

passed in committee to me on the 26th of which I would offer the consideration of the committee.

—Resolution "That this at the salary of the to the Resolutions of the Civil List." The Treasury for salary, in the 18th April, 1864, and 1864 from paying funds, save those authorized by her State.

—Resolution "That in that it is in- vacancy at present." I have to in- difficulties connected lands pre-empted and Chamaio, Cowlham, in the increase, and if edily taken for their usion and litigation involving a much estimated for.

—Resolution "That in expedient to sepa- pour Master and Post- in the collection and port duties upon gar- produce, cattle, sheep, ther with the payment port of cattle, in ad- taster, duties of post- taster, cannot be sat- is view by the opinion of the Harbour Com- "Finally, we are of ment of the Harbour exists in conjunction totally incompatible of the important involve on him in the the rigid enforcement alluded to, as well of the improvements tion with the Super- and we recommend that disposal of boat and may keep himself per- the depths of the is duties add to an

—The mode of remun- ill, I fear, prove more satisfactory than that. strate, Sooke—Resolu- a Stipendiary Magis- could be a Gold Com- be a Justice of the one officer would be the duties of both off- that there are no salary for either of ion which is, in my cessary, in view of a mixed population twenty-five licensed er or order. I transmit at respectfully signed on this subject. the offices of Superin- be amalgamated, and I am not without fault to maintain this of efficiency under the by the House.

Office and Postoffice, the removal of the Government Office to on Government street. The site proposed Crown property can- appropriated to local adjustment of that

ings, No. 14. "That voted for the Govern- the construction of purchase of grounds, amount of \$50,000, to the residence is, I cess of what may be the purpose intended. This vote, I say by a sum of \$15,000, liable to more press-

No. 18. "That the General Res- of the \$34,066, estion is supported in, 1864, where it, Crown Revenue on a vely and not retro- money voted hereto- venues have been as- for the time being. I feel confident, struck out of the Re- house from misappre- case. The sum of balance of Crown have been in the on the 31st December, disburied—in the for local purposes, id for the year 1864, unity passed by the on the 24 July, 1864, my olution of the House of Her Majesty's Colonies, No. 38, ready laid before the "I understand that es to replace the revenue if it shall under your in- require them to or the acceptance of g been subsequent- legislature, it became to estimate for the (say \$34,000). I that the Assembly speaks of placing Revenue, not the on a proper footing the context of the w of the case, Indian Agents for

—The increasing

danger of collisions between the settlers and Indian population of these detached and remote districts, between which and Victoria there exists no practicable land communication, renders the presence of some accredited agent of the government absolutely necessary for the maintenance of peace, the protection of the white population, and the administration of the law. A gentleman of high intelligence who has been connected with one of these settlements since its commencement, has lately reported to me "that having had ample opportunity of observing the effects gradually wrought by the proximity of the two races, he now feels a strong and settled apprehension that if something be not done by competent authority to adjust matters in a more satisfactory manner, some grievous disturbance may ensue, and the action of the government be rendered vastly more difficult." The importance of making due provision for the protection and civilization of the native population cannot in my opinion be too highly estimated, and I believe the appointment of duly qualified persons to watch over them in the outlying districts, will prove to be the truest economy.

I have the honor to be, Gentlemen, Your most obedient servant, A. E. KENNEDY, Governor.

Ordered to be taken up in Committee on Supply.

LEACH RIVER AFFAIRS.

The Speaker laid before the House petitions from the citizens and from the miners of Leach river, praying for the appointment of a Gold Commissioner for the Leach river mines; also for the establishment of a mail service between Victoria and the mines. Ordered to be taken up in Committee on Supply.

WAYS AND MEANS.

The House went into committee on Ways and Means, Mr. Franklin in the chair.

Mr. Burnaby's motion for a tax of two per cent. on the incomes of every person or corporation, over \$500, came up.

Also Dr. Helmecken's motion for a tax of half per cent. on all salaries over £150.

Mr. Burnaby moved the resolution, which he said had been introduced in connection with the motion of his hon. colleague. If the tax should be imposed at all it should be done in a complete and equitable manner. It was a tax that could be easily extended or restricted at any time without difficulty, and would be an excellent source of revenue.

Besides it would be in consonance with the system of direct taxation already in force in the colony. The hon. gentleman had prepared some calculations founded on the last Trades' License list, showing what revenue might be derived from the proposed income tax. Before going into the figures, however, he would state that there was a sum of about \$500,000 lent out on mortgages, &c., which at the current rates of interest would produce income to the amount of \$30,000.

Taking the Trades' License returns, he found that we had two banks which had incomes of about \$50,000; the Hudson Bay Company he would put down at about \$50,000; the Vancouver Coal Company and the Gas Company, \$50,000; six mercantile houses at about \$30,000 each; 20 houses at \$10,000 each; 20 houses at \$5,000 each; 25 at \$2,000 each; 140 traders at \$1,000 each; 390 at \$500 each. Then there were the incomes of Government officials amounting to about \$50,000; 52 barristers, solicitors, doctors, agents, &c., at say \$2,000 each; 100 clerks, &c., at \$2,000; and 750 mechanics, \$500 each, giving a gross amount of incomes received equal to about \$1,300,000. This under an income tax of two per cent would produce a revenue of from \$25,000 to \$27,000. These figures, although in some points perhaps a little exaggerated, in others were rather below the mark, and on the whole would be thought to be found tolerably correct. He had shown them to other hon. gentlemen who had looked into the matter and they agreed with him in this respect. He merely threw out these few remarks in the first instance, as he presumed the House would discuss the matter fully and with due deliberation.

In answer to Mr. DeCosmos Mr. Burnaby said by income he meant the annual return or annual profit derived by any persons from their occupation or employment; by investment of money he meant the placing of capital out say as in lending on mortgages, &c.; by employment he meant labor of any kind either physical or mental.

Mr. DeCosmos did not believe this country was in such a crisis at present as to make it necessary to impose new taxes in a new shape which would act injuriously on the community. The original object of the income tax proposed was to reach those who were not taxed for real estate or for trades licenses (hear, hear), such as Government officials, clerks, &c. He believed the amount of money required could be raised far better by a poll-tax than by an income tax. The amount proposed to raise by the income tax—\$27,000—was very small, and he thought not worth introducing a new system of taxation for. Of the two evils he would prefer the motion for one-half per cent. tax. A person having an income of \$750 a year would be paying \$15 of tax, which was a very heavy impost. It would be better to levy a poll-tax of \$5 which could be much more easily collected, and would not be felt so oppressively.

Mr. DeCosmos said he had previously remarked that if no other taxes were in force an income tax would be the fairest. But the present circumstances of the colony imperatively demanded that we should equalize the taxation. (Hear, hear.) He thought the hon. Speaker's motion came nearest the proper course, although the rate might be altered. He would support the motion of the hon. member for Metchoin (Mr. Burnaby) if he would add the words "other than those paying trades licenses." There were some persons in the community who paid no taxes at all, who would be reached by this measure.

Mr. McClure could not see exactly the force of the hon. gentleman's assertion in reference to a non-taxpaying class. There was no person on the island taxed. If we put a duty on every article imported, every person who consumed the goods would contribute to the revenue; the same if we imposed a tax on every person selling goods. This was clearly shown by looking at the result of taking, say 2,000 of the hon. gentleman's non-taxpaying consumers out of the country. Did the hon. gentleman suppose that that would not

affect the revenue? There could be no doubt that every inhabitant paid taxes either directly or indirectly. He would not say, however, that taxation was equalized. Some no doubt paid more than their share. The income tax was the fairest mode of taxation and he would support the scheme proposed by the hon. member for Metchoin. There must be some inconvenience in levying such a tax, but if we are to have direct taxation, the income-tax is the fairest, and the best mode. He did not see any use in exempting the trader from this tax, as the consumer would have to pay it in the end.

Dr. Tolmie said it might look like nothing to impose taxes, but it was felt by those who had to pay. Suppose people investing some in farming, some in merchandise, and some in money lending. The first two of these were already taxed, but the last was not, and our aim should be to equalize taxation. In levying new taxes, we should bring them to bear on those who now paid no taxes (hear, hear). Parties lending money on mortgage, for instance, paid no taxes under the present system. He would support the half per cent. motion, although he disapproved of some portions of it.

Mr. DeCosmos said any party lending money on mortgage would not pay a cent of the tax, but would make the borrower pay it. This was already done by real estate holders in letting their property. The whole tendency of the income tax on the non-property classes, was to force on a tariff in the country before we were prepared for it (hear, hear, and no, no). A poll-tax would have in some measure the same effect. There was no doubt that if the population of the colony was reduced, the revenue would be similarly reduced, as had been shown by his hon. colleague, the junior member for the city.

Dr. Tolmie said it was very true that if 2,000 consumers left the colony, the revenue would be reduced, but that did not apply to the remarks of the hon. member for Saanich. What he said was that a class of the community were not equitably taxed. Persons receiving \$500 a year for instance, paid no tax further than the infinitesimal one on their consumption.

Mr. Burnaby urged the necessity of raising money to meet our immediate wants. We had \$60,000 to make up, and he thought the income tax the simplest and easiest way of doing so.

Mr. DeCosmos said we had already raised some \$32,000.

Mr. Burnaby doubted it very much.

Mr. Franklin said the principle of an income tax in a direct system of taxation, was, he believed, the most equitable which could be imposed. Of course it should be equalized as much as possible. This country was more lightly taxed than perhaps any other country in the world.

Dr. Dickson would like to ask the hon. member to point out a country where every man, woman and child paid at the rate of \$50 per head.

Mr. Franklin believed the United States paid more than that (laughter).

Mr. DeCosmos said the State of New York only paid \$4. In Canada the rate was \$3. In England the rate was about \$12.

Dr. Dickson said the whole drift of our taxation had been to levy such rates that soon we would have no people left to tax. He clearly foresaw when that unlucky \$50,000 for a Governor's house was voted, that it would be at our wit's end to know how to raise the money (laugh). If ever there was an inopportune time to increase the burdens of the people, it was now. A glance at the streets and shops at present would show the truth of this. The taxation of this year was without doubt likely to be the most onerous yet experienced, and there never was a worse time to do it in. He was of opinion that the whole scheme of taxation should be postponed till after the settlement of the union question (laughter). He meant the additional taxation which was now being imposed.

Mr. Cochrane again advocated the motion of the hon. Speaker. As the history of Don Quixote and of some mysterious female who got a glimpse of the future breaking like a flood of light over her behind had been alluded to (laughter), he could not see why Baron Munchausen's experience should not also be made use of. When that famous traveller was passing a drawbridge the portcullis fell and cut his horse in two just behind the saddle.

Dr. Helmecken—The story is not authenticated (laughter).

Mr. Cochrane—It is a matter of history. The baron rode on till he came to a stream, when his horse stopped to drink, and drunk as he would never stop, till the baron, looking behind, saw that the water was passing out behind as fast as it came in (laughter).

Dr. Helmecken—Are the papers on the table? (laughter).

Mr. Cochrane would support the motion of the hon. Speaker if the rate were raised.

Dr. Helmecken said an income tax was undoubtedly the fairest mode of taxation, but the House must remember that a great deal of machinery would be requisite to carry it out. He did not believe that the bill, which would be larger than the Incorporation bill and a great deal more troublesome, could be drawn out and got in working order before the end of the year. He would be compelled to vote against the motion, which although right in principle was impracticable at present.

Mr. McClure said if there was ever an individual whose memory should be decreed it was the man who invented taxation. (Laughter.) He would gladly do away with all taxation, and cancel all that had already been done, as suggested by the hon. member for the District, but the difficulty was we must have the money. As to the half per cent tax it would produce only some \$2,000 or \$3,000 a year, and as the hon. senior member for Victoria remarked, would do more than anything else to bring about a tariff prematurely by pressing on the very class who would be most likely to agitate for this change. (Hear, hear.) If we are to have an income tax let us do the work thoroughly and completely so that we may realise something from it. If the tax was not to be made a general one it would be much better to confine taxation to the present machinery, and increase the rate to meet the demands of the country. (Hear, hear.)

Mr. DeCosmos would allude to an argument against this income tax, which was, the inequitable nature of it. No doubt it was

the most inequitable of all taxes. If we want to reach money lent on mortgage the proper way would be to levy an equal tax on all real and personal property. An income tax would create a bowl of dissatisfaction throughout the whole colony.

Mr. Burnaby could see no danger whatever from the inequitable nature of the tax if it were collected in anything of a decent manner as in England, where no difficulty ever arose from that cause.

Dr. Tolmie thought we should adhere to our previous system of taxation for this year. We were proposing radical changes in our constitution at present and it would be unwise to impose a new mode of raising revenue and perhaps complicate matters.

Dr. Helmecken said if we stood at the present system of taxation the burdens would fall wholly on the merchants and traders.

Dr. Tolmie and Mr. DeCosmos said they were the proper parties to bear it.

Dr. Helmecken was of opinion that before the end of 1865 the tax of one per cent would make the merchants cry out most lustily.

Mr. DeCosmos said the merchant did not pay the taxes at all, but the consumer.

Dr. Helmecken said he was of opinion that the Trades' License tax had not the slightest effect on the price of goods (hear, hear).

Mr. Burnaby asked leave to postpone his motion for one week, owing to the importance of the subject, till all other proposed taxes had been levied.

Mr. DeCosmos objected; the question had been already sufficiently discussed.

Dr. Tolmie supported the postponement, which was agreed to.

Dr. Dickson gave notice of motion to raise the postage on all letters going out or coming into the colony to ten cents per half ounce, and that all common carriers and express companies pay the postage on letters going out, as now they pay nothing.

Dr. Helmecken gave notice of a motion that the permit for landing goods be \$1, and one-half per cent on the value of the goods.

THE ASSIZES.

The Spring Session of the Court of Assizes was opened Tuesday at 11 a.m. by Chief Justice Cameron.

The following gentlemen were empanelled on the Grand Jury: Messrs. C. B. Young, Foreman; J. Work, J. Wilkie, J. A. Raymur, F. J. Roscoe, A. F. Main, G. R. Eardon, C. Levy, J. Nagle, F. Peakes, W. M. Seaby, J. M. Reid, G. H. Saunders, G. I. Stewart, W. Harvey, J. Bushell, E. J. Lunati, O. J. Marsh.

The criminal calendar consisted of 11 cases, particulars of which were furnished in yesterday's COLONIST.

After a few comments from His Honor the Grand Jury retired and found true bills in seven of the indictments. The following were ignored: John Butte for larceny, Fred Litter for perjury, and Scottie stabbing at Nanaimo.

The court was occupied all day in hearing the cases of Regina vs. Blair, larceny, McIlveray, do, and escaping from prison, and Pictou escaping from prison. Blair's case was postponed until to-day. Pictou is pleading to the latter charge said "he had been placed in a room to work and finding no one in charge he walked away."

SECOND DAY.

Regina vs. Chas. Blair.—The indictment charged the prisoner with stealing a watch and chain, the property of Charles Wilson, Mr. Ring, instructed by Mr. Bishop, was counsel for the defence. The evidence adduced showed that the alleged offence had been committed during a drinking bout, and it was urged for the defence that no felony had been committed, the prosecutor having dropped his watch while looking for matches. There being some conflict in the testimony, the prisoner obtained the benefit of the doubt, and the jury returned a verdict of not guilty.

Regina vs. Skinnahan, an Indian.—Prisoner stood charged with burglariously entering the premises of Geo. Reynolds, at Nanaimo, on the 21st December last, and stealing a watch, pocket-book, money, and other articles which were subsequently found in his possession by Constable Green. The jury found the prisoner guilty, and he was sentenced to one year's imprisonment, with hard labour.

Regina vs. McIlveray.—In this case the prisoner was found guilty of stealing a purse, containing \$270, from the person of Mrs. Darby, and was sentenced to six months' imprisonment with hard labor.

Regina vs. McGilghey.—Prisoner pleaded guilty to escaping from prison, and was sentenced to two months' imprisonment.

Regina vs. Pictou.—Thomas Pictou, who was charged with escaping from prison, and pleaded that he merely "walked away" from his employment, in the absence of a supervisor, was found guilty by the jury, and sentenced to two months' imprisonment.

THIRD DAY.

THE ASSIZES.—His Honor took his seat yesterday at the usual hour. The only case up for trial was that of Samuel Nathan, lately of Williams Creek, whose name has frequently figured in our columns in connection with the so-called Mrs. Nathan or Mary Boyle, and who stood charged with forcibly and feloniously appropriating a bag containing notes and gold dust to the value of \$1,100, the alleged property of the said Mary Boyle. The public are already in possession of the facts relating to this case. The defence was that the parties were duly married in Australia, and had lived together for a number of years, and that the prosecution had sought the protection of the accused subsequently to the present charge being preferred. The Attorney General, advised by Mr. Courtenay, prosecuted. The prisoner was defended by Mr. Cary, instructed by Mr. Bishop. Several witnesses were called and closely questioned, but very little that has not already been published transpired, with the exception of the statement of Mr. Tomlinson, who testified to having overheard the prosecutrix make some kind of confession in regard to the alleged marriage. The Court rose at 5 o'clock and adjourned to-day at the usual hour.

FOURTH DAY.

THE ASSIZES.—The case of Samuel Nathan was resumed yesterday morning, and additional evidence was called. After an elaborate address from Mr. Cary for the defence, answered by the Attorney General, His Honor sent the case to the jury, who after retiring for about an hour and a half returned a verdict of not guilty. This verdict in effect declared the prosecutrix, Mary Boyle, and Nathan to be man and wife, and entitled Nathan to retain possession of the \$1,000 alleged to have been wrongfully detained from her. Some of the witnesses and others interested in the case subsequently had a pugilistic encounter in a saloon on Government street.

A JOURNALISTIC FICTION.—SABREY, GAMER in New Westminster.—No little ridicule has been drawn down on our New Westminster contemporaries by a laughable advertisement appearing at the head of the editorial column in each paper, beginning "This is the only journal published in British Columbia." On glancing down at the sheet, however, the reader is rather astonished to find paragraph after paragraph alluding to "our infantile contemporary," "our local contemporary," "etc., etc.," and pouring all manner of journalistic abuse on the devoted head of this mythical individual. The journals alluded seem to have adopted Dickens' pleasant little fiction of Sabrey Gamp's "Mrs. Harris," substituting an enemy instead of a friend, whom they abuse systematically with evident gusto. After all, however, there may be a kernel of truth in the advertisements alluded to, and on the principle of two negatives destroying each other, the readers of the two journals may be justified in applying to both the trite latin proverb, "Ex nihilo, nihil fit."

DEATH OF AN OLD AUSTRALIAN.—Mr. Clarke Irving, a Sydney merchant who had amassed an immense fortune, died recently in London where he had gone on business.

BLONDIS, the great acrobat, is a creditor to the amount of £12,000, of the estate of Henry Coleman, wine merchant of London; Blondie's former companion.

THE HOUSE FIXED TUESDAY NEXT for the consideration of the Supplementary Estimates. House adjourned till Monday, when the Incorporation bill will come up for a third reading.

LARGE INCREASE.—According to the Postmaster-General's report, the correspondence of the United Kingdom has risen from about 70,000 of letters in 1839 (the last year preceding the introduction of Sir Rowland Hill's penny postage system) to upwards of 610,000,000 of letters in 1864.

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