

stranger viewing scenes and objects new to him, is often of greater value than the careless notice of persons to whom they are more familiar. The impression which I received of the condition and prospects of the Colony was more favorable than I had been led to anticipate. To me the indications of certain progress and growth of prosperity seemed manifest. I saw with pleasure the application of science to the development of the gold mines of Cariboo. With equal satisfaction I witnessed the extending agriculture, and ascertained the success of stock raising within our own borders. Exportation of coal and lumber is increasing. While the information which I gathered went to show that the spirit of excitement and speculation, which is only too apt to be prevalent in gold producing countries, has gradually subsided, leaving in its place a healthier tone of feeling and sounder basis for commercial transactions.

Since my visit to the Mainland, recent discoveries of fresh gold fields have been reported, which, if they prove to be important, will tend to infuse new spirit into enterprise of all kinds, and will doubtless stimulate both trade and production. I have confidence in the future of British Columbia, if only her affairs are conducted with discretion; and at the base of all superstructure must lie the financial arrangements.

I shall lay before you at once the Estimates which have been prepared for the current year. The details will be explained by the officers of the Government to whose Departments the several heads of appropriation relate.

They contain few besides the usual provisions. The most important addition is a proposed subsidy of (\$4,500) Four thousand five hundred Dollars, to the Western Union Telegraph Company, to assist in the maintenance of telegraphic communication with Portland, and through Portland with the rest of the world. It was represented to me, upon evidence which I had no reason to doubt, that without this aid the communication would cease, and I have thought that under all the circumstances it may be with propriety afforded.

At the same time that application was made on this matter, the Telegraph Company offered to transfer to the Government their property in the line between Swinomish and Quesnelmouth as it stands, provided that the Government would undertake to repair, maintain, and work it. I caused careful enquiry to be made as to the probable cost to the Colony of such an undertaking, and found that it would amount to \$8,000 for this year, in excess of any receipts which can be expected. I have not thought myself justified in incurring this outlay, in view of our financial position, unless special provision can be made for it. I have not, therefore, placed it on the Estimates, but I will lay papers relating to the matter before you.

I have, however, included an appropriation of \$5,000 for the promotion of immigration, to provide for a continuation of the experiment which has been made to assist the introduction of female immigrants, and in the hope that we may be able to organize the commencement of some practical arrangement to aid the immigration of agricultural settlers. Interest is manifested in England on the subject of Emigration, and I will endeavor to use means for diffusing a knowledge of our resources.

The usual votes which you will be asked to grant are computed with strict regard to economy. They contemplate augmented expenditure for roads; but it has been found impossible to include provision for some matters, to which I would gladly give attention. I desire to avoid Supplementary Estimates so far as it is practicable to do so, and not to exceed the provision authorized by you unless forced by great emergency.

The year closed with a balance against the public at the Bank of British Columbia, amounting to \$27,000. I shall cause you to be furnished with Schedules of the Assets and Liabilities of the Colony on the 31st December last, which show a floating debt of large amount, for the repayment of which no fitting provision has been made. Until satisfactory arrangements are adjusted in respect of these liabilities, it behoves us to be circumspect in sanctioning fresh disbursements.

I will submit to you a Bill, to give authority for the consolidation of this debt, by the issue of fresh Debentures, at six per cent., and to provide for its liquidation by a Sinking Fund.