

and the countries beyond, through the said creek of Cotenoo and others leading from Porto Novo towards Whydah; and could these passages be permanently blocked up, a severe blow would be inflicted upon the Port Novo slave dealers, while our revenue would, as above demonstrated, receive great benefits from the measure. I also intended to impose a licence tax upon all boats and canoes belonging to Lagos, and plying on the lagoons; but have judged it expedient to defer this measure for the present.

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Taking a general view of the revenue and expenditure for the past year, it will be seen that the increase over the preceding year, if any, is inconsiderable. The only decrease of importance appears in the customs; this is owing to the continuance of the desolating and internecine war waged without intermission, and for selfish and ambitious purposes, by the Egba tribe against the Ibadans. This contest entirely closes up the trade from the great Yornba country and the Niger beyond; and until these native quarrels are put an end to, trade must remain in the depressed condition in which it has been for the last four years. The apparent increase in revenue over the year 1863, when the decrease is deducted therefrom, will therefore on examination prove comparatively illusory. The net increase, viz., 5,206*l.*, is more than accounted for by the "Parliamentary Grant" and "Loans."

The number of Ordinances passed during 1864 amounts to 13. Of these, the principal are No. 5, being "An Ordinance to regulate and establish the Duties in Lagos, &c.;" No. 6, "Establishing a Petty Debt Court," which is composed entirely of coloured men, and appears to work satisfactorily and fairly; No. 7, "An Ordinance to make Provision for the Prevention of Smuggling within the Settlement of Lagos," based on the "Consolidated Customs' Act," and also adapted from a similar enactment at Sierra Leone, and No. 8, alluded to in paragraph 2 of this letter.

The very considerable increase in the cost of the Armed Houssa Police is caused principally by their having been left until my arrival very indifferently clothed, and the very large contingent expenses were caused by the calling out of an addition hundred in the middle of the year; the weakness of the military force at the station incapacitating the regular troops from supplying even the regular guards to the Colony.

In conclusion, I would beg to state that the past year has been as unfavourable a one as could possibly occur; and the depression of trade, amounting at times to an almost total suspension of business, brought the resources of the Settlement to their lowest ebb. Nevertheless the Colony has struggled through what I think I am justified in calling its most critical period, and the partial brightening of the horizon at the commencement of the present year gives me confidence in affirming that matters are improved, and are still rapidly improving. I sincerely believe that the Blue Book for the present year will bear a very advantageous comparison with the one which I have now the honour to enclose.

I have, &c.

The Right Hon. Edward Cardwell, M.P., (Signed) JOHN W. GLOVER,  
&c. &c. &c. Lieutenant-Governor.

## ST. HELENA.

No. 15.

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No. 15.

COPY of a DESPATCH from Governor Sir CHARLES ELLIOT, K.C.B., to the Right Honourable EDWARD CARDWELL, M.P.

(No. 49.)

SIR,

St. Helena, July 24, 1865.

HEREWITH I have the honour to forward the Blue Book for the year 1864.

2. The disastrous situation of circumstances in this town, arising from the devastation by the white ant, has rendered it my duty to report fully and minutely in other places on the whole situation of the Island connected with that subject. Trusting that the loan which you have been pleased to authorize may shortly be raised, and that the work of reconstruction may then be vigorously prosecuted, I propose to defer any further observations until the next year.

I have, &c.

The Right Hon. Edward Cardwell, M.P., (Signed) CHARLES ELLIOT.  
&c. &c. &c.