

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.	Year.	Sterling.	Sterling.
	£. s. d.		£. 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	16,192 10 9
TOTALS -	157,890 14 5	- - -	- - -	- - -	18,827 10 3	- - -	18,827 10 3	16,192 10 9