

on the opposite coast, and should have thus derived on their own territory the privileges for a coasting trade, as well as of importing American produce duty free. There were the further inducements of good town sites, excellent harbours, and access to British Columbia overland; but Victoria with the *prestige of a Free Port* offered greater advantages still.

The commanding nature of its geographical position, its capacious and convenient harbours of Victoria and Esquimalt, the only safe harbours on the sea board north of San Francisco, a distance of 700 miles, and approachable at all times by night or day for sea-going ships of any burthen) the comparatively large area of land in its vicinity, its proximity to the coal fields of Nanaimo, and its temperate and delightful climate, all indicated it as a natural depot from whence might be supplied not only the requirements of British Columbia, but of Puget Sound, Oregon, California, Mexico, the Hawaiian Islands, and the Russian possessions in the North Pacific, (all of which have since become the customers of Victoria and give promise of increasing trade,) and thus to build up an entrepot for British commerce and influence, the vast results of which in course of time can only be matter of conjecture, occupying as Victoria does a most important position in what, when overland communication is opened through British Columbia, will be the shortest and healthiest route from Great Britain to her many valuable possessions in the East.

The action of the U. S. Congress in voting a subsidy for monthly mail steam communication between Olinx and San Francisco evinces that our neighbors are fully alive to the value of securing this important traffic for themselves.

The selection of Esquimalt as the Naval Station for the North Pacific proves that these several points have been duly weighed by the Imperial Government and their value recognised.

The internal resources of Vancouver Island, extensive and promising for the future successful working of minerals, farming, and manufactures, are only casually referred to as being but partially developed. The same may be said of the gold fields discovered last year, which have yet to be proved, and their richness and extent to be ascertained.

But the commercial interests of Vancouver Island, which is the peculiar province of this Chamber, is an ascertained fact.

After the formal separation of the Colonies in 1858, and the establishment in 1859 of New Westminster as the capital of British Columbia, their relative positions remained the same, and under the

judicious rule of Sir James Douglas, then the joint Governor of both, the progress of the Colonies was coincident, and their division merely nominal. The advancement of each was regarded as the benefit of the other.

The shipping and importing interests were unable to avail themselves of New Westminster (although original purchasers, and still extensive holders of property there) other than as a port of entry to the interior of British Columbia for the following reasons:

The great additional risks and delays for sea-going ships, without steam, navigating between Victoria and the Fraser river

The intricate narrow and uncertain channel through the sand-heads at the mouth of the Fraser, available only for ships drawing 16 feet at the utmost, and then requiring the assistance of steam.

The subsequent danger and delay attending river navigation to New Westminster, the current during the summer's freshets being very rapid.

The closing of the river by ice from time to time during the winter season extending over four months.

The general inconvenience of the situation for imports and exports to and from foreign markets, and the limited and uncertain nature of the new local demand.

Accordingly in no spirit of rivalry to the sister Colony, but with the clearly defined purpose of fostering her advancement as the best means of promoting their own; the merchants, without an exception, settled down in Victoria, and under a Free Trade policy assisted to build it up to its present flourishing condition; investing considerable sums of money in permanent improvements, and in the establishment of business connections, under the belief that the relative positions of the Colonies would remain without material alterations.

It was hoped that they would still work harmoniously together, and that Vancouver Island, in maintaining her independence, and with it her Free Trade, would find in British Columbia her best customer and her staunchest supporter; and on these grounds the members of the Victoria Chamber of Commerce declined to touch upon Union, as being more a political than a commercial question.

The further reconstruction of British Columbia in 1863, and the arrival in 1861 of separate Governors with distinct establishments for that Colony and for Vancouver Island, somewhat altered the relations of the two, and now threatens seriously to imperil the mutually beneficial relations hitherto existing between them, which would directly tend to destroy the good effect already springing from the Free trade policy of Vancouver Island, and would build up rival towns on the