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FURTHER PAPERS

RELATIVE TO

THE UNION

OF

BRITISH COLUMBIA AND VANCOUVER ISLAND.

(In continuation of Papers presented 25th June 1866.)

**Presented to both Houses of Parliament by Command of Her Majesty,
May 1867.**



LONDON:

PRINTED BY GEORGE EDWARD EYRE AND WILLIAM SPOTTISWOODE,
PRINTERS TO THE QUEEN'S MOST EXCELLENT MAJESTY.
FOR HER MAJESTY'S STATIONERY OFFICE.

1867.

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Despatches from the Governor.

No. 1.

VANCOUVER
ISLAND.
No. 1.

COPY of a DESPATCH from GOVERNOR KENNEDY, C.B., to the Right Hon.
EDWARD CARDWELL, M.P.

(No. 15.)

Government House, Victoria, March 3, 1866.

(Received, April 16, 1866.)

SIR,

AT the urgent request of the Legislative Assembly I have the honour to enclose the copy of a Resolution in which the Legislative Council concur, relative to the seat of Government of these Colonies, when united.

As I have no information of the intentions of Her Majesty's Government relative to uniting these Colonies I do not deem it necessary to trouble you with any remarks on the subject of this Resolution.

The Right Hon. Edward Cardwell, M.P.
&c. &c. &c.

(Signed)

I have, &c.
A. E. KENNEDY,
Governor.

Enclosure in No. 1.

Encl. in No. 1.

VANCOUVER ISLAND.

Resolution passed the Honourable Legislative Council and the Legislative Assembly in conference 2nd March 1866.

Resolved, that this house, having just learned that the union of Vancouver Island and British Columbia has been determined upon by Her Majesty's Government, would respectfully pray that the Secretary of State for the Colonies will be pleased to postpone the fixing of the permanent seat of Government until the wishes of the people of the two Colonies be ascertained.

That this Resolution be transmitted to his Excellency the Governor with the respectful request that he will be pleased to forward the same by telegraph to Her Majesty's Government, and also by post by the outgoing mail.

That these Resolutions be transmitted to the Honorable the Legislative Council for its concurrence.
(Signed) R. W. TORRENS,
Clerk of the House.

Passed the Legislative Council the 2nd of March 1866.

(Signed) E. J. NESBITT,
Clerk of the Council.

No. 2.

No. 2.

Telegram.

COPY of a TELEGRAM from the SPEAKER of the HOUSE OF ASSEMBLY
to the Right Hon. EDWARD CARDWELL, M.P.

House of Assembly, Victoria, Vancouver Island,
June 20, 1866, 10 p.m.

(Received, July 12, 1866.)

Via New York, June 28, 2.10 p.m.

To the Right Hon. Edward Cardwell, Her Majesty's Principal Secretary of State for the Colonies.—London, England (mail N.Y.)

The House of Assembly of Vancouver Island having considered the condition of the Colony is of the opinion:—

First.—That the country suffers intensely from causes in a great measure attributable to the continued separation of Vancouver Island and British Columbia, and to the very expensive and irresponsible character of the governments of British Colonies.

Second.—That the population of Vancouver Island and British Columbia, which, exclusive of Indians, does not exceed ten thousand (10,000) persons, cannot with other weighty liabilities afford more than a salary of two thousand (2,000) pounds for a Governor, with proportionate salaries for necessary heads of departments.

A

VANCOUVER
ISLAND.

Third.—In view of the above facts the House is of opinion that nothing short of immediate union of Vancouver Island and British Columbia under a Constitution apportioning the representations according to population, and giving to the people's representatives control over the mode and amount of taxation and expenditure, can stay the rapid decline of both countries and restore the confidence of the public.

Fourth.—The House, on transmitting the above to Her Majesty's Principal Secretary of State for the Colonies, feeling deeply the injury which both Vancouver Island and British Columbia are sustaining from the present state of uncertainty and suspense on the question of union, would respectfully ask for a reply by telegraph as to the intentions of Her Majesty's Government with regard to the matter during the present session of the Imperial Parliament.

Fifth.—By unanimous resolution Mr. Speaker is ordered to forward the foregoing Resolutions because the Governor declines telegraphing them unless approved by the Legislative Council, five eighths ($\frac{5}{8}$) of whom are officials.

J. S. HELMCKEN,
Speaker.

No. 3.

No. 3.

COPY of a DESPATCH from GOVERNOR KENNEDY, C.B., to the Right Hon. EDWARD
CARDWELL, M.P.

(No. 43.)

Government House, Victoria, June 16, 1866.

(Received, August 8, 1866.)

(Answered, No. 7, August 22, 1866, p. 45.)

SIR,

I HAVE the honour to enclose the copy of a Memorial from the Legislative Assembly of Vancouver Island forwarded to me for transmission.

The evil complained of is one of the evils springing from a separate policy and supposed separate interests existing between these Colonies.

I am of opinion that the measure thus brought under your consideration has a prejudicial effect upon both Colonies, and does not benefit either.

The Right Hon. Edward Cardwell, M.P.
&c. &c. &c.

I have, &c.,
(Signed) A. E. KENNEDY,
Governor.

Enclosure in No. 3.

Encl. in No 3

RESOLUTIONS reported from Committee of the Whole House, 15th June 1866. Confirmed by the House, 15th June, 1866.

MEMORIAL.

To the Right Hon. Edward Cardwell, M.P., Her Majesty's Principal Secretary of State for the Colonies, &c. &c. &c.

Your memorialists, the loyal subjects of Her Majesty, the Members of the Legislative Assembly of Vancouver Island in Parliament assembled, humbly beg to draw the attention of Her Majesty's Government to an Ordinance passed by the Governor and Legislative Council of British Columbia on the 15th day of February 1865, entitled "An Ordinance to amend the Duties of Customs."

Your memorialists would show that by the construction placed on that Ordinance in British Columbia it has been decided that goods shipped from Vancouver Island are chargeable with higher duties than the same goods shipped from any other country; and this practice has been enforced, since the passage of the Ordinance above referred to, to an extent almost amounting to a prohibition of trade with Vancouver Island. For example, a shipment of goods arriving in British Columbia direct (say) from France, invoiced at the net cost of one thousand pounds (1,000*l.*), or in other words the actual first cost of the goods where purchased, is entered for duties at the net cost aforesaid of 1,000*l.*, and is charged with (say) 20 per cent. duty, as provided for by the Customs regulations.

The whole charge for duties, say 20 per cent. on 1,000*l.*, will therefore be 200*l.* Now, if these same goods, or an invoice exactly similar in price and quality, be shipped from Vancouver Island, and landed in British Columbia, the process for assessing the duties would be as follows:

To the net cost of invoice in France (say) 1,000*l.* is added 50 per cent. or 500*l.*, making the goods of the value of 1500*l.* on which amount the duty of 20 per cent. is charged, making the duty payable 300*l.*

Thus, while the shipment from France would be chargeable with duties amounting to 200*l.*, the shipment from Vancouver Island would be chargeable with 300*l.* or an increase of 50 per cent. on the amount of duties payable on precisely the same or similar invoices of goods.

Your memorialists, the representatives of Vancouver Island, smarting under this mischievous enactment, appeal against a practice which will inevitably overthrow the large and important British interests vested in this Colony.

The 14th paragraph of the Royal Instructions to the Governor of British Columbia expressly forbids the making of any law imposing differential duties; yet, despite these instructions, the Ordinance referred to imposes really and virtually, though perhaps not nominally, a most onerous differential duty, which is rigorously enforced by severe penalties, to the great injury of Vancouver Island, and

without any benefit to British Columbia; the commerce chiefly benefited thereby being that of San Francisco, California; VANCOUVER ISLAND.

Your memorialists by this Petition desire to draw the attention of Her Majesty's Government to the real character and effect of the British Columbian "Ordinance to amend the Duties of Customs, 1865," conflicting as it does with the previous policy of Her Majesty's Government in relation to these Colonies; to expose its insidious character, its partial, unjust, and oppressive operation on the trade and condition of this Colony; its tendency to ruin British commercial interests on this coast; and to induce Her Majesty's Government to disallow the clauses in that Ordinance which impose differential duties on the trade of Vancouver Island with British Columbia.

And your petitioners will ever pray, &c.

R. W. TORRENS,
Clerk of the House.

No. 4.

No. 4.

COPY of a DESPATCH from Governor KENNEDY, C.B., to the Right Hon. EDWARD CARDWELL, M.P.

(No. 44.)

Government House, Victoria, June 22, 1866.

(Received, August 8, 1866.)

(Answered, No. 15, Oct. 31, 1866, p. 46.)

SIR,

I HAVE the honour to transmit enclosures, numbered from 1 to 5, being communications which have passed between the Legislative Assembly, the Legislative Council, and myself, and to offer the following remarks and explanations.

Encl. 1 to 5.

During the week ended the 16th June 1866 the Legislative Assembly had (according to newspaper statements) sat on several occasions with closed doors—or in secret, a course which of late they have frequently adopted. On Saturday morning the 16th June I read in a newspaper (the proprietor and editor of which have both seats in the Assembly) an epitome of the Resolutions marked No. 1, and some hours afterwards I received the Resolutions themselves.

The Speaker subsequently called upon me (Saturday, 16th June) and pressed me to transmit the Resolutions without an hour's delay. I pointed out to him the Colonial Regulations laid down for my guidance in Section VI. under the head of "Correspondence," and informed him that I could not take any such step without consulting my Executive Council, and further that I apprehended you would at the same time expect me to forward the opinion of the other branch of the Legislature on the important changes in the form of government, &c. which the Legislative Assembly proposed.

I consulted my Executive Council at the earliest moment (Monday the 18th June) when they concurred unanimously in the reply marked No. 2, dated 18th June, which I sent to the Assembly. I at the same time transmitted the Resolutions of the Assembly with the message marked No. 3, for the "consideration and opinion" of the Legislative Council.

On the 20th June I received the Resolutions of the Assembly marked No. 4, and on the 21st June I received the Resolutions marked No. 5, which were passed unanimously by the Legislative Council.

The Despatches which I have had occasion to address to you from time to time leave me little to add in the way of comment upon these Resolutions.

I must, however, draw your attention to the Resolution of the Assembly dated 20th June, as follows:—"Mr. Speaker is ordered to telegraph the foregoing Resolutions *because* the Governor declines telegraphing them unless *approved* by the Honourable Legislative Council, five eighths of whom are officials." This, you will observe by a reference to my messages, is a manifest mis-statement. My reply to the Assembly was as follows:—"I have now submitted these Resolutions to the Legislative Council, and on receiving the *opinion* of that body will lose no time in transmitting them with my report thereon to Her Majesty's Secretary of State for the Colonies."

I gave this matter careful consideration, and my Executive Council unanimously concurred in my opinion that I should not be justified in transmitting the original Resolutions of the Assembly, passed in secret session (and for aught within my knowledge by a narrow majority) without affording the Council and the public an opportunity of knowing their purport and forming their opinion upon them.

I entirely concur in the views expressed in the Resolutions of the Legislative Council; and I may here remark that several of the "officials" composing the Council possess considerable real estate in the Colony, and the three non-official members own more real property and have a larger stake in the Colony than the 15 members of the Assembly in the aggregate.

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ISLAND.

The constitution of the Legislative Assembly of this Colony, whether as regards character or capacity, is I think very unfortunate, and I fear that few persons possessing any self-respect will be found willing at any time to undergo the ordeal necessary to an election to a seat in the House.

I will not further occupy your time than by begging you to believe that I have exercised my best judgment and endeavoured to pursue an impartial course in this matter, and by expressing a hope that the course I have adopted will meet your approval.

I have, &c.

Right Hon. Edward Cardwell, M.P.
&c. &c. &c.

(Signed)

A. E. KENNEDY,
Governor.

Encl. 1 in No. 4.

Enclosure 1 in No. 4.

VANCOUVER ISLAND.

RESOLUTIONS passed the Legislative Assembly 15th June 1866.

The House of Assembly of Vancouver Island, having considered the condition of the Colony, is of opinion,—

1st. That the country suffers intensely from causes in a great measure attributable to the continued separation of Vancouver Island and British Columbia, and to the very expensive and irresponsible character of the government of both colonies.

2nd. That the population of Vancouver Island and British Columbia, which, exclusive of Indians, does not exceed 10,000 persons, and cannot, with its other weighty liabilities, afford more than a salary of 2,000*l.* for a Governor, with proportionate salaries for necessary heads of departments.

3rd. In view of the above facts, the house is of opinion that nothing short of immediate union of Vancouver Island and British Columbia, under a constitution apportioning representation according to population, and giving to the people's representatives control over the mode and amount of taxation and expenditure, can stay the rapid decline of both countries, and restore the confidence of the public.

4th. The House, in transmitting the above to Her Majesty's Principal Secretary of State for the Colonies, feeling deeply the injury which both Vancouver Island and British Columbia are sustaining from the present state of uncertainty and suspense on the question of union, would respectfully ask for a reply by telegraph as to the intentions of Her Majesty's Government with regard to the matter during the present session of the Imperial Parliament.

Ordered, That the above resolutions be transmitted to his Excellency the Governor, praying that he will cause the same to be telegraphed forthwith to Her Majesty's Principal Secretary of State for the Colonies.

R. W. Torrens,
Clerk of the House.(Signed) J. S. HELMCKEN,
Speaker.

Encl. 2 in No. 4

Enclosure 2 in No. 4.

Vancouver's Island, Government House,
Victoria, 18th June 1866.

(No. 24.)

To the Honourable the Speaker and Members of the Legislative Assembly.

GENTLEMEN,

I HAVE the honour to acknowledge the receipt of four Resolutions on the "state of the Colony" which passed the Legislative Assembly on the 15th June 1866, accompanied by a request that I would cause the same to be telegraphed forthwith to Her Majesty's Secretary of State for the Colonies.

I apprehend that any Resolutions of one branch of the Legislature, having for their object a change in the form of government, and union of this Colony with British Columbia, would be valueless without the concurrence of the other branches of the Legislature, and that I should render myself responsible for the establishment of an irregular and inexpedient precedent if I transmitted these Resolutions (passed, as I understand, in secret session) without affording the Legislative Council an opportunity of expressing an opinion upon them.

I am directed by the instructions laid down for my guidance to accompany all communications entrusted to me for transmission to Her Majesty's Government by such report as their contents may appear to require. This manifestly cannot be done by telegram.

I have now submitted these Resolutions to the Legislative Council, and on receiving the opinion of that body will lose no time in transmitting them, with my report thereon, to Her Majesty's Secretary of State for the Colonies.

I have, &c.
(Signed) A. E. KENNEDY, Governor.

Enclosure 3 in No. 4.

Vancouver's Island, Government House,
Victoria, 18th June 1866.VANCOUVER
ISLAND.
Encl. 3 in No.

To the Honourable the President and Members of the Legislative Council.

GENTLEMEN,

I HAVE the honour to submit for your consideration and opinion the copy of Resolutions transmitted to me by the Legislative Assembly on the "state of the Colony."

I have, &c.
(Signed) A. E. KENNEDY, Governor.

Enclosure 4 in No. 4.

Encl. 4 in No. 4.

VANCOUVER ISLAND.

RESOLUTIONS reported from Committee of the whole House, 20th June 1866; and, the Standing Orders having been suspended, confirmed 20th June 1866.

1. The House beg respectfully to acknowledge the receipt of his Excellency's Despatch, No. 24, dated 18th June 1866.

2. The House is surprised to find that his Excellency should have considered it expedient to lay the Resolutions (15th June) before the Legislative Council instead of telegraphing them to their destination, as desired by the House.

3. The House is of opinion that the Resolutions should not have been sent to the Honourable Legislative Council, as the House only intended to express its own opinion (in advance of a memorial upon the same subject), and requested the same to be sent by telegraph; because, if sent by steamer, the Imperial Parliament would have been prorogued before such Resolutions could have reached their destination.

4. The House, moreover, considers that such Resolutions should not be sent to the Honourable Legislative Council, five eighths of that honourable body being officials. It is hardly right to ask official members to give a decision upon a question materially affecting their own interests.

5. The House, deeming these Resolutions to be of the utmost importance at the present moment, from the fact that the question of union is under the consideration of Her Majesty's Government, and that Her Majesty's Government is liable to be influenced by persons inimical to the best interests of Vancouver Island and British Columbia, as well as (though perhaps unwittingly) to Imperial interests, has adopted the following Resolution which has been added to the Resolutions of the 15th of June, and ordered to be telegraphed forthwith to the Right Honourable the Secretary of State for the Colonies, viz. :—

"By unanimous resolution Mr. Speaker is ordered to telegraph the foregoing Resolutions, because the Governor declines telegraphing them unless approved by the Legislative Council, five eighths of whom are officials.

"The House regrets that his Excellency's determination should have compelled the adoption of this unusual course, but at the same time feels convinced not only of the necessity but also of the propriety of the steps taken."

(Signed) R. W. TORRENS,
Clerk of the House.

Enclosure 5 in No. 4.

Encl. 5 in No. 4.

VANCOUVER ISLAND.

RESOLUTIONS passed by the Legislative Council this 21st day of June 1866 :—

That a humble address be presented to his Excellency the Governor, acknowledging receipt of and thanking his Excellency for his communication of the 18th instant, transmitting certain Resolutions of the Legislative Assembly "on the state of the Colony" for the consideration and opinion of this House.

That the following Resolutions, embodying the opinion of this House upon the subject of the Assembly's Resolutions be presented to his Excellency for transmission to Her Majesty's Principal Secretary of State for the Colonies.

Resolved, That the Legislative Council of Vancouver Island and its dependencies, having taken into its serious consideration the Resolutions above alluded to, feels considerable difficulty in suddenly expressing a decided opinion upon the varied and important subjects embraced in those Resolutions.

That the Council cannot agree in thinking that the Government of this Colony is irresponsible in its character, and fails to see the connexion between the depression which at present exists and the constitution of the Government.

That, in the opinion of this Council, that depression is owing mainly to the decrease of the mining population of the neighbouring colony diminishing the trade of Victoria—to overtrading—to differential duties imposed by the sister colony since the entire separation of the two Governments in 1864; to excessive commercial credits; to speculation in mining adventures; to a course of political agitation, which has had the effect of paralyzing credit and of repelling capital.

That it appears, however, to the Council that the evil has been aggravated by the uncertainty and suspense which has so long existed on the question of union; and that it would be highly expedient

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that the final decision of Her Majesty's Government on that subject should be obtained and communicated with as little delay as possible.

(Signed) JOSEPH NEEDHAM,
President of the Legislative Council.
(Signed) E. J. NESBITT,
Clerk of the Council.

No. 5.

No. 5.

COPY of a DESPATCH from GOVERNOR KENNEDY, C.B., to the Right Hon.
EDWARD CARDWELL, M.P.

(No. 45.)

Government House, Victoria, June 26, 1866.

(Received, August 8, 1866.)

(Answered, No. 6, August 21, 1866, p. 44.)

SIR,

IN the state of uncertainty which exists as to what the Legislative Assembly of this Colony will or will not do in reference to the finances, I deem it my duty to keep you informed by placing the following address from the Assembly, and my reply thereto, before you.

You will observe that on the 21st May the Legislative Assembly called for a return of all monies borrowed from the banks in 1865-6, and also "a return showing the authority under which the Governor negotiated such loans respectively."

My reply, dated 26th May 1866, fully answers both these questions.

The Bank of British North America, taking alarm, I presume, at the doubts thrown upon the legality of my proceedings by the Assembly, addressed the letter (herewith) dated 31st May 1866, to the Colonial Secretary, stopping all further credit.

I enclosed a copy of this letter in my confidential message dated 1st June 1866. I have not received any reply to either of my communications to the Assembly. The necessary consequence has been a stoppage of payment at the Treasury since the 1st of June, a fact of which the Assembly are quite aware.

I observe from newspaper reports (being the only information on the subject which has reached me) that a Bill authorizing a loan of \$90,000 has passed a second reading, but when it will become law I am unable to anticipate.

This Bill, if it become law, will cover the debt to the Bank, and leave a margin to carry on the public service till the real estate and other taxes are received, the machinery for assessing and collecting which is radically faulty, and requiring amendment by law.

You will see from my message dated May 26th that I have kept the Assembly fully informed of the financial condition of the Colony; and I may add that I have in every step acted with the advice and concurrence of my Executive Council.

The Assembly has been in session since last November, and up to the present time has failed to propose or pass any rational measure for providing ways and means for carrying on the government of the Colony. There is the less excuse for this state of things, inasmuch as the audit of the accounts for 1865 shows that the total amount voted by the Assembly for the service of the year amounted to \$313,558, while the expenditure reached \$267,294, being \$46,264 less than the sum voted.

The Right Hon. Edward Cardwell, M.P.
&c. &c. &c.

I have, &c.

A. E. KENNEDY,
Governor.

Encl. 1 in No. 5.

Enclosure 1 in No. 5.

VANCOUVER ISLAND.

RESOLUTION passed the Legislative Assembly, May 21, 1866.

Ordered that a humble Address be presented to His Excellency the Governor praying that he will cause the following Returns to be laid on the table of this House:—

1. A Return of the sums of money borrowed from the respective Banks of this Colony, and due at the expiration of the year 1865; also the amount borrowed during the year 1866, and now owing on account of the General Revenue.

2. A Return showing the authority under which the Governor negotiated such loans respectively.

(Signed) R. W. TORRENS,
Clerk of the House.

Enclosure 2 in No. 5.

VANCOUVER ISLAND.

VANCOUVER
ISLAND.

Encl. 2 in No. 5.

To the Honourable the Speaker and Members of the Legislative Assembly.

GENTLEMEN,

Government House, Victoria, May 26, 1866.

I HAVE the honour to acknowledge the receipt of an Address from the Legislative Assembly for "A Return of the sums of money borrowed from the respective Banks of this Colony, and due at the expiration of the year 1865; also the amount borrowed during the year 1866, and now owing, on account of the general revenue;" and "A Return showing the authority under which the Governor negotiated such loans respectively."

I would take the opportunity thus afforded me to recall the attention of the Assembly to the fact that I have specially brought this subject under the notice of the House on several occasions.

In addressing the House on 16th May 1865, now more than twelve months ago, I stated that, owing to the smallness of the balance in the Treasury, I had been under the necessity of arranging with the Bank of British North America to overdraw to the amount of \$10,000; that the Bank had agreed to a further advance of \$10,170, to be applied to meeting the liabilities of the Corporation of the city of Victoria, an application of the public funds in which the Assembly expressed concurrence, by resolution dated 23rd January 1865; that, in view of the necessity of remitting immediately to England 2,000*l.* to meet payments on account of interest and sinking fund of loan, and of providing for current expenditure, a further credit of \$20,000 had been obtained from the Bank; and further, that on that date (16th May 1865) the sum of \$39,794 was due by the Colony to the Bank of British North America.

This communication did not elicit any response from the Legislative Assembly.

On the 20th December 1865 I informed the House, in submitting the estimates of revenue and expenditure for 1866, "that there is a present balance of \$52,465 due to the Bank of British North America, and it is not probable this will be decreased before the 31st December 1865."

Again the House will perceive that in a communication I had the honour to make on the 10th January 1866, relative to the partial nonpayment of the sums voted for 1865, for the Royal Hospital Victoria, for the Female Hospital, and for the Victoria Fire Department, I stated, "I have already caused \$3,000, or one moiety of that grant, to be paid; but in consequence of the income for the year falling short of expenditure, and a debt to the Bank having thereby been already incurred, I do not deem it expedient to increase that debt by the payment of the remaining moiety of the grant, without placing the matter before the Assembly, so that it may be determined whether other means for the payment of this appropriation should be adopted or not."

The Legislative Assembly, by Resolution dated 31st January 1866, expressed the opinion that the sums due (on account of votes for 1865) to the Royal Hospital and the Victoria Fire Department "should be paid forthwith." The Assembly, however, did not by that Resolution determine any "other means" for the payment of the appropriation than by an increase of the debt to the Bank as indicated in my message.

I may inform the House that in the month of December 1865 I caused a further sum of \$8,680 to be paid, pursuant to the Victoria City Half-per-cent. Tax Act, 1865, to meet debenture liabilities of the city of Victoria, and that sum not having been collected under the provisions of that Act, an augmentation of the debt to the Bank was the result.

The amount due to the Bank of British North America on the 31st December 1865 was \$63,515, and the amount due at the present time is \$80,561.

I take this opportunity of directing the attention of the Legislative Assembly to the fact that the estimates of revenue and expenditure for 1866 have been more than five months before the House, and that no Bill of Supply has been passed, nor have ways and means been provided, for the necessary current expenditure and liabilities of the Colony.

I have, &c.
(Signed) A. E. KENNEDY,
Governor.

Enclosure 3 in No. 5.

Encl. 3 in No. 5.

(Confidential.)

Vancouver Island, Government House,
Victoria, June 1, 1866.

SIR,

REFERRING to Resolutions of the Legislative Assembly, dated 21st May, the Address and Returns called for on that date, together with my reply thereto, dated 26th May 1866, and the published proceedings of the House thereon, I have now the honour to submit for the consideration of the Legislative Assembly the copy of a letter from the manager of the Bank of British North America, dated 31st May 1866.

While doubts appear to exist in the Assembly as to the legality of my proceedings in making provision for carrying on the public service, I trust I may be held justified in declining to incur any further responsibility without the distinctly expressed authority of the Legislature.

I have marked this communication "Confidential," for reasons which will be obvious to the Assembly.

The Hon. Speaker of the Legislative Assembly,
&c. &c. &c.

I have, &c.
(Signed) A. E. KENNEDY, Governor.

VANCOUVER
ISLANDBank of British North America,
Victoria, V. I., May 31, 1866.

SIR,

I BEG leave respectfully to draw your attention to the state of the Government account with the Bank.

You are aware that the Directors of the Bank authorized advances to the Government about the beginning of last year, to the extent of \$75,000, on the understanding that the greater part, if not the whole, would be paid before the close of the year. At the latter date the amount was considerably reduced, but since then the overdraft has been gradually increasing, and it now stands at \$79,567.

I hope it will soon be convenient for the Government to reduce the overdraft, at least to the limit named. In the meantime, it is my duty to state, that I cannot allow the present amount to be increased, and if further advances are likely to be required by the Government it will be necessary for me to apply to the Directors for their sanction before making such.

William A. G. Young, Esq.,
Colonial Secretary.

I have, &c.
(Signed) J. B. SHEPHERD, Manager.

No. 6.

No. 6.

COPY of a DESPATCH from GOVERNOR KENNEDY, C.B., to the Right Hon. EDWARD CARDWELL, M.P.

(No. 46.)

Government House, Victoria, June 26, 1866.

(Received, August 8, 1866.)

SIR,

(Answered, No. 8, August 22, 1866, page 45.)

REFERRING to my Despatch No. 43,* dated 16th June 1866, I have the honour to transmit a Memorial from the Legislative Council of this Colony on the same subject.

* page 2.

The Right Hon. Edward Cardwell, M.P.,
&c. &c. &c.

I have, &c.
(Signed) A. E. KENNEDY.

Encl. in No. 6.

Enclosure in No. 6.

RESOLVED, that an humble Address be presented to his Excellency the Governor, praying that his Excellency will be pleased to transmit the following Memorial to Her Majesty's Principal Secretary of State for the Colonies.

To the Right Honourable Edward Cardwell, Her Majesty's Principal Secretary of State for the Colonies.

The Memorial of the Legislative Council of Vancouver Island and its dependencies respectfully sheweth,—

That your memorialists submit for consideration the following facts:

2. That goods shipped from Vancouver Island to British Columbia are, by the mode of valuation adopted in British Columbia, absolutely charged with a greater amount of duty than goods shipped from any other country.

3. That this differential duty is so great, that, upon an invoice of 1,000*l.* of goods from the United States or France, or any other country, taken as an illustration, the duty levied amounts to 200*l.* only, while, on an invoice of the same amount from Vancouver Island, it amounts to 300*l.*

4. That while such differential duty fails to produce any advantage to British Columbia, it has a tendency ruinous to the trade of Vancouver Island.

5. That the above duties are levied under an Ordinance passed in British Columbia on the 15th day of February 1865.

6. That the above Ordinance is contrary to the Royal Instructions issued by the Imperial Government to the Governor of British Columbia, paragraph 14, which forbids the imposition of differential duties.

7. That such a tariff is contrary to the comity which ought to exist between two sister Colonies; contrary to the true interests of both; and is calculated to inspire disunion and hostility between them.

8. That, having regard to the above facts, and believing that the said Ordinance has not yet been ratified by the Queen in Council,—

9. Your memorialists humbly pray that the same may be disallowed as being prejudicial to the true interests of both Colonies, injurious to the trade of Vancouver Island, contrary to the letter and spirit of the Royal Instructions, and opposed to the Imperial policy of free and unrestricted trade.

And your memorialists, as in duty bound, will ever pray.

Passed the Legislative Council this 25th day of June 1866.

JOSEPH NEEDHAM, President.
E. J. NESBITT, Clerk of the Council.

EXTRACT from a DESPATCH (No. 48.) from Governor KENNEDY, C.B., to the Right Hon. EDWARD CARDWELL, M.P., dated Government House, Victoria, June 26, 1866. Received, August 8, 1866. Answered, No. 15, Oct. 31, 1866, p. 46.)

I HAVE the honour to transmit a memorial from the Legislative Assembly of this Colony with reference to the union of Vancouver Island and British Columbia.

I have numbered the paragraphs of this memorial for greater facility of reference.

A reference to my Despatch No. 44,* dated 22nd June 1866, by this mail, will show distinctly that the statement in paragraph 1 of the memorial, that I declined to transmit the Resolutions of the Assembly, "unless approved by the Legislative Council," does not consist with fact. Whatever motive may have induced that statement, such a palpable inaccuracy at the outset of the memorial will not, I apprehend, tend to give weight to subsequent statements, the truthfulness or otherwise of which you may not possess equally distinct means of determining.

* page 3.

Paragraph 2. Three evils appear by the latter part of this paragraph to be treated of therein. The first is merely alluded to as something inevitable which will effect "their" own cure, and is not definitely described. The second evil is the continued separation of the Colonies, resulting, as alleged, in legislation on the part of British Columbia, "hostile alike to Imperial and Vancouver Island interests." I presume this has relation to the subject of my Despatches Nos. 43* and 46,* dated 16th and 26th June respectively. Of the third evil alleged to be "others flowing from the unnecessarily expensive and highly impracticable systems of government of both Colonies," I can only speak as regards Vancouver Island. You will have gathered from previous Despatches that I have long been of opinion that the form of government of this Colony is wholly unsuited to its population and circumstances, that it is unworkable, and that a simpler form would be far better and possibly cheaper than the present; and it is an undoubted fact that the Representative Assembly has been both directly and indirectly the cause of much unnecessary expenditure. The costly scheme referred to in my Despatch named in the margin emanated from the Assembly. The "insupportable burthen" with which the people are oppressed is not defined. If taxation be intended, I have already in previous Despatches stated my opinions on that subject. What may be the nature of the "liberal and necessary laws" referred to by the Assembly I will leave you to infer, when I state that the only measure passed for which any apparent popular clamour has been raised was a school bill passed in 1865, and which has already been the fruitful parent of expenditure and jobbery, and that the Land Proclamation (founded I believe chiefly on the land laws of the neighbouring American states) has given the greatest encouragement to land speculation, and thereby retarded the settlement and consequently the development of the country.

* pages 2 & 8.

Paragraph 3. I have already expressed my opinion in favour of the union of the Colonies and of an early settlement of the question. The cause of the separation of the Colonies is of course well known at the Colonial Office, but I believe I am right in denying it to have been the result of "Imperial expediency." The two Colonies are not only intimately connected with each other, but to a very great extent mutually dependent.

Paragraph 4. The traders and land speculators have fixed themselves at Victoria, the port first established in either Colony, and there some of the miners of British Columbia spend their winters and their gold. Last winter a larger number of miners wintered at the mines than theretofore.

Paragraph 5. The Indians of Vancouver Island do not contribute appreciably to the Revenue; they may be said to be wholly untaxed. This estimate of the population of the two Colonies at 10,000 is much lower than the true number. I have already expressed my views upon the taxation and expenditure of Vancouver Island; and whatever objections I may entertain to the present mode of raising taxes adopted in this Colony, the application of such terms as "unparalleled" and "ruinous" to the taxation of Vancouver Island, where the bulk of the population may be said to be untaxed, is wholly without warrant. A form of government in which the management of the affairs of the Colony, instead of being left to an irresponsible body like the Assembly, should be entrusted to a greater extent than at present at all events, to persons answerable for their conduct to the Crown, would tend to the end desired in this paragraph, and would, I believe, meet the general approval of the respectable and sober-minded British inhabitants of the Colony.

Paragraph 6. This paragraph relates chiefly to British Columbia. If by "a more liberal and irresponsible form of government," party government on the model of Great Britain or her more advanced Colonies be meant, I have no hesitation in saying that in Vancouver Island the elements of such a form of government have never existed, and are not likely, in my opinion, to be found for many years to come.

Paragraph 7. It is true that the Legislative Council have rejected measures passed by the Assembly, or, having modified them, they have been rejected by the Assembly. The time of the Assembly, with no representative of the Executive Government to assist in its deliberations, has been chiefly occupied in useless discussions and in passing bills which never could without much modification have received the confirmation of Her Majesty. The rejection of the Volunteer Bill and the recent rejection for the second time of the Postal Bill by the Assembly after passing the Legislative Council, are instances in which the complaint of that body against the Legislative Council might be directed with all the force of truth against itself. The members of the Legislative Council are directly responsible to the Crown, but I am compelled to say that the Members of the Assembly, so far as my experience of that body has extended, have not evinced any sense of their responsibility to their constituents, to each other, or to their Sovereign. The instance or instances in which the Governor has refused "to grant necessary information" are not detailed, and the assertion to that effect does not require comment beyond stating that, so far as I am concerned, I have always readily granted "necessary information to the Assembly on matters affecting the vital interests of the Colony" so far as it has been within my power to do so.

Paragraph 8. The control of the "manner and amount of the taxation and expenditure" has unfortunately been too much left to the Assembly and the result has been financial confusion and embarrassment. As regards the salary of the Governor of this Colony, I beg to refer you to my Despatch, No. 27, dated 4th May 1865. A Government House is now maintained here, but not "at great expense" to the Colony. Some of the expenses which should properly be charged to the public are now defrayed by the Governor. The words "each has a Private Secretary," appear from the context to be intended to convey the idea of a public charge, the fact being that the Assembly have refused to vote the salary of the Private Secretary of the Governor of this Colony.

Paragraph 9. If it be not premature to discuss a civil list for the united Colonies, I am prepared to show that the amounts proposed are very inadequate.

Paragraph 10. This is a matter of hypothesis which Her Majesty's Government will know how to deal with in a proper manner.

Paragraphs 11 and 12. The representative institutions of Vancouver Island do not give much earnest of better things from similar institutions in the united Colonies. "An economical government" would doubtless be advantageous. The scheme of opening the communication across the Rocky Mountains may be of great advantage as the interior of British Columbia becomes settled and opened up.

Paragraphs 13 to 16. I have earnestly advocated the establishment of a British line of steamers between this Colony and Panama, but the Assembly have hitherto interposed insurmountable obstacles in the way by refusing to vote a sufficient subsidy, and by the rejection of a postal law, besides the barrier which the uncertainty of the continuance or repetition of votes of subsidies has presented to any Company contemplating the establishment of such a line. The suggestion of the importance of establishing efficient and regular postal communication with the Mother country has until the present time been treated with neglect and indifference by the Assembly. I have not been without hopes that a subsidy of such an amount as the two Colonies could have afforded would, with a due assurance of permanence, have led Her Majesty's Government to consider favourably a proposal to increase the subsidy to such an amount as would have induced a responsible company to undertake the service.

Paragraph 16. The large sums referred to in this paragraph as being now paid to keep up a connexion with California cannot be considered as part of a steady and determined scheme of communication with the Mother country, although, in fact, that connexion involves a portion of the whole route. The "large sums" are being expended for the purpose (proper and useful in itself) of attracting the traffic expected to arise this year to a new gold field on the Upper Columbia River, through Victoria and by the way of the Fraser River, rather than allowing it to pass through United States territory.

Paragraph 17. I believe the natural resources of these Colonies to be such as with sufficient development would secure lasting prosperity to both.

I cannot conclude without drawing your attention to the fact that this Memorial

is the result of several secret sittings of the Assembly, and that I am, therefore, in utter ignorance of the number of Members from whom it emanates, and of the degree of unanimity with which it was adopted; and I think, looking at the recent instances in which matters of importance have been discussed in a thin House, and carried by a narrow majority, it is a matter for regret that I am not able to afford you any information on this point.

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Enclosure in No. 7.

Encl. in No. 7.

“To the Queen’s most Excellent Majesty.”

“MOST GRACIOUS SOVEREIGN,

“WE, Your Majesty’s most dutiful and loyal subjects, the Commons House of Assembly of Vancouver Island in Parliament assembled, in full assurance of Your Majesty’s desire to promote the welfare of Your people, beg leave humbly to address ourselves to Your Majesty upon matters of the deepest interest to Your faithful subjects in this Colony.

“We humbly represent that, desirous of reaching the foot of the Throne before the recess of Parliament, we transmitted by telegraph on the 20th June to Your Majesty’s Principal Secretary of State for the Colonies a few brief resolutions on the condition of this Colony, which his Excellency Governor Kennedy declined to transmit unless approved by the Legislative Council, urging immediate union of Vancouver Island and British Columbia under a liberal constitution; and we would now respectfully submit for the consideration of Your most Gracious Majesty, the following more detailed views on the same subject.

2. “We would, in the first place, state that both Vancouver Island and British Columbia are at present suffering grievously from a variety of evils, some of which are the inevitable results of circumstances incident to new colonies, others arising from the continued separation of Vancouver Island and British Columbia, by which a system of legislation has been adopted in the Legislative Council of the latter Colony, hostile alike to Imperial and Vancouver Island interests, and others again flowing from the unnecessarily expensive and highly impracticable systems of government of both Colonies, which, while oppressing the people with an insupportable burthen, have at the same time prevented the passage of liberal and necessary laws to promote the settlement and development of the country. The first of these evils are of such a nature as will gradually effect their own cure, but the second and third are entirely under the control of Your Majesty’s Government, and it is with the earnest hope that Your most Gracious Majesty will be pleased to grant such relief as in Your Majesty’s judgment may be deemed expedient,—

“That we humbly pray:—

3. “First. For immediate legislative union of Vancouver Island and British Columbia, countries which, we believe, were only placed temporarily under different governments through Imperial expediency. The interests of the Island and of the mainland have always been and are identical, not merely from the fact of these communities trading with each other and owing allegiance to the same authority, but also from their being dependent on each other in the most absolute sense.

4. “From 1858 population and capital have been gradually centering in Vancouver Island, and it is from these two elements principally that the mineral resources of British Columbia have been and are being developed. It is from Vancouver Island mainly the capital flows that brings to light the hidden wealth of Caribou and other gold fields, and it is from the same source the majority of the mining population of British Columbia, who reside in Vancouver Island the greater portion of the year, is obtained. It will thus be seen that Vancouver Island’s interest in the mainland is more than an ordinary interest, and that what affects the prosperity of the latter country, whether it be the enormous expenses of its government, or the ill-judged and unpopular character of its laws, acts in a corresponding degree on the former. How deep the interest is which British Columbia feels in Vancouver Island will be best ascertained by a perusal of the petition for union forwarded some time ago by the Administrator of the Government of British Columbia to Your Majesty, signed, as it was, by all the principal merchants, manufacturers, miners, traders, and farmers in the neighbouring Colony.

5. “Second. We would further state that while the combined population of both Colonies, exclusive of Indians who contribute in some degree to the revenue, does not exceed ten thousand persons, the expenditure of the two Governments amounts in the aggregate to nearly two hundred thousand pounds a year. It is scarcely necessary to point out to Your Majesty the unparalleled and ruinous character of the taxation required to support such an outlay, and the absolute necessity for a form of government that will bear more lightly on the inhabitants, and afford them more effective means to check extravagance.

6. “In British Columbia, as Your Majesty’s Government is aware, the government is carried on by a Legislative Council, consisting of ten official and five unofficial members. The system virtually stifles public sentiment, as, from causes which are inseparable from an overwhelming official influence in a Legislative Chamber in a young country, the usefulness as well as independence of the non-official members is seriously impaired. Salaries are raised and expenses incurred under such a state of things that could never be done under a more liberal and responsible form of government.

7. “The constitution of Vancouver Island is free from some of the evils which exist in the constitution of the neighbouring colony, but the unduly official and nominative character of the Upper House has created serious dissatisfaction throughout the Colony, the members acting in direct antagonism to the Assembly, and throwing out, session after session, measures which the public interest loudly and persistently demands.

“By such determined hostility to the Lower House as this irresponsible body has evinced, and the refusal of the Governor to grant necessary information to the Assembly on matters affecting the

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ISLAND.

vital interests of the colony, the welfare of the country has been deeply injured and the Legislative Assembly reduced almost to a nullity.

8. "We would, therefore, pray that in uniting the two colonies Your Majesty's Government will be graciously pleased to grant to the people such a constitution as will, while reserving to the Crown every prerogative consistent with representative government, enable them to control the manner and amount of the taxation and expenditure, and, if necessary, prevent the official element acting to the country's detriment by hostility to the people and their representatives. As one portion of the great expenditure above stated we would humbly represent that the salary of the Governor of British Columbia was raised by the Legislative Council of that colony to 4,000*l.* a year, and 1,000*l.* per annum are allowed for travelling expenses. The salary of the Governor of Vancouver Island is 3,000*l.* For each, at great expense, a house is maintained, and each has a private secretary.

9. "With a view to laying down the groundwork of economy in the government of the country, we would respectfully submit for Your Majesty's consideration the following civil list for the united colonies:—

Governor	-	-	-	-	-	-	-	£	2,000
Two Judges	-	-	-	-	-	-	-		2,400
Colonial Secretary	-	-	-	-	-	-	-		600
Surveyor General	-	-	-	-	-	-	-		500
Collector of Customs	-	-	-	-	-	-	-		600
Attorney General (with permission to practise)	-	-	-	-	-	-	-		400
Treasurer	-	-	-	-	-	-	-		500
									7,000
									7,000

"An amount as great as, with the present serious liabilities and ever recurring need for internal improvements in both Colonies, can, we believe, for some years hence be afforded.

10. "It would, however, be extremely difficult to construct and sustain an economical and useful government after the two colonies shall have been united, unless they shall be presided over by a Governor not in any way interested in the continuance of a system which has grown up during the past years of imprudence and disregard of popular rights, possessed of large experience in the affairs of colonies enjoying representative institutions, and one whose cordial co-operation with the people's representatives might be relied on; for, it has been found impossible to effect any very perceptible retrenchment under existing circumstances.

11. "We would express our belief that, with representative institutions and an economical government suited to their financial ability, the colonies will, after union, advance in a steady and sure course of prosperity.

"Their progress would be greatly promoted by the opening of communication from the Pacific to the fertile plains and auriferous streams of the Saskatchewan country, east of the Rocky Mountains.

12. "This has already, to a considerable extent, been effected by governmental and private enterprise, and a further advance eastward will probably soon be made; but, as part of the projected highway between the Atlantic and Pacific, this undertaking, from its important bearing on Imperial interests, may yet claim aid from Your Majesty's Government.

13. "Another measure which would greatly benefit the United Colonies, is steam communication with Panama, and connexion at that port with the West India Steam Ship Company's line from England to Aspinwall.

14. "This, we are informed, will be furnished by the above-named Company, provided they are guaranteed annually 20,000*l.*, or eight per cent. on the amount of capital deemed necessary for the undertaking. Such a connexion would greatly foster British interests as well as British sentiment in this part of the world, besides paving the way for greater undertakings of the kind in future, having in view connexion between 'Confederated British North America,' and the rich and populous countries on the Asiatic shores of the Pacific.

15. "Referring with pride to the great and, for the small number of tax payers, unprecedented efforts heretofore made by both Colonies in self support and internal improvements, we profoundly regret that it will be out of our power to procure the vast advantage of the steam communication above mentioned, unless Your most Gracious Majesty's Government should be pleased to extend a helping hand to these young and struggling Colonies, believing, as we do, that if it assumes one half the expense, the Mother country will reap its full share of the benefit.

16. "Without connexion with the Mother country by means of mail steamers the progress of these Colonies is greatly retarded; and so deeply is this felt by the people, that large sums are now paid to a foreign steamboat company by each Colony to keep up connexion with California, although the compensating advantages arising from this outlay cannot be compared with those that would result from subsidizing a British line of steamers between Panama and these colonies.

17. "With faith in the mineral and other numerous resources of British Columbia and Vancouver Island, which are gradually being developed under great difficulties, and feeling the most unbounded confidence in the maternal solicitude of Your most Gracious Majesty for the well-being of all your loyal subjects, we believe that the present appeal for such institutions and other reasonable aid as will conduce essentially to the welfare and happiness of the united Colonies, will not be made in vain.

"And we, Your Majesty's loyal and devoted subjects, as in duty bound, will ever pray."

J. S. HELMCKEN, Speaker.

House of Assembly, Victoria, Vancouver Island,
22nd June 1866.

No. 8.

Telegram.

COPY of a TELEGRAM from GOVERNOR KENNEDY, C.B., to the SECRETARY OF STATE
FOR THE COLONIES.

(No. 3.) From Victoria, June 28, 1866, to Secretary of State for the Colonies,
Downing Street, London. Mail New York.

(Received, July 12, 1866).

GOVERNOR'S report on Resolution, telegraphed by Assembly direct to Secretary of
State, will, together with Resolutions of Council, be transmitted by outgoing mail.

A. E. KENNEDY.

No. 9.

No. 9.

COPY of a DESPATCH from GOVERNOR KENNEDY, C.B., to the Right Hon. EDWARD
CARDWELL, M.P.

(No. 50.)

Government House, Victoria, July 12, 1866.

(Received, August 27, 1866.)

(Answered, No. 10, September 12, 1866, page 45.)

SIR,

REFERRING to and in continuation of my Financial Despatch No. 45,* dated
26th June 1866, I have the honour to transmit further communications which have passed
between the Legislative Assembly and myself on the same subject.

* page 6.

These documents explain themselves, and do not require any lengthened comment.

In reference to the last communication from the Speaker, dated 6th July, I have to state
that the Bill authorizing a loan of \$90,000 (18,556*l.*) has passed the Legislature, and
has received my assent.

This Bill (which will be formally submitted in the usual course) authorizes the
Government to raise funds by way of loan, bearing interest at 12 per cent. per annum,
to pay off the debt, by overdraft to the Bank of British North America, and to leave a
small balance in aid of the ordinary revenue at my disposal to carry on the Government.
It is an attempt to make good by a loan the failure of the Assembly to provide ways
and means to meet the current expenditure of the Government for the years 1865 and
1866.

It is a remarkable fact that although the Bill directs that the loan shall be repaid by
the end of the year 1868, it does not indicate the means by which such repayment shall
be effected; nor am I aware of any suggestion being made in the Assembly for that
purpose. And, having regard to this important omission, I trust the urgent necessity of
restoring the credit of the Government by the resumption of payments at the Treasury
will be my justification for assenting to the Bill.

Although it is expected that the loan can be effected in the Colony, I have grave
doubts whether it will be practicable, in view of the impaired state of public credit,
consequent, as will be collected from the Despatches I have from time to time addressed
to you, to a great extent upon the reckless proceedings of the Legislative Assembly.

The expedient of borrowing money at 12 per cent. interest for the purpose of paying
current liabilities (among which is the interest on the 40,000*l.* six per cent. loan) cannot
in itself be regarded as otherwise than ruinous; and, except under the very peculiar and
difficult circumstances in which I found myself placed, a resort to it would not have met
my concurrence.

It may state for your information that the Legislative Assembly is now engaged in
reconsidering the estimates for the current year, and its votes and resolutions relating
thereto, of which I enclosed a copy in my Despatch No. 9, dated 8th February 1866.
I regret to find that the Assembly perseveres in the assertion of a right to initiate money
votes independently of the Executive Government, the obvious effects of which must be
financial discredit, embarrassment, and confusion.

I have, &c.

The Right Hon. Edward Cardwell, M.P.

(Signed) A. E. KENNEDY.

&c.

&c.

&c.

VANCOUVER
ISLAND.

(No. 30.)

Encl. 1 in No. 9.

Enclosure 1 in No. 9.

VANCOUVER ISLAND.

Government House Victoria, July 2, 1866.

SIR, REFERRING to my communication marked "Confidential," and dated 1st June 1866, I have the honour to request you will afford me some intimation of the course the Legislative Assembly propose to adopt.

Two months arrears are now due to many public creditors, and I can no longer assume the responsibility of accepting supplies or services on behalf of the public for the payment of which no sufficient means are placed at my disposal.

I do not feel justified in longer withholding from the knowledge of the Legislative Assembly the contents of a letter from his honour the Chief Justice, dated 15th June 1866, (a copy of which I enclose,) indicating only some of the grave complications which must follow on a continuance of the existing state of things.

I have, &c.

(Signed) A. E. KENNEDY.

The Hon. the Speaker of the Legislative Assembly,
&c. &c. &c.

VANCOUVER ISLAND.

SIR,

Judges Chambers, June 15, 1866.

I HAVE the honour to inform you, for the information of his Excellency the Governor, that the officers of my Court have been refused payment at the Treasury of their salaries for the month ending the 31st May last.

The injury that must result to the public service from such a state of things can scarcely be exaggerated, as, if continued, it will probably result in the closing of the Courts of Justice, the business of which it is obvious cannot be carried on without officers to transact it.

Earnestly begging your prompt attention to this matter,

I have, &c.

(Signed) JOSEPH NEEDHAM, C. J.

The Hon. the Colonial Secretary,
&c. &c. &c.

Encl. 2 in No. 9.

Enclosure 2 in No. 9.

(No. 33.)

VANCOUVER ISLAND.

To the Honourable the Speaker and Members of the Legislative Assembly.

GENTLEMEN,

Government House, Victoria, July 6, 1866.

I HAVE the honour to direct the attention of the Legislative Assembly to the following facts having relation to the finances of the Colony.

The Legislature has been more than seven months in session, and up to this late period of the year no legal provision has been made for the expenditure necessary for the carrying on of the Government, nor have the ways and means needful to meet such expenditure for the year 1866 been yet provided by the Legislature, though the estimates were laid before the Assembly on the 20th December 1865.

The period of the year will shortly arrive when, according to the rules laid down for my guidance, estimates of revenue and expenditure for the year 1867 should be prepared and submitted to the Legislature for consideration.

Meanwhile, the injury to the public credit of the Colony by the stoppage of payment of just debts of the Government at the Colonial Treasury continues unabated; the communication I addressed to the Assembly on the 1st of June, in which I enclosed a letter from the Bank of British North America declining to make further advances, and stated that I could not incur any further responsibility without the distinctly expressed authority of the Legislature, having as yet led to no practical result; and, as will be seen from the communication I had the honour to address to the House on the 2nd July, in which I called the attention of the House to the fact that two months' arrears were then due to many public creditors, and in which I enclosed a copy of a letter from the Chief Justice in which his Honour indicated the probable necessity of closing the Supreme Court for want of paid officers to conduct the business, further and more serious evils may be anticipated, which can only be averted by the prompt and judicious action of the Legislature.

I cannot consent to bear any portion of the heavy responsibility I should incur by abstaining from again urging the paramount importance of relieving the Colony from its present unfortunate condition of discredit without delay.

I would take this opportunity of recalling the attention of the Assembly to the various votes and Resolutions relating to the expenditure of 1866, which, although come to by the Legislative Assembly on the 26th of January last, are yet without the force of law.

The Assembly have refused to make provision for a private secretary or for clerical assistance of any kind for the Governor, and have reduced the staff of the Colonial Secretary's office to one clerk, who is also clerk of the Legislative Council. It follows, therefore, that when the Colonial Secretary and his clerk are in attendance on the Legislative Council (the session usually extending over the greater part of the year) the public offices are left without a public officer of any kind.

Notwithstanding this state of things, voluminous returns are called for, and numerous interrogatories are addressed to the Governor by the Assembly.

The communications of the Governor to the Assembly, under these circumstances, are necessarily much impeded, and, giving place to other important affairs, will probably, though not without much

reluctance on my part, of necessity cease altogether, unless by personal interview with the Honourable the Speaker.

The Assembly have proposed to reduce the salary of the Treasurer by more than 40 per cent., a proceeding which, having regard alone to the circumstances under which that officer accepted public employment, I think, cannot be regarded in any other light than as a breach of public faith. The Assembly have also expressed their intention of abstaining from making any provision for a clerk to the Treasurer, the consequence of which would be that while the Treasurer is occupied with his duties in the Legislative Council his office will of necessity be closed, both for the receipt of taxes and for the payment of public creditors.

No provision appears to be intended for messenger or office-cleaner for the offices of the Colonial Secretary, Treasurer, or Surveyor General, so that their offices will remain unswept, and during winter the fires unlit, unless those officers perform the services for themselves, or themselves defray the cost of them.

Her Majesty's Secretary of State has laid it down that, in view of the small salary voted for the Attorney General, he is entitled to the customary fees. But the Assembly have resolved that fees shall not be allowed to him, and have declined to provide salary for his clerk. It cannot be expected that this officer will not only prosecute colonial criminals gratis, but also at the same time forego his professional opportunities of defending them for probably handsome remuneration.

The Post-Office exists without any legal authority to frame regulations or collect revenue; and I must decline longer to incur the responsibility of recognizing a department over which I have no legal control. The views of Her Majesty's Government on this subject may be gathered from the accompanying copy of a despatch from Her Majesty's Secretary of State for the Colonies.

There is no provision made for the audit of the public accounts beyond a proposal to appoint the clerk of the Legislative Assembly to the office of auditor, to which, for sufficient reasons, I have declined to accede. I have in a previous communication assigned a cause for the delay in completing the audit of the accounts for the year 1865. A failure to make due provision for the continuance of this service would have the effect of allowing the public accounts to fall into a state of arrear and confusion, from which they could only eventually be extricated and adjusted by a much larger outlay.

Although the Registrar General and Assessor are appointed under local statutes, by which their salaries are fixed and secured to them, the Assembly practically resolve to make no provision for the payment of their salaries; and their offices, as well as the offices and salaries of the Supreme Court, are left in a state of uncertainty and confusion.

I think it due to the inhabitants of Nanaimo again to draw the attention of the Assembly to the insufficiency of sums proposed to be expended for the requirements of that remote and isolated district, which contains a population of about 800, employed in steady industry; which is the resort of a large tonnage of shipping, and which furnishes the only Colonial export. The Revenue directly received from this district in 1865 amounted to no less than \$5,896, besides indirect contributions which cannot be accurately estimated; and the amount which the Legislative Assembly propose for the carrying on of the whole of the public business of the district is the very inadequate sum of \$800 for "Post-master, Harbour Master, and Collector of Dues," no provision whatever being made for the expenses of the administration of justice, or for the protection of life and property. Meanwhile, the consequences of the proposed reduction have been highly detrimental. A town second only in importance to Victoria has by these measures been left without proper and sufficient magisterial and police supervision, resulting in the unchecked sale of ardent spirits to the aborigines, and its consequent crimes of violence, and in unrestrained rioting. The depriving the harbour of that due attention from a harbour-master which the numerous ships frequenting it have a right to expect in return for the dues charged against them must injuriously affect the character of an important port.

Insufficient provision for the superintendence and management of the lighthouses must result in their deterioration, and in an increase of the dangers of navigation.

I enclose for the information of the Assembly the copy of a letter received from the contractors for provisioning these establishments, from which you will observe that the supplies will be stopped if the outstanding debt be not paid.

The failure to provide for the contingent and unavoidable expenses of unpaid magistrates will necessarily involve a restriction of the administration of justice.

No charitable allowance is proposed to be made for the relief of destitution. It is obviously the duty of a community in which no laws exist for such a purpose to make some provision for the relief of necessitous and afflicted persons beyond the uncertain charity of private individuals.

The naval station of Esquimalt is to be left apparently without a single policeman or a lock-up; and I think the unreasonableness and impolicy of omitting these precautions are obvious in view of the large extent to which Her Majesty's Navy contributes to the prosperity and revenue of the Colony.

The amounts proposed to be voted for stationery, light, fuel, and printing, are wholly insufficient. The proposed appropriation of \$250 for stationery for the year 1866 has already been exceeded; and I do not, under existing circumstances, feel justified in sanctioning a further outlay for supply without legal authority to do so.

In addition to the foregoing, I would, before closing this communication, refer the Assembly generally to my communication dated February 2nd, 1866.

In conclusion, I would again earnestly impress upon the Legislative Assembly the paramount importance of finding a practical solution for difficulties fraught with evil to the Colony, and the prolongation of which will probably result in further public injuries which no future action of the Legislature could repair.

I have, &c.,
(Signed) A. E. KENNEDY, Governor.

VANCOUVER
ISLAND.

SIR,

Downing Street, December 30, 1865.

With reference to my despatch No. 57, of the 11th of October last, transmitting copies of a correspondence with the Treasury and the Post Office, as far as it had then proceeded, on the regulation of the Post in Vancouver Island, I have the honour to enclose for your information the accompanying copy of a further communication from the Treasury.

You will see that the Lords Commissioners of the Treasury feel that there would be great inconvenience in an interference with this subject by the Government at home, and I quite share this feeling.

If the Legislature refuse to pass the laws necessary for establishing a postal system, it will be your duty to exert such authority as, in the opinion of your law officers, you legally possess to supply the want of legislation. But if you should find that your lawful powers as Governor are not sufficient to prevent public inconvenience, it will be better that you should leave the community to suffer the consequences imposed upon them by the legislation or nonlegislation of their representatives than that you should incur the responsibility of any proceedings which are not warranted by law.

Governor Kennedy, C.B.,
&c. &c. &c.I have, &c.,
(Signed) EDWARD CARDWELL.

SIR,

Queen's Market, Wharf Street, Victoria, V. I., July 3, 1866.

A second month's account has now become due to us for supplies to the lighthouse, and there is no apparent prospect of the same being early liquidated. As we have to pay cash for the same, and the remuneration not being adequate to our giving credit, we beg you will be kind enough to make known to us (at your earliest convenience) when we may depend on being paid, before we send the quarterly rations now ordered for Friday next in advance.

We have, &c.,
(Signed) HUTCHINSON & Co.,
Per M. H. MYERS.

P.S.—The two months now due is principally for supplies furnished on April 5th last. There is also a two months account against the Victoria Gaol unpaid.

To W. A. G. Young, Esq., Colonial Secretary.

Encl. 3 in No. 9.

Enclosure 3 in No. 9.

His Excellency the GOVERNOR of VANCOUVER ISLAND.

SIR,

Victoria, July 6, 1866.

I HAVE the honour to inform your Excellency that the communication dated 2nd July 1866, and relating to the disordered and cramped condition of the Treasury Department, was duly laid before the Legislative Assembly; and that the Legislative Assembly has passed a bill, and transmitted the same to the Honourable the Legislative Council, authorizing the raising of a loan of ninety thousand dollars, the security therefore being the "General Revenue" of the Colony.

I have, &c.
(Signed) J. S. HELMCKEN.

No. 10.

No. 10.

COPY of a DESPATCH from the OFFICER ADMINISTERING the GOVERNMENT of BRITISH COLUMBIA to the Right Hon. EDWARD CARDWELL, M.P.

(No. 56.)

New Westminster, July 14, 1866.

SIR,

(Received, August 27, 1866.)

Your Despatch No. 23,* of the 30th April, directs me reduce the expenditure of the present year to such an amount as may be covered by a revenue calculated on the actual average receipts of the last two years. I have, in my Despatch No. 50, explained the causes of the heavy expenditure of the past; I have also informed you that the outlay on public works during the present year has been reduced to the lowest limit. The only manner in which I could carry out the instructions I have received would be in the reduction of the civil list.

2. During the past nine months I have made reductions under this head, amounting to nearly 8,000/.; and I am of opinion that considerable reductions may still be made without impairing the efficiency of the public service, but before doing so I should wish to receive instructions, as the chief appointments I propose to abolish are held by gentlemen appointed by the Secretary of State; I mean the Treasurer, the Postmaster General, and the Harbour-master.

3. I propose to abolish the Treasury Department, increasing the staff of the Collector of Customs by one clerk, and entailing upon the head of that Department the light duties now performed by the Treasurer.

The postal service of the Colony in no way justifies the appointment of a Postmaster General. The Registrar General is perfectly capable of undertaking the supervision of the postal department without any extra assistance or remuneration. The appointment of a Harbour-master for British Columbia is one that could hardly have been suggested by any

* page 42.

† page 13.

one conversant with the Colony. The duties, if any, should be performed by the chief revenue officer. VANCOUVER
ISLAND.

4. I may add that, should you direct me to make these reductions, there is no possible opening for the employment of these gentlemen in this Colony.

I have, &c.

The Right Hon. Edward Cardwell, M.P.
&c. &c. &c.

(Signed) ARTHUR N. BIRCH.

No. 11.

No. 11.

EXTRACT from a DESPATCH (No. 61.) from Governor KENNEDY, C.B., to the Right Hon. EDWARD CARDWELL, M.P., dated Government House, Victoria, August 8, 1866. (Received, October 8, 1866. Answered, No. 15, October 31, 1866, page 46.)

"CONTINUING the subject of my Despatch, No. 60,* of this day's date, and previous Despatches, I have now the honour to transmit lengthy Resolutions passed by the Legislative Assembly as a "reply" to my Message, dated 6th July 1866, a copy of which was transmitted in my Despatch No. 50,† dated 12th July 1866.

* Not printed.

The history of these Resolutions, as may be gathered from the newspaper reports contained in my Despatches named in the margin, may be shortly stated as follows:—

† page 13.

Various discussions took place in the Assembly with reference to my Message between the date of the receipt of it (6th July 1866) and the 25th July, resulting, on the latter date, in the adoption of these Resolutions. It appears, however, that on the 27th July 1866 the Assembly agreed to postpone the transmission of these Resolutions to me, sufficient time, as I understand, not having to that hour elapsed for their preparation for that purpose. As I am informed this postponement was resolved upon in the expectation that a proposition then to be brought forward for the formation of a "Ministerial Council" would be adopted, and my concurrence or non-concurrence in that proposition was intended to be made the condition on which the Resolutions should either be finally withheld or pressed forward. The Ministerial Council scheme failed to secure the approbation of a majority of the Assembly, who finally determined on the 7th August 1866 (more than a month after the receipt of my Message) that the Resolutions should go forward.

These facts will enable you to form a true estimate of the value of these Resolutions.

I will now proceed to make such remarks upon the Resolutions, paragraph by paragraph, as may appear needful, premising only that I trust you will acquit me of any intention of imposing upon you unnecessary trouble in the perusal of a lengthy Despatch.

Paragraph 1. You are fully acquainted from previous Despatches with my opinion of the impracticable nature of the Legislative machinery of this Colony.

Paragraph 3. This paragraph contains a serious mis-statement. The Legislative Council consists (by one half, not "the majority") of the four members of the Executive Council, the Chief Justice (who is not a member of the Executive Council) and three private individuals. The allegation, that in consequence of the Executive and Legislative Council being "the same," the Legislative Council can reject measures, is inaccurate. The Council, I presume, would have full power to reject measures whatever might be its composition.

Paragraph 4. The statement here given of the anomalous relative position of the three branches of the Local Legislature of this Colony bears out statements I have frequently made. But I only attribute the weary waste of time in the protracted sessions of the Assembly to the true cause, when I assert that it is to be found in the unfitness and incapacity of the large majority of the Members of that body to conduct the affairs even of this small community. The Executive Government, so far from having had the "supreme control," has been at all times grievously and injuriously harassed, hampered, and perplexed by the impracticability of the Legislative machine. I venture to express the belief that the possession of such a "supreme control" would have enabled me to administer this Government with more benefit to the Colony and satisfaction to Her Majesty's Government and myself than I have unfortunately been enabled to do.

Paragraph 5. The "Ministerial Council" herein alluded to would have formed a *quasi* fourth branch of the Legislature, and would in my judgment have been the cause of much greater complications and perplexities than those I have pointed out.

VANCOUVER
ISLAND.

I believe it was intended thereby to establish responsible government in a form wholly impracticable and unsuited to the population and circumstances of the Colony. The adoption of the recommendation contained in the Despatch of the Secretary of State No. 5, dated 28th February 1856 that the Legislative Council and Assembly should be resolved into one body would I think be a simple and practicable mode of bringing the Legislature into a shape which might be worked.

Vide Despatch No. 48, 26th June
1866, page 9.

Paragraph 6. The Assembly would, if permitted, absorb the whole governing power of the Colony, both executive and legislative. I have already stated the real cause of the protracted sessions of the Legislature.

Paragraph 7. I have furnished such full information from time to time, in relation to the proceedings of the Assembly in regard to the Estimates, as renders much comment on this paragraph unnecessary. I will only remind you that the Assembly has recently had under reconsideration what is termed in this paragraph "the usual provision" and "the usual authority," stated to have been "given five months ago," and that at this moment not only has no Supply Bill been passed by the Assembly, but I am left in ignorance of that reconsideration, of the finality of which I could only be satisfied by the passing of the Supply Bill. I may here mention that the first and principal Appropriation Act for 1865 received my assent on the 30th March in that year, and that the Session of the Legislature in that year was protracted until the 7th of July. I was informed by the Speaker a short time ago that it was seriously contemplated by Members of the Assembly to "tack on" to the Supply Bill other Bills which had been rejected by the Legislative Council, in the hope thereby to coerce the Council into the acceptance of those measures.

Paragraph 8. I think I have sufficiently shown in previous communications that "Ways and Means" have not been provided. A statement of the Expenditure of 1865 up to 19th June was furnished to the Assembly on 4th July 1866.

Paragraph 9. I have already informed you of the passing of the Loan Bill in my Despatch named in the margin. The doubt I therein expressed of the possibility of raising the loan in the Colony was but too well founded. Not one cent has been offered. Detailed accounts of Expenditure for the whole of 1865 were furnished to the Assembly as soon as the audit was complete. A sufficiently detailed account of that Expenditure to the 15th of December 1865, prepared by the Treasurer, was presented to the Assembly, with the Estimates, on 20th December 1865. I am credibly informed and believe that the real aim of the Assembly was to obtain even the vouchers of expenditure, in the hope, by a re-audit of the accounts, to discover some serious irregularity on the part of the Executive Government in the disbursement of public monies.

Paragraph 10. This paragraph bears out my remarks on paragraph 7. The Supply Bill for 1865 was passed more than three months before the end of the Session. The argument in paragraph 10 would lead to the conclusion that supplies for any given year ought not to be voted until the end of the year when the actual receipt of Revenue had been ascertained, and that financial legislation should therefore be retrospective, and the authority for expenditure *ex post facto*. I am prepared to give sufficient reasons why "the House was not dissolved," if required to do so.

Paragraph 11. The Address of the House herein referred to was transmitted in my Despatch No. 48, 26th June 1866.

Paragraph 12. I have already placed before you the "demands made by the Executive," and have shown that the Assembly actually voted sums in excess of those demands.

Paragraph 13. This subject has, I think, been treated of sufficiently in previous Despatches. The complaint of the Assembly that that body had no voice in the preparation of the Estimates is a remarkable illustration of its desire to usurp Executive functions.

Paragraph 14. This paragraph commences, in effect, by a condemnation of the proceedings of the Assembly in voting more than the amount proposed to them in the Estimates. Had the Executive Government greater influence or authority in the financial affairs of the Colony, I have no doubt that a saving might be effected in various ways, and at the same time larger sums applicable to works of public utility might be raised without unduly pressing upon any portion of the population. I am aware of the election of only three members "during the last three months," and not "four," as here stated. Of those three, one has invariably supported these Resolutions; the second has as invariably opposed them; and the third I believe to have given

them but a partial and uncertain support. The statement that "the House admits that in many instances the salaries allowed are small," which, I presume, refers to the salaries of public officers, coming from the Assembly, I think I am entitled to regard as the strongest confirmation of remarks I have made on this subject in previous Despatches.

Paragraph 15. It is physically impossible for the Governor of this Colony to perform the duty of his private secretary.

Paragraph 16. The statement here made that the Legislative Council sits much less frequently than the Assembly, I think may be accepted as proof that the latter body is the cause of the protracted sessions of the Legislature. In this paragraph the Assembly again evinces impatience at the wholesome, though unfortunately often unavailing, restraint imposed upon it by the existence of another body clothed with equal and concurrent legislative authority.

Paragraph 17. I believe the reduction of the Treasurer's salary to be in effect a gross breach of public faith. It is without doubt the duty and at the same time the necessity of the Colony to pay the cost of receiving and disbursing moneys on behalf of the public.

Paragraph 18. The same need would exist for cleansing, &c. the public offices, whether detached or concentrated in one building; the latter arrangement would be convenient in other respects, if practicable.

Paragraph 19. The Assembly here merely assert their right to refuse to provide suitable remuneration for the Attorney General, but fail to offer any defence for such a proceeding.

Paragraph 20. However greatly the consummation of the union of these Colonies may be desired, the prospect of it has afforded no adequate ground for refusing to render efficient so important a branch of the public service as the Post Office.

Paragraph 21. I have discussed this subject in previous despatches. The accounts which are examined by the Auditor are those of the Treasurer and other Accountant officers, of whom the Colonial Secretary is not one.

Paragraph 22. The statement that the Registrar General and Assessor "are not appointed under local statutes" appears to be directly contrary to the fact. The two offices were created by local statutes, and by those statutes salaries were in terms fixed for those offices, the incumbents of which were appointed in pursuance of the provisions of those statutes. Under these circumstances the services of those officers have not been dispensed with.

Paragraph 23. The Assembly do not meet the statement in my Message that the amount proposed by the House "for the carrying on of the whole of the public business of the district (of Nanaimo)" is the very inadequate sum of 800 dollars for "postmaster, harbour master, and collector of dues." I have elsewhere dealt with the subject of supplying intoxicating liquors to the Indians.

Paragraph 24. The Assembly affects to be unable to perceive that the effect of refusing to pay any officer to supervise the lighthouses (one distant four and the other 13 miles from Victoria) will be that the necessary superintendence of them must cease, and that in such an event irregularities perilous to shipping may naturally be expected.

Paragraph 25. This statement will not meet the case I put before the Assembly.

Paragraph 26. The mode here indicated of providing policemen at Esquimalt, Nanaimo, and other places, would have been practicable if the Assembly had voted the payment of a sufficient number. As it is, the numbers provided for by the Assembly are not nearly enough for the town of Victoria alone. I need not again enter into the subject of the management of the police and gaol departments.

Paragraph 27. This paragraph may be thus elucidated. The estimates for 1866 were, in December 1865, laid before the Assembly, who, early in the year 1866, reduced the proposed vote for stationery, &c., and have since protracted the consideration of the estimates for so long a period that in answer to an intimation conveyed to them on the 6th July 1866, they were able, on the 8th August 1866, to inform me that "a further sum has been placed on the estimates."

Paragraph 28. This is made up of a series of Resolutions condemning at first the proceedings of the Governor of this Colony, and afterwards both the Governor and his Advisers. Entertaining a sincere belief that the information I have from time to time and at great length furnished to the Secretary of State will have led him to conclusions in reference to myself differing widely from those of the Assembly, I trust I shall not be thought wanting in respect in abstaining from commenting in detail upon these allegations.

In order to render intelligible the complaint of the Assembly that the Governor "refuses to permit public officers to appear before a Select Committee of the Assembly,"

VANCOUVER
ISLAND.

I will state shortly the facts of the case upon which I presume that complaint is founded. A few weeks since one of the members of the Assembly, Mr. McClure (who has taken an active part in the preparation and passing of these Resolutions), procured the appointment of himself and two other Members as a committee to inquire into the management of the Police department. No complaint of irregularity or mismanagement was made either in or out of the Assembly, nor had any application been made to me for information; and when a summons addressed to the Superintendent of Police and two subordinate members of the force to attend and give evidence before the Committee was submitted to me, I declined to authorize their attendance. This Committee summoned before it several discharged policemen, whom it examined on oath, a proceeding wholly unauthorized either by law or custom. I am not aware that the Committee has been productive of any practical result, no report from it having been made public. I think nothing more demoralizing or injurious to the public service can be conceived than an inquiry into the conduct of any public department without cause of complaint alleged or necessity for investigation shown. Moreover, I knew, as I have stated on a recent occasion, that the condition and efficiency of the Police force had been remarkably improved under the management of the present Superintendent, with very limited means at his disposal.

The Secretary of State is in a better position to judge of the nature of the statements which the Governor has laid before Her Majesty's Government with reference to the Assembly than that body can possibly be. The Assembly, judged by its proceedings alone, cannot appear in a dignified light.

I forbear to make any comment upon the general tone of the Resolutions now transmitted, or upon the language in which they are couched.

Encl. 1 in
No. 11.

Enclosure 1 in No. 11.

Vancouver Island, House of Assembly,
8th August 1866.To His Excellency Arthur Edward Kennedy, C.B.,
Governor, &c. &c.

SIR,

I HAVE to transmit herewith (in duplicate) certain Resolutions in reply to your Excellency's communication, No. 33, dated 6th July 1866, reported from Committee of Supply on the 23rd, and confirmed by the House on the 25th ultimo.

The transmission of these Resolutions was stayed by order of the House, on the 27 ultimo, and directed to be carried into effect by order of the House made yesterday.

I have, &c.
J. S. HELMCKEN, Speaker.Encl. 2 in
No. 11.

Enclosure 2 in No. 11.

VANCOUVER ISLAND.

RESOLUTIONS reported from Committee of Supply, 23rd July 1866.

Confirmed by the House, 25th July 1866.

THE Legislative Assembly, having had under consideration his Excellency's communication, No. 33, dated July 6th 1866, thanks his Excellency for the opportunity afforded it of stating the reasons for the course it has pursued during the present session, and of preventing erroneous inferences being drawn from the statements contained in that communication.

In order to do so, the House has resolved:—

1. That it is advisable to show, very briefly, the faulty and impracticable nature of the constitution of the government of this Colony, because, from this source, many of the evils complained of in his Excellency's communication spring.

2. That the Legislative Assembly consists of 15 members chosen by the electors of Vancouver Island.

3. That the honorable Legislative Council is composed of eight members, five of whom, viz. the chief justice, the colonial secretary, the treasurer, the (acting) attorney general, and the (acting) surveyor general, are salaried officers of the Government, the remaining three being also appointees but not holding any salaried office. The Governor for the time being, and the same official Members who form the majority of the Honorable Legislative Council constitute also exclusively the Executive Council, not one of the Members of the Legislative Assembly having a place therein. It is evidently consequently that (the Executive and Legislative Councils being in reality the same) the Honourable Legislative Council can prevent the passage of all measures displeasing to the Executive, however necessary for the country they may be deemed by the representatives of the people.

4. That such a constitution virtually gives the Executive supreme control, deprives the representatives of the people of their due and legitimate power, and, owing to its denying the usual bond of union

between the Legislative Assembly and the Executive and Legislative Councils so necessary to harmonious legislation, makes the Legislative Assembly an isolated, detached, and, as it were, a foreign body—and thus, instead of the system producing one harmonious whole, it divides the Government into separated and disconnected units. Owing to this peculiar and extraordinary character of the Government, it appears that when any information is desired by the House, it must be sought for and acquired by the tedious, troublesome, expensive, and cumbrous system of applying therefore by letter and receiving written answers in return; much time being thereby lost, public business delayed, and the session prolonged. Questions, too, frequently and suddenly arise to which it is of importance, as well to the country as to the Executive, that answers should be immediately rendered, but the absence of any one capable of giving official information in the House makes this impossible, and thus great complications ensue.

It is considered unnecessary to bring forward any further instance showing the impracticable nature of the government, that being but too apparent.

5. That this House did, in an address to Sir James Douglas, when he was Governor, point out some of the faults and anomalies of the system of Government, and suggested as a remedy that Members should be chosen from the Legislative Assembly as well as from the Legislative Council, and that they combined should form a Ministerial Council, by which means the various isolated portions of the Government would be brought into actual communion and connexion, without which, harmonious action, so necessary to legislation, cannot be expected. Such a system would have suited the requirements of the country, removed much unnecessary odium and responsibility from the Executive, and enabled it, with the advice of the Ministerial Council, to propose and carry measures desired by the people, and suited to the condition of the country, while at the same time it would have afforded a means of supplying the Legislature with much information, *vivâ voce*, and thus have saved expense, trouble, and delay. Sir James Douglas, however, was at that time upon the eve of retiring from office, and he therefore left the subject for the consideration of his successor, Governor Kennedy, who, however, up to this time has not acted upon the suggestion contained therein, and the system of Government remains as impracticable as ever.

6. From such an anomalous and extraordinary system, comprised of two such incompatible and hostile forces as a representative and despotic power, each one from its very nature endeavouring to enforce its peculiar properties or struggling to defend them, nothing but discord can possibly accrue until one or the other yields. The one to yield must not be the representative power, for it cannot, dare not, prove false to the interests of the people committed to its charge. If a Legislature thus composed should continue in session, not seven months but the whole year, and yet effect nothing, it will not occasion surprise; indeed, thus far nearly every bill originated by this House has either been rejected by the Honourable Legislative Council, or so much altered as to necessitate its rejection by its originators. That the country should suffer in consequence needs no assertion.

7. That this House did nevertheless, immediately after Christmas, take into consideration the "Estimates of Expenditure," sent down to this House on the 20th December 1865, and did, on the 31st day of January 1866, or five weeks after their receipt, forward to his Excellency the Governor by the hand of Mr. Speaker, a copy of the supplies granted for the service of the year, with the request that the Governor would govern the expenditure thereby, and carry out the suggestions of the Resolutions therein contained. Although, therefore, it may be technically correct, that the Legislature has now been more than seven months in session, and up to this late period of the year no legal provision has been made for the expenditure necessary to carrying on the Government, still it is also true that the usual provision was made, and the usual authority for its use given five months ago, and acted upon by the Executive, although to an extent far below the retrenchment required by the House, and demanded by the country.

8. That this house did likewise take into consideration the 'Ways and Means,' and found that the estimates of the income for the year 1866 from existing sources, as transmitted to this House by the Executive, and therefore accepted as correct, would more than cover the Expenditure authorized by the House for the ordinary purposes of Government. Thus, the observation of his Excellency the Governor, that "the Ways and Means needful to meet the Expenditure for the year 1866, had not been provided by the Legislature, though the estimates were laid before the Assembly on the 20th December 1865" can hardly be considered to be "a fact;" moreover, the subsequent embarrassment of the Government has been due, not to the neglect of the Legislative Assembly as insinuated, but to the erroneous calculations made by the Executive of the Income likely to be derived during the year; to the fact of the Expenditure having been much greater than that authorized by the House; and that the Bank of British North America declined to advance any further sums to the Executive. The House cannot indeed understand how it happens that at least eighty-five thousand dollars (\$85,000) in cash have been expended during the first six months of the present year, and yet that many public officers should have large arrears due to them, as is stated in his Excellency's communication.

9. That this House did likewise consider his Excellency's communications of the 1st June and 2nd July 1866 respectively, relating to the financial embarrassments of the Government, and did, on the 6th day of July, before it had received his Excellency's communication of the same date, finally pass a Bill to authorize the contracting of a loan of ninety thousand dollars (\$90,000) for the purpose of relieving those persons to whom money was due, and for the purpose of paying off the loan of seventy-five thousand dollars (\$75,000) contracted by the Governor with the Bank of British North America. That this Bill would have passed earlier, but for the refusal of his Excellency to supply information relating to the Crown Revenues, and that the House had to wait, and wait in vain, for detailed accounts of the Expenditure of 1865, notwithstanding it had been seven months in session.

It was only indeed that the credit of the Colony might not suffer that the House was induced to pass the Bill before the accounts had been examined.

The House deems it to be its unquestionable privilege and duty to examine the accounts in order to learn that the monies have been applied to the purposes for which they were intended, a refusal to

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grant which can only engender suspicion. Had the House occupied its true position in the Councils of his Excellency it would have been acquainted with these circumstances, injurious publicity would have been avoided, and the Executive would have been relieved of the "heavy responsibility" complained of by his Excellency.

10. That this House, having thus shown that the Executive was supplied, five months ago, with a copy of the Supplies granted, and with the usual authority for the expenditure necessary for the ordinary purposes of Government, and that it did pass measures calculated to relieve the anomalous embarrassment of the Government, is also well aware that the items of the Estimates granted by the Committee of Supply have not yet been embodied in an Act.

The House, in retaining the Appropriation Bill until the end of the Session, has only followed the usual constitutional course; and that course has not been without benefit, for it has been discovered that the Income of the year will fall short of the amount estimated by the Executive, by at least twenty per cent., which, coupled with the fact of the financial Bills of this House having been rejected by the Legislative Council (a circumstance with which the Executive must have been fully acquainted, and yet the House was not dissolved), has compelled the House to adopt the unusual course of reconsidering the Estimates of Expenditure, and has enabled the House to consider the items in his Excellency's communication in connexion therewith.

This course has caused a still greater prolongation of the Session, and may occasion some delay in the preparation of the Estimates for the ensuing year; it is hoped however that that delay may be attended with benefit as well to the Executive as to the country at large.

11. That this House would refer his Excellency to the condition of the Colony at the commencement of this Session, for by that condition, in a great measure, the proceedings of the House were governed and changes were on that account brought into the Estimates. The House, however, does not deem it necessary to dwell now at length upon the causes of that condition, they having been embodied in an Address transmitted to Her Majesty, June 23, 1866.

12. That notwithstanding that condition, the demands made by the Executive for carrying on the ordinary duties of Government, as detailed in the Estimates transmitted to the House in December, 1865, with a promise of a further Supplemental Estimate, were as large as during seasons of the greatest prosperity.

13. The House, convinced that in the altered condition of the Colony such a large establishment as that asked for was not only unnecessary, but that the charge therefor could not be borne by the small number of the people in the Colony, and that, if voted, it could not be paid, was compelled by a sense of paramount duty to reduce the expenditure to such an amount as would enable the probable revenue to meet the liabilities, endeavouring always not to impair the efficiency of the public service. With this object, never lost sight of, certain sums were disallowed as being unnecessary, and certain offices amalgamated, so that the duties could be performed by one instead of two or more officers. A scheme absolutely necessary, quite practicable, and only requiring a little willingness on the part of the Executive to enable it to be successfully carried out.

Had the Representatives of the people had a voice in the preparation of the Estimates, they would not have been sent down with so many objectionable parts, and would not have required so many alterations, but as the House had not a voice in their preparation it could not do otherwise than alter and change them after they had been received, to suit the necessities of the times, for, as it is the duty of this House to provide the "ways and means," it must likewise be its privilege to limit the expenditure.

14. That this House having again considered the "estimates of expenditure" is more than ever convinced of the correctness of its previous proceedings, and now asserts unhesitatingly, that the condition of the Colony, unimproved as it remains, will, not only not admit of any material increase of the sums originally voted, but actually demands a further reduction for the purpose of carrying on the ordinary routine of Government.

Nay, more, this House must seriously urge upon the Executive the absolute necessity for the most rigid economy and for carrying out the desires of the people; otherwise the Colony will be run into debt, the responsibility of which the House will most assuredly not assume.

During the last three months four new Members have been elected who coincide fully with the views of this House, and this proves that the House but echoes the opinions of the public and the well understood wishes of the people. The House admits that, in many instances, the salaries are small, but at the same time the reductions have not been made from choice but from necessity.

It is hoped that the reductions may be of a but temporary nature. It cannot, however, be too often reiterated that the Colony not only does not require, but that it cannot afford to support so extensive and expensive an establishment as heretofore. To run into debt for services of an unproductive nature would be manifestly wrong.

15. The House regrets that it cannot make any special provision for a private secretary, but hopes that His Excellency will consent to bear a little inconvenience whilst the inhabitants of the Colony and the other officers of the Government are suffering so much, and endeavour to make the means allowed perform the necessary work. The session, it is hoped, being now nearly at an end, "voluminous returns" will neither be required, nor will "numerous interrogatories" be addressed to the Governor much longer; at the same time the House is of opinion that the position of Mr. Speaker will not admit of his being made the medium of communication of the Executive, and the House cannot forego its right of obtaining written answers to their communications, written answers being required for the purpose of record.

16. That the assertion that the session of the Legislature extends over the greater part of the year (the cause whereof has been herein-before shown) may be technically true, but it is equally true that neither branch of the Legislature, as a rule, sits more than three times a week (the Legislative Council indeed sits much less frequently), and then only for two or three hours, and those hours generally after noon.

The injury to the public service alleged to result from the heads of departments attending the Legislative Council can therefore easily be remedied, either by their holding their meetings after office hours or leaving the legislation to be performed by the unofficial Members.

It is certainly to be regretted that the heads of departments should also be Members of the irresponsible Legislative Council, but, at the same time, the House does not vote money for their Legislative services or to enable them to reject its Bills, and therefore it is advisable that the salaried officers of the Government should primarily devote themselves to those duties for the performance of which they receive salaries.

The true remedy for this evil, as well as for others complained of, such as "voluminous records and written communications," will be found in a change of the constitution of the Government.

17. Treasurer.—That the House respectfully denies the imputation that the reduction in the Treasurer's salary is a breach of faith on the part of the House because that officer's salary was fixed and paid by Her Majesty's Government for years out of the Crown revenues.

In fact, it is only lately that the House has been compelled to sanction the payment of the salary of that officer out of the General Revenue. If any injustice has been committed, the onus must rest with Her Majesty's Government.

18. Office cleaning.—The House believes that it would be economical, useful, and convenient to have the offices referred to transferred to the main Government building, where there is plenty of room instead of each officer occupying separate and detached premises as at present.

19. Acting Attorney-General.—The House adheres to the provision made for the Acting Attorney-General. Her Majesty's Government, having laid down the principle that this Colony must not expect any assistance from Her Majesty's Government towards defraying the ordinary expenses of its Government, will most assuredly in justice admit the necessity of allowing the Colony to regulate its own expenditure.

20. Post Office.—The House does not consider it necessary to pass a Postal Bill on account of the probability of the immediate union of the Colonies of British Columbia and Vancouver Island.

21. Audit of Public Accounts.—The House begs to call the attention of the Governor to the fact that nearly two years ago its deliberate judgment was recorded against the appointment of an Auditor, notwithstanding which his Excellency nominated and caused Her Majesty's Government to sanction the appointment of the Governor's private secretary to that office. The House adheres to its original determination that the Clerk of the House of Assembly should audit the public accounts. By this scheme, not only will the evils prophesied by his Excellency not occur, but on the contrary much goodwill accrue and much annoyance and labour be avoided. The Clerk of the House, as the agent of those who vote the public money, seems to be the proper person to be Auditor, while none could be more objectionable than a Governor's private secretary, who having been acting as Colonial Secretary, is now in fact auditing his own accounts.

22. Registrar General and Assessor.—These offices are not appointed under local statutes, the offices are created by statute, but the incumbents have been appointed in the ordinary manner.

The House, when transmitting the expenditure voted by the Committee of Supply, forwarded also Resolutions amalgamating the office of Assessor with that of Acting Surveyor General, and supplied a clerk; but since that time the Acting Surveyor General has been considered to be more an officer of the Crown than of the Colony, because the lands still belong to the Crown, and therefore the House has now charged the Treasury with the Assessor's duties, and has transferred the clerk from the Land Office to the Treasury. The Registrar of Deeds and Registrar of the Supreme Court were also amalgamated, and a salary voted for the incumbent; the House felt certain that these offices could be combined without at all impairing their efficiency. The House is now surprised to find that the services of the superfluous officers have not been dispensed with.

23. Nanaimo. With regard to Nanaimo the House finds that in the copy of the Estimates transmitted to his Excellency a large amount (about 6,000\$) will be found voted for local purposes at Nanaimo in addition to "the inadequate sum of 800\$ for postmaster, harbour master, and collector of dues," so that the insinuation that Nanaimo which returns 5,894\$ to the revenue only receives 800\$ is without foundation, indeed so far from that being the case she actually receives the benefits of the mail steam communication both local and from San Francisco, and the other advantages of the general Government. It is true that the House struck out the salary of a stipendiary magistrate, believing the office and the expenditure to be alike unadvisable. Unpaid justices of the peace exist in his stead.

The House has reason to believe that Nanaimo has not been without a constable and that the population is a well conducted one. Moreover the House has passed a Bill and made provision for the Chief Justice to hold "sessions" at Nanaimo, and a Bill to give Justices of the Peace power to adjudicate in civil cases to a certain amount, so that Nanaimo has actually greater facilities for acquiring both law and justice than heretofore, whilst the means for the protection of life and property are as great as ever.

The House therefore cannot understand how "the consequences of the proposed reduction have been highly detrimental." The law prohibiting the sale of liquor to Indians still remains upon the statute book, and the means of punishing the transgressor have not been diminished, but the House is of opinion that the law to prevent the sale of liquor to Indians is not only futile but injurious and incapable, practically, of being carried out. In theory, of course, it may be made to appear possible to prevent the Indians obtaining intoxicating fluids, but when it is considered that the coast of Vancouver Island is at least 600 miles in length, it will be seen that the prevention is practically impossible, even if the whole of the revenues of the Colony were applied to the purpose, a course entirely out of the question.

24. Lighthouses. The house has voted all the supplies asked for the maintenance of lighthouses, and cannot imagine that the withdrawal of a salary of 500 dollars from the Clerk of the Board of Lighthouse Commissioners, who have only two lighthouses near at hand to look after can possibly increase the dangers of navigation.

25. Charitable allowances.—His Excellency the Governor is authorized by Her Majesty's Government to use portions of the Crown revenues for charitable purposes.

26. Naval Station at Esquimalt.—The House is not unmindful of the benefits conferred upon the Colony by the presence of Her Majesty's Navy at Esquimalt Harbour. If a constable be occasionally required, an occasion probably rare, the Executive can detail a policeman for the purpose, and there is

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no need for voting one specially for the service. This remark also applies to Nanaimo and other places. His Excellency will find that the Estimates make provision for placing the superintendence of the Police and Gaol, and keeping the accounts thereof, upon the Stipendiary Magistrate of Victoria, a duty he formerly performed and can again perform. By this change, those who now act as clerks, &c., will be disposable for police duty, and thus the number of available men will be increased and the efficiency of the service certainly not diminished.

27. Stationery.—The House regrets to find that the liberal sums voted for stationery, &c. have been so soon expended. A further sum has been placed upon the Estimates, and it is hoped that the strictest economy will be used in its expenditure.

28. The House is reluctantly compelled, after much patience and forbearance, to declare that his Excellency Governor Kennedy is acting in a hostile manner to the best interests of the country.

That he has declined and does persistently decline to impart to the Assembly necessary information on matters connected with the public departments and with the expenditure of the public money.

That he obstructs the efforts of the Assembly to reduce the expenses of Government which are far beyond the capacity of the inhabitants to bear.

That he refuses to permit public officers to appear before a Select Committee of the Assembly to give evidence as to the working and management of their Departments.

That he endeavours by unjustifiable statements to place the Assembly in a false and undignified position before Her Majesty's Government.

That his Excellency's management of the Crown lands has been most injurious to the immigrant and aboriginal population of the Colony.

In view of these facts the House cannot, in justice to itself, to the Colony, and to Imperial interests, refrain from expressing its utter want of confidence in his Excellency Governor Kennedy, and his Official Advisers, and the absolute necessity there is for their removal, believing that so long as the present administration lasts the Colony will continue to suffer by the gradual exodus of its population, and Imperial interests will continue to be affected in an injurious manner by the prejudice which the present Government has created against British institutions in the North Pacific.

Ordered, "That duplicate copies of his Excellency's Message, with the reply of the House thereto, be transmitted to the Governor with a respectful request that his Excellency will be pleased to cause one of those duplicate copies to be sent with as little delay as possible to Her Majesty's Principal Secretary of State for the Colonies; and that the honourable the Speaker do transmit a copy of these Resolutions with the Despatch of his Excellency to which they refer, to Her Majesty's Principal Secretary of State for the Colonies."

I have, &c.
(Signed) J. S. HELMCKEN,
Speaker.
R. W. TORRENS,
Clerk of the House.

Enclosure 3 in No. 11.

COMMUNICATION from his Excellency Governor A. E. KENNEDY, C.B., to LEGISLATIVE ASSEMBLY OF VANCOUVER ISLAND. No. 33. Dated Government House, 6th July 1866.

To the Honorable the Speaker and Members of the Legislative Assembly.

GENTLEMEN,

I HAVE the honour to direct the attention of the Legislative Assembly to the following facts having relation to the finances of the Colony.

The Legislature has now been more than seven months in session, and up to this late period of the year no legal provision has been made for the expenditure necessary to the carrying on of the Government, nor have the ways and means needful to meet such expenditure for the year 1866 been yet provided by the Legislature, though the Estimates were laid before the Assembly on the 20th December 1865.

The period of the year will shortly arrive when, according to the rules laid down for my guidance, Estimates of Revenue and Expenditure for the year 1867 should be prepared, and submitted to the Legislature for consideration. Meanwhile, the injury to the public credit of the Colony by the stoppage of payment of just debts of the Government at the Colonial Treasury continues unabated. The communication I addressed to the Assembly on the 1st of June, in which I enclosed a letter from the Bank of British North America declining to make further advances, and stated that I could not incur any further responsibility without the distinctly expressed authority of the Legislature, having as yet led to no practical result; and, as will be seen from the communication I had the honour to address to the House on the 2nd July, in which I called the attention of the House to the fact that two months' arrears were then due to many public creditors, and in which I enclosed a copy of a letter from the Chief Justice in which his Honour indicated the probable necessity of closing the Supreme Court for want of paid officers to conduct the business, further and more serious evils may be anticipated, which can only be averted by the prompt and judicious action of the Legislature.

I cannot consent to bear any portion of the heavy responsibility I should incur by abstaining from again urging the paramount importance of relieving the Colony from its present unfortunate condition of discredit without delay.

I would take this opportunity of recalling the attention of the Assembly to the various votes and resolutions relating to the expenditure of 1866, which, although come to by the Legislative Assembly on the 26th of January last, are yet without the force of law.

The Assembly have refused to make provision for a private secretary or for clerical assistance of any kind for the Governor, and have reduced the staff of the Colonial Secretary's office to one clerk, who is also clerk of the Legislative Council. It follows, therefore, that when the Colonial Secretary and his

clerk are in attendance on the Legislative Council (the session usually extending over the greater part of the year) the public offices are left without a public officer of any kind.

Notwithstanding this state of things, voluminous returns are called for, and numerous interrogatories are addressed to the Governor by the Assembly.

The communications of the Governor to the Assembly, under these circumstances, are necessarily much impeded, and, giving place to other important affairs, will probably, though not without much reluctance on my part, of necessity cease altogether, unless by personal interview with the Honorable the Speaker.

The Assembly have proposed to reduce the salary of the Treasurer by more than 40 per cent., a proceeding which, having regard alone to the circumstances under which that officer accepted public employment, I think cannot be regarded in any other light than as a breach of public faith. The Assembly have also expressed their intention of abstaining from making any provision for a clerk to the Treasurer; the consequence of which would be that, while the Treasurer is occupied with his duties in the Legislative Council, his office will of necessity be closed, both for the receipt of taxes and for the payment of public creditors.

No provision appears to be intended for messenger or office cleaner for the offices of the Colonial Secretary, Treasurer, or Surveyor General; so that their offices will remain unswept, and, during winter, the fires unlit, unless those officers perform the services for themselves, or themselves defray the costs of them.

Her Majesty's Secretary of State has laid it down that, in view of the small salary voted for the Attorney General, he is entitled to the customary fees. But the Assembly have resolved that fees shall not be allowed to him, and have declined to provide salary for his clerk. It cannot be expected that this officer will not only prosecute Colonial criminals gratis, but also at the same time forego his professional opportunities of defending them for probably handsome remuneration.

The Post Office exists without any legal authority to frame regulations or collect revenue, and I must decline longer to incur the responsibility of recognising a department over which I have no legal control. The views of Her Majesty's Government on this subject may be gathered from the accompanying copy of a Despatch from Her Majesty's Secretary of State for the Colonies.

There is no provision made for the audit of the public accounts beyond a proposal to appoint the clerk of the Legislative Assembly to the office of Auditor, to which, for sufficient reasons, I have declined to accede. I have, in a previous communication, assigned a cause for the delay in completing the audit of the accounts for the year 1865. A failure to make due provision for the continuance of this service would have the effect of allowing the public accounts to fall into a state of arrear and confusion, from which they could only eventually be extricated and adjusted by a much larger outlay.

Although the Registrar General and Assessor are appointed under local statutes, by which their salaries are fixed and secured to them, the Assembly practically resolve to make no provision for the payment of their salaries; and their offices, as well as the offices and salaries of the Supreme Court, are left in a state of uncertainty and confusion.

I think it due to the inhabitants of Nanaimo again to draw the attention of the Assembly to the insufficiency of sums proposed to be expended for the requirements of that remote and isolated district, which contains a population of about 800 employed in steady industry, which is the resort of a large tonnage of shipping, and which furnishes the only Colonial export. The revenue directly received from this district in 1865 amounted to no less than 5,896 dollars, besides indirect contributions which cannot be accurately estimated; and the amount which the Legislative Assembly propose for the carrying on of the whole of the public business of the district is the very inadequate sum of 800 dollars for "postmaster, harbour master, and collector of dues," no provision whatever being made for the expenses of the administration of justice or for the protection of life and property. Meanwhile, the consequences of the proposed reduction have been highly detrimental. A town second only in importance to Victoria has, by these measures, been left without proper and sufficient magisterial and police supervision, resulting in the unchecked sale of ardent spirits to the aborigines, and its consequent crimes of violence, and in unrestrained rioting. The depriving the harbour of that due attention from a harbour master which the numerous ships frequenting it have a right to expect, in return for the dues charged against them, must injuriously affect the character of an important port.

Insufficient provision for the superintendence and management of the lighthouses must result in their deterioration, and in an increase of the dangers of navigation.

I enclose for the information of the Assembly the copy of a letter received from the contractors for provisioning these establishments, from which you will observe that the supplies will be stopped if the outstanding debt be not paid.

The failure to provide for the contingent and unavoidable expenses of unpaid magistrates will necessarily involve a restriction of the administration of justice.

No charitable allowance is proposed to be made for the relief of destitution. It is obviously the duty of a community in which no laws exist for such a purpose to make some provision for the relief of necessitous and afflicted persons beyond the uncertain charity of private individuals.

The naval station of Esquimalt is to be left, apparently, without a single policeman or a lock-up; and I think the unreasonableness and impolicy of omitting these precautions are obvious in view of the large extent to which Her Majesty's navy contributes to the prosperity and revenue of the Colony.

The amounts proposed to be voted for stationery, light, fuel, and printing are wholly insufficient. The proposed appropriation of 250 dollars for stationery for the year 1866 has already been exceeded; and I do not, under existing circumstances, feel justified in sanctioning a further outlay for supply without legal authority to do so.

In addition to the foregoing, I would, before closing this communication, refer the Assembly generally to my communication dated February 2nd, 1866.

In conclusion, I would again earnestly impress upon the Legislative Assembly the paramount importance of finding a practical solution for difficulties fraught with evil to the Colony, and the

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prolongation of which will probably result in further public injuries which no future action of the Legislature could repair.

I have, &c.
(Signed) A. E. KENNEDY, Governor.

Vancouver Island (No. 74).

SIR,

Downing Street, December 30, 1865.

WITH reference to my Despatch No. 57, of the 11th of October last, transmitting copies of a correspondence with the Treasury and the Post Office, as far as it had then proceeded, on the regulation of the post in Vancouver Island, I have the honour to enclose for your information the accompanying copy of a further communication from the Treasury.

You will see that the Lords Commissioners of the Treasury feel that there would be great inconvenience in an interference with this subject by the Government at home, and I quite share this feeling.

If the Legislature refuse to pass the laws necessary for establishing a postal system, it will be your duty to exert such authority as, in the opinion of your law officers, you legally possess to supply the want of legislation. But if you should find that your lawful powers as Governor are not sufficient to prevent public inconvenience, it will be better that you should leave the community to suffer the consequences imposed upon them by the legislation or non-legislation of their representatives than that you should incur the responsibility of any proceedings which are not warranted by law.

Governor Kennedy, C.B.
&c. &c.

I have, &c.
(Signed) EDWARD CARDWELL.

Queen's Market, Wharf Street, Victoria, V.I.

SIR,

July 3, 1866.

A SECOND month's account has now become due to us for supplies to the lighthouse, and there is no apparent prospect of the same being early liquidated. As we have to pay cash for the same, and the remuneration not being adequate to our giving credit, we beg you will be kind enough to make known to us (at your earliest convenience) when we may depend on being paid, before we send the quarterly rations now ordered for Friday next in advance.

We have, &c.
(Signed) HUTCHINSON & Co.
(Per H. Myers.)

P.S.—The two months now due is principally for supplies furnished on April 5th last. There is also a two months' account against the Victoria Jail unpaid.

To W. A. G. Young, Esq.
Colonial Secretary.

No. 12.

No. 12.

COPY of a DESPATCH from GOVERNOR KENNEDY, C.B., to the Right Hon. EDWARD CARDWELL, M.P.

(No. 66.)

Government House, Victoria, August 31, 1866.

(Received, October 29, 1866.)

SIR,

(Answered, No. 24, November 16, 1866, p. 47.)

IN compliance with the request of the Legislative Assembly of Vancouver Island, I have the honour to transmit certain further Resolutions passed by that body on the subject of union with British Columbia. These Resolutions were passed five days before the Assembly expired by efflux of time.

I do not deem it necessary to occupy your time with any comments upon the value of "Representative Government" as practised in this Colony. The experience of the last two years may, I think, be taken as a fair criterion in regard to the future.

The Right Hon. Edward Cardwell, M.P.
&c. &c. &c.

I have, &c.
(Signed) A. E. KENNEDY,
Governor.

Encl. in No. 12.

Enclosure in No. 12.

RESOLUTION passed the Legislative Assembly, August 28, 1866.

This House, anxious to see the Colonies of Vancouver Island and British Columbia united under one Government, and relying on those liberal and enlightened principles which now happily govern the relations of Her Majesty's Government with the Colonies of Great Britain, passed, on the 25th of January 1865, a series of resolutions expressing a willingness to submit to any constitution which Her Majesty might be pleased to grant. Having from recent circumstances, however, learned that Her Majesty's Government, contrary to the present colonial policy of Great Britain, contemplated in the scheme for uniting these Colonies a withdrawal of representative Government from Vancouver Island, this House is reluctantly compelled to rescind those portions of such resolutions above mentioned as

might lead Her Majesty's Government to believe that this House, though still desirous of a union with British Columbia, is willing to relinquish representative Government for any advantage that might accrue from such union. And this House expresses its adhesion to the series of resolutions on the state of the Colony passed by this House on the 21st June 1866, and transmitted to Her Majesty.

2. That his Excellency Governor Kennedy be respectfully requested to transmit the foregoing to Her Majesty's Secretary of State for the Colonies without delay.

(Signed) J. S. HELMCKEN, Speaker.

(Signed) R. W. TORRENS,
Clerk of the House.

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No. 13.

COPY of a DESPATCH from Governor A. E. KENNEDY to the Right Hon. the Earl of CARNARVON.

(No. 77.)

Government House, Victoria, October 1, 1866.

(Received, November 10, 1866.)

MY LORD,

I HAVE the honour to acknowledge the receipt of your Despatch, No. 3,* 13th August 1866, transmitting a copy of the Act passed by the Imperial Parliament for the union of the Colony of Vancouver Island with the Colony of British Columbia.

Your Lordship may feel assured that I will afford Governor Seymour my cordial co-operation in supporting the policy of Her Majesty's Government in the consolidation of these Colonies which it has been my earnest desire to see effected.

I beg to offer my very grateful thanks for the favourable view you have been pleased to take of my administration of the government of this Colony.

I will place myself at Governor Seymour's disposal as to the time of my departure for England.

The Right Hon. the Earl of Carnarvon,
&c. &c. &c.

(Signed)

I have, &c.

A. E. KENNEDY,
Governor.

No. 13.

* page 44.

No. 14.

COPY of a DESPATCH from the OFFICER ADMINISTERING the GOVERNMENT to the Right Hon. the Earl of CARNARVON.

(No. 90.)

Victoria, Vancouver Island, November 19, 1866.

(Received, January 14, 1867.)

MY LORD,

I HAVE the honour to acquaint you that the "British Columbia Act, 1866," has been this day published and proclaimed in this place, in accordance with the terms of the Act; and that therefore, from and after this date, the form of Government existing in Vancouver Island as a separate Colony ceases, and Vancouver Island becomes united with British Columbia, as provided by the Act.

The Right Hon. the Earl of Carnarvon,
&c. &c. &c.

(Signed)

I have, &c.

WILLIAM A. G. YOUNG.

No. 14.

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No. 15.

COPY of a DESPATCH from Governor SEYMOUR to the Right Hon. the Earl of CARNARVON.

(No. 1.)

New Westminster, November 20, 1866.

(Received, January 14, 1867.)

MY LORD,

I HAVE the honour to report that I landed in Victoria on the 7th instant. Governor Kennedy had left the Colony, and the administration of the Government was in the hands of Mr. Young, the Colonial Secretary. I was received with great coldness, but no disrespect, by a large concourse of people. I regretted to observe a look of extreme depression upon the town and its inhabitants.

2. On the following day I received the addresses from the mayor and corporation and from the fire brigade, copies of which I have the honour to enclose, together with copies of my replies.

3. As I could take no share in the administration of the affairs of the Island until the union of the Colonies had been effected, I proceeded to New Westminster on the 10th

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instant to resume the duties of my office. I met with a most loyal and gratifying reception.

4. I enclose copies of Addresses interchanged with the City Council and Hyack Fire Brigade.

The Right Hon. the Earl of Carnarvon, (Signed) I have, &c.
&c. &c. &c. FREDERICK SEYMOUR.

Encl. 1
in No. 15.

Enclosure 1 in No. 15. of November 20, 1866.

ADDRESS presented to his Excellency Frederick Seymour, Governor of British Columbia, by the Mayor and Citizens of Victoria.

WE, Her Majesty's loyal subjects, the mayor and citizens of Victoria, beg cordially to welcome you as our Governor, and would also extend our congratulations to Mrs. Seymour on her safe arrival at her new home.

Believing that you desire the wellbeing of every portion of the Colony, and will readily support all measures calculated to promote the general good, we earnestly hope that under the Divine blessing your Excellency's administration may conduce to the growth and prosperity of the united colony.

(Signed) L. FRANKLIN, Mayor,
and others.

His Excellency's reply.

MR. MAYOR AND GENTLEMEN,

I RECEIVE with much gratitude the address which you have presented to me on my arrival in this Colony. Mrs. Seymour will likewise feel greatly indebted to you for your kind reception. I am fully aware that I owe to your loyalty alone the address I now receive, but I trust the time is not far distant when I may deserve some personal friendship at your hands.

Encl. 2
in No. 15.

Enclosure 2 in No. 15.

ADDRESS presented to his Excellency Frederick Seymour, Governor of British Columbia, by the Victoria Fire Department.

MAY IT PLEASE YOUR EXCELLENCY,

THE Fire Department of Victoria beg respectfully to congratulate your Excellency upon your safe return to these shores.

Acknowledging and appreciating as we do the deep interest which your Excellency on all occasions formerly manifested in those institutions having for their object the public good, we feel confident that the new era in our colonial history, about to be inaugurated by your Excellency, will be one of prosperity not only to the united Colonies but to this Department.

Your Excellency will be pleased to learn, that, notwithstanding the obstacles which have unavoidably arisen during the present year, depriving the department of public support, its members, recognizing the fact that the existence of an efficient Fire Brigade was essentially necessary for the protection of the lives and property of the citizens of Victoria, have up to the present time, at their own expense, maintained its organization intact.

Your Excellency may rest assured that this address proceeds purely from a desire to express our loyalty and respect towards one occupying the high position of the representative of our beloved Queen, and we earnestly hope that your Excellency and lady may be long spared to spend many happy days amongst us.

We have, &c.
(Signed) J. C. KEENAN and others.

To which his Excellency replied:—

GENTLEMEN,

I CAN assure you that I receive with feelings of great satisfaction the address you have been kind enough to present to me. I fully appreciate the sentiments of loyalty to Her Majesty which induced you to give a cordial reception to Her representative. You may depend upon receiving support and assistance so long as I have the honour to administer the Government of this Colony. We meet as strangers. It will be my steadfast purpose to conduct the affairs of the Colony in such a manner that when we part Victoria may believe that she parts with a friend.

Encl. 3 in
No. 15.

Enclosure 3 in No. 15.

ADDRESS of the MUNICIPAL COUNCIL, New Westminster, to his Excellency FREDERICK SEYMOUR, Governor of British Columbia.

MAY IT PLEASE YOUR EXCELLENCY,

WE, Her Majesty's loyal subjects, the president and members of the Municipal Council of the city of New Westminster, would desire to approach your Excellency upon your return from England;

and, in the name of the people we represent, cordially welcome you back to this the seat of your government. While we cannot point to any very great progress made by this city during your Excellency's absence, yet it is a satisfaction to know that some substantial advancement has marked that period, and that the commercial crisis which has overtaken these Colonies has fallen with less severity upon this community.

The past year has been one of peculiar anxiety to us; and your Excellency's opportune presence at the seat of the Imperial Government, at a moment when important constitutional changes in the relations and institutions of these Colonies were taking place, appeared almost providential; and it was with lively satisfaction we observed the deep interest manifested by your Excellency in the welfare of the country.

We confidently accept your Excellency's return as the surest guarantee that the claims and interests of our city will not be overlooked, and that the administration of public affairs under a new condition of things, unsought by the people residing on the mainland, will be such as to advance the general prosperity and promote the permanent interests of the country, and in some measure atone for the very meagre share the people are as yet permitted to have in the management of their affairs.

In conclusion, we again most cordially welcome you to our city, a welcome we also desire to extend to Mrs. Seymour; and we would offer you both our joyful congratulations upon your safe arrival, in the good providence of God, at what we trust may prove an agreeable and happy home. Wishing you every happiness and prosperity, we have the honour to remain your Excellency's most faithful servants.

(Signed) Jno. ROBSON, and others.

His Excellency replied as follows:—

MR. PRESIDENT, AND GENTLEMEN OF THE MUNICIPAL COUNCIL,

It is with the greatest satisfaction that I find myself among you again, and that I receive the address you are good enough to present.

Indisposition has prevented my judging personally of the present condition of your city. If the somewhat over sanguine expectations of some of my correspondents have not been fully realized, it is at least most gratifying to me to learn that some substantial advancement has been made within the last year. I well know the good feeling, energy, and self-reliance of the people of New Westminster, and sincerely hope that the solid prosperity they deserve may soon crown their exertions.

The time of my absence from you has, I can assure you, not been a mere holiday; and much anxious reflection has preceded the advice, which on matters of great importance to us, it has been my duty to tender to Her Majesty's Government. A desire to promote harmony and good will has been my principal guide in my public actions, and I allow myself to believe that I already see on both sides of the Straits a feeling of friendship growing up between the English communities, whose artificial separation has now but a few hours of existence.

As regards myself, important duties, many of them of a painful nature, are now before me; and I ask of you, and all the colonists from Victoria to Cariboo, a lenient and indulgent consideration of my earlier acts.

I think that you will believe that the interests of New Westminster will not be indifferent to me. I agree with you in the opinion that the share which the people will, for a short time, have in the direct management of their affairs, is not so large as we could desire; but no government over which I preside will ever consider itself above the wholesome control of public opinion.

I can assure you that Mrs. Seymour and myself were greatly touched at the reception accorded to us on our arrival in New Westminster. I would beg you, the representatives of the city, to convey in our joint names to your fellow citizens our very grateful thanks for the cordial welcome we have received.

Enclosure 4 in No. 15.

ADDRESS of the NEW WESTMINSTER FIRE COMPANY to his Excellency FREDERICK SEYMOUR, Governor of British Columbia.

MAY IT PLEASE YOUR EXCELLENCY,

WE, the officers and members of the Fire Department of New Westminster, desire to offer to your Excellency our warmest welcome upon your safe arrival in British Columbia.

We also beg to assure your Excellency that during your absence we have looked forward with pleasure to your return, assured of its being the arrival of a warm friend, one to whose kindness and fostering care the Fire Department of New Westminster owes, in a great measure, its present state of efficiency; and while we rejoice to receive you once more as our esteemed Governor, the representative of our gracious Sovereign, we trust we may be permitted to offer your Excellency and Mrs. Seymour our earnest and hearty good wishes, with the hope that many years of happiness may be vouchsafed to both.

We have, &c.
(Signed) F. G. RICHARDS,
Chief Engineer, and others.

His Excellency replied as follows:—

GENTLEMEN,

I THANK you very much for your address of welcome. I can assure you that Mrs. Seymour and myself feel very grateful for this manifestation of your kindness, following so closely upon the warm and generous reception you accorded to us on our arrival.

You certainly may rely on my friendly efforts to assist your department in every way I can.

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COLUMBIA.

Although I learn with regret that your services have been in unusually frequent request of late, the accounts I hear of your performances in time of need are most gratifying.

I am very glad to find myself amongst you again, and felt the other night very much as if I was returning to a home.

No. 16.

No. 16.

Copy of a DESPATCH from Governor SEYMOUR to the Right Hon. the Earl of
CARNARVON.

(No. 2.)

New Westminster, November 21, 1866.

MY LORD,

(Received, January 14, 1867.)

I HAVE the honour to state that on the 19th instant, at noon, I proclaimed the Imperial Act 29 & 30 Victoria, chapter 67, simultaneously in Victoria and New Westminster, and thus effected the union of the Colonies.

2. There was no enthusiasm or excitement shown in either town. Yet I believe that in each the prevalent opinion is that a wise measure has been taken by the Imperial Government.

3. I enclose certified copies of the proclamation.

The Right Hon. the Earl of Carnarvon,
&c. &c. &c.

(Signed)

I have, &c.

FREDERICK SEYMOUR.

Encl. in No. 16.

Enclosure in No. 16.

Sheriff's Office, New Westminster,
November 19, 1866.

SIR,

I HAVE the honour to enclose herewith, for his Excellency's information, "The Union Proclamation, 1866," which I have (as certified thereon) duly published and proclaimed at noon this day, at the Treasury Buildings, New Westminster, in the presence of the officials whose names are appended to the certificate of proclamation, and a large concourse of people.

The Hon. Arthur N. Birch,
The Colonial Secretary of British Columbia.

I have, &c.

J. A. R. HOMER,
Acting High Sheriff.

KNOW all men by these presents that I, Joshua Attwood Reynolds Homer, high sheriff of the Colony of British Columbia, and under and by virtue of authority in me in such behalf duly vested, do hereby notify to all Her Majesty's subjects, and whom else it may concern, that I have on this Monday, the nineteenth day of November, in the year of our Lord one thousand eight hundred and sixty-six, duly and publicly read, published, and proclaimed the Proclamation hereunto annexed, by his Excellency Frederick Seymour, Governor of the said Colony, at the Treasury Buildings within the city of New Westminster, in the said Colony of British Columbia, at the hour of twelve at noon.

As witness my hand and seal this nineteenth day of November, in the year of our Lord one thousand eight hundred and sixty-six.

(l.s.) J. A. R. HOMER,
Acting High Sheriff for
British Columbia.

The within Proclamation was read and proclaimed, and these presents executed, by the said Joshua Attwood Reynolds Homer, in the presence of—

C. BREW, J.P.
CHARLES W. FRANKS, Treasurer.
HENRY P. PELLEW CREASE, Attorney-General.
ARTHUR T. BUSBY, Registrar-General.

PROCLAMATION by his Excellency Frederick Seymour, Governor and Commander-in-Chief of Her Majesty's Colony of British Columbia and its Dependencies, Vice-admiral of the same, &c.

WHEREAS by an Act of Parliament made and passed in the session of the Imperial Parliament holden in the 29th and 30th year of the reign of Her Majesty Queen Victoria, chapter 67, intituled "An Act for the Union of the Colony of Vancouver Island with the Colony of British Columbia," it was among other things enacted that from and immediately after the proclamation of the above-mentioned Act of Parliament by the Governor of British Columbia, the Colony of Vancouver Island should be united with the Colony of British Columbia and form one Colony in manner in such Act mentioned:

Now, therefore, I, Frederick Seymour, Governor of the said Colony of British Columbia, do hereby proclaim and publish the said Act for the guidance of Her Majesty's subjects and all others whom it may concern, as follows:

[Then follows the Imperial Act Anno vicesimo nono and tricesimo Victoria' Reginae, chapter 67, "An Act for the Union of the Colony of Vancouver Island with the Colony of British Columbia."]

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And I, the said Frederick Seymour, as such Governor as aforesaid, do hereby further proclaim and publish that the Colony of Vancouver Island shall, from the proclamation hereof, be and the same is hereby united with the Colony of British Columbia, and the said two Colonies shall, from the proclamation hereof, form and be one Colony, with the name of British Columbia.

And I, the said Governor, do hereby further proclaim and publish that, notwithstanding the union aforesaid, the laws in force at the proclamation hereof in the separate Colonies of British Columbia and Vancouver Island respectively, until it is otherwise provided by lawful authority, shall remain in force as if the said Act had not been passed or proclaimed; save only that the laws relating to the Revenue of Customs in force in British Columbia at the proclamation hereof, shall, until otherwise provided by lawful authority, extend and apply to Vancouver Island; and until it is otherwise provided by lawful authority, the Governor of British Columbia shall have, in relation to the territory for the time being under his government, all the powers and authorities for the time being vested, in relation to the United Kingdom, in the Commissioners of Her Majesty's Treasury or in the Commissioners of Her Majesty Customs, with respect to the appointment of warehousing ports, and the approval and appointment of warehouses or places of security in such ports, and everything consequent thereon or relative thereto.

And I, the said Governor, do hereby further proclaim and publish that all and singular other the clauses and provisions of the said Act, shall take full effect in the said Colonies and Dependencies so united as aforesaid, under the name of British Columbia, as and from the proclamation hereof.

This proclamation may be cited as "The Union Proclamation, 1866."

Issued under the public seal of the Colony of British Columbia, at New Westminster, British Columbia, this Seventeenth day of November, in the year of our Lord One thousand eight hundred and sixty-six, and in the Thirtieth year of Her Majesty's reign.

By command.

ARTHUR N. BIRCH,
Colonial Secretary.

God save the Queen.

No. 17.

No. 17.

COPY of a DESPATCH from Governor SEYMOUR to the Right Hon. the Earl of CARNARVON.

(No. 4.)

Victoria, 21st December 1866.

MY LORD,

(Received, Feb. 25, 1867.)

I HAVE had the honour to receive your Lordship's Despatch No. 15,* of the 31st October, placing on record some of the motives by which Her Majesty's Government were actuated in effecting the complete union of Vancouver Island with British Columbia.

* page 46.

2. I have forwarded a copy of your Lordship's Despatch to the late Speaker of the House of Assembly, and have caused it to be inserted in the Gazette. I consider it calculated to effect much good in calming local irritation. Vancouver Island is now in a state of great depression, but I believe that most persons are sanguine as to the future of the united Colony.

I have, &c.

The Right Hon. the Earl of Carnarvon,
&c. &c. &c.

(Signed) FREDERICK SEYMOUR.

No. 18.

No. 18.

COPY of a DESPATCH from Governor SEYMOUR to the Right Hon. the Earl of CARNARVON.

(No. 23.)

New Westminster, January 11, 1867.

MY LORD,

(Received, Feb. 25, 1867.)

I INFORMED your Lordship in my Despatch No. 1,* of 20th of November, that I had been received with great coldness in Victoria, with considerable warmth in New Westminster.

* page 27.

2. I considered it advisable to return, shortly after union had been effected, to the former town, and endeavour to remove the suspicion with which my assumption of the

Government of the island was evidently received. Duties, too, of a very important and far from pleasant nature, required my presence in the capital of the late Colony of Vancouver Island. I had to prepare measures for the amalgamation of the laws of the two sections of the community, to fuse into one two distinct staffs of public officers, and to provide without legislative assistance for many difficult details which it would have been impossible for your Lordship to have foreseen. No Appropriation Act had been passed. The conflict of some of the laws of the two sections of the Colony rendered it necessary for me, in more than one instance, to take very extraordinary powers into my hands. These questions will form the subjects of distinct reports. The Despatch which I am now writing has for its object only to inform you of the improved relations now subsisting between the inhabitants of Vancouver Island and myself.

3. I have the honour to forward :—

1stly. An address presented to me by the new mayor of Victoria, and of my reply.

2ndly. One from the minister and managers representing St. Andrews' Church in Victoria, and my reply.

3rdly. One from the settlers and property holders in the Cowitchan Valley : and

4thly. An Address from the people of Nanaimo.

This last, it will be seen from my letter to the chairman of the public meeting, I could not, under peculiar circumstances, receive in person.

4. Various deputations waited on me in reference to matters of importance, and I hope that the replies I gave were generally satisfactory. Victoria presents every aspect of adversity, yet I think a feeling generally prevails that better days are before us.

5. The British Columbian Customs Act has been extended over Vancouver Island without embarrassment. I have established, in obedience to the instructions of your Lordship's predecessor, a most liberal system of bonding.

6. It may seem perhaps a trifling matter to mention officially, but I would beg leave to state that during my month's stay in Victoria I gave three balls, which were very numerous attended. I do not believe that a single person invited declined to come for political reasons.

7. The Island Press has become moderate in its tone. The "Evening Telegraph," which excelled all other periodicals in invective, has ceased to exist.

8. I enclose, as a sample of the distrust which prevailed in regard to my administration, a memorial respecting the removal of certain public offices, together with my reply.

I have, &c.

The Right Hon. the Earl of Carnarvon, (Signed) FREDERICK SEYMOUR.
&c. &c. &c.

Enclosure 1 in No. 18.

ADDRESS presented to Governor Seymour by the Mayor and Corporation of the City of Victoria, Vancouver Island.

MAY IT PLEASE YOUR EXCELLENCY,

WE, the mayor and council of the city of Victoria, Vancouver Island, Her Majesty's loyal and devoted subjects, beg to welcome your Excellency to this city as Governor of the Colony and representative of our most gracious Sovereign Queen Victoria.

We trust that under the guidance and fostering care of your Excellency public confidence will be restored, and that trade and commerce will again be prosperous and flourishing throughout the entire Colony.

We feel that we shall at all times find in your Excellency an able advocate of all measures which may tend to strengthen and support our municipal institutions, and promote the best interests of the city of Victoria.

In offering our congratulations on your Excellency's safe arrival in the Colony, we beg also to extend a most cordial welcome to Mrs. Seymour, and hope that you may both enjoy the blessings of health and happiness.

We have, &c.

(Signed) W. J. McDONALD, Mayor,
RICHARD LEWIS, Councillor, and others.

Governor SEYMOUR'S Reply.

MR. MAYOR AND GENTLEMEN OF THE COUNCIL OF VICTORIA,

I FEEL much obliged for your goodness in presenting me with an address of welcome to your city, and fully appreciate the sentiment of loyalty towards our Sovereign which has dictated it.

I fear that so long as gold remains the principal staple of the Colony much more will depend upon the success of the prospector than the skill of the administrator or the wisdom of the law maker; but I may assure you that you may depend upon my most anxious desire to carry out such measures as may appear beneficial to the community at large.

I greatly regret to perceive abundant evidence that the year about to close has not been one of prosperity, yet I allow myself to hope that the present despondency will be dispelled, and a revival of confidence take its place. Though the finances in both sections of the Colony are much embarrassed, I trust that reductions in the public establishments, aided by the daily diminishing demand for expenditure on public works of magnitude on the mainland, may bring matters to a more satisfactory condition.

You may rely upon my constant desire to strengthen and support your municipal institutions, and promote the best interests of the city of Victoria.

Though all that remains of the once complete freedom of your port, I do not think the commerce of Victoria will suffer in consequence, as the most liberal system of bonding will be introduced. I trust that the prosperity of your city, as well as of the Island generally, may be soon promoted by the abolition of a tax on real estates which presses heavily in times of difficulty.

Mrs. Seymour joins me very sincerely in the expression of obligation with which I commenced my reply to your address.

Enclosure 2 in No. 18.

ADDRESS presented to Governor Seymour by the Minister and Managers of the St. Andrew's Church of Scotland at Victoria.

MAY IT PLEASE YOUR EXCELLENCY,

WE, the undersigned minister and managers representing St. Andrew's Church established in the city of Victoria, and in connexion with the church of Scotland, desire most heartily to congratulate you on your Excellency's present advent amongst us as the representative of our beloved Sovereign Queen Victoria, and as Governor of the United Colonies of Vancouver Island and British Columbia.

The branch of the National Church to which we belong was established by Act of Parliament, at an early date in the history of our Protestant faith, 1560, was solemnly ratified and confirmed by Act of King James VI., 1592, and Act of King Charles I., 1644. During the 300 years of her existence she has been distinguished by her loyalty and moderation, the struggles she has undergone in maintaining a well defined union of the church and state, the illustrious names of those who have taken part in her ministry, and the successful education of a pious, intelligent, and industrious people.

As in duty bound, and as a Christian church, it is our earnest desire, and will be the subject of our constant prayer, that the great Head of the Church, the only source of true wisdom to all rulers, both civil and ecclesiastical, may endow your Excellency with every requisite gift and grace, and abundantly bless your administration of the affairs of the now united Colonies, so that peace, prosperity, and happiness may distinguish the whole course of your Excellency's rule.

That your Excellency may be long spared to fulfil the high functions with which you have been invested with satisfaction to yourself and benefit to the people at large, is the earnest prayer of

(Signed) THOMAS SOMERVILLE, M.A.
R. WALLACE, and others.

Governor SEYMOUR'S Reply.

GENTLEMEN,

I THANK you very deeply for the address you, the minister and managers representing St. Andrew's Church of Victoria and in connexion with the Church of Scotland, have just delivered to me.

I am well aware of the history of the Church of Scotland, in whose worship I have often joined with devotion and I trust benefit during my happy visits to the North.

I am well assured of your loyalty to the Sovereign whom I have the honour temporarily to represent in this Colony, and I now trust that loyalty and your Christian spirit will induce you to give me credit for good motives, at least, in the performance of the duties which are before me.

I sincerely join you in the prayer that peace, prosperity, and happiness may flourish within the united Colony.

Enclosure 3 in No. 18.

ADDRESS from Cowichan.

THE following Address from the Settlers, Residents, and Property Holders in the Cowichan Valley was presented on Saturday to the Governor.

MAY IT PLEASE YOUR EXCELLENCY,

WE, the undersigned inhabitants of Cowichan, beg most respectfully to congratulate your Excellency on the safe arrival of yourself and Mrs. Seymour in the Colony, and we trust you may both be preserved in the uninterrupted enjoyment of perfect health, and that your stay among us may ever be regarded with pleasure and gratification.

As inhabitants of the most important agricultural settlement in the Colony, we trust it will suit your Excellency's convenience, at an early date, to afford us an opportunity of giving your Excellency a personal welcome, from which we regret we are by distance at present excluded.

We also trust we may be permitted most respectfully to express our hope that the united Colony of British Columbia and Vancouver Island may, under your Excellency, so steadily increase in popula-

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tion and wealth as may afford your Excellency the well-merited approval of success, and give occasion to all under your Excellency's Government to look back upon your administration as the wisely directed commencement of a career of healthy progress, and that this earnest and sincere hope may be fully accomplished, we trust that the blessing of God may attend upon all your counsels.

We have, &c.

(Signed) WM. SHELDON REECE,
Minister of Cowichan,
and above 50 others.

His Excellency, in replying to the address, said:—

GENTLEMEN,

It is with great pleasure that I receive the address presented by you on behalf of certain inhabitants of Cowichan. Mrs. Seymour joins with me in cordial thanks to the signers of it. I am sure our stay in the Colony will be attended with pleasure to us should prosperity return to these shores.

I shall have great pleasure in paying you an early but short visit, in anticipation of a more lengthened one at a season of the year less unpropitious to the labour of the farmer.

I sincerely trust that the hope you express that the Colony may increase in population and wealth may be realized. I know no British dependency more favoured by nature, and we want but the establishment of regular steam communication with the Mother country to induce many immigrants to avail themselves of the vast resources of British Columbia. I am not without hope that such communication will be speedily established with the assistance of the Imperial Government.

Believing that the worst days of the Colony are now passing, and that brighter prospects are before us, I shall use every effort to make permanent any improvement that may arise. If I leave the Colony more prosperous than I find it, I shall indeed have cause to look back with satisfaction to the period of my administration.

Enclosure 4 in No. 18.

Encl. 4 in
No. 18.

THE INHABITANTS OF NANAIMO to His Excellency GOVERNOR SEYMOUR.

MAY IT PLEASE YOUR EXCELLENCY,

THE inhabitants of Nanaimo, in public meeting assembled, beg most respectfully to congratulate your Excellency on your safe arrival as Governor of this Colony, and to express the pleasure and satisfaction it affords us to record your Excellency's visit to this town.

We are pleased of the opportunity which now offers itself, to declare personally to the representative of our most gracious Majesty, our loyalty and attachment to her person and Government; and while we deeply deplore the present unhappy financial condition of the now united Colonies, we cherish the confident hope that your Excellency will adopt such measures as shall restore confidence and give free scope to the capital and wisely directed energies of all; and that the prosperity of the entire Colony will be promoted by your Excellency's able, impartial, and economical administration.

We wish your Excellency and Mrs. Seymour health and happiness, and trust that your Excellency will honour us with frequent visits during your official career.

We have, &c.

(Signed) ROBERT DUNSMUIR, Chairman,
(Signed) MARK BATE, Secretary.

Governor SEYMOUR's Reply.

GENTLEMEN,

New Westminster, December 28, 1866.

I THANK you very sincerely for the address you are good enough to present to me.

I regret that circumstances, explained in a letter to the chairman of the public meeting in which the address was framed, prevented my having the pleasure of receiving it personally, and becoming acquainted with the inhabitants of your town.

I believe fully in your loyalty to the Queen, and gratefully accept your congratulations on my appointment as Her Majesty's representative in this Colony.

An extreme pressure of business prevented my paying you more than a few hours visit on a recent occasion, but I trust ere long to have the pleasure of spending a few days among you.

I deeply regret the present financial depression of the Colony, but I think it will pass away. When a brighter day arrives I can assure you that the requirements of Nanaimo will not be forgotten.

Mrs. Seymour joins me in sincere expression of thanks for your address, and hopes to accompany me in my next visit to Nanaimo.

I have &c.

(Signed) FREDERICK SEYMOUR.

CORRESPONDENCE relating to the presentation of the Nanaimo Address.

Governor SEYMOUR to R. DUNSMUIR, Esq.

SIR,

Victoria, December 21, 1866.

I WISH formally to express through you my thanks to the inhabitants of Nanaimo who attended the public meeting over which you presided, and framed an address of welcome to me.

I hope that the gentlemen who proposed to form a deputation to present the address fully understood that it was a regard for their comfort alone in the extremely inclement night of last Monday

which prevented my receiving them on board H. M. S. "Sparrowhawk," at the late hour at which the meeting broke up.

Urgent private business prevented the delaying of my departure.

I shall be most happy to receive the address in any manner most convenient to the people of Nanaimo.

I have, &c.
(Signed) FREDERICK SEYMOUR.

R. DUNSMUIR, Esq., to His Excellency Governor SEYMOUR.

MAY IT PLEASE YOUR EXCELLENCY, Nanaimo, B.C., December 19, 1866.

At a public meeting held at the Court House in this town on Tuesday, December the 18th 1866, after hearing from the chairman that your Excellency wished the enclosed addressed sent through Mr. Franklyn or Mr. Southgate it was resolved by the meeting: "That whereas the chairman of the public meeting last night has reported that the Governor wishes our address to be sent through Mr. Franklyn or Mr. Southgate; it is hereby resolved, that we express our disappointment with this reception, and that under the circumstances we forward the address by mail, with a copy of this resolution."

I have, &c.
(Signed) R. DUNSMUIR.

His Excellency Governor SEYMOUR to R. DUNSMUIR, Esq.

SIR, New Westminster, December 28, 1866.

I HAVE had the honour to receive your letter of the 19th instant, informing me that at a public meeting held at Nanaimo it was resolved to express the disappointment of the people at the reception which an address proposed to be presented to me met with.

There must be some misapprehension in the matter. You came on board H. M. S. Sparrowhawk at 9 p.m. on the 17th December. It was raining in torrents. The only communication between the ship and the shore was by a plank running from the wharf to the main rigging. Under these circumstances I informed you that I could not think of asking any deputation to meet me on so inclement a night in so comfortless, if not dangerous a manner; that it was absolutely necessary that I should be in Victoria on the following day, and that therefore I would receive the address in any manner most convenient to the inhabitants. I then suggested that it might conveniently come either through Mr. Franklyn or Mr. Southgate. I believe that I further informed you that it was my intention to pay your town a more lengthened visit in the spring.

I deeply regret that a regard for the convenience of the inhabitants of Nanaimo should have been misconstrued into a want of respect.

I enclose a reply to the address.

I have, &c.,
(Signed) FREDERICK SEYMOUR.

Enclosure 5 in No. 18.

The Public Offices.—Address to the Governor, and Reply.

At a meeting of the citizens of Victoria, held on the 21st inst., it was unanimously resolved that the following address be presented to His Excellency the Governor by a deputation of the following gentlemen:—Mr. H. Rhodes, resident partner of the house of Messrs. Janion, Green, and Rhodes, merchants; Mr. Shephard, manager of the Bank of British North America; Mr. J. Robertson Stewart, representing the house of Messrs. Lawrence, Clark, and Joyce, merchants; Mr. J. C. Nicholson, representing Messrs. Dickson, Campbell & Co., merchants; Mr. J. F. McCreigh, barrister-at-law; James Trimble, physician, Mr. C. W. Wallace, merchant; with the selected members of the Legislative Council for the city of Victoria, J. H. Helmecken, Esq., and A. De Cosmos, Esq.

The deputation having waited upon his Excellency yesterday, at one o'clock, the secretary read the address:

To his Excellency Governor Seymour, Governor, &c.

MAY IT PLEASE YOUR EXCELLENCY,—

It being commonly reported that several of the most valuable institutions of Vancouver Island, among which we may specify the Courts of Law, the Land Office, and the Office for the Registration of Deeds, are shortly to be closed and removed to some other part of the Colony, we have deemed it advisable to appoint a deputation to wait upon your Excellency on this occasion.

We would, in the first place, state that we have not been induced to take this step by motives of idle curiosity, or with the view of embarrassing your government; on the contrary, we beg to assure your Excellency that we shall always be found ready to lend our cordial and earnest support to every sound and just measure having the good of the Colony in view. On the present occasion we feel that our dearest interests are at stake; we, and those whom we represent, have toiled and laboured for years past to build up and promote the welfare of this Colony, and it has become a home for ourselves and families; our fortunes are pledged for its support; we have paid all the expenses of its administration; the public revenue is equal to its necessary expenditure. We, therefore, can discover no cause for interference with its indispensable institutions.

BRITISH
COLUMBIA.

While for these reasons we do not believe the reports in question, nor that your Excellency could ever seriously entertain such views, or contemplate the enforcement of measures so contrary to the maxims of sound policy, of public convenience, and of the essential wants of a mercantile community, we would respectfully represent that there exists a profound and very general feeling of alarm on the subject, and we have waited upon your Excellency, for the purpose of eliciting an expression of your views, trusting that when made known they may have the effect of removing a prevalent cause of discontent and of quieting the public mind.

We should not have brought this or any other question of domestic policy, properly the business of the Legislature, before your Excellency, had we not been deprived by the late Act of Her Majesty's Government of our constitutional resource and protection, as well as of all power and control in the management of our own affairs; but there is no alternative left, as your Excellency now holds and practically wields the whole legislative power of the Colony.

CHAS. W. WALLACE, Secretary.

HENRY RHODES, Chairman.

His Excellency returned the following reply:—

GENTLEMEN,—I am glad, since public distrust exists, that you have addressed yourselves directly to me. If the immediate control over the management of public affairs is apparently withdrawn for the present from the representatives of the people, I cannot agree with you that you are "deprived of all power and control in the management of your own affairs." It is not in an English community of the present day that a Government can afford to be indifferent to the wishes of the people.

You say that I practically wield the whole legislative power of the Colony. Unquestionably great powers are temporarily given me in order to bring together communities which ought never to have severed, and to fuse into one two distinct administrative bodies. No one will see with greater relief than myself public duties gradually, but I trust, rapidly devolving on those more directly interested in their performance. As to the mode in which the extraordinary powers for a short time vested in me shall be used, I make no professions. I shall leave the people to judge.

You inquire if the Courts of Law, the Land Office, and the Office for the Registration of Deeds are shortly to be closed and removed to some other portion of the Colony. With regard to the first point a reference to a letter which I recently addressed in reply to a numerous signed petition will show that it is my intention to hold myself aloof from all interference with the administration of justice.

In reply to the second question, I have to state that Mr. Pearse has consented to conduct his present duties during existing financial difficulties at a salary inadequate to his services. Here, also, there will be no change.

Thirdly, the Office for the Registration of Deeds will be continued.

Such are my intentions, and these I will recommend to the favourable consideration of the Legislative Council.

No. 19.

No. 19.

EXTRACT from a DESPATCH from Governor SEYMOUR to the Right Hon. the Earl of CARNARVON, dated New Westminster, January 11, 1867 (No. 25).

(Received, February 25, 1867.)

"I CONSIDER the whole Government staff of Vancouver Island abolished by the proclamation incorporating that island with British Columbia.

It seemed somewhat hard, however, urgently as the Legislature had prayed for the extinction of the separate existence of the Island as a Colony, that all the public servants should at once be thrown out of employment. Some were more competent to fill the particular situations they held than those of corresponding designations on the mainland.

Under these circumstances I have considered your Lordship's Despatch of the *14th September 1866, (addressed to me in London,) which authorizes me to effect, subject to your Lordship's sanction, such reductions in the Civil establishment of British Columbia as our financial difficulties may require, as a sufficient authority for me to lessen somewhat the severity of the effect of union upon the Government officers of Vancouver Island. I am selecting the most competent from among the two establishments, and will submit their names for your Lordship's consideration. Many gentlemen, I fear, must lose their offices.

I enclose copy of a circular which I caused to be issued to the public officers of Vancouver Island.

I am proceeding gradually, but firmly, in the difficult task of reducing the public expenditure, and it is probable that every officer of the Government, myself included, will have to make heavy sacrifices in order to relieve the financial embarrassments of our position. It was indeed time that the Colonies were united. On the mainland the Customs receipts alone have fallen upwards of 20,000% below the estimate, and the Island was in such a position as to be unable to meet its liabilities without a change in

* page 46.

the system of taxation or a decided revival of prosperity. I shall submit to your Lordship a return showing the financial position of each section of the Colony on the 19th of November, when the union was effected."

BRITISH
COLUMBIA.

Enclosure in No. 19.

Encl. in No. 19.

CIRCULAR LETTER TO THE HEADS OF THE PUBLIC DEPARTMENTS OF VANCOUVER ISLAND.

DEAR SIR,

Government House, New Westminster, November 13, 1866.

You are aware that the office you now hold will be abolished by Act of Parliament, as soon as the proclamation uniting the Colonies of Vancouver Island and British Columbia shall have issued.

Circumstances and financial difficulties will, I deeply regret to say, compel me to effect considerable reduction in the public expenditure, and consequently in the double staff of Government officers now existing in the two Colonies; but I have the permission of the Secretary of State to assure you that the reduction will not fall exclusively on the public servants of Vancouver Island.

The Queen's prerogative of appointment to office is unfettered by the Act to which Her Majesty has assented.

It will be my duty to submit to Her Majesty's Secretary of State the names of those gentlemen whom I may consider best fitted to fill the several public offices which the service of the united Colony may require.

I am not as yet prepared, within a few days of my arrival, to perform the extremely important and painful duty which has devolved upon me. I shall, therefore, feel much obliged if you will continue to fulfil the duties of your office and the employment of your subordinates, until the 31st December 1866.

A bill of indemnity will be laid before the Legislative Council to protect me from the consequences of the unauthorized expense I am now undertaking.

Published by command,
Arthur N. Birch, Colonial Secretary.

I have, &c.
(Signed) FREDERICK SEYMOUR.

No. 20.

No. 20.

COPY of a DESPATCH from Governor SEYMOUR to the Right Hon. the Earl of
CARNARVON.

(No. 30.)

New Westminster, January 17, 1867.

(Received, March 20, 1867.)

MY LORD,

I HAVE the honour to report that I have constituted a Legislative Council for the United Colony of British Columbia, as follows:—

2. In obedience to Her Majesty's commands, I have reappointed the Colonial Secretary (Mr. Birch), the Attorney General (Mr. Crease), the Surveyor General (Mr. Trutch), and the Collector of Customs (Mr. Hamley). The office of Treasurer is in abeyance on account of my having been compelled, under circumstances detailed in another Despatch, to relinquish the services of Mr. Franks. On that gentleman's departure from the Colony, I propose as a temporary arrangement, to place Mr. Young, late Colonial Secretary of Vancouver Island, in the office of Treasurer, in order that I may make use of his local knowledge and experience in the Executive and Legislative Councils.

3. I have further appointed on my own responsibility nine gentlemen, whose names are on the commission of the peace, to be members of the Council. 1st, Mr. Wood, late Acting Attorney General of Vancouver Island, to act as Solicitor General during the legislative session, at a rate of salary equal to that which he drew when holding his late appointment. I think his services will be valuable in the amalgamation of the laws of the two sections of the Colony with which I am now proceeding.

2nd. Mr. Henry Ball is one of our ablest magistrates and acted successfully as Colonial Secretary during Mr. Birch's temporary administration of the Government.

3rd. Mr. Chartres Brew is the police magistrate of New Westminster. He possesses fully the confidence of the people, and has frequently been mentioned in terms of commendation by Sir James Douglas and myself.

4th. In the appointment of Mr. Clement Cornwall I sought to represent the agricultural interests and to secure for the Colony the intelligent but unfettered assistance of an English barrister and gentleman of large stake in the country. Mr. Cornwall represented the Yale-Lytton District in the late Council. I regret to say that a pressure of private business will prevent his attendance in Council during the present session.

I hardly know yet whether I shall have to fill up his place. Mr. Cornwall is an unpaid justice of the peace.

5th. Mr. William Cox represents the mining district of Cariboo.

6th. Mr. William Macdonald is the Mayor of Victoria. I have placed him in the position of an independent Member of Council as a mark of the interest I feel in the welfare of our principal town.

7th. Mr. Charles Nicol also comes in as an independent magistrate. He is the manager of the Nanaimo Coal Company, and will, with Mr. Southgate, the popular Member, represent the second town in Vancouver Island and one of our most important branches of trade.

8th. Mr. Peter O'Reilly is the Chief Gold Commissioner of the Colony, and one of the best of our public officers.

9th. Mr. Edward Sanders is the stipendiary magistrate of the Yale-Lytton District, an efficient and respected public officer.

4. I apportioned nine seats to be filled on the recommendation of the people. In this way; five to the mainland, four to the island. The mode of selection was the same as that previously existing in each section of the Colony. On the Island the old franchise was retained and the voters stood on the electoral roll. On the mainland, the selections took place previous to my return to the Colony, and were made by universal male suffrage of the inhabitants assembled in public meeting, Indians and Chinese, however, not being allowed to vote. The following is a list of the gentlemen selected and appointed.

1st. Mr. John Sebastian Helmcken is the late Speaker of the extinct House of Assembly of Vancouver Island. Although a somewhat vehement politician and disposed to consider principally the interests of the town of Victoria, I view his return to the Council with satisfaction.

2nd. Mr. John Robson is the president of the Municipal Council of New Westminster, and ardently devoted to the interests of the town he represents. He is editor of the "British Columbian," a journal of considerable local influence.

3rd. Mr. Joseph Despard Pemberton, late Surveyor General of Vancouver Island, represents Victoria district.

4th. Mr. Joseph Southgate has been selected by the people of Nanaimo. He is a respectable and intelligent merchant of Victoria.

5th. Mr. George Anthony Walkem, a barrister, represents for the 3rd time the miners of Cariboo.

6th. Mr. Robert Thompson Smith, one of our most enterprising miners, has been chosen by the inhabitants of the gold districts of the Kootenay and Big Bend of the Columbia.

7th. Mr. Edward Stamp, manager of any English Saw Mill company, has been chosen by the people of Lillooet.

8th. Mr. Amor de Cosmos, one of the most active of the Victoria politicians, has been selected as second Member for that town.

9th. For Yale and Lytton, Mr. George Wallace, a newspaper editor, was selected. He resigned, and on a new writ being issued, Mr. Francis I. Barnard was selected. I know nothing about Mr. Barnard except that he is the energetic Government contractor for the conveyance of the mails between New Westminster and the Upper Country.

5. It is allowed by general consent that such good elements for the constitution of a Legislative body have never before been collected in these Colonies, and I beg to recommend the Councillors generally for your Lordship's confirmation.

6. I have made the appointments for two years.

7. It is not to be expected that all will pass over quietly in the first session of the combined Legislature of two Colonies whose rivalry has disturbed this coast for many years, yet I allow myself to hope, that no serious obstacles will be placed in the way of the transaction of public business.

The Right Hon. the Earl of Carnarvon,
&c. &c. &c.

I have &c.
(Signed) FREDERICK SEYMOUR.

No. 21.

BRITISH
COLUMBIA.

No. 21.

COPY of a DESPATCH from Governor SEYMOUR to the Right Hon. the Earl of
CARNARVON.

(No. 31.)

New Westminster, January 21, 1867.

MY LORD,

(Received, March 20, 1867.)

I HAVE the honour to state that I opened the first Session of the Legislature of the United Colony of British Columbia, on the 24th instant by an Address, copy of which I beg to enclose.

2. I forward likewise copy of the reply made by the Council.

3. Considering the state of antagonism which has so long existed between the two sections of the present Colony, I may say that the work of the Session is progressing satisfactorily.

I have, &c.

The Right Hon. the Earl of Carnarvon, (Signed) FREDERICK SEYMOUR.
&c. &c. &c.

Enclosure 1 in No. 21.

Encl. 1 in
No. 21.

SPEECH of his Excellency the Governor at opening of Legislative Council, New Westminster,
January 24th, 1867.

HONORABLE GENTLEMEN OF THE LEGISLATIVE COUNCIL,

I BY no means underestimate the importance of the duty which devolves on me to-day of practically giving effect to the Legislative Union of the two British Colonies of the North Pacific. Nor can I avoid feeling the grave responsibility which rests upon me as Governor under the present distribution of power. There is considerable, though I trust temporary, depression existing in several portions of the Colony. There are conflicting interests which time alone can reconcile.

In all Legislative bodies on the English model it is the duty of the Executive Government to state the reasons why such Legislative body has been convened into Session, and this I shall proceed to do.

But first, it is well that I should lay before you the Standing Orders for the conduct of public business. They are prepared in obedience to Her Majesty's command, and vary but little from those previously in force. In deference, however, to the wishes of several Members of Council, I have struck out the order fining members for non-attendance.

I place prominently on the list of the measures which I wish you to pass, Bills of indemnity to my predecessor in office in Vancouver Island and myself for money expended without an Appropriation Act. The circumstances of the case are sufficiently familiar to all, and I have no doubt but that you will legalize acts of supreme necessity.

I shall likewise lay before you a Bill to indemnify me for having omitted to enforce certain provisions of the Vancouver Island Stock Act, 1865, and Schedule D. of the Harbour Dues Act, 1866.

It will be obviously desirable that the laws of the two sections of the Colony should be assimilated with as little delay as possible. I do not feel competent, at present, to propose this complete amalgamation. That may be left to the next Session. At present, I will endeavour to induce you to select from either section such laws as may be best suited to the immediate wants of the community at large. The Vancouver Island bankruptcy law, and that respecting the registration of titles to land might, I think, with advantage be extended over the whole Colony. From the British Columbia ordinances I would select for general adoption those enabling Indian evidence to be received in courts of justice, the law for the prevention of the sale of spirituous liquors to the aborigines, and that for the protection of their graves.

Then I would further favourably recommend for your consideration,—the mining laws as existing on the main land, the postal, joint stock, trustees' relief, currency, game protection ordinances, and that for the distribution of the estate of intestates. These have worked well in British Columbia, and it seems to me that we might beneficially extend their operation. A Bill or Bills for the purpose shall be laid before you.

As it is proposed to place the Crown lands of Vancouver Island under the control of the Legislature of the United Colony, as soon as suitable provision has been made for the public service, I shall lay before you a Bill authorizing the Governor to extend by proclamation the provisions of the present British Columbia Land Ordinance over the entire Colony, as soon as a satisfactory re-conveyance of the Island from the Hudson's Bay Company to the Crown shall have been made.

A Bill shall be laid before you to amend the Act giving certain powers to the municipality of Victoria.

The estimates of revenue and expenditure are prepared, and shall be laid before you at an early date. I deeply regret to have to state, whatever is well known to you, that the finances of both sections of the Colony were in a very unsatisfactory condition at the time that the union took place. Full information as to our exact position shall be laid before you, and I think you will agree with me, without examining into the question as to which of the two late colonies most required the support of the other, that union and the consequent large reduction of expenditure came none too soon. But gloomy as our present position may be, I think we can look to the future with confidence if we work faithfully together for the public good, merging as far as may be all sectional or local interests in a desire to promote the general welfare.

BRITISH
COLUMBIA.

The estimates are prepared to meet the present condition of things. They will be found, in the aggregate, to apply for a smaller sum than has for some years past been voted for the service of the main land alone. As a general rule, with one exception, to which I shall presently refer, all salaries have been reduced, from my own downwards. Though I, for one, do not find labour, responsibility, or expenditure diminished by the union of the colonies, other public officers whose salaries are guaranteed to them by law have cheerfully consented to submit to a temporary deprivation in the desire to help the Colony in its present emergency. The exception to which I refer is that of the Judicial Department. It is obviously desirable to avoid any discussion between the Executive Government and the judges in regard to the emoluments of the latter.

While deeply regretting the reductions that I am compelled to make, I must place on record, in the most public manner, my opinion that the great majority of the public servants who now suffer are fully entitled to salaries such as they drew last year. I trust that we may regard the present one as of exceptional embarrassment, and that better times may soon lead to a more satisfactory Appropriation Act. It is to the amalgamation, however, of offices rather than to the reduction of salaries that we must look for our future economy, and I shall earnestly recommend to the Secretary of State the removal to other colonies of some of our public officers. The case of those gentlemen who, through no fault of their own, lost office on the day of union, shall likewise be brought under the same consideration.

You will find from the estimates that I do not propose to undertake any public work of magnitude during the year. None are in progress on the main land; one of secondary importance and moderate expense on the Island approaches completion. The more pleasing task of improvement must be left for another year. It will be sufficient if for the present we keep our great road system in repair. I shall be glad if you will express an opinion on two points of importance. What is to be done with the dredging machine now lying in Victoria Harbour, and the steam vessel built in connexion with it? Do you consider it desirable to keep up a Government Assay Office? On this latter question I cannot act without the sanction of the Secretary of State. The department was constituted in England, at the request of the Colony, and has principally been managed by directions from the Lords of Her Majesty's Treasury. I must further await a decision as to the disposal of the public officers who conduct the department. Selected at home and proceeding to the Colony on the faith of permanent employment, having always admirably conducted the business of the office, I cannot imagine that they will be losers by any opinion you may express.

Great as is the present temporary financial embarrassment, justice requires the abolition of some of the taxation still existing in the late Colony of Vancouver Island. The real estate tax must be repealed, and the whole taxation assimilated throughout the Colony. Bills having these objects in view shall be laid before you early in the Session.

The Customs Act requires re-consideration. A Bill to amend it shall be laid before you.

Such are the principal measures which the Government proposes to introduce during the present Session. I feel that I have called you together somewhat late in the season; and as there are many matters of vital importance to be dealt with, I will not impede your progress by any measure which can be deferred. The Standing Orders, however, provide for the initiation of Bills by any Member of Council who may be desirous of doing so.

I shall address you, by Message, on the subject of education and a few other topics of importance during the course of the Session. One of these will probably be as to the cause of the selection made for the seat of Government of the united Colony. Up to within a few hours of meeting you, I had not the intention of touching upon it, but I am informed that the question creates an amount of interest which I cannot comprehend, but which appears to me a sign of great local depression. I shall address you on the subject by Message.

And now, before leaving you, let me express my confidence that better days are yet in store for us. The heavy cloud of adversity which hangs over the South lightens as we proceed Northward, and no winter has yet seen a more numerous and contented mining population than that which is now working on our gold creeks.

I shall watch with much interest your proceedings in the Session I open to-day. Grave and important duties are confided to our hands, and I firmly believe that they will be fairly dealt with. Trusting that the blessing of the Almighty may rest upon the efforts we are about to make to promote the welfare of the magnificent territory He has temporarily committed to our charge, I now leave you to your deliberations.

Enclosure 2 in No. 21.

REPLY of the Legislative Council.

To his Excellency Frederick Seymour, Governor and Commander-in-Chief of British Columbia and its Dependencies and Vice-Admiral of the same, &c.

May it please your Excellency,

We, Her Majesty's dutiful and loyal subjects, the Legislative Council of British Columbia, have received with pleasure the speech with which you have honoured us.

We are fully sensible of the arduous and important duties devolving upon your Excellency at this critical period in the history of the Colony; and we shall not fail on our part to render every assistance in carrying out all measures calculated to promote the public welfare.

The Acts of Indemnity referred to by your Excellency, and the Bills amalgamating the laws of the Colony, shall receive our most careful consideration.

We are gratified to learn that the Crown Lands of Vancouver Island are to be placed under the control of the Legislature. We trust that the reconveyance of the Island will be consummated with as little delay as possible, and that it will be followed by a general land system, so liberal as to encourage immigration and settlement, and to foster our agricultural interests.

Conscious of the financial embarrassment of the Colony we learn with satisfaction that your Excellency has caused the Estimates to be prepared with the strictest economy compatible with the efficiency of the public service.

Your Excellency having drawn the particular attention of the Council to the Assay office, and to the dredging machine and steamer, we venture to assure you of the earnest consideration with which these subjects shall be treated by the Council.

We desire to express our entire concurrence in the proposed measures for the repeal of the Real Estate Tax in Vancouver Island, and for the assimilation of taxation throughout the Colony.

We shall look forward with anxiety to the Messages which your Excellency has been pleased to promise us upon the important subjects of Education and the Seat of Government.

We are fully alive to the serious responsibilities which rest upon us in the discharge of our duties during the ensuing Session, and we beg to assure your Excellency that the task imposed upon us will be cheerfully undertaken, that the interests confided to us will be carefully guarded, and that in the promotion of all measures conducing to the advancement and prosperity of the Colony, your Excellency will meet with our most cordial co-operation. With your Excellency also, we venture to hope that the days of depression may soon pass away, and we confidently look forward to the wisdom of your Excellency's administration to stimulate industry, restore confidence, and dispel the present gloom, fervently trusting that under the guidance of Divine Providence, your Excellency's efforts may be crowned with success.

VANCOUVER
ISLAND.

Despatches from the Secretary of State.

No. 1.

No. 1.

COPY of a DESPATCH from the Right Hon. EDWARD CARDWELL, M.P., to THE OFFICER ADMINISTERING the GOVERNMENT of BRITISH COLUMBIA.

(No. 23.)

SIR,

Downing Street, April 30, 1866.

IN connexion with the Appropriation Ordinances passed by the Legislature of British Columbia, No. 18 of 1864, and No. 9 of 1865, upon which I have in another despatch of this day's date signified to you Her Majesty's decision, I have the honour to forward to you herewith a copy of a letter which has been received from the Board of Treasury.

This letter enters fully into the financial condition of the Colony for the years 1864 and 1865, and adverts generally to the financial policy pursued by the local government.

In the observations of their Lordships I must express my entire concurrence, and I beg that the future proceedings of your Government in its financial arrangements may be regulated in accordance with the views which their Lordships define.

I observe from the returns which accompanied your Despatch No. 11 of the 12th of February last that the debt due by the Government of the Colony to the Bank of British Columbia was on the 1st of January last 33,675*l.*, whereas in January 1865 it was 27,209*l.* I call your attention to this fact, as it is evident that the expenditure of the Colony has been continued throughout 1865 at a rate out of all proportion with the resources at its disposal. It is apparent also that, notwithstanding the experience of previous years, the error has been again committed by the Colonial authorities of over-estimating the revenue of 1865.

I have, therefore, to instruct you that the expenditure of this year must be reduced to such amount as may be covered by a revenue calculated on the actual average receipts of the last two years, and that any further large expenditure on new roads and works of that nature must be postponed until the resources of the Colony will admit of their being undertaken with less pressure on its finances.

I have, &c.

To the Officer administering the
Government of British Columbia.

(Signed) EDWARD CARDWELL.

Enclosure in No. 1.

Encl. in No. 1.

SIR,

Treasury Chambers, April 19, 1866.

The Lords Commissioners of Her Majesty's Treasury have had under their consideration your letter of the 15th November last, enclosing with other papers the report of the Auditor General of British Columbia on the accounts of that Colony for the year 1864.

Their Lordships have also had before them the Colonial Office letter of the 20th ult., forwarding certain enclosures which should have accompanied your letter of 30th September last, transmitting for the approval of this Board an Ordinance, No. 9 of 1865, to apply the sum of 225,946*l.* 12*s.* 8*d.* to the general service of the Colony for that year.

My Lords desire me to state, for the information of Mr. Secretary Cardwell, that they will not further defer their assent either to the Ordinance No. 18 of 1864, or to the Ordinance No. 9 of 1865; but they think it necessary to add that they give this assent more because of the inconvenience of withholding their sanction from an expenditure already incurred, than because they are satisfied that the expenditure has been prudently undertaken.

My Lords observe, from the report of the Auditor General, that though the Revenue Ordinances, No. 3 and 18 of 1864, appropriated 195,716*l.* to the service of that year, the actual expenditure was 160,350*l.*

The revenue of that year actually received was, however, only 104,865*l.* against an "estimated" revenue of 120,000*l.*, leaving a deficiency of 55,485*l.* to be met, according to the statement of the Auditor General, out of the loan of 100,000*l.* authorized to be raised under Ordinance No. 7 of 1864.

This loan was not raised till April 1865, and then produced less than 94,000*l.*; and, in consequence of the late period at which it was raised, the expenditure of the years 1864 and 1865, which was mainly regulated by that loan, has become in some degree mixed up.

Their Lordships apprehend that it may be ultimately found that some portion of the deficiency of 1864 may have been met by balances on the loan of 1863; but they have no sufficient information before them to enable them to come to any clear understanding on that point.

Accepting, therefore, the statement of the Auditor General, that the whole of the deficiency of that year had to be met from the loan raised in 1865, it seems to my Lords, that if, of the liabilities of the

Colony at the close of 1864, as set forth in the statement which accompanied the report of the Auditor General, those are taken which it was necessary to meet in 1865, and some of which are directly provided for in the estimates of that year, an approximate notion may be formed of the probable financial condition of the Colony at the close of 1865, supposing that the actual expenditure, within the Colony, of the different Departments for that year, is actually incurred.

These liabilities appear to be as follows, viz. :—

	£
Redemption of bonds - - - - -	6,400
Bills on agents in anticipation of loan raised in 1865 - - - - -	26,300
Debt due to Bank of British Columbia - - - - -	27,210
Interest due to Bank - - - - -	559
Drawback and refunds - - - - -	550
Balance due to agents on 31st December 1864 - - - - -	2,350
Approximate expenditure of 1864 not brought to account until 1865 - - - - -	22,000
Total - - - - -	<u>85,369</u>
But to these liabilities must be added - - - - -	22,000
(the amount falling due within the year 1865 as interest and sinking fund on the loans of 1862, 1863, and 1865).	
Making total liability of - - - - -	<u>107,369</u>

to be met in 1865, irrespective of the actual departmental expenditure within the Colony.

My Lords turn now to the estimates of revenue and expenditure transmitted for the year 1865, and they find that the revenue was estimated to produce 153,615*l*.

From the fallacious nature of the estimate for 1864, my Lords would have been disinclined to admit the prudence of an estimate, which calculated on a rise from 104,865*l*, the actual receipts of 1864, to 153,615*l* in 1865.

They observe, however, in the Return of Receipts and Disbursements of the Colony which accompanied the Colonial Office letter of 11th January last, that the Return of the regular revenue from taxes and duties for the second quarter of the year was 39,511*l*. It is possible, therefore, that although the return for the previous quarter appeared to be so unfavorable, the expectations as regards the revenue may in that year have been fulfilled; and if such should be the case, my Lords readily admit that it would be the best and most satisfactory justification for the loan policy which has been sanctioned as regards this Colony.

Admitting, therefore, though with considerable doubt, the correctness of the estimate of revenue, the amount applicable to the charges of the year 1865 will consist of—

	£
Revenue - - - - -	153,615
Loan of April 1865 - - - - -	93,931
Due by Her Majesty's Government on account of regimental pay account - - - - -	2,937
Advances unaccounted for - - - - -	11,772
Total - - - - -	<u>262,255</u>

On referring to the abstract of the estimated expenditure for the year, it appears that the amount to be expended by the departments within the Colony, as per items 1 to 12 inclusive, and item No. 15, is in round numbers 160,000*l*.; and if to this be added the liabilities as stated above, it will appear that the charges for the year will be 267,369*l*, as against resources amounting, under the most favorable circumstances, to only 262,255*l*.

My Lords are aware that the estimates of the year were framed previous to any intimation of the actual produce of the loan of April 1865; and they hope, from the terms of the Governor's despatch of 16th May 1865, that some portion of the estimated expenditure on roads, &c. will at least have been postponed until information was received as to the produce of the loan.

At all events, that loan is now exhausted, and the financial affairs of the Colony will, during the current year, have to be conducted without the extraneous assistance which has of late years been received, and there will be in consequence a better opportunity of judging what its financial condition now is.

With the interest and sinking funds of the colonial debt, amounting already to over 20,000*l*. a year, my Lords would hesitate before they could sanction for the present any further extension of the loan system; and they think that the Governor should be instructed that the expenditure of this year must not be based on the supposition that he is again at liberty to incur a portion of it on the prospect of any new loan; and he should be warned as strongly as possible against that hasty and sometimes ill-considered expenditure which a loan policy is apt to encourage, but the continuance of which on the cessation of such policy is seldom prevented without more than ordinary care.

My Lords prefer to deal thus generally with the expenditure of British Columbia during the two years in question, partly on account of its being at this time a matter of the past, and partly because they expect that that of the current year will afford better material for an opinion as to the financial condition of the Colony. Their Lordships, however, request that they may receive as early as possible a full statement from the Governor of the actual receipts and disbursements within the year 1865, together with a full account of the liabilities of the Colony at the close of that period.

Sir F. Rogers, Bart.
&c. &c.

(Signed)

I am, &c.
HUGH C. E. CHILDERS.

VANCOUVER
ISLAND.
No. 2.

No. 2.

COPY of a DESPATCH from the Right Hon. the Earl of CARNARVON to
Governor KENNEDY, C.B.

(No. 3.)

SIR,

Downing Street, August 13, 1866.

I HAVE the honour to transmit to you a copy of the Act passed this Session by the Imperial Parliament for the union of the Colony of Vancouver Island with the Colony of British Columbia.

You are aware that the plan of uniting the two Colonies has been for some time under consideration. It was the wish of the Duke of Newcastle to have effected this measure; and though his Grace deferred to the public feeling which prevailed against union, he entertained little doubt that the force of circumstances would, at no distant period, cause a change of opinion in the minds of the reflecting and intelligent members of the community. This opinion has been fully realized. During the years 1865 and 1866 applications have been formally addressed to Her Majesty's Government by the Legislature of Vancouver Island, praying to be united with British Columbia; and my predecessor in this office, who for two years had carefully watched the course of events in both Colonies, was satisfied, not only that this union would prove advantageous to both Colonies, but that it had become indispensable. Mr. Cardwell, therefore, introduced a Bill into the House of Commons for this purpose, which, after careful consideration, was adopted by Her Majesty's present Advisers, and has now received the sanction of Parliament. You will perceive that the third clause of the Act imposes on the Governor of British Columbia the duty of proclaiming the law when Vancouver Island will cease to be a separate Colony, and your own functions as its Governor will unavoidably determine. I regret much the unfavourable effect which this measure will have upon your interests. And I regret it the more because I am aware that your conduct in the administration of a government which has been by no means free from difficulty has been distinguished by good judgment, and has uniformly obtained the approbation of my predecessor.

I am confident that, so long as you retain the government of Vancouver Island, from which I am thus reluctantly obliged to relieve you, it will be your endeavour to support the policy of Her Majesty's Government, and to facilitate by all means in your power the consolidation of Her Majesty's Colonies in the Pacific under one effective government.

Governor Kennedy, C.B.
&c. &c.

I have, &c.
(Signed) CARNARVON.

Encl. in No. 2.

Enclosure in No. 2.

IMPERIAL ACT, 29 & 30 Vict. c. 67.

[Not reprinted.]

No. 3.

No. 3.

COPY of a DESPATCH from the Right Hon. the Earl of CARNARVON to
Governor KENNEDY, C. B.

(No. 6.)

SIR,

Downing Street, August 21, 1866.

I HAVE the honour to acknowledge the receipt of your Despatch No. 45,* of the 26th June, respecting the financial position of the Colony under your government.

The difficulties to which you refer will, I trust, be removed by the proposed union of Vancouver Island to British Columbia.

Governor Kennedy, C.B.
&c. &c.

I have, &c.
(Signed) CARNARVON.

* page 6.

No. 4.

VANCOUVER
ISLAND.

No. 4.

COPY of a DESPATCH from the Right Hon. the Earl of CARNARVON to Governor
KENNEDY, C. B.

(No. 7.)

SIR,

Downing Street, August 22, 1866.

I HAVE the honour to acknowledge the receipt of your Despatch No. 43,* dated * page 2.
the 16th June last, enclosing a memorial addressed to my predecessor by the Legislative
Assembly of Vancouver Island, praying that certain clauses in British Columbia Customs
Duties Ordinance, No. 3 of 1865, may be disallowed by Her Majesty's Government.

I have to request you to inform the memorialists that the Governor of British
Columbia has been apprised by a recent Despatch that Her Majesty will not be advised ✓
to confirm the Ordinance No. 3 of 1865 in its present form;—although the matter will
cease to be of importance to the inhabitants of Victoria when the Island and the main-
land form part of the same Colony.

Governor Kennedy, C.B.
&c. &c.

I have, &c.
(Signed) CARNARVON.

No. 5.

No. 5.

COPY of a DESPATCH from the Right Hon. the Earl of CARNARVON to
Governor KENNEDY, C.B.

(No. 8.)

SIR,

Downing Street, August 22, 1866.

I have the honor to acknowledge the receipt of your Despatch, No. 46,* of the * page 8.
26th June, enclosing a memorial addressed to my predecessor by the Legislative Council
of Vancouver Island, praying that the British Columbia Ordinance No. 3 of 1865 may
be disallowed.

I have in reply to refer you to my Despatch, No. 7, of to-day's date, from which you
will learn that that Ordinance will not be submitted for Her Majesty's confirmation in its
present form.

Governor Kennedy, C.B.
&c. &c.

I have, &c.
(Signed) CARNARVON.

No. 6.

No. 6.

COPY of a DESPATCH from the Right Hon. the Earl of CARNARVON to
Governor KENNEDY, C.B.

(No. 10.)

SIR,

Downing Street, September 12, 1866.

I HAVE the honor to acknowledge the receipt of your Despatch, No. 50,* of the * page 13.
12th July last, enclosing correspondence on the subject of the Bill, authorizing a loan of
\$90,000, which has recently passed the Legislature of Vancouver Island.

I regret that the Assembly has neglected to provide ways and means for the expen-
diture of the Colony, and has preferred adopting a Bill for defraying the indispensable
public services by means of a loan to be raised at the high annual interest of 12 per cent.

Such a course appears to me to be objectionable in the highest degree, but it is to be
hoped that after the union of Vancouver and British Columbia, the united Government
may devise some more legitimate and fitting manner of providing for the public wants.

Governor Kennedy, C.B.
&c. &c.

I have, &c.
(Signed) CARNARVON.

VANCOUVER
ISLAND.
No. 7.

No. 7.

COPY of a DESPATCH from the Right Hon. the Earl of CARNARVON to,
Governor SEYMOUR.

SIR,

Downing Street, September 14, 1866.

* page 16.

I HAVE the honor to transmit to you a copy of a Despatch* from Acting Governor Birch, proposing certain reductions in the civil establishments of British Columbia.

You have my full authority upon your return to your government to effect, subject to my sanction, such reductions as appear to you to be demanded by the financial state of the Colony, and to be consistent with the efficiency of the public service.

I have, &c.

Governor Seymour,
&c. &c.

(Signed) CARNARVON.

No. 8.

No. 8.

COPY of a DESPATCH from the Right Hon. the Earl of CARNARVON to
GOVERNOR KENNEDY, C.B.

(No. 15.)

SIR,

Downing Street, October 31, 1866.

I HAVE received from time to time a considerable number of Despatches and other communications as noted in margin, relating to the constitution of Vancouver Island, and to the union which has been long proposed between that Colony and British Columbia. In acknowledging them, I think it advisable to place on record, in some degree, the motives by which Her Majesty's Government have been actuated in taking steps for the complete union of the Colonies.

So long ago as the 15th of June 1863 I observe that the Duke of Newcastle expressed his conviction that the Colonies ought to form one Government. But this course was open to three strong objections:—

First, it was opposed to the prevalent feeling on the spot:

Secondly, the formal grant of representative institutions was impossible in British Columbia, while they already existed in and could not be withdrawn from Vancouver Island except by a strong exercise of Parliamentary power, or by an intimation on the part of that Colony that it was willing to place itself in the hands of Her Majesty's Government:

Thirdly, the commercial policy of Vancouver Island was opposed to the imposition of Import Duties, on which the Government of British Columbia was obliged to rely for its revenue.

But for these objections the Duke of Newcastle considered, and indeed no reasonable person could doubt, that the interests of the Colonies, whether in point of economy or in point of administrative efficiency, required that they should be consolidated under one Legislative and one Executive Government.

Such were the views of the Home Government in 1863. On the 2nd March 1865 the difficulty hitherto existing was disposed of by the Assembly of Vancouver Island declaring by Resolution that "the immediate union of this Colony with British Columbia, under such constitution as Her Majesty may be pleased to grant, is the means best adapted to prevent permanent causes of depression, as well as to stimulate trade, foster industry, develop our resources, augment our population, and increase our permanent prosperity."

Later, on the 13th of December 1865, the same Assembly "endorsed" these Resolutions; but while expressing their preference for Representative Institutions, and apparently for what is called Responsible Government, repeated their conviction that the immediate union of Vancouver Island and British Columbia was necessary beyond any other measure to impart confidence to the public mind, and to place both Colonies on a prosperous footing. They also referred to the willingness which they had already shown to accept whatever constitution Her Majesty's Government might be pleased to grant.

These Addresses, adopted by the Legislature at an interval of nearly a year, must plainly be taken as representing the deliberate opinion of the community in favour of union, even at the sacrifice of their representative institutions, and though it is true that certain of the inhabitants of Vancouver Island were evidently opposed to the imposition of Import Duties in that Island, yet it is evident that, if union was to be effected, the

imposition or removal of those duties must remain a question for the decision of the United Legislature. It must be supposed that the Assembly accepted this obvious consequence of their own request. VANCOUVER
ISLAND.

Thus the difficulties of consolidation, as far as regards Vancouver Island, were wholly removed, and on terms to which no reasonable objection could be raised on the part of British Columbia. Under these circumstances, Her Majesty's late Government introduced a Bill into Parliament with that object, and that Bill was subsequently adopted and carried on by me. When that Bill was passing through Parliament some Resolutions (unaccompanied by any report from the Governor of the Colony) were received by telegraph, which had been passed in the month of June by the House of Assembly, and which, though they reasserted the vital necessity of union, prayed that this union might take place under a certain constitution, which would be representative in its general character, but the terms and conditions of which were very loosely specified. The Assembly, however, did not specifically withdraw the original pledges of January and December 1865, and they impressed on the Secretary of State the injury which was inflicted on both Colonies by the then existing state of uncertainty.

Even in the absence of explanations from the Governor, it was evident that these expressions of opinion did not justify Her Majesty's Government in delaying for another year the union which the Assembly had consistently, and in the opinion of successive Secretaries of State correctly, pronounced indispensable, and in protracting the uncertainty which they had declared to be injurious.

The Bill, therefore, was carried through Parliament, and may, perhaps, have resulted in the union of the two Colonies before this Despatch can reach its destination.

That union will render it unnecessary for me to enter on a variety of subjects which are treated of in the Despatches and letters now under acknowledgment; but I have thought it necessary to furnish you with this explanation of the proceedings of Her Majesty's Government, lest they should be thought to involve any want of consideration for the then existing Legislature of Vancouver Island, or should be attributed to any other motive than the desire to complete with promptitude an arrangement I believe to be not more in accordance with the main interests of the two Colonies than with their wishes, and to terminate a state of uncertainty of which I am convinced the mischief is not overstated by the Assembly of Vancouver Island.

Governor Kennedy, C.B.,
&c. &c.

I have, &c.
(Signed) CARNARVON.

No. 9.

No. 9.

COPY of a DESPATCH from the Right Hon. the Earl of CARNARVON to
GOVERNOR KENNEDY, C.B.

(No. 24.)

SIR,

Downing Street, November 16, 1866. ✓

I HAVE the honour to acknowledge the receipt of your Despatch, No. 66,* of the 31st August, transmitting a further Resolution of the Legislative Assembly relating to union with British Columbia. * page 26.

I shall best answer this communication by referring you to my Despatch, No. 15,† of 31st of last month, in which I expressed myself fully on this subject. † page 46.

Governor Kennedy, C.B.,
&c. &c.

I have, &c.
(Signed) CARNARVON.

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