be deemed correct until contrary shown by party disputing same.

Treasurer on receiving returns, in order to recover rate in arrear, is to sue for the same, with the penalty and costs, in the Supreme Court, Queen's County.

Mode of proceeding for recovery of same, &c.

Statement in summons.

Burden of disproving statement of liability contained in summons thrown upon defendant, and if defendant do not appear or disprove such statement, &c., Court to give judgment against him, &c., for double amount of rate, with penalty and costs.

Mode in which amount of judgment is to be levied, &c.

Sheriff under execution to levy on lands, &c., and sell same, &c.

Three months notice of sale to be given.

Appropriation of proceeds of sale.

Sheriff to give deed &c., to purchaser, &c.

Effect of such deed in vesting estate, &c., in purchaser.

Equity of redemption to former owner of lands sold for two year after sale, &c.,

on repayment of purchase-money, &c.

Fee simple only of lands taken in execution to be sold, subject to leases thereof previously existing.

Tenants to attorn to purchaser ;
And to be entitled to benefit of lease.

Tenants of lands in this island are to make known, when required by treasurer, &c., names of their proprietors, amount of rent payable ;

And give all necessary information.

Penalty for refusal, and mode of recovering the same, &c.

Appropriation of penalty.

Agent of proprietor chargeable under this Act authorised to retain sufficient amount out of monies received by him to pay rate.

No tenant directly or indirectly, to be chargeable with rate imposed by this Act. Any agreement, &c., making tenant liable, to be void.

Infants, married women, &c., chargeable under this Act.

And liable to penalties as in other cases.

Mode of computing rate per annum in cases where rent is only payable every two or three years, &c.

Monies arising under this Act to be appropriated toward raising armed force when required for the protection of the island. Until such force shall be required monies to be applied to educational purposes.

Continuance of Act.

Suspending clause.

shall and may be lawful for the sheriff or his deputy, and he is hereby required, to notify such tenant or tenants that they must attorn and become tenants to such purchaser or purchasers ; and in so doing he or they shall be entitled to the full benefit of the term of their or his tenancy or lease, as the case may be.

IX. In order to enable the deputies appointed by the said treasurer, under this Act, to obtain the information necessary to make the return required by this Act, the tenants or occupiers of all lands in this island shall, when required by the said treasurer or his said deputies, truly make known and declare the names of the proprietors or owners of any tract or piece of land held or leased by such tenants or occupiers, and the names of the agent or receiver of such proprietors or owners, the amount of rent which such proprietors or owners are entitled to receive for the same, and such tenants shall also, when required, produce or show forth to the said treasurer or his deputies, hereby appointed, any lease, agreement, or other writing relating to any lands in their occupation ; and shall answer all such questions, and give such other information as may be necessary and proper to enable the said treasurer or his said deputies to make the return required by this Act ; and all persons refusing to give, or falsely giving such information, shall forfeit for every such offence the sum of 40s., to be recovered on the oath of such deputy or any other credible witness before any justice of the peace ; and on default of payment, such penalty shall be levied on the goods and chattels of the party delinquent ; and if no such goods and chattels can be found, such person shall be committed to the gaol of the county for a period not exceeding 30 days, and not less than 10 days ; and the penalty of 40s. imposed upon parties refusing to give evidence as required by this section, when recovered, shall be paid, one-half to the deputy or person suing for the same, and the other half into the treasury of this island for the use of the Government.

X. It shall and may be lawful for the agent, factor, trustee or receiver of any person or persons chargeable under this Act, out of any money or other value which such agent, factor, trustee, or receiver shall receive as rent, to retain so much and such part thereof as shall be sufficient to pay the rate or duty hereby imposed ; and every such agent, factor, trustee, or receiver is, and shall at all times be hereby indemnified against every person whomsoever for all payments which he shall make in pursuance of, and in conformity with this Act.

XI. No tenant or lessee, or any person paying rent to any proprietor or owner, or other person chargeable under this Act, shall, either directly or indirectly, be subject to the said rate or duty, or liable to pay the same ; and no contract, covenant, or agreement between landlord and tenant, or any other person or persons, touching the payment of the said rate or duty hereby imposed, shall be valid or binding, contrary to the intent and meaning of this Act.

XII. Any person, being an infant or married woman, or lunatic, idiot or insane, or the agent, factor, trustee or receiver, guardian or committee of any such person, entitled to rent arising from more than 500 acres of leased or rented township lands in this island, as aforesaid, shall be chargeable with, and liable to the rate or duty hereby imposed ; and shall, on neglect or refusal to comply with the provisions of this Act, be liable to pay the said rate or duty increased to double the amount as hereinbefore mentioned, and to any fine or penalty imposed on persons refusing or neglecting to comply with the provisions of this Act.

XIII. In the event of the rent of lands, and for which rent any person is or shall be chargeable under this Act, being reserved and payable every two or three years, or for any other term longer than one year, the average rent of such lands for one year shall be considered the annual rent thereof, for the purposes of this Act ; and when any rent is, or shall be payable in grain, produce, or other matter, instead of money, the rate or duty hereby imposed shall be computed, charged, and exacted on the amount which such grain or produce, or other matter, would realize, if sold and converted into money.

XIV. The monies that may be levied under and by virtue of this Act shall be appropriated by the Lieutenant-governor and Council towards the raising of any armed force which may at any time be required for the protection and well-being of the colony ; but the said monies shall, until such force be called for and necessary, be applied towards the further encouragement of education.

XV. This Act shall continue and be in force for five years, and from thence to the end of the then next session of the General Assembly, and no longer.

XVI. This Act shall not go into operation, nor be of any force or effect until Her Majesty's assent thereto shall be known ; and notification thereof published in the " Royal Gazette " newspaper of this island.

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SCHEDULES to which this ACT refers.

Schedule (A).

SCHEDULE (A).

Name of Persons making the Return, and in what capacity he makes the same, whether as Owner, Trustee, Agent, Factor, Receiver, Guardian, or Committee, and to and for whom such Person may be Agent, Factor, Trustee, Receiver, Guardian, or Committee.	Amount of Annual Rent which Persons making Return is entitled to receive as Owner or Proprietor of more than 500 acres of Township Lands in this Island, or as the Agent, Factor, Trustee, or Receiver, Guardian or Committee of such Proprietor or Owner.	Number of Acres of Land in respect of which any Person making Return is entitled to receive Rent, and on what Township situate in this Island, and the Name of the Owner or Proprietor thereof.	Amount of Rate or Duty which Person making Return is chargeable with under this Act, or which any Agent or Factor, Trustee, Receiver, Guardian, or Committee making Return, is required to pay under this Act.

SCHEDULE (B).

Schedule (B).

I, *A. B.*, do solemnly swear that the return or statement now given in and signed by me, is correct and true in every respect and particular, as I verily believe,

So help me God.

A. B.

Charlotte Town,
Prince Edward Island.

George Coles, Colonial Secretary.

A true copy of the original, which I certify.

(signed)

Joseph Hensley,
Attorney-General.

22 May 1855.

— No. 2. —

COPY of DESPATCH from Lieutenant-Governor *Daly* to the Right Honourable Lord *John Russell*.

(No. 38.)

Prince Edward Island, 28 June 1855.
(Received, 16 July 1855.)

No. 2.
Lieut.-Governor
Daly to Right Hon.
Lord J. Russell,
28 June 1855.

My Lord, (Answered, No. 13, 17 November 1855, page 11.)

I HAVE the honour to transmit to your Lordship three authenticated copies of a Bill passed by the Legislature of this Island in its last session, intituled "An Act to secure Compensation to Tenants in Prince Edward Island, and thereby to promote the improvement of the Soil."

2. Although this Bill had its origin in proceedings upon analogous subjects in the Imperial Parliament, where the principle of securing to improving tenants the value of money laid out by them during their possession of leases, has met with general concurrence, yet it will be apparent to your Lordship that, in Great Britain, where real property is generally let either in terms specifying the manner and amount of improvements to be made, or the property let is already improved, public policy has pointed out that improving tenants should be sustained from loss, or its apprehension, how much more necessary is it to protect those whose lives must be spent in the arduous task of reclaiming forests and swamps from their state of primitive nature.

3. The difficulty of adjusting a general measure to embrace the variety of tenures which it would affect in Great Britain, does not operate in this island where the uniform tenure of leaseholds facilitates the completion of a measure to carry out the admitted principle; and believing that justice and sound policy demand

demand the application of this measure to the peculiar circumstances of the colony, I respectfully trust that your Lordship will see sufficient grounds to recommend it for Her Majesty's confirmation.

4. In the vicissitudes of human events, and more particularly when they are influenced, as in this island, by the market for timber, and by ship-building, the fluctuations of which will at any time either exhilarate or depress the settler, the most industrious family may be brought to want without fault or criminality; and, unless protected by this enactment, may be ejected from farms which the strength of their youth and manhood have reduced to cultivation and rendered valuable.

5. In such cases the landlord would be prevented from taking all; and unexceptionable referees would establish the value that should be placed upon the tenant's labour, whilst the improved farm would return to the possession of the landlord, to be disposed of with increased ease and advantage.

6. The tenantry have long been anxious for this measure, and at a time when the provincial Government is resisting the delusion (that for political purposes is so mischievously propagated), that escheat and free lands are to be attained by agitation, your Lordship will perceive how desirable it is that their reasonable expectations should not be disappointed.

* * * * *

I have, &c.
(signed) *D. Daly*,
Lieutenant-Governor.

Enclosure in No. 2.

Enclosure in No. 2.

AN ACT to secure Compensation to Tenants in *Prince Edward Island*, and thereby to promote the Improvement of the Soil.—[Passed 17 April 1855.]

Preamble.

WHEREAS a great part of the lands in this island are let to tenants, in some instances by written leases and agreements, and in others on merely verbal agreements, or on determinable tenures, or at will, such lands being in a wilderness and unimproved state, and without, at the commencement of such tenancy, any suitable buildings, or other improvements being made thereon by the lessor, or any allowance given or secured to the tenant or lessee, in consideration of any improvement made by clearing the forest, fencing, erecting buildings, draining, or otherwise, for the culture of the soil, in case he shall at any time, by misfortune or otherwise, make default in payment of the rent reserved in the lease or agreement, and the landlord shall thereupon, or at the expiration of such tenant's or lessee's term, take proceedings, by ejectment or otherwise howsoever, to recover possession of the land; and the tenant or lessee has on that account cause of complaint: be it therefore enacted, by the Lieutenant-governor, Council, and Assembly, as follows:—

Every tenant of land qualified, as mentioned in this Act, (where the land was unimproved at the commencement of the tenancy), who has made improvements, shall receive compensation therefor, previous to ejectment, &c., for non-payment of rent.

I. From and after the passing of this Act every tenant, qualified as hereinafter mentioned, occupying lands and paying rent in this island under a lease or agreement, verbal or in writing, reserving rents which shall have been in a wilderness state, and unimproved when the possession was given, or lease or agreement thereof granted or made at the date thereof, and when permanent improvements shall have been made on the land or premises in his occupation since the commencement of such occupation or date of the lease or agreement, shall be entitled, previous to the execution of any writ, process of ejectment, or other process at law, for nonpayment of rent, to receive compensation for the value of such improvements, according to the rules and regulations in this Act hereinafter provided.

Tenant on being served with notice to quit or declaration in ejectment, &c., shall serve notice of claim for compensation on landlord, with an offer of arbitration and name of an arbitrator.

II. If any such tenant or lessee shall be desirous to claim compensation under this Act, such tenant or lessee shall, on service of a notice to quit, or a declaration in ejectment, or other process issued or served to recover the premises in his occupation being made on him by such landlord, or within 20 days after such service, serve on such landlord, or his agent or attorney, a notice of such claim, which notice shall be in writing, and shall state the amount demanded by such tenant or lessee; and also an offer, on the part of the tenant or lessee, to refer all the aforesaid matters to arbitration; and which notice shall also contain the name of an arbitrator, being a fit and proper person resident in Prince Edward Island, to be appointed by such tenant or lessee for the purpose of such arbitration; and in case the claim for compensation shall not be acceded to by such landlord, or his agent or attorney, or adjusted by agreement between the parties, such landlord shall, within 20 days after the delivery of such notice, serve upon such tenant or lessee a notice containing the name of an arbitrator, being a fit and proper person resident in Prince Edward Island, to act in the matter of such arbitration; and the said two arbitrators so appointed by the tenant or lessee, and the landlord, shall appoint a third arbitrator, being a fit and proper person resident in Prince Edward Island, and the said matters in dispute shall be referred to the three arbitrators

The two arbitrators to appoint a third arbitrator.

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trators as aforesaid; and the said arbitrators, or any two of them, shall and are hereby authorised and empowered, by such means as they shall think proper, to settle the amount of compensation, if any, to which the tenant or lessee shall be entitled under the provisions of this Act, and to make their award thereon in writing under their hands and seals, or under the hands and seals of any two of them, and such arbitrators shall, within 20 days after the making of such award, forward to each of the parties a copy thereof, and the expenses of such arbitration shall be paid by such party or parties, or in such proportion as the said arbitrators shall direct.

Arbitrators, or any two of them, empowered to settle amount of compensation, and give award in writing, &c.

A copy of award to be forwarded to each party.

III. If any landlord, against whom any such claim of compensation as aforesaid shall be made, shall proceed further, by any process of law, against the tenant or lessee making such claim for the purpose of recovering the possession of the lands or tenements, in respect whereof such claim shall have been made, it shall be lawful for such tenant or lessee to prove, by evidence at the trial of such ejectment, or other action for the recovery of lands, that such claim had been made, on his part, in conformity with the provisions of this Act; and either that compensation has been awarded to him, which compensation has not been paid or tendered to be paid by said landlord, or that such landlord has neglected or refused to appoint an arbitrator, having been duly required to do so, according to this Act, and that therefore such claims remain, by the default of the landlord, pending and undetermined; and on proof thereof, unless the amount of the award, if any award has been made, be forthwith lodged in court, or the claim of the tenant or lessee be otherwise settled, or appeal made against the award, as hereinafter in certain cases permitted, such tenant or lessee shall be entitled to a judgment or decree, as the case may be, in his favour, in the matter of such ejectment or other action as aforesaid; but if it shall appear that the claim of the tenant or lessee for compensation remains undetermined, by reason of any default of the arbitrators appointed as aforesaid, in not having made an award, or by reason of any informality in the service of the notices, or any part of the proceedings, it shall be lawful for such court, on the application of such tenant or lessee or landlord, and such court is hereby required to appoint an arbitrator or valuator, being a fit and proper person, resident in Prince Edward Island, who shall have full power to determine the amount of compensation, if any, due to such tenant or lessee, and such court shall withhold the issuing of any *habere* or writ of eviction, to which such landlord might be otherwise entitled, until the amount of compensation, if any, determined by the award of such arbitrator or valuator, shall have been paid to such tenant or lessee, or lodged in such court, to the credit of such suit; and if any such amount shall not be so paid or lodged within a time named, such court shall then give judgment or decree, as the case may be, in favour of the tenant or lessee.

If landlord proceed with ejectment, tenant, at trial, may prove that award was made and remains unpaid, or else that no arbitrator has been appointed by the landlord, although duly notified, whereupon judgment shall be given for tenant.

But if, by reason of default of the arbitrators, no award has been made, or any informality in the proceedings, the Court, if required by either party, shall appoint an arbitrator to determine the amount of compensation.

Habere or writ of eviction to be withheld until amount of the award shall be paid or lodged in court. If not paid within a time named, judgment may be given for tenant.

Landlord or tenant may appeal to the Court where the award has not been made according to the rules of this Act.

IV. If, in any case, wherein an award shall have been made under this Act by arbitrators, any landlord, tenant or lessee shall think himself aggrieved by such arbitrators having failed to observe the rules herein provided for the regulation of their proceedings, and for determining the amount of compensation to be awarded, or with regard to the qualifications of the tenant or lessee, to make claim for compensation, under the rules and limitations with reference thereto in this Act enacted, it shall be lawful for such landlord, tenant or lessee to appeal against such award to the court in which any such ejectment case or other action for the recovery of land as aforesaid shall be tried; and if it shall appear to such court that the objections so made to the proceedings of the arbitrators in the matter of any award made by them were valid against the same, it shall thereupon be lawful for such court to cancel, alter or amend any such award; and if necessary to appoint an arbitrator or valuator to make a new award in the matter of such claim, as hereinbefore provided in the case of default in the arbitrator making award.

Court may cancel, alter, or amend award, or appoint an arbitrator, as if no award had been made.

V. The arbitrators who may be appointed to decide any case of dispute between landlord and tenant or lessee under this Act shall proceed in manner following: they shall first inquire whether the tenant or lessee claiming is in all respects entitled to make claims, according to the rules herein provided; and if the arbitrators find the claimant so qualified, they shall proceed to ascertain the improvements of all kinds for which the tenant or lessee is entitled to compensation, according to the terms and meaning of these provisions, whether the same be in the form of clearing and reducing the land into cultivation, of buildings, or of works to increase the productive power of the soil, by draining, or by any other productive expenditure of labour, and the expense of such improvements, and the amount of increased value created by the same; and they shall award to the tenant or lessee the full costs of all improvements so made, by which the value of the premises may be increased, or such amount thereon as they shall think fair and just, according to the circumstances of the tenancy, and according to the rules herein provided; making their award in such manner as best to carry out the principles upon which the provisions of this Act are founded.

Mode of proceeding by the arbitrators in determining their award.

VI. In any estimate of the amount of compensation to be allowed for buildings under this Act, the arbitrators aforesaid shall first estimate the cost at which new buildings might be erected, of the quality and extent of those for which compensation may be claimed, and afterwards they shall estimate whether any and what deduction should be made for deterioration from age or other causes; and having deducted such amount, if any, from the sum first ascertained, the remainder shall in all cases be deemed and taken to be the amount of compensation to be awarded to the tenant or lessee for such buildings: Provided always, that in case it shall appear that any building or buildings for which compensation shall be demanded are of greater extent, or erected at a higher cost, or for purposes other than what are suitable

Mode of determining the value of buildings.

No buildings to be allowed for, which do not increase the rent for which the premises would let.

able for the premises, and from any of these causes do not increase the value of the same, or do not produce an increased rent equal to the cost, the compensation shall be reduced in amount accordingly; and in determining the amount of compensation which shall be allowed to any claimant for the improvement of the soil, credit shall be given by the said arbitrators for all works of every description, and all expenditure of labour and capital proved to have been made, whether in clearing and reducing the land into cultivation, or any other way which shall have produced a permanent increase of the real value of annual rent of the property unimproved, and none other; and the nature, extent, expense, and present condition of all such improvements having been ascertained by the evidence which shall be produced on the part of the tenant or lessee, the amount of compensation to be awarded shall be determined in the following manner; that is to say, an estimate shall be first made of the annual rent which the lands would produce, as then improved, and an estimate shall be next made of the inferior rent which the same lands would be capable of producing if such improvements had not been made; and the difference of the two sums shall be considered the amount of annual profit to the landlord, created by the tenant's or lessee's improvements on the soil; and the amount of compensation to be awarded, as due to the claimant for improvements on the soil, shall be so much principal money as the amount of annual profit represents in the shape of interest, for one year, at the rate of five pounds per centum per annum; for instance, if the amount of annual profit shall be 2*l.* 10*s.*, then the amount to be awarded as compensation for improvements on the soil shall be 50*l.*, and so on in like proportion for a greater or less amount; and in determining such amount, it shall be lawful for the arbitrators to inquire into, and take into consideration the length of previous tenure or occupancy, and the rent paid, and the extent to which the tenant or lessee had been or might have been remunerated for the clearing of the land, or improvement of the soil, during his past occupancy; and it shall also be lawful for the arbitrators aforesaid to take into consideration any expenditure of manure, lime, or any other matter calculated to improve the temporary fertility of the soil, although not in the class of permanent improvements, and to award such recompense as they may think right for all such unremunerated expenditure.

Mode of determining the value of improvements of the soil.

Landlord may, if he can, rebut tenant's claim for compensation, and require arbitrators to make allowance after hearing his objections.

All arrears of rent, debts, &c., due to landlord to be deducted out of such compensation, and to be retained by landlord.

VII. It shall be lawful for any landlord, against whom claim for compensation shall be made by any tenant or lessee as aforesaid, to rebut such claim thereto, if in his power, and to require the arbitrators to inquire into objections made by such landlord, and to make such allowance or reduction, after hearing such objections, as to such arbitrators may seem just; and all rent and arrears of rent, debts, fines, or penalties, due to the landlord by the tenant or lessee, shall, in all cases of allowance of compensation for improvements of any kind, be discharged out of the money paid or agreed to be paid, for the purpose of such compensation.

Definition of terms used in this Act.
"Tenant" or "Lessee."

"Landlord."

"Improvement."

"Serve."

VIII. In the construction of this Act, the words "tenant or lessee" shall be understood to mean and include the original tenant or lessee of wilderness and unimproved lands, and also his heirs, executors, administrators, and assigns, who shall be in the use or occupation of any wilderness and unimproved land, under any lease or agreement, reserving rent, whether verbal or written, in lands which, at the date of the lease or agreement, or at the commencement of his entry or occupation, were in a wilderness and unimproved state, and were then let for the purpose of agriculture, but not for the purpose of occupying or making use of the same for one or two seasons only, or for any special or temporary purpose, and shall not be let for the express purpose of building, or let by the foot, or other lineal measurement, denoting that such letting was actually *bonâ fide* for the purpose of building; and the word "landlord" shall be understood to mean the person or party entitled to the immediate possession or reversion of the lands or premises, on the determination of the tenancy, and the legal representative of such person or party, for the time being; and the word "improvement" shall be taken to include all buildings, and repairs of buildings, fences, clearing land from the forest, and reducing it into a state of cultivation, and all works of any kind which have tended to increase the permanent value of the land and premises; and the word "serve" shall be construed to mean either personal service or services on the attorney, agent, bailiff, steward, or receiver of the person or party to be served; or service, by delivery at the place of abode of such person or party, his attorney, agent, bailiff, steward, or receiver.

This Act only to apply to township lands and islands, and not to towns, &c.

Suspending clause.

IX. This Act shall only apply and extend to the lands of this island, known as township lands and islands, and not to the towns, commons, and royalties thereof.

X. This Act shall not go into operation, or be of any force or effect, until Her Majesty's pleasure therein shall be known, and notification of Her Majesty's assent being given thereto shall have been published in the "Royal Gazette" newspaper of this island.

Charlotte Town, 2 July 1855.

(signed) George Coles,
Colonial Secretary.

(A true copy, which I certify.)

(signed) Joseph Hensley,
Attorney-General for Prince Edward Island.

— No. 3. —

COPY of DESPATCH from Lieutenant-Governor *Daly* to the Right Honourable
Lord *John Russell*.

(No. 39.)

Prince Edward Island, 2 July 1855.
(Received, 16 July 1855.)

No. 3.
Lieut.-Governor
Daly to Right Hon.
Lord J. Russell.
2 July 1855.

My Lord,

(Answered, No. 13, 17 November 1855, page 11.)

I HAVE the honour to transmit to your Lordship a petition, from certain proprietors of lands and their agents in this island, to The Queen, praying that Her Majesty may be pleased to withhold her Royal confirmation from the "Act to secure Compensation to Tenants in Prince Edward Island, and thereby to promote the Improvement of the Soil," which has been placed in my hands by Mr. Robert Bruce Stewart for that purpose.

2. I see no sufficient grounds in the statements of the petitioners to induce me to qualify the opinion I have had the honour of submitting to your Lordship in my despatch of the 28th June (No. 38); but, in justice to the proprietors generally, I am happy to be enabled to confirm that portion of the statement of the petitioners which asserts "that the conduct of the landlords has not been harsh or oppressive."

3. No circumstance has occurred during my administration of this Government that can be thus characterised, although I regret to be unable to discover the slightest ground to encourage a hope that the feelings of distrust and discontent evinced by the tenantry will be overcome so long as the leasehold system is persevered in.

I have, &c.

(signed) *D. Daly*,
Lieutenant-Governor.

Enclosure in No. 3.

To the Queen's Most Excellent Majesty.

Encl. in No. 3.

The humble Petition and Remonstrance of the undersigned Proprietors and Agents of Land
in Prince Edward Island.

Most respectfully sheweth,

THAT in the last session of the provincial Parliament of the said island a Bill was passed, intituled, "An Act to secure Compensation to Tenants in Prince Edward Island, and thereby to promote the Improvement of the Soil," in which said Bill is a clause restraining the operation thereof until your Majesty's assent should have been first given thereto.

The undersigned humbly beg leave to submit that the said Bill should not be allowed to become law, for the following amongst other reasons:—

Because the provisions of the Bill are utterly subversive of all acknowledged principles of law and equity, destructive of the mutual relations existing between landlord and tenant, as recognised by the common law of England from time immemorial, and directly opposed to the dictates of common sense; so that it is difficult to suppose that those who concurred in passing it, from motives which will be hereafter alluded to, could have entertained the slightest hope that it would ever receive the Royal assent.

Before entering into the details of the Bill, it is deemed necessary to show under what relations the tenants contemplated in it stand with respect to their landlords as regards duration of tenure and terms of payment of rent, as these have a very evident bearing on the policy and justice of passing the Bill into an Act.

The majority of the tenants hold by leases of a long endurance, as appears by the enumeration of the respective holdings in the census of 1848 (the general accuracy of which there is no reason to doubt), as it is published by the order of the House of Assembly in the appendix to its journals of the year 1849.

In the year 1848 the whole number of tenants in the island amounted to 6,099, of whom more than one-half held under leases for 999 years, the residue by terms varying from 999 to 100, 50, and 30 years; there being of the whole number only 199 that occupy their lands under leases or agreements for a shorter period than 30 years; and those holding by these comparatively short periods of 100, 50, or 30 years have generally a clause inserted in the lease or agreement giving them the power of demanding releases in fee-simple upon the payment of 20 years' purchase-money.

As to the terms respecting the payment of rents under which the lands are held, they are, as given by the same authority, as follow: Out of the 6,099 tenants, are 4,970 who pay 9*d.* British sterling the acre; 898 at rents varying from 9*d.* to 16*d.* British sterling the acre; 37 not exceeding 2*s.* sterling per acre, and 87 in the oldest, most populous, and best cultivated districts, who hold at a greater rent than 3*s.* British sterling per acre.

That there is no species of contract which the laws of all countries, by a common consent, founded on the immutable principles of justice, look upon as so religiously to be kept and enforced as that between landlord and tenant: and the payments of the rent reserved in such contracts have ever, by the law of England, been compelled to be made with rigour and strictness, tempered and modified by a care and watchfulness that the extraordinary power vested in the landlord should not be abused; and of this care and watchfulness the tenant of Prince Edward Island has an equal share with those of England, in addition to the benefit conferred by statutes, by which the power of the landlord is curtailed and regulated, passed by the local legislature in favour of the tenant, who has also the same advantages given by the law of replevin, and may avail himself of any plea, in bar or of set off, that the practice of the courts allow, as fully as the tenant in England can.

But the tenant in Prince Edward Island is, in almost every possible case, placed on a far more favourable footing than the tenant in England. In the first place, the tenant's lease is of a long endurance; secondly, he is hampered with no burthensome conditions, is compellable to erect no particular species of buildings, to follow no prescribed course of cropping or tillage; all he has to do is simply to provide for and pay his rent of 9*d.* British sterling per acre, and the public taxes, which do not amount to 1*d.* British sterling per acre; and having performed these duties, he is totally independent of his landlord; may sell and dispose of his leasehold interest, at public auction or by private contract; may mortgage, build, cultivate, or let it alone, just as he pleases. It is therefore submitted that it is contrary to the dictates of sense, as well as opposed by the rules of common justice, that the landlord should be compelled to pay for buildings and improvements, on the necessity of erecting the one and making the other he has never been consulted, and which, if he had been consulted, he would in all probability have disapproved of.

That the compelling the landlord to take back the land because the tenant is either unable or unwilling to discharge the rent, and pay for the improvements at a valuation by arbitrators, is an act of injustice to him as a creditor, to which no other creditor of the tenant is by law subjected, inasmuch as any judgment creditor of the tenant may take out execution, levy upon the leasehold interest, and sell it, with all the improvements, in a year from the date of the levy; turn the tenant out of possession; and if the leasehold interest, with the improvements, are not sufficient to pay the debt, seize upon his person and lodge it in prison until the residue be paid.

That the mortgagee of property is at liberty to foreclose, when the condition for the repayment of the mortgage money is broken; and that in such case the land, with all its improvements, is forfeited; and that this Bill would place the landlord who, by abstaining from pressing his tenant for the rent, has in equity lent him so much money, in a worse situation than a mortgagee or a judgment creditor; thus making the claim of the landlord, which is in England and all other countries considered as paramount, inferior to those of strangers.

That the Bill is retrospective, and will, if it takes effect, be the means of adding a Parliamentary covenant to pay for improvements on the part of the landlord, which, had it been proposed at the time of executing the lease, he would have at once rejected.

That it is taking a fraudulent and unjust advantage of the lenity of the landlord, who in most, or in all cases, has forborne to press the tenant for the payment of his rent, from an unwillingness to interfere with or prevent his making the necessary improvements; resting satisfied that by so doing he was promoting the interests of the tenant, and enabling him to pay his rent with greater ease in future years: that, in fact, by this Bill the landlord is to be punished for having assisted his tenant, at the outset of his career, with what was equivalent to a loan of money, without interest, for 5, 10, or 15 years.

That the very fact of the improvements being to any amount greater in value than the rent in arrear, is a convincing proof that the tenant has had a beneficial use of the soil, and that there is no injustice in compelling him to dispose of those improvements at public sale or by private contract; and, first discharging the debt which honour and honesty alike require him to pay, appropriate the residue at his own will and pleasure.

That no distinction is made by the Bill between landlords who have only a life interest in the soil and those who have the fee-simple; as, for instance, tenants for life, tenants in tail, tenants by the courtesy, and tenants in dower, all of whom have no other interest in the land than what they derive from the annual profits, and who might be ruined or starved by the detention of the rents, and who have, certainly, no interest in the improvements other than their affording a greater security for the payment of those rents.

That the Bill has not been called for by any harsh or oppressive practices on the part of landlords or their agents, there having been only six tenants, out of all that hold lands in the island, ejected for the nonpayment of rent during the space of the last four years, as was shown by a return furnished by the prothonotary of the Supreme Court.

That the allowing the improvements to be estimated by arbitrators is an useless, expensive, and uncertain method of finding their true value, which more easily and with greater certainty can be ascertained by exposing them to sale, with proper notice and under proper precautions; a mode of procedure to which the proprietor who is in want of his rent must have recourse if the Bill should become an Act, and who, if the improvements realise less than

than their estimated value, must submit to a loss which ought, in justice and equity, to be borne by the tenant.

That under the terms of the Bill, as to what shall be considered the just value of the improvements to be paid for by the landlord and those to be borne by the tenant, it would be utterly impossible for any arbitrators to come to a just decision, inasmuch as few, if any, of the tenants in the island keep any account of their expenditure or of their income.

That the Bill directs the arbitrators "to take into consideration any expenditure of manure, lime, or any other matter calculated to improve the temporary fertility of the soil, and to award a recompense therefor," a convincing proof that the true intention of the Bill is to prevent the landlord from ever recovering his rent when it has been suffered to fall in arrear, as an award made upon such principles would, in most cases, amount to more than the original value of the land.

That it is a specimen of class legislation of the most odious kind, and can serve no other end than to reduce the value of real estate, already at a very low rate, as may be seen by the price paid by the Government for the estate of Charles Worrell, Esq.

That the Bill is impolitic, having a tendency to drive all monied men from the island, as no one will be inclined or can be expected to invest capital in the purchase of land which he is deprived of the power of turning to a beneficial use, and may be prevented from reaping the just profits of under the sanction of law.

That the true object of this Bill has been declared by the Honourable George Coles, the leader of the Government, in his speech on the escheat question, on the 29th day of March last, to be for the purpose of compelling the proprietors "to come in and offer their lands to the Government under the Land Purchase Bill."

That if the Royal assent be given to this Bill, it will be sanctioning a species of class, partial, and unjust legislation, which cannot fail to have a ruinous effect on the future prosperity of Prince Edward Island, and may be drawn into a precedent for any species of wrong and injury it may be the pleasure of an ignorant or interested majority in the Legislature to inflict upon either individuals or bodies of men.

The undersigned, therefore, most humbly pray that your Majesty will be graciously pleased to take the premises into your Royal consideration, and withhold your Royal allowance from the said Bill.

And your Majesty's petitioners, as in duty bound, shall ever pray.

Charlotte Town, Prince Edward Island,
19 June 1855.

[33 Signatures.]

— No. 4. —

EXTRACT of DESPATCH from the Right Hon. Sir George Grey to Lieutenant-Governor Daly; dated Downing-street, 17 November 1855.

(No. 13.)

No. 4.
Right Hon. Sir
G. Grey to Lieut.-
Governor Daly,
17 November 1855.

I have to acknowledge your despatches, by which you transmit to me for Her Majesty's sanction two Acts passed by the Legislature of Prince Edward Island in the month of April last, intituled respectively,

"An Act to impose a Rate or Duty on the Rent-rolls of the Proprietors of certain Township Lands in Prince Edward Island, in order to defray the expenses of any Armed Force which may be required on account of the withdrawal of the Troops, and for the further encouragement of Education:" and,

"An Act to secure Compensation to Tenants in Prince Edward Island, and thereby to promote the Improvement of the Soil;" both of which Acts contain suspending clauses, reserving them for the assent of the Crown; and also transmit representations from various parties interested in the subject of these Acts.

Her Majesty's Government have considered these Acts separately, and with an anxious desire to do justice between the community of Prince Edward Island in general, and the proprietors of the soil, and to allow the fullest possible scope to the principle of local independence in legislative matters, subject only to their paramount duty, not to advise the Crown to assent to any measure inflicting manifest wrong on any of Her subjects.

I regret to be obliged to inform you, that Her Majesty's Government find themselves unable to advise Her Majesty to give her assent to either the one or the other of these Acts.

If the Legislature of Prince Edward Island should find that the revenue of the island is not sufficient to defray the public expenses of the colony, and if those expenses cannot be diminished by any economical revision without detriment to the public service, a general tax affecting alike all incomes arising in any way from land, from houses, from trade, from manufactures, from salaries, or from any other source, might be a fair and proper mode of providing the requisite funds. And if such an Act were passed (with sufficient reason shown for it), applying equally to landowners and tenants, to proprietors and occupiers, such a measure would be free from objection.

The measure intituled "An Act to secure Compensation to Tenants," is one to which Her Majesty's sanction must be refused, because its plain and direct tendency is to transfer property in land from the owner to the tenant. This Bill provides, that where a tenant is unable or unwilling to fulfil the contract between him and the landowner by which the tenant has agreed to pay to the landowner a fixed annual rent, usually very small in amount, for the land which he holds, the landlord must either forego the rent, and thus let the land pass practically to the tenant, or he must pay to the tenant a sum equal to 20 years' purchase of what is termed the "annual profit to the landlord created by the tenant's or lessee's improvements on the soil," the amount of which payment would in many cases be equal to the marketable value of the fee simple of the land. In the one case, he would make over to the tenant the land itself; in the other case, he would make over to the tenant a sum which might even go beyond the value of the land.

* Page 9.

It is needless to enumerate all the objections which apply to this measure; and the more so, as they are ably stated in the Memorial presented against it by some of the owners of land, and transmitted with your despatch No. 39* of the 2d July last.

But I cannot refrain from remarking, that those lands in Prince Edward Island on which any great improvements have been made by tenants were let in a state of wilderness at the almost nominal rent of 9*d.* or 1*s.* an acre, on the express understanding that they were to be brought into cultivation by the tenant; that, to secure to the tenant the enjoyment and profits of his improvements, leases of extraordinary length were given; and that a tenant who, by misfortune or other cause, is unable to pay that insignificant rent is always at liberty to sell his lease to the best bidder, and thus to realise in the market the value of the improvements he may have made.

— No. 5. —

No. 5.
Lieut.-Governor
Daly to Right Hon.
H. Labouchere,
M. P.,
10 December 1855.

EXTRACT of DESPATCH from Lieutenant-Governor *Daly* to the Right Hon. *Henry Labouchere*, M. P.; dated Government House, Prince Edward Island, 10 December 1855.

(No. 70.)

(Received, 1 January 1856.)
(Answered, No. 5, 2 January 1856, page 15.)

* Page 11.

I HAVE the honour to acknowledge the receipt of Secretary Sir George Grey's despatch of the 17th November, No. 13,* informing me that Her Majesty's assent would not be given to "An Act to impose a Rate or Duty on the Rent-rolls of the Proprietors of certain Township Lands in Prince Edward Island, in order to defray the expenses of any Armed Force which may be required on account of the withdrawal of the Troops, and for the further encouragement of Education:" and,

"An Act to secure Compensation to Tenants in Prince Edward Island, and thereby to promote the improvement of the Soil."

In sanctioning the introduction of those measures on the recommendation of my Council, after the most careful and anxious consideration, I acted under the conviction that there was no other course open to me, by which the tranquillity of the colony could be maintained, and the interests of all the holders of property therein so effectually protected.

By

By this means the cordial co-operation of my Council was secured in the resistance which I felt it to be of paramount importance to offer to the " escheat" agitation, in which, up to the present time I have succeeded beyond my most sanguine expectations.

The resignation of the Executive Council, which would have followed upon a refusal on my part to permit the introduction of these measures, must have led to their places being filled by persons far less qualified in every respect for that position, if indeed, as would probably have been the result, a dissolution were not forced upon me, which would in such circumstances have given a large majority of the Assembly pledged to escheat (the party lately in power having for the most part regardless of all other consequences, encouraged the mischievous agitation of that subject for the sole purpose of displacing the present Council, and without any reason to expect that they could themselves have returned to office).

I was under no apprehension that any amount of agitation could induce a departure on the part of Her Majesty's Government, from the equitable decisions which had been so repeatedly communicated to the Legislature on the subject of escheat, but a continued agitation of the question, as in all previous instances would have furnished a pretext for a general resistance to the collection of rents, attended by evil consequences which I should have found myself in a position wholly unable to counteract.

My constant endeavours have been directed to upholding the rights of property, and to leading the people to a more just appreciation of their position, and the prosperity that is attainable from a proper use of the advantages they possess; and, proprietors and tenants alike attribute to the influence I have exerted in this respect, the remarkable improvement that has taken place during the time that I have had the honour of administering this Government.

I beg, sir, to assure you that I do not allude to circumstances affecting myself personally in a boastful spirit, or with any other feeling than such as arises from the consciousness of having done my duty to the best of my judgment, in such a way as I trusted would merit the approbation of Her Majesty's Government.

The Act imposing a rate upon rent-rolls, I always considered to be objectionable as " class legislation;" but the advantages that would accrue to the taxpayers, far outweighed, in my humble judgement, the contribution which it was intended to levy under it.

It was manifest that the Act could not produce more than a portion (probably not one-half) of the cost of such a force as was required, but it would have enabled the local Government to appeal successfully to the Assembly for the deficiency.

I had not been many days in this island before the extremely oppressive nature of the Land Assessment Act was brought to my notice by proprietors and their agents, and by none more forcibly than Mr. Bruce Stewart, who described his position as all but ruinous, from the effects of that measure.

In the minute and careful consideration which this circumstance suggested, and which I have not ceased to give to the difficulties that surround the land question, and with a sincere desire to devise some means of relief for the proprietors, and the removal of all just cause of discontent from the parties wishing to occupy land, I have obtained the concurrence of my Council in a measure which I am under the impression would go far towards the attainment of the objects to which I have referred.

The leading feature of this measure is to relieve the proprietors from all tax upon wilderness lands, contained within such limits as they should voluntarily place on sale with the Crown Lands Department, for such number of years, and at such rates as might be agreed upon, not exceeding the prices at which similar lands are sold by the Government in this and in the neighbouring provinces.

I have had a Bill for some time in course of preparation, with the intention of having it submitted to the Legislature at its next session; but to what extent my views in this respect may be frustrated by the disallowance of these Acts, I am as yet unable to say; and in alluding to the subject at present, I merely desire to show that my exertions have been directed to the relief rather than the oppression of the proprietary class.

With regard to the Act to secure compensation to tenants, I can only say that I acted under the assurance of my principal Crown law officer, that it

[(9 Vict. c. 7).

was wholly free from the objections which are alleged against it; and that I much regret his opinion should still differ so entirely from that which is entertained by any member of Her Majesty's Government.

With reference to the concluding portion of Secretary Sir George Grey's despatch, I have the honour respectfully to assure you that I have never been unmindful that Her Majesty's Government possess the power of causing the law to be respected in all parts of her dominions. I humbly submit that my endeavours were directed to the best of my judgment, to obviating any necessity for the employment of extraordinary means by the Imperial Government, for the preservation of order in this colony, an alternative which I could not doubt would always be resorted to with regret by Her Majesty's Government.

With the consciousness of having faithfully performed my duty, I prize the confidence of Her Majesty's Government above every other consideration; and I humbly trust, sir, that the explanations I have felt called upon to offer, from the terms in which the decision of Her Majesty's Government is conveyed to me on this occasion, will be deemed satisfactory.

— No. 6. —

No. 6.
Right Hon. H. Labouchere, M.P., to
Lieut.-Governor
Daly,
21 December 1855.

EXTRACT of DESPATCH from the Right Honourable *H. Labouchere*, M.P., to
Lieutenant-Governor *Daly*; dated Downing-street, 21 December 1855.

(No. 3.)

UPON entering on the duties which Her Majesty has been pleased to confide to me, I could not avoid giving my most serious attention to the correspondence which has recently taken place with regard to two Acts* of the Legislature of Prince Edward Island, to which Her Majesty's Government were unable to advise Her Majesty to give her assent.

I have at the same time found it necessary to review the series of transactions extending over a long period of years, which are marked by the continued effort of a large portion of the resident inhabitants of the island, either to abolish altogether, or materially to curtail the rights of the owners of landed property.

I will not now repeat arguments which have been urged on various occasions by my predecessors, it will be sufficient for me to express my decided opinion, that whatever character may properly attach to the circumstances connected with the original grants which have been often employed against the maintenance of the rights of the proprietors, they could not with justice be used to defeat the rights of the present owners, who have acquired their property by inheritance, by family settlements, or for valuable consideration.

Seeing, therefore, that the rights of the proprietors could not be sacrificed without manifest injustice, I feel that it will be my duty steadily to resist by all means in my power measures similar in their character to those which were recently under the consideration of Her Majesty's Government.

I desire, however, at the same time, to assure you that it was with much regret that Her Majesty's advisers felt themselves constrained to oppose the wishes of the people of Prince Edward Island, expressed through their representatives; and that it is my earnest wish to be spared the necessity of authoritative interference in regard to matters affecting the internal administration of their affairs.

With regard to the main object which has been frequently proposed by a large portion of the inhabitants, namely, that some means may be provided by which a tenant holding under a lease may arrive at the position of fee-simple proprietor, I am anxious to facilitate such a change, provided that it be effected without injustice to the proprietors.

There are but two ways in which such a change could be effected. The first is the usual and natural one of purchase and sale between the tenant and the owner, and no reason appears as yet to have been stated why, if the tenants offer to the landowners the full value of the right and interest of the landowner, sales and purchases cannot be effected. It would seem probable, that at all events, in the cases of non-resident owners, such fair offers would generally be accepted, and as the lands are usually let upon leases of extraordinary length, and

* Pages 1 and 6.

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and at a small annual rent, there can, it would seem, be but few tenants who could not find the means of offering a fair price for buying up the annual rent of their holding.

The other method would be, that the Government of the island should treat with such of the landowners as might be willing to sell, and that the State, thus becoming possessed of the fee-simple of such lands as might thus be sold, should be entitled to afford greater facilities for converting the tenants into freeholders than the landlords themselves might feel an interest in doing.

An arrangement of this kind would probably not be made without a loan to a considerable amount to be raised by the island Government, the interest thereof to be charged upon the revenues of the island. But Her Majesty's Government would not be indisposed to take into consideration any plan of this kind which you might submit to them, knowing in what way the interest of such loan could locally be provided for, and what arrangements would be proposed as to the manner of disposing of the lands of which the fee-simple might so be bought up.

I shall be happy to receive from you in the meantime any suggestions or information which may tend to promote the satisfactory settlement of this difficult and protracted controversy.

— No. 7. —

EXTRACT of DESPATCH from the Right Hon. *H. Labouchere*, M. P., to Lieutenant-Governor *Daly*; dated Downing-street, 2 January 1856.

(No. 5.)

No. 7.
Right Hon. H. Labouchere, M. P., to Lieut.-Governor Daly,
2 January 1856.

* Page 12.

I HAVE to acknowledge your despatch, No. 70* of the 10th ultimo, relating to the two local Acts to which Her Majesty's assent has not been given.

As this despatch has reached me only in time for bare acknowledgment by the present mail, and as the considerations which it raises are of much importance, I postpone until next mail any instructions which I may have to convey to you thereupon. But I am anxious not to let this opportunity pass by of assuring you, that Her Majesty's Government are and have been throughout fully aware that your conduct in reference to these Acts has been dictated by a sincere desire to consult the best interests of the community of Prince Edward Island, and that you have had to select your own course on a question beset with very serious difficulties.

— No. 8. —

EXTRACT of DESPATCH from Lieutenant-Governor *Daly* to the Right Hon. *H. Labouchere*, M. P.; dated Prince Edward Island, 24 January 1856.

(No. 4.)

(Received, 12 February 1856.)

No. 8.
Lieut.-Governor Daly to Right Hon. H. Labouchere, M. P.,
24 January 1856.

* Page 14.

THE despatch which you did me the honour of addressing to me on the 21st December, No. 3,* having reached me only a few hours before the departure of the regular mail, in consequence of the interruptions of our postal arrangements, (frequent at this season), I was unable to do more than acknowledge its receipt.

I am unable on this occasion to enter fully upon the subject of your despatch No. 3,* as well from the very limited time afforded to me, as from my not having been yet able to ascertain the precise views of my Council on some of the points to which it refers; but I hope to have the honour of doing so at an early date.

* Page 14.

I have summoned the Legislature for the 14th February, and I shall soon be able to form some idea of what may be expected from the Assembly, under the disappointment occasioned by the failure of the Bills.

— No. 9. —

No. 9.
Lieut.-Governor
Daly to Right Hon.
H. Labouchere,
M. P.,
3 March 1856.

EXTRACT of DESPATCH from Lieutenant-Governor *Daly* to the Right Hon.
Henry Labouchere, M. P. ; dated Prince Edward Island, 3 March 1856.

(No. 15.)

(Received, 28 March 1856.)
(Answered, No. 19, 8 April 1856, page 19.)

I HAVE the honour of transmitting to you enclosed copies of the Addresses of both branches of the Legislature, in answer to the Speech with which I opened the Legislative Session on the 14th of February.

I am as yet unable to ascertain to what extent the Assembly may be induced to adopt any measures calculated to mitigate the evils arising out of the "land question," but I regret to say that my expectations are far from sanguine in that respect.

Encl. in No. 9.

Enclosure in No. 9.

 ROYAL GAZETTE EXTRA.

Charlottetown, Prince Edward Island, February 185 .

OPENING OF THE COLONIAL LEGISLATURE.

SPEECH of his Excellency the Lieutenant-Governor.

Mr. President, and Honourable Gentlemen of the Legislative Council:

Mr. Speaker, and Gentlemen of the House of Assembly:

I HAVE called you together at the period which experience has shown to be most convenient for the ordinary course of public business.

Under the blessing of Divine Providence, the late harvest has proved abundant, and will, no doubt, stimulate those engaged in agricultural pursuits to perseverance in the habits of industry and order which have marked their course during the past year, and which cannot fail to produce the happiest results.

I am happy to be enabled to inform you that the decrease which I anticipated in the revenue of the past year is unimportant, and that in this slight fluctuation, which may be easily accounted for, there is nothing to apprehend for the stability and soundness of the resources of the island, the revenue being more than equal to the ordinary expenditure.

Mr. Speaker, and Gentlemen of the House of Assembly:

The public accounts shall be submitted to you as speedily as practicable, and I rely upon your readiness to make provision for the efficient support of the public service.

The laws for the collection of the revenue, as well as for its protection from the baneful effects of illicit traffic, appear to me to be liable to serious objections; to remedy which, their careful revision and consolidation has become necessary; and in directing your attention to this important branch of the public service, I cannot doubt that it will receive all the consideration which the extended commercial relations and increasing importance of the trade of this island demand.

Mr. President, and Honourable Gentlemen of the Legislative Council:

Mr. Speaker, and Gentlemen of the House of Assembly:

I feel assured that the interest you have manifested in the events of the war is undiminished, and that, although exempted from the great sacrifices which it entails, you are not the less solicitous for its early and satisfactory termination.

The Act of the last Session "to impose a Rate or Duty on the Rent-rolls of the Proprietors of certain rented Township Lands in this Island," and also the "Act to secure Compensation to Tenants," have not received her Majesty's confirmation.

The grounds upon which the decision of Her Majesty's Government regarding those measures is founded shall be communicated to you.

I am happy to inform you that the transactions respecting the sale of public lands, which will in due course be submitted to you, have, in their progress, fully justified the expectations formed of the effects to be derived from the Land Purchase Bill, in the desired conversion

version of leaseholders into independent freeholders, advantages which are only limited by the small amount placed by that measure at the disposal of the Government.

The great advantages, moral and social, which are derived from the constant extension of free education are appreciated to a very gratifying extent, as the rapidly increasing number of schools, already amounting to 268, and attended by above 11,000 pupils, fully testifies.

The agricultural portion of the community continue to derive substantial benefits from the operations of the Royal Agricultural Society, whose judicious importations supply those necessary articles, which could not be rendered available by unassisted private enterprise.

Closely bound up with the success of agriculture and trade, is the state of the island communication with the neighbouring colonies; and no more judicious application of the public resources can be devised than such as may be required to render this communication more secure, as well as frequent and expeditious. Any expenditure, with this very important object, cannot fail to be repaid by the increased benefits which it will confer on every class of the community.

These, and all other objects affecting the public interests, will, I doubt not, receive your fostering care and attention; and you may always rely upon my cordial co-operation in every well-directed effort to promote the welfare of the people and the prosperity of Prince Edward Island.

ADDRESS of the Legislative Council in Reply.

To his Excellency *Dominick Daly*, Lieutenant-Governor and Commander-in-Chief, in and over Her Majesty's Island of Prince Edward, and the Territories thereunto belonging, Chancellor, Vice Admiral, and Ordinary of the same, &c.

May it please your Excellency :

WE, the Members of Her Majesty's Legislative Council of Prince Edward Island, beg to offer to your Excellency our thanks for your speech at the opening of the present Session.

We are grateful to Divine Providence for the blessing of an abundant harvest, and are happy to learn that the anticipated decrease in the revenue of the past year is unimportant.

We assure your Excellency that we take a lively interest in the events of the war, and rejoice at the successes which, under the blessing of Providence, have attended the Allied Arms, which we trust will lead to the re-establishment of peace upon a firm, honourable, and satisfactory basis.

When the grounds upon which the decision of Her Majesty's Government, relative to the Act of the last Session, "to impose a Rate or Duty on the Rent-rolls of the Proprietors of certain rented Township Lands in this Island," and also, the Act "to secure Compensation to Tenants," shall be communicated to us by your Excellency, they shall receive due consideration.

We are gratified to be informed by your Excellency that the expectations formed of the advantages to be derived from the Land Purchase Bill have been fully realised, and trust that the Government may be enabled to extend to all parts of this island the benefits of that measure.

We fully appreciate the advantages of free education, and have no doubt that the constant extension of that admirable system, which has been brought to our notice by your Excellency, will be productive of great benefits to the inhabitants of this island, and promote their social happiness.

We are happy to learn from your Excellency, that the operations of the Royal Agricultural Society have been satisfactory and beneficial to the agricultural community, and that their importations have been judiciously made.

We heartily concur with your Excellency as to the importance of rendering the communication between this island and the neighbouring provinces secure and expeditious, and will give to any measures which may be submitted to us, for the promotion of that or any other object affecting the public interests, our careful and serious attention.

We thank your Excellency for the assurance of co-operation in every well-directed effort to promote the welfare and prosperity of Prince Edward Island, and we beg to express our full confidence in your Excellency's administration of its Government.

His Excellency's Reply thereto.

Mr. President, and Honourable Gentlemen of the Legislative Council :

I BEG you to accept my best thanks for your address, and for the assurances of co-operation and confidence, upon which I place the fullest reliance.

ADDRESS of the House of Assembly in Reply to His Excellency's Opening Speech.
To his Excellency *Dominick Daly*, Lieutenant-Governor and Commander-in-Chief,
&c. &c. &c.

May it please your Excellency :

WE, Her Majesty's faithful subjects, the House of Assembly of Prince Edward Island, respectfully thank your Excellency for the speech with which you were pleased to open the present Session at a period so convenient for the ordinary transaction of public business.

It is a source of the highest gratification to know that the labours of the husbandman have, during the past year, been blessed with an abundant harvest—a blessing, we feel assured, which will give an impetus to industry and perseverance in agricultural pursuits.

We are rejoiced to learn that the decrease in the revenue for the past year is unimportant; and that while there is nothing to apprehend from that fluctuation for the stability and soundness of the resources of the colony, it is gratifying to know that the revenue for the year has been more than sufficient to meet the ordinary expenditure.

We shall give a careful attention to the public accounts as soon as they are laid before us, and we will cheerfully make the necessary provision for the public service.

We fully concur with your Excellency in opinion as to the necessity of revising and consolidating the laws for the collection of the revenue, with the view of checking illicit traffic, so injurious to the trade and commercial relations of the island; and it will be our duty to give the best consideration to this important subject.

The interest we have endeavoured to manifest in the progress of the war is not only undiminished, but rather quickened, by the recollection of the splendid achievements which crowned the arms of the Allied Sovereigns during the past year. Though far removed from the scene of conflict, and happily exempt from the sacrifices it entails, we are, nevertheless, earnestly solicitous that the crowning glory to the arms of our beloved Queen and of Her august Allies may be speedily found in the restoration of an honourable and permanent peace.

It is with unfeigned surprise and regret we have learned that the Act of the last Session “to impose a rate or duty on the rent-rolls of the proprietors of certain rented township-lands in this island,” and also the ‘Act to secure compensation to tenants,’ have been denied the Royal confirmation. Confident that your Excellency is at all times desirous to promote the prosperity of this island, we are satisfied that the failure of those measures, so equitable in their principle, and so essential to the well-being of the colony, was not owing to the want of your Excellency's personal recommendation, but rather to the exercise of an influence long seriously felt, always foreign, and always baneful to the best interests of the colony. The communications promised by your Excellency in reference to the measures which Her Majesty has been so unexpectedly advised to disallow, shall receive an early and deliberate consideration.

It affords us much satisfaction to learn that the transactions under the operation of the Land Purchase Bill have been such, as to fully justify the high expectations formed of that measure, with regard to the conversion of leaseholders into independent freeholders, an advantage which we are fully sensible could be greatly augmented if a due regard for other interests allowed a larger amount to be placed at the disposal of the Government under the Bill alluded to.

We are rejoiced, though not surprised, to learn that the inhabitants of the island so highly appreciate the moral and social advantages resulting from a general diffusion of education, as is evident from the unprecedented number of schools that have been called into active operation by the Free Education Bill. We believe that no part of Her Majesty's dominions, of the like area with Prince Edward Island, can exhibit such marked improvement in what tends so much to promote public happiness, tranquillity, and prosperity as a constant and liberal extension of education.

We are fully sensible of the advantages which the agricultural portion of the community have derived from the operations of the Agricultural Society. Every other interest is involved in the prosperity of our agriculturists, and a society which confers benefits upon that industrious class, demands encouragement from every other.

But much as agricultural industry may be encouraged through the exertions of an agricultural society, its progress mainly depends upon an active and thriving commerce. To secure this, it is necessary there should be a free, uninterrupted, and expeditious communication with other countries, and especially with the neighbouring colonies. So important an auxiliary to trade requires a liberal appropriation of the public finances, and we trust, that during the present Session we shall not be found to take a narrow and contracted view of a matter which so deeply concerns the prosperity of the country.

In the progress of our deliberations on these and other objects affecting the public interests, we shall be happy at all times to avail ourselves of your Excellency's well known zeal and ability, and we doubt not that our united efforts may tend to promote the welfare of the people of Prince Edward Island.

His Excellency's Reply thereto.

Mr. Speaker, and Gentlemen of the House of Assembly :

I thank you cordially for your address, and for the assurances of support and co-operation which it contains; and I confidently rely on your assistance in my endeavours to promote the public interests.

— No. 10. —

COPY of DESPATCH from the Right Honourable *Henry Labouchere*, M. P. to
Lieutenant-Governor *Daly*.

(No. 19.)

Sir,

Downing-street, 8 April 1856.

I HAVE to acknowledge the receipt of your despatch, No. 15,* of the 3d of March, enclosing copies of the Addresses presented to you in answer to the Speech with which you opened the Session of the Legislature on the 14th of February.

I have, &c.
(signed) *H. Labouchere*.

No. 10.
Right Hon. H. Labouchere, M. P.,
to Lieut.-Governor
Daly,
8 April 1856.

* Page 16.

— No. 11. —

EXTRACT of DESPATCH from Lieutenant-Governor *Daly*, to the Right Hon.
Henry Labouchere, M. P.; dated Government House, Prince Edward Island,
18 April 1856.

(No. 22.)

(Received, 19 May 1856.)

(Answered, No. 24, 18 July 1856, page 20.)

At the commencement of the Session which has just closed, a good deal of irritation was manifested in both branches occasioned by the failure of the two Bills of the previous Session.

It was difficult until near the close of the Session, to ascertain what direction this feeling might take, and my best endeavours were exerted to leading the Assembly to the consideration of the only means by which the existing difficulties of the colony can be met, and which are so appropriately set forth in your despatch of the 21st December, No. 3.*

The result has been the adoption of a joint address to the Queen by both Houses, which I have the honour of transmitting to you herewith, for the purpose of being laid at the foot of the throne.

The whole subject of the land question difficulties, is so fully before Her Majesty's Government, that I do not imagine any observation from me on this occasion can be necessary.

No. 11.
Lieut.-Governor
Daly to Right Hon.
H. Labouchere,
M. P.
18 April 1856.

* Page 14.

Enclosure in No. 11.

Encl. in No. 11.

To the QUEEN'S Most Excellent Majesty.

Most Gracious Sovereign,

YOUR Majesty's loyal and dutiful subjects, the Legislative Council and House of Assembly of Prince Edward Island, in Parliament convened, have had under their earnest consideration during the present Session, a despatch addressed to his Excellency the Lieutenant-governor of this island, by your Majesty's Principal Secretary of State for the Colonies, dated "Downing-street, 21st December 1855," in reference to the long agitated question of the land tenures in this island; from which despatch we beg to make the following extract for your Majesty's Royal consideration:

"With regard to the main object which has been frequently proposed by a large portion of the inhabitants, namely, that some means may be provided by which a tenant holding under a lease may arrive at the position of fee simple proprietor; I am anxious to facilitate such a change, provided that it be effected without injustice to the proprietors.

"There are but two ways in which such a change could be effected. The first is the usual and natural one of purchase and sale between the tenant and owner, and no reason appears as yet to have been stated, why, if the tenants offer to the landowners the full value of the right and interest of the landowner, sales and purchases cannot be effected. It would seem probable that, at all events, in the cases of non-resident owners, such fair offers would generally be accepted; and as the lands are usually let upon leases of extraordinary length, and at a small annual rent, there can, it would seem, be but few tenants who would not find the means of offering a fair price for buying up the annual rent of their holding.

"The other method would be, that the Government of the island should treat with such of the landowners as might be willing to sell, and that the State thus becoming possessed of the fee-simple of such lands as might thus be sold, should be enabled to afford greater facilities for converting the tenants into freeholders, than the landlords themselves might feel an interest in doing.

"An arrangement of this kind could probably not be made without a loan to a considerable amount, to be raised by the island Government, the interest thereof to be charged upon the revenues of the island. But Her Majesty's Government would not be indisposed to take into consideration any plan of this kind which you might submit to them, showing in what way the interest of such loan could locally be provided for, and what arrangements would be proposed as to the manner of disposing of the lands of which the fee-simple might so be bought up."

Your Majesty's Secretary of State seems not to have been made aware that there is a law upon our statute book authorising the Government to purchase the township lands in this island; but by this law the Government cannot exceed, in making such purchases, the sum of thirty thousand pounds (30,000*l.*), and the whole of the revenues of the colony are pledged to the redemption of that amount.

The law in question is now in operation, but its beneficial results can only be felt to a very limited extent, by the smallness of the amount which can be appropriated to the extinction of proprietary claims.

We humbly conceive that if all the township lands were purchased by the Government, there would be a sufficient sum realised, by their resale, to cover the expense incurred, the interest of the money employed, as well as its repayment; while the advantages would be incalculable which this loyal colony would derive from such a measure, by its stimulating the enterprise and industry of its inhabitants, now in a great measure paralysed by the long prevailing contention between landlords and tenants, and restoring tranquillity and contentment.

As your Majesty's Secretary of State has been pleased to say that your Majesty's Government would not be indisposed to take into consideration any plan for extinguishing by purchase the rights of proprietors. We beg humbly to suggest that if your Majesty's Government will give a guarantee for any sufficient loan required, as alluded to by the Secretary of State, the legislature of the colony will in its next Session make the necessary provision for the payment of its interest; and in offering this suggestion, we are convinced that no loss would be sustained by your Majesty's Government.

Council Chamber, 14 April 1856.

(signed)

Charles Young,
President.

House of Assembly, 14 April 1856.

(signed)

E. Thornton,
Speaker.

— No. 12. —

No. 12.
Right Hon. H. Labouchere, M. P., to
Lieut.-Governor
Daly,
18 July 1856.

COPY of DESPATCH from the Right Hon. *H. Labouchere*, M. P., to
Lieutenant-Governor *Daly*.

(No. 24.)

Sir,

Downing-street, 18 July 1856.

I HAVE to acknowledge your despatch, No. 22,* of the 18th April last, enclosing an Address from both Houses of the Legislature of the island to Her Majesty, referring to former correspondence on the subject of the landlord and tenant question in Prince Edward Island, and suggesting, that if Her Majesty's Government would give a guarantee for any sufficient loan required for the purpose of purchasing landlord's rights, the colony would, in the next Session of its Legislature, make the necessary provision for payment of interest.

2. I have to state in reply, that Her Majesty's Government are prepared to give a favourable consideration to this suggestion, and that the local Land Purchase Act, to which reference is made, appears to them to furnish fair principles of adjustment, which might be extended by increasing the sum to be raised under Imperial guarantee. It would be necessary, however, before proceeding further, that Her Majesty's Government should be informed of the amount of the proposed loan, and they should at the same time receive a full statement of the financial resources of the island, and of the precise nature of the provision to be made for securing the repayment of the principal and interest of the loan. Her Majesty's Government would not feel justified in pledging themselves to any decision on this subject until such information is before them.

I have, &c.

(signed)

H. Labouchere.

* Page 19.

— No. 13. —

Copy of DESPATCH from Lieutenant-Governor *Daly* to the Right Hon.
H. Labouchere, M. P.

(No. 41.)

Government House, Prince Edward Island,
5 September 1856.

(Received, 22 September 1856.)

Sir,

(Answered, No. 43, 23 November 1856, page 23.)

I HAVE the honour to acknowledge the receipt of your despatch of the 18th July, No 24,* conveying the gratifying intimation that Her Majesty's Government are prepared to give a favourable consideration to the suggestion of the Legislature of this island, in regard to a loan to be raised under Imperial guarantee, and calling for information on certain points therein stated, to enable Her Majesty's Government to come to a final decision on the subject.

Having brought your despatch under the consideration of my Council, I trust that the minute which I have the honour to enclose, with the accompanying statements, marked (A.), (B.), and (C.), therein referred to, will afford all the information required, and be deemed to exhibit a sound state of the financial resources of the colony.

After the most careful consideration of the difficulties that have so long existed in this colony, with a view to their final and effectual removal, I have not been able to discover any means which, in my humble opinion, afford so fair a prospect of success as the operation of the Land Purchase Act, with an extension of funds suited to the exigencies of the case, which would be amply supplied by the amount now proposed to be raised; and I incline much to the opinion that it will not at any time be necessary to raise the whole of that sum.

Experience thus far justifies the belief that these measures cannot occasion any pecuniary loss; and operations under the Land Purchase Bill are already producing their effects upon the price of lands generally, and must ultimately bring a large portion of the wild lands, by whomsoever owned, within the reach of actual settlers, to the advantage of all concerned.

I have, &c.

(signed) *D. Daly*,

Lieutenant-Governor.

Enclosure in No. 13.

Encl. in No. 13.

May it please your Excellency,

THE committee of the Executive Council, to whom was referred the despatch from the Right Honourable Henry Labouchere, Her Majesty's Principal Secretary of State for the Colonies, "No 24," dated 18th July 1856, in reply to your Excellency's despatch, No. 22, of the 18th April last, enclosing an Address from both branches of the Legislature of this island to Her Majesty, referring to former correspondence on the subject of the landlord and tenant question in Prince Edward Island, and suggesting that if Her Majesty's Government would give a guarantee for any sufficient loan required for the purpose of purchasing landlords' rights, the colony would in the next Session of its Legislature, make the necessary provision for the payment of interest; have given the subject matter of the despatch careful consideration.

They cannot but feel gratified at the assurance given in the despatch in question, that Her Majesty's Government are prepared to give a favourable consideration to the suggestion, and that the local Land Purchase Act to which reference is made, appears to them to furnish fair principles of adjustment which may be extended, by increasing the sum to be raised under Imperial guarantee.

Before proceeding further, however, Her Majesty's Government require:—

- 1st. To be informed of the amount of the proposed loan.
- 2d. To receive a statement of the financial resources of the island.
- 3d. And also a statement of the precise nature of the provision to be made for securing the repayment.

With regard to the first point, viz., the amount of the loan, your Committee are of opinion that it would be requisite to have authority to raise a sum of money, not exceeding 100,000 *l.* sterling, although it is probable that the whole of that amount will not be required at any one time.

2dly. The financial resources and position of the island will be understood on reference to the tabular statements (A.), (B.), and (C.) accompanying this Report.

* Page 20.

Tabular statement (A.) is of the revenue during eight years ending 31st January 1856, in which, with the exception of the last year only, there has been a rapid annual increase. The slight decrease in the last year as compared with that immediately preceding, was caused, it is believed, by the war and the extreme depression in the shipping and mercantile interests consequent upon it, but it is confidently anticipated that the revenue for the now current year will again exhibit a decided improvement. It will be observed that the revenue which in the year 1848 was 11,861*l.* 10*s.* 9*d.*, had risen in the year 1854, to 30,689*l.* 1*s.* sterling, an increase of 18,827*l.* 10*s.* 3*d.* sterling, considerably more than double; and its amount even in 1855, which as already observed, exhibits a decrease on that of 1854, exceeded that of 1853 by 4,490*l.* 12*s.* 6*d.* sterling, and was more than double that of 1848. (Excess over 1848, 16,192*l.* 10*s.* 9*d.* sterling.)

Tabular statement (B.) is of the revenue and expenditure during the same period, showing that 5,786*l.* 16*s.* 5*d.* sterling more on the balance of accounts was to the credit of this colony, in January 1856, than in 1848; and this too after charging as expenditure in the year 1854, the sum of 12,000*l.* sterling issued in debentures for the purchase of the Worrell estate (84,000 acres or thereabouts), and not taking any credit for the lands by that purchase vested in the Government.

Tabular statement (C.) is a statement of the finances of the colony on the 31st January 1856, which has been carefully prepared, and contains, in the opinion of your committee, a just and correct view of its present financial condition, which proves, after taking credit to the colony for the value of government lands estimated at a low rate, and charging it with all debentures afloat, and with £. 7,666. 13*s.* 4*d.* Treasury notes afloat, not bearing interest, that, strictly speaking, at that date the colony not only was out of debt, but that a balance existed in its favour amounting to £ 6,521. 6*s.* 3*d.* sterling.

With respect to the third point, namely, the precise nature of the provision to be made for securing the repayment of the proposed loan, your committee, in the first instance, would remark, that they conceive it will be necessary to pass an Act, in addition to the Land Purchase Act, empowering the Government to raise the required amount by debentures or bonds, in such form as the Imperial Government may point out as usual and most convenient in such cases. The Act should contain a clause, securing the repayment of the monies to be raised, in accordance with the 20th section of the original Land Purchase Act of 16 Victoria, cap. 18, which reads as follows:—

“For the repayment of all sums of money borrowed under this Act and the interest thereon, and for the payment of all sums contracted to be paid under this Act, and expenses incurred thereunder, the monies arising from the sale, rents, and profits of lands purchased thereunder, and paid into the treasury, shall, in the first instance, be pledged and rendered liable, and the other public funds, monies, and securities of this island shall be, and the same are hereby in the next place pledged and rendered liable.”

Your committee believe that Her Majesty's Government, after considering the sound state of the finances of the island, and that the proceeds of the lands to be purchased, as well as the general revenue, will, by legislative enactment, be pledged to secure the repayment of the principal and interest of any amount borrowed, will feel fully justified in aiding the colony in obtaining a loan on advantageous terms, by giving the Imperial guarantee for the sum required.

The foregoing Report approved in Council, 30 August 1856.

Chas. Desbrisay,
Clerk, Ex. Council.

(A.)

AN ABSTRACT TABLE showing the Total Revenue, and the Annual Increase, Decrease, and the Total Increase of the Revenue of Prince Edward Island, from 31 January 1848 to 31 January 1856.

REVENUE.				ANNUAL INCREASE.		ANNUAL DECREASE.		TOTAL INCREASE.		
Year.	Sterling.		Year.	Sterling.		Year.	Sterling.		Sterling.	
	£.	s. d.		£.	s. d.		£.	s. d.	£. s. d.	
1848 - -	11,861	10 9	1849 - -	12,410	- 8	1849 - -	548	9 11	1849 - -	- - -
1849 - -	12,410	- 8	1850 - -	15,192	12 3	1850 - -	2,782	11 7	1850 - -	- - -
1850 - -	15,192	12 3	1851 - -	15,264	6 7	1851 - -	71	14 4	1851 - -	- - -
1851 - -	15,264	6 7	1852 - -	20,855	12 8	1852 - -	5,591	6 1	1852 - -	- - -
1852 - -	20,855	12 8	1853 - -	23,563	9 -	1853 - -	2,707	16 4	1853 - -	- - -
1853 - -	23,563	9 -	1854 - -	30,689	1 -	1854 - -	7,125	12 -	1854 - -	- - -
1854 - -	30,689	1 -	1855 to Jan. 1856	28,054	1 6	1855 to Jan. 1856	- - -	- - -	1855 to Jan. 1856	2,634 19 6
1855 - -	28,054	1 6							Increase -	16,192 10 9
TOTALS -	157,890	14 5					18,827	10 3		16,192 10 9

SERVICE OF PRINCE EDWARD ISLAND.

(B.)

ABSTRACT STATEMENT of the Annual Revenue and Expenditure, defining the Yearly Over, and Under, and Total Under Expenditure, of *Prince Edward Island*, from 31 January 1848 to 31 January 1856.

REVENUE. Sterling.		EXPENDITURE. Sterling.		OVER EXPENDITURE. Sterling.		UNDER EXPENDITURE. Sterling.		TOTAL UNDER EX. PENDITURE, 31 Jan. 1856.
Year.	Amount.	Year.	Amount.	Year.	Amount.	Year.	Amount.	
	£. s. d.		£. s. d.		£. s. d.		£. s. d.	£. s. d.
1848 -	11,861 10 9	1848 -	15,703 5 8	1848 -	3,841 14 11	1848 -	-	-
1849 -	12,410 - 8	1849 -	13,159 17 9	1849 -	749 17 1	1849 -	-	-
1850 -	15,192 12 3	1850 -	7,240 15 11	1850 -	-	1850 -	7,951 16 4	-
1851 -	15,264 6 7	1851 -	16,115 14 -	1851 -	851 7 5	1851 -	-	-
1852 -	20,855 12 8	1852 -	14,856 13 5	1852 -	-	1852 -	5,998 19 3	-
1853 -	23,563 9 -	1853 -	19,622 4 4	1853 -	-	1853 -	3,941 4 8	-
1854 -	30,689 1 -	1854 -	35,212 3 9	1854 -	4,523 2 9	1854 -	-	-
1855 to Jan.	-	1855 to Jan.	-	1855 to Jan.	-	1855 to Jan.	-	-
1856 -	28,054 1 6	1856 -	30,193 3 2	1856 -	2,139 1 8	1856 -	-	-
		Under Ex- penditure }	5,786 16 5	{ Balances, under Ex- penditure }	5,786 16 5	-	-	5,786 16 5
TOTALS -	157,890 14 5	-	157,890 14 5	-	17,892 - 3	-	17,892 - 3	5,786 16 5

(C.)

FINANCIAL STATEMENT of the Colony of *Prince Edward Island*, up to 31 January 1856.

	Debt in Sterling.	Assets in Sterling.	Balance in favour of the Colony.
	£. s. d.	£. s. d.	£. s. d.
LIABILITIES:			
Treasury Notes afloat this date - - -	7,666 13 4	-	-
Debentures under Act 14 Vict. ditto - - -	6,666 13 4	-	-
Debentures under Act 16 Vict. ditto - - -	12,000 - -	-	-
Treasury Warrants, ditto - - -	7,108 18 2	-	-
ASSETS:			
Assets in Treasury, this date - - -	-	24,707 12 7	-
44,582 acres, public lands, at 4s. - - -	-	8,916 8 -	-
7,392 acres, Crown lands, at 3s. 4d. - - -	-	1,232 - -	-
Bonds in hand for public lands - - -	-	1,000 - -	-
Balance due on sales of public lands, secured on lands by defeazance on deeds, according to statute - - -	-	4,107 10 6	-
Balance in favour of the colony - - -	6,521 6 3	-	6,521 6 3
TOTALS - - -	£. 39,963 11 1	39,963 11 1	6,521 6 3

— No. 14. —

COPY of DESPATCH from the Right Honourable *H. Labouchere*, M. P.,
to Lieutenant-Governor Sir *D. Daly*.

(No. 43.)

Sir,

Downing-street, 23 November 1856.

I HAVE to acknowledge the receipt of your despatch, No. 41,* of the 5th of September, transmitting a Minute of Council, with other documents, explanatory of the financial condition of Prince Edward Island, as required by my despatch of the 18th of July last.

No. 14.
Right Hon. H. Labouchere, M. P., to
Lieut.-Governor
Daly,
23 November 1856.

* Page 21.

The resources of the island, as shown by these documents, appear to Her Majesty's Government to afford sufficient guarantee for the due payment of the interest as it falls due, and for the formation of a sinking fund for the payment of the principal of the loan proposed to be raised under the Imperial guarantee, and they are therefore prepared to authorise a loan of 100,000*l.* to be appropriated to the purchase of the rights of landed proprietors in the island, subject to the following conditions.

Her Majesty's Government observe, that in order to secure the repayment of monies borrowed under the provisions of the Land Purchase Act, 16 Vict. c. 18, as well as the interest thereon, the monies arising from the sale, rent and profits of lands purchased under the Act and paid into the Treasury, are in the first instance pledged and rendered liable, and the other public funds, monies, and securities are likewise pledged and rendered liable.

In order, therefore, to secure this country against any undue charge, proper provision must be made for the regular payment of the interest of the proposed loan, as well as for the formation of a sinking fund, such as will secure the liquidation, in 20 years, of the principal amount of the debt, for the interest of which the Imperial guarantee is proposed to be given.

It will further be necessary that the proceeds of the lands to be purchased, as well as a first charge on the general revenue of the province, should be secured by Legislative enactments for the payment of principal and interest, and any other expenses that may be necessarily incurred.

I have therefore to instruct you to bring the subject again under the consideration of your Councils, with a view to the introduction into the Legislature of the measure necessary for giving effect to the proposed arrangement.

I have, &c.
(signed) *H. Labouchere.*

— No. 15. —

COPY of DESPATCH from the Right Honourable *H. Labouchere*, M. P.,
to Lieutenant-Governor Sir *D. Daly*.

(No. 45.)

Sir,

Downing-street, 11 December 1856.

WITH reference to my despatch, No. 43,* of the 23d of November last, I transmit for your information and guidance in framing the Provincial Act for giving effect to the proposed arrangement in regard to the guaranteed loan, a copy of an Act of the Legislature of Jamaica passed in 1852 for raising a sum of money for the benefit of that island.

In the case of Prince Edward Island, the operation of the Local Act will be made to depend on the passing of the Imperial Act, under the authority of which the guarantee of the Government of this country will be given. The preamble, therefore, and many of the clauses of the Jamaica law, are inapplicable, but it will serve to indicate the course which it will be necessary for your Government to take with regard to many of the details of the measure.

I have, &c.
(signed) *H. Labouchere.*

— No. 16. —

EXTRACT of DESPATCH from Lieutenant-Governor Sir *D. Daly* to the Right Honourable *H. Labouchere*, M. P.; dated Government House, Prince Edward Island, 19 January 1857.

(No. 6.)

(Received, 12 February 1857.)

I HAVE the honour to acknowledge the receipt of your despatch of the 11th December, No. 45,† transmitting, for my information and guidance, copy of an Act of the Legislature of Jamaica for raising a sum of money for the benefit of that island.

This

No. 15.
Right Hon. H. Labouchere, M. P., to
Lieut.-Governor
Sir D. Daly,
11 December 1856.

* Page 23.

Jamaica Act.
Vide House of
Commons Paper,
No. 76, presented
13 December 1852,
Part II., Jamaica,
p. 356.

No. 16.
Lieut.-Governor
Sir D. Daly to
Right Hon. H. Labouchere, M. P.,
19 January 1857.

† Supra.

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This very opportune addition to your previous instructions, in reference to the contemplated guaranteed loan to this island, will, I trust, enable me to effect the preparation and adoption of such an Act as will meet your approval.

The announcement of the favourable disposition of Her Majesty's Government in regard to this matter has given all but universal satisfaction throughout the island.

— No. 17. —

EXTRACT of DESPATCH from Lieutenant-Governor Sir *D. Daly* to the Right Honourable *H. Labouchere*, M. P.; dated Government House, Prince Edward Island, 1 May 1857.

No. 17.
Lieut.-Governor
Sir D. Daly to
Right Hon. H. La-
bouchere, M. P.,
1 May 1857.

(No. 22.)

(Received, 18 May 1857.)

(Answered, No. 17, 15 June 1857, page 28.)

I HAVE the honour of transmitting herewith three authenticated copies of an Act of the last Session, intituled, "An Act for raising Monies to be applied to the purchase of Lands under the Act 16 Vict. c. 18, intituled, 'An Act for the purchase of Lands on behalf of the Government of Prince Edward Island, and to regulate the sale and management thereof, and for other purposes therein mentioned.'"

The appointment of "agent or agents" under the Act I propose, with the advice of my Council, to offer to Messrs. Codd, of London, subject to the approval of Her Majesty's Government, and further subject to approval by the local Government, of the terms upon which they will undertake to perform the duties required by the Act, of which a copy is transmitted to them. That house possesses the confidence of many parties here, by whom it has been favourably known through business transactions for many years past, which is quite in keeping with my own knowledge of its respectability.

I trust, sir, that this measure, from which great benefit to this colony is anticipated, will meet your approval, and that I may at your early convenience be honoured with your further instructions regarding it.

Lord Selkirk's agent, Mr. Bruce Stewart, and, I understand, several other parties, are prepared to treat for the sale of estates, so soon as the local Government shall be in a condition to purchase, to which period I have deemed it prudent to postpone all negotiations in the matter.

Enclosure in No. 17.

Encl. in No. 17.

(No. 970.)

AN ACT for raising Moneys to be applied to the Purchase of Lands under the Act 16 Vict. c. 18, intituled "An Act for the Purchase of Lands on behalf of the Government of Prince Edward Island, and to regulate the Sale and Management thereof, and for other Purposes therein mentioned."—[Passed 15 April 1857.] 16 Vict. c. 18.

WHEREAS by virtue of the Act of the General Assembly of Prince Edward Island, passed in the 16th year of Her present Majesty's reign, c. 18, the Lieutenant-governor, with the advice of Her Majesty's Council, is authorised to borrow and receive a loan or loans of money not exceeding in the aggregate 30,000 L. of lawful current money of the said island, for the payment of the purchase-money of lands purchased by the Commissioner of Public Lands, under the said Act, and other purposes thereof, as therein set forth and specified: and whereas it is deemed desirable to increase the amount of money to be raised and expended under the said Act, and thus to enable the Government from time to time, as opportunities offer, to make extensive purchases of lands, in order that all parts of this island may, if possible, equally share in the benefits to be derived from a gradual extinguishment of proprietary claims; and Her Majesty's Imperial Government have offered, on certain conditions embodied in a despatch dated Downing-street, 23d day of November 1856, from the Right Honourable Henry Labouchere, Her Majesty's Secretary of State for the Colonies, to his Excellency the Lieutenant-governor, to recommend to Parliament that the credit and guarantee of the United Kingdom shall be employed to enable the Government of this island to raise, upon advantageous terms, additional funds, if required, to the extent of 100,000 L. sterling, to be applied to the payment of the purchase-money of lands under the said Act of the 16 Vict. c. 18, and to other purposes therein specified: and whereas it is very desirable

Preamble.
16 Vict. c. 18.

16 Vict. c. 18.

to take advantage of, and accept the offer so made by Her Majesty's Government; be it therefore enacted by the Lieutenant-governor, Council, and Assembly, as follows :

1. That such person or persons as shall be from time to time appointed in that behalf by the Lieutenant-governor of this island, with the advice and consent of Her Majesty's Executive Council, and approved of by Her Majesty's Imperial Government, shall be, and he or they are hereby declared to be, agent or agents in England under this Act, for the purpose of raising and managing the moneys hereinafter proposed to be raised.

2. The agent or agents for the time being, under this Act, shall have full power and authority to borrow and raise in Great Britain or elsewhere, by bond, debenture, or otherwise, such sum or sums, not exceeding in the whole the sum of 100,000 *l.* sterling, as he or they may from time to time be called upon or requested to raise and borrow for the purposes aforesaid, by warrants under the hand of the Lieutenant-governor of this island, to which shall be also affixed the Great Seal of this island, and the signature of the Colonial Secretary thereof, for the time being, in the form set forth in the Schedule to this Act, or to a similar effect, in each of which warrants shall be expressly stated the amount thereby required to be raised; and all bonds and debentures to be granted by such agent or agents under this Act, shall be in such form as he or they shall deem fit and proper, and shall be transferable and negotiable, and shall be made redeemable at the expiration of 20 years from the date of such bonds or debentures respectively, and every such bond or debenture shall be drawn for a sum not less than 50 *l.* sterling, and shall bear interest at the lowest rate at which the loan can be effected, not exceeding the yearly rate of 4 *l.* in the hundred; which interest shall, by each bond or debenture, be made payable half-yearly at some place in London, to be named for that purpose in such bond or debenture.

3. For the repayment of all sums of money borrowed under this Act, and the interest thereon, and for the payment of all sums contracted to be paid under this Act, and expenses incurred thereunder, the moneys arising from the sale, rents, and profits of lands purchased thereunder and paid into the treasury, shall, in the first instance, be pledged and rendered liable, and the other public funds, moneys, and securities of this island shall be and the same are hereby, in the next place, pledged and rendered liable.

4. The moneys so to be raised under this Act shall be applied to the payment of the purchase-money of lands purchased by the Commissioner of Public Lands, under the Act hereinbefore referred to, namely, the Act of the General Assembly of this island passed in the sixteenth year of Her present Majesty's reign, chapter 18, and also of mortgages and other incumbrances affecting the same, and interest thereon, as therein mentioned, and for other purposes of the said Act and of this Act; and only so much money shall be raised on each occasion as shall be necessary for the payments and purchases aforesaid.

5. For the gradual redemption of the principal moneys to be raised under this Act, there shall be established a sinking fund, to which sinking fund there shall be carried and appropriated, at the expiration of one year from the date of each bond or debenture respectively, and each succeeding year thereafter, from and out of the special moneys arising from the sales, rents, and profits of lands purchased by moneys raised hereunder, or from and out of the general revenues of this island, the sum of 5 *l.* for each sum of 100 *l.* from time to time borrowed and secured by such bonds or debentures, by which means the repayment of the principal moneys secured by each bond or debenture will be secured at the expiration of 20 years from the date thereof respectively; and such annual sums of money, and the interest or dividends to accrue upon the same when invested, shall be invested by such agent or agents in such of the public funds of Great Britain or of Prince Edward Island, or in buying up debentures or bonds issued under this Act, in such manner and in the names of such persons as the Lord High Treasurer or the Lords Commissioners of Her Majesty's Treasury, or any three of them, may from time to time direct.

6. For the payment of the interest to accrue on such moneys as may from time to time be raised under this Act, the treasurer of this island shall from time to time, on the warrant of the Governor, issue from the public moneys in the island treasury, and remit to such agents such moneys as may from time to time be requisite for the payment of such interest.

7. Such agents, and also the Lieutenant-governor, with the advice of the Council, shall have full power and authority to pay from time to time, out of any moneys which may be raised under the provisions of this Act, all incidental charges attendant upon the execution of this Act and the raising or application of such moneys.

8. In case any bond or debenture to be issued under this Act shall by any accident be defaced, it shall be lawful for such agents from time to time to cause a new bond or debenture to be made, instead of any bond or debenture so defaced, which bond or debenture so defaced shall be cancelled in the presence of such agents, or any two of them; and the bond or debenture so cancelled shall be kept on a file or files to be provided for that purpose; and such new bond or debenture so to be made shall be negotiable, and shall in all respects be subject to the same rules as the bond or debenture so defaced was subject to; and the new bond or debenture shall bear the same number and date, and shall be made for the same principal sum, and shall carry the same interest as the original bond or debenture in lieu of which such new bond or debenture shall be granted.

Agents in England for the purposes of this Act, to be appointed by Lieut.-governor and Council, subject to approval of Her Majesty's Government.

Power of agents to raise on debentures, &c., sum not exceeding 100,000 *l.* sterling;

as required by warrant of Lieut.-governor, &c. Requisites and form of warrant.

Debentures, &c. to be made redeemable at end of 20 years. Rate of annual interest not to exceed 4 per cent.

How payable, &c.

Moneys arising from sales, &c. of lands purchased hereunder, in the first instance, and afterwards the public funds, &c., rendered liable for the repayment of the moneys borrowed.

Moneys raised under this Act, to be applied to the purchase of lands under 16 Vict. c. 18, &c.

Only so much to be raised as may be actually required for such purposes.

Sinking fund to be established for the redemption of the debt, according to the terms and date of each debenture.

Moneys applied to the formation of sinking fund, to be invested in Government securities of Great Britain and Prince Edward Island, &c.

Treasurer to remit money to agent to pay interest under this Act.

Incidental charges incurred on raising moneys under this Act, to be paid by Lieut.-governor and agents, &c. Agents may issue new debentures in lieu of debentures, &c. defaced.

Regulations to be observed in so doing.

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9. In case proof shall be made to the satisfaction of such agents, whose decision shall be final, that any bond or debenture issued under this Act has, by casualty or mischance, been lost or destroyed before the same shall have been paid off and discharged, and if by such proof the number of such bond or debenture and its amount shall be ascertained, then and in every such case such agent shall deliver to the party or parties entitled thereto a new bond or debenture, which shall bear the same number and date, and shall be made for the same principal sum, and shall carry the same interest as the bond or debenture so lost or destroyed; and if any bond or debenture so lost or destroyed shall be overdue, such agents shall cause the money due upon every such bond or debenture to be paid off and discharged: Provided always, that in every such case the agents shall be bound to take good security to indemnify this island against any loss which might otherwise be incurred in case any bond or debenture, stated to be lost or destroyed, should at any time afterwards be offered for payment of the sum mentioned, or of the interest thereon.

Agents may issue new debentures, &c., in lieu of debentures, &c. lost or destroyed.

Proviso.

10. Such agents shall hold all sums of money raised by virtue of this Act at the disposal of the Governor, and shall accept and pay bills, remit and pay money, as such agents may from time to time be directed by the Governor; and shall from time to time invest in Government funds or Exchequer Bills all sums remaining in their hands, not immediately required for the purposes of this Act.

Agents to hold moneys at the disposal of the Lieut.-governor, &c.

11. Such agents shall, on the 30th day of June and the 31st day of December in each year, make up a full and particular account of all moneys received by or remitted to them under this Act, and shall transmit such accounts to the Governor, through Her Majesty's Secretary of State for the Colonies, to be laid before the Assembly of this island.

Agents to furnish half-yearly account, &c.

12. The Commissioner of Public Lands shall monthly account for, and pay over, all moneys in his hands, received or arising from the sales or rents, or otherwise, arising from or out of all lands purchased by moneys hereby raised or received under this Act, to the treasurer, for the special purposes of this Act, and to the said Act of the General Assembly, 16 Vict. c. 18; and the said treasurer is hereby required to keep a separate and distinct account of the moneys so received by him, and shall pay and apply the same (after payment of such warrants as may be drawn on him by the Lieutenant-governor), for the payment of the necessary expenses of the sale and general management of the lands so to be purchased, or so much thereof as may be necessary for the purpose, in the remittance from time to time of the amounts required to meet the due and punctual payment of the half-yearly interest on the bonds or debentures to be issued under the authority of this Act, as well as of the annual payments hereinbefore provided for the redemption of the principal of such bonds or debentures: provided always, that if in any year there shall be a surplus of such moneys beyond the amount necessary to meet the payment of such interest and sinking fund respectively, then and in such case the treasurer shall carry such surplus to the credit of the general revenue of this island, or remit the same, to be added to, and increase the said sinking fund, according as he may from time to time be ordered and directed by the Lieutenant-governor, with the advice of the said Executive Council, by warrant under his hand and seal: provided also, that if in any year the amounts so to be received by the treasurer shall fall short of the payments so required to be made as aforesaid, it shall be lawful for the Lieutenant-governor, with the advice of his Council, by warrant under his hand, to direct the deficiency to be made good out of any moneys in the hands of the said treasurer belonging to the general revenues of this island.

Commissioner of Public Lands to account for and pay over to treasurer, monthly, all moneys in his hands under this Act, to be applied to purposes of this Act, and of 16 Vict. c. 18. Treasurer to keep separate account thereof, and remit sufficient to pay interest, &c. on debentures and sinking fund, &c.

Surplus, how to be disposed of,

and deficiencies how to be made good.

13. All moneys paid into the public treasury of this island by the Commissioner of Public Lands, as before in this Act set forth, shall be exclusively applied by the treasurer to the several purposes set forth in this Act, and on no pretence shall any part or portion thereof be paid or applied to any other purpose whatsoever, under a penalty of 500*l.* for each and every misappropriation of the same or any part thereof, to be recovered in Her Majesty's name, by information or otherwise, in Her Majesty's Supreme Court of Judicature of this island; and when recovered, to be remitted to and form part of the sinking fund for the redemption of the moneys hereby raised.

Moneys under this Act to be exclusively applied by the treasurer to the purposes thereof, under penalty.

Penalty, how recoverable.

SCHEDULE to which this Act refers.

Schedule.

A. B., Lieutenant-Governor.

£. — — Sterling.

No.

By his Excellency _____, Lieutenant-Governor and Commander-in-Chief, in and over Her Majesty's Island Prince Edward, and the Territories thereunto belonging, Chancellor, Vice-Admiral, and Ordinary of the same, &c. &c. &c.

Under and by virtue of the Act of the General Assembly of the said Island, intituled, "An Act for raising moneys to be applied to the purchase of lands under the Act 16 Vict. c. 18, intituled 'An Act for the purchase of Lands on behalf of the Government of Prince Edward Island, and to regulate the sale and management thereof, and for other purposes therein

Form of warrant authorising agents to raise money for purposes of this Act.

therein mentioned:” I do hereby authorise and require you (name of agent or agents duly appointed under the said Act) to borrow and raise, in accordance with the provisions thereof, in Great Britain or elsewhere, by bond or debenture, or otherwise, the sum of pounds sterling money of Great Britain, for the purposes of the said Act, and for your so doing this shall be unto you, and unto all whom it may concern, a sufficient warrant and authority.

C. D., Colonial Secretary.

To _____, Prince Edward Island.

[Name of agents, addition and residence
of agent or agents.]

A true copy, which I certify,

Charlotte Town, 2 May 1857.

Joseph Hensley,
Attorney General,
Prince Edward Island.

George Coles,
Colonial Secretary.

— No. 18. —

No. 18.
Right Hon. H. La-
bouchere, M. P., to
Lieut.-Governor
Sir D. Daly,
15 June 1857.

COPY of DESPATCH from the Right Hon. H. Labouchere, M. P., to
Lieutenant-Governor Sir D. Daly.

(No. 17.)

Sir,

Downing-street, 15 June 1857.

I HAVE to acknowledge the receipt of your despatch, No. 22,* of the 1st of May, enclosing an Act passed by the Legislature of Prince Edward Island, for raising moneys to be applied to the purchase of lands in that island.

Having referred this Act, together with your despatch, for the consideration of the Lords Commissioners of the Treasury, I now transmit for your information and guidance the copy of their Lordships' reply, and I have to request that you will enable me to answer the inquiry contained in the last paragraph of that letter.

I have, &c.
(signed) H. Labouchere.

6 June 1857.

Encl. in No. 18.

Enclosure in No. 18.

Sir,

Treasury Chambers, 6 June 1857.

HAVING laid before the Lords Commissioners of Her Majesty's Treasury your letter of the 1st instant, furnishing copy of a despatch from the Lieutenant-governor of Prince Edward Island, enclosing an Act for raising 100,000*l.* to be applied to the purchase of lands in that island, and stating, that if an Act of the Imperial Parliament is required to carry out the arrangement with respect to the guarantee of this country for the proposed loan, it is very desirable that it should pass during the present Session.

I am directed by their Lordships to acquaint you, for the information of Mr. Secretary Labouchere, that the Act now transmitted appears to my Lords to afford sufficient security for the interest and sinking fund of the proposed loan. The rate of sinking fund is indeed greater than will be required for the redemption of the bonds or debentures to be issued for the proposed loan within the period of twenty years.

Their Lordships request that the attention of the Governor may be called to the course taken in raising the guaranteed loans for the colonies in the West Indies, &c. in regard to the appointment of agents for raising and managing the loans. In all those Acts the power of appointing agents has been vested in the Crown, and by Royal Warrants the duty has been assigned to this Board.

By the first clause of the Act transmitted, the appointment of agents is vested in the Lieutenant-governor of Prince Edward Island, with the advice and consent of the Executive Council, and subject to the approval of Her Majesty's Government; and the Lieutenant-governor, in his despatch, proposes to appoint Messrs. Codd to be agents under the Act.

Their

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Their Lordships conceive that the power of raising money under the guarantee of the Imperial Government cannot properly be entrusted to any individual, and that the money so to be raised could not be obtained upon equally favourable terms for the colony.

My Lords would therefore propose in the Bill to be submitted to Parliament authorizing the raising of this loan, to introduce a clause to enable them to adopt the same course as on former occasions, and to empower Her Majesty to appoint agents for this purpose.

They would also observe, that in the second section of the present Act, the bonds or debentures are to be drawn for sums not less than 50 *l.*, whereas on no former occasion have the debentures been issued for a less sum than 300 *l.* In some instances, where the loans have been taken by the Bank of England or by other large institutions, a wish has been expressed that the debentures should be prepared for much larger amounts; and it was only in the last instance, the loan to Jamaica, that any smaller sum than 500 *l.* was inserted in the debentures.

It may be unnecessary that any further Act should be passed by the Legislature of Prince Edward Island upon these points, but their Lordships would suggest, that the Governor should be informed of the measures which they propose, and that he should appoint "the Lords Commissioners of Her Majesty's Treasury, or any two or more of them," to be agents for raising and managing the loan.

I have to state, that in the meantime their Lordships will cause a Bill to be prepared and submitted to Parliament for giving effect to the arrangements for raising and managing the loan for 100,000 *l.*

I have at the same time to transmit to you copy of the debentures issued in similar cases, and to request that you will move Mr. Secretary Labouchere to inform my Lords at what period, and in what proportions, it will be advisable to raise the sums that will be required for the purposes of the said loan.

H. Merivale, Esq.

I have, &c.
(signed) James Wilson.

— No. 19. —

COPY of DESPATCH from Lieutenant-Governor Sir D. Daly to the
Right Honourable H. Labouchere, M.P.

(No. 34.)

Government House, Prince Edward Island,

13 July 1857.

(Received, 27 July 1857.)

Sir,

(Answered, No. 22, 14 August 1857, page 30.)

I HAVE the honour to acknowledge the receipt of your despatch of the 15th June, No. 17,* transmitting, for my information and guidance, copy of a letter from the Lords Commissioners of Her Majesty's Treasury on the subject of the Act passed by the Legislature of this island for the purpose of raising moneys to be applied to the purchase of lands therein.

2. It affords me much satisfaction to learn that their Lordships approve of the security afforded by this measure for the proposed loan, from which I anticipate much benefit to the colony.

3. With regard to the appointment of agents for raising and managing the loan, no arrangement could be more satisfactory than that which their Lordships point out, and with the concurrence of my Council I have given effect to their Lordships' directions by the accompanying commission, under the public seal of this island, appointing their Lordships, or any two or more of them, to be such agents.

4. With regard to the limit placed by the provincial Act upon bonds or debentures to be drawn for sums of not less than 50 *l.*, that amount was stated under an impression that it would facilitate the sale of the stock; but there being no restriction upon debentures being drawn for such amounts exceeding that sum as may be desirable, I trust no practical inconvenience is likely to result.

5. As it is not intended to raise more money under this Act than will from time to time be necessary for completing such purchases as the local Government

No. 19.
Lieut.-Governor
Daly to Right Hon.
H. Labouchere,
M. P.
13 July 1857.

* Page 28.

Enclosure.

may be able to effect, I regret that it is not yet in my power to furnish you with such specific information as can enable you at once to reply to the inquiry of the Lords of the Treasury, "as to the period, and in what proportions it will be advisable to raise the sums that will be required."

6. Upon these points I shall not fail to furnish you with the earliest information practicable, which I trust will be found to afford ample time for raising the necessary funds, as, after an agreement for a purchase shall have been effected, some time must necessarily be occupied in the verification of plans and surveys, and other arrangements preliminary to its final completion by the payment of the purchase-money.

I have &c.
(signed) *D. Daly*,
Lieutenant-Governor.

Encl. in No. 19.

Enclosure in No. 19.

PRINCE EDWARD ISLAND.

(L. s.) *D. Daly*, Lieutenant-Governor.

BY His Excellency Sir *Dominick Daly*, Knight, Lieutenant-Governor and Commander-in-Chief in and over Her Majesty's Island Prince Edward, and the Territories thereunto belonging, Chancellor, Vice-Admiral, and Ordinary of the same, &c. &c. &c.

To the Lords Commissioners of Her Majesty's Treasury.

By virtue of the powers and authority in me vested, under an Act of the General Assembly of Prince Edward Island, passed in the 20th year of Her present Majesty's reign, intituled, "An Act for raising Moneys to be applied to the purchase of Lands, under the Act 16th Victoria, chapter 18, intituled, 'An Act for the Purchase of Lands on behalf of the Government of Prince Edward Island, and to regulate the Sale and Management thereof, and for other Purposes therein mentioned,'"

I do hereby nominate, constitute, and appoint you, the Lords Commissioners of Her Majesty's Treasury, or any two or more of you from time to time being in such office, to be agents in England under the said recited Act for raising and managing the moneys ordered or proposed to be thereby raised, giving and granting unto you the said Lords Commissioners of Her Majesty's Treasury, or any two or more of you from time to time being in such office, all the powers, authorities, privileges, and emoluments to such agents belonging or in anywise appertaining, or given or conferred upon parties appointed to be such agents under or by virtue of the said recited Act, with respect to raising moneys and otherwise, as therein set forth.

Given under my hand and the Great Seal of Prince Edward Island, at Charlotte Town, in the said island, this 11th day of July, in the year of our Lord 1857, and in the 21st year of Her Majesty's reign.

(By Command.)

(signed) *George Coles*,
Colonial Secretary.

— No. 20. —

No. 20.
Right Hon. H. Labouchere, M. P.,
to Lieut.-Governor
Daly.
14 August 1857.

COPY of DESPATCH from the Right Honourable *H. Labouchere*, M. P., to
Lieutenant-Governor Sir *D. Daly*.

(No. 22.)

Sir,

Downing-street, 14 August 1857.

I HAVE received your despatch of the 13th July, No. 34,* forwarding some of the information required by the Lords Commissioners of the Treasury; in reference to the proposed loan to Prince Edward Island, and I have transmitted copy thereof to their Lordships.

I take this opportunity of apprising you that the circumstances of the present Session have been such as to prevent Her Majesty's Government from proposing to Parliament to guarantee the loan intended to be raised for the purchase of lands

* Page 29.

lands in the island. I beg to assure you of my regret at this unavoidable postponement of the measure, and to add the expression of my hope that we may have it in our power to take the necessary steps for its introduction in the next Session. As you mention in your despatch that some time must necessarily be occupied in the verification of plans and in other arrangements preliminary to any purchase of lands under the Colonial Act, I trust that this postponement of the Imperial measure will not be without its advantage, as the interval will enable you to have those arrangements made.

I have, &c.
(signed) *H. Labouchere.*

— No. 21. —

EXTRACT of DESPATCH from Lieutenant-Governor Sir *D. Daly* to the Right Honourable *H. Labouchere*, M. P., dated Government House, Prince Edward Island, 7 September 1857.

(No. 46.)

(Received, 27 September 1857.)

I HAVE the honour of acknowledging the receipt of your Despatch of the 14th August, No. 22,* informing me that the circumstances of the present Session have been such as to prevent Her Majesty's Government from proposing to Parliament to guarantee the loan intended to be raised for the purchase of lands in this island.

Whilst highly appreciating the expression of regret with which you are pleased to accompany the announcement of the unavoidable postponement of this measure, and the favourable effect which it is calculated to produce on those who are disposed to take a proper and reasonable view of the subject, yet, I deem it my duty respectfully to apprise you that I fear this delay will occasion much disappointment to the tenantry and others who have been anxiously looking forward to the early completion of arrangements from which they expect to derive much benefit, and more especially the tenantry on Lord Selkirk's estate, as his agent declines to proceed with the negotiation, or submit the titles, plans, &c., until the Imperial Act shall have been actually passed.

— No. 22. —

EXTRACT of DESPATCH from Lieutenant-Governor Sir *D. Daly* to the Right Honourable *H. Labouchere*, M. P., dated Government House, Prince Edward Island, 5 January 1858.

(No. 1.)

(Received, 26 January 1858.)

So much has already been effected in mitigation of the evils that have arisen out of the "Land Question," that much anxiety is felt for the completion of the arrangements for the purchase by the local Government of lands from absentee proprietors, on an extended scale.

It is very creditable to the tenantry, and to those who more especially see in the proposed guaranteed loan a prospect of the early accomplishment of their desire to obtain freeholds on reasonable terms, that they are patiently waiting for the Imperial measure, the introduction of which in the last Session was unavoidably postponed.

No. 21.
Lieut.-Governor
Daly to Right Hon.
H. Labouchere,
M. P.
7 September 1857.

* Page 30.

No. 22.
Lieut.-Governor
Daly to Right Hon.
H. Labouchere,
M. P.
5 January 1858.