Ashantee Kingdom had been already so severely punished I would waive the question of the hostages, who were no longer necessary, and if the King would send to me 5,000 ozs. of gold dust, as an earnest of his sincerity and as a first instalment of the indemnity, I should be willing to arrange the terms of a Treaty of Peace with any envoy of sufficient authority whom the King would send to Fommanah, where I would wait till the evening of the 12th, to allow sufficient time for him to communicate with the King, and collect the money.

3. Last night I was informed that Envoys from the King had arrived at a point about two miles from my outposts, and that they desired permission to treat with me, saying at the same time that they would not have come had they not fulfilled all the conditions I had demanded.

:"4. This is in ording: I received the messengers here, but found that they had only brought with them 1,000 ounces of gold. They declared, however, that the King could not at the moment produce more, that 1,000 ounces was more than had ever been demanded of them before, Governor M'Clean having only required them to deposit 600 ounces as a temporary security, to be subsequently given back to them. I thought it exceedingly probable that additional pressure might have induced them to produce the larger sum; but I considered that the main point was to obtain the Treaty of Peace, and that the money being important chiefly as a proof of complete submission, the quantity actually now paid was a matter of comparatively secondary importance.

5. I therefore allowed the Envoys to go into the question of the Treaty, the nature of which was carefully explained to them. They made objection to two clauses only.

6. First they professed not to have understood that the sum of money demanded was so large as 50.000 ozs. When, however, I informed them that the King had already expressly agreed to this sum, they withdrew the objection. I fancy that it is very doubtful whether the whole of the money will ever be obtain d by Her Majesty's Government; but as the payment of a few thousand pounds cannot be a matter of relatively so great importance as the maintenance of peace, I have caused the wording of this cause to be carefully so framed, so as to make it clear that the money is only to be paid in such instalments, and at such times, as Her Majesty may direct. The whole question of the money will thus be open for solution in any way Her Majesty's Government may think fit.

7. The second point to which objection was raised is one which has caused me much more anxiety. As I have already explained in my despatch of this same date, I have not felt myself justified in refusing absolutely to allow the King of Adansi and his people, on their earnest petition, to join with the Wassaw people and occupy their lands together.

8. I considered, therefore, that it was indispensable, in order to avoid future trouble, that the King of Ashantee should distinctly acknowledge the independence of the Adansi people.

9. I carefully explained to the Envoys at the same time, that I had taken no steps whatever myself in this matter, that the action on the part of the Adansi people was purely voluntary, and that it was one with which it was impossible for me to interfere.

10. It has been agreed that within a fortnight the King shall send to Cape Coast the Treaty signed by himself. I incline to believe that the danger of breaking up to which his king-

dom is exposed, unless we are on friendly terms with him, will induce him to fulfil, with as much punctuality as he is capable of, the conditions of the Treaty.

11. For not only have the Adansi people begged to be allowed to migrate, but I have heard through the King of Adansi that the much more powerful Becwa tribe is quite as anxious to do the same, and only awaits my decision on the case of the King of Adansi, before declaring its intention to join some tribe nearer the Coast.

¹ 12. These and other indications that only very slight action on our part is required to cause the complete dissolution of his kingdom, will, I believe, be for the fulfilment of the engagements he has now entered into, better securities than any others we could have.

' I have, &c.

(Signed) G. J. WOLSELEY, Major-General and Administrator, Gold Coast.

Inclosure in No. 3.

TREATY of Peace between Major-General Sir Garnet Joseph Wolseley, K.C.M.G., C.B., acting on behalf of Her Majesty Victoria, Queen of Great Britain and Ireland, and Saibee Enquie, acting on behalf of His Majesty Koffee Kalkalli, King of Ashantee.

ART. 1. THERE shall be hereafter perpetual peace between the Queen of England and her allies on the coast on the one part, and the King of Ashantee and all bis people on the other part.

ART. II — The King of Ashantee promises to pay the sum of 50,000 ounces of approved gold as indemnity for the expenses he has occasioned to Her Majesty the Queen of England by the late war; and undertakes to pay 1,000 ounces of gold forthwith, and the remainder by such instalments as Her Majesty's Government may from time to time demand.

ART. III. — The King of Ashantee, on the part of bimself and his successors, renounces all right or title to any tribute or homage from the Kings of Denkera, Assin, Akim, Adansi, and the other allies of Her Majesty formerly subject to the Kingdom of Ashantee.

AET. IV.—The King, on the part of himself and of his heirs and successors, does hereby further renounce for ever all pretensions of supremacy over Elmina, or over any of the tribes formerly connected with the Dutch Government, and to any tribute or homage from such tribes, as well as to any payment or acknowledgment of any kind by the British Government in respect of Elmina or any other of the British forts and possessions on the coast.

ART. V.—The King will at once withdraw all his troops from Appolonia and its vicinity, and from the neighbourhood of Dixcove, Secondee, and the adjoining coast-line.

ART. VI.—There shall be freedom of trade between Ashantee and Her Majesty's forts on the coast, all persons being at liberty to carry their merchandize from the coast to Coomassie, or from that place to any of Her Majesty's possessions on the coast.

ART. V.II.—The King of Ashantee guarantees that the road from Coomassie to the River Prah shall always be kept open and free from bush to a width of 15 feet.