

that our legislative labours will be distinguished alike by prudence, temperance, and justice to all classes.

Gentlemen, I am happy to inform you, that Her Majesty's Government continue to express the most lively interest in the progress and welfare of this colony.

Negotiations are now pending with the Government of the United States, which may probably terminate in an extension of the reciprocity treaty to Vancouver's Island.

To show the commercial advantages connected with that treaty, I will just mention that an import duty of 30 *l.* is levied on every 100 *l.*'s worth of British produce which is now sent to San Francisco, or to any other American port; or, in other words, the British proprietor pays as a tax to the United States, nearly the value of every third cargo of fish, timber, or coal, which he sends to any American port. The reciprocity treaty utterly abolishes those fearful imposts, and establishes a system of free trade in the produce of British colonies.

The effects of that measure, in developing the trade and natural resources of the colony, can, therefore, hardly be over-estimated.

The coal, the timber, and the productive fisheries of Vancouver's Island, will assume a value before unknown: while every branch of trade will start into activity, and become the means of pouring wealth into the country.

So unbounded is the reliance which I place in the enterprise and intelligence possessed by the people of this colony, and in the advantages of their geographical position, that, with equal rights and a fair field, I think they may enter into successful competition with the people of any other country.

The extension of the reciprocity treaty to this island once gained, the interests of the colony will become inseparably connected with the principles of free trade, a system which, I think, it will be sound policy on our part to encourage.

Gentlemen, the colony has been again visited this year by a large party of northern Indians, and their presence has excited in our minds a not unreasonable degree of alarm.

Through the blessing of God, they have been kept from committing acts of open violence, and been quiet and orderly in their deportment; yet the presence of large bodies of armed savages, who have never felt the restraining influences of moral and religious training, and who are accustomed to follow the impulses of their own evil natures, more than the dictates of reason or justice, gives rise to a feeling of insecurity, which must exist as long as the colony remains without military protection.

Her Majesty's Government, ever alive to the dangers which beset the colony, have arranged with the Lords Commissioners of the Admiralty, that the "President" frigate should be sent to Vancouver's Island; and that measure will, I have no doubt, be carried into effect without delay.

I shall, nevertheless, continue to conciliate the good will of the native Indian tribes, by treating them with justice and forbearance, and by rigidly protecting their civil and agrarian rights; many cogent reasons of humanity and sound policy recommend that course to our attention, and I shall therefore rely upon your support in carrying such measures into effect.

We know, from our own experience, that the friendship of the natives is at all times useful, while it is no less certain that their enmity may become more disastrous than any other calamity to which the colony is directly exposed.

Gentlemen of the House of Assembly, according to constitutional usage, with you must originate all Money Bills; it is, therefore, your special province to consider the ways and means of defraying the ordinary expenses of the government, either by levying a Customs duty on imports, or by a system of direct taxation.

The poverty of the country and the limited means of a population struggling against the pressure of numberless privations, must necessarily restrict the amount of taxation; it should, therefore, be our constant study to regulate the public expenditure according to the means of the country, and to live strictly within our income.

The common error of running into speculative improvements, entailing debts upon the colony, for a very uncertain advantage, should be carefully avoided.

The demands upon the public revenue will at present chiefly arise from the improvement of the internal communications of the country, and providing for the education of the young, the erection of places for public worship, the defence of the country, and the administration of justice.

Gentlemen, I feel, in all its force, the responsibility now resting upon us. The interests and well-being of thousands yet unborn may be affected by our decisions, and they will reverence or condemn our acts according as they are found to influence for good or for evil the events of the future.

Gentlemen of the House of Assembly, I have appointed Chief Justice Cameron to administer the oath of allegiance to the Members of your House, and to receive your declarations of qualification; you may then proceed to choose a Speaker, and to appoint the officers necessary for the proper conduct of the business of the House.

(signed) *James Douglas*, Governor.