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# REPORT

On the subject of the mission of the Hon. Mr. DeCosmos, Special Agent and Delegate of the Province of British Columbia to Canada and England, with regard to the construction of a Dry Dock at Esquimalt and the raising of funds for the carrying out of certain Public Works in the Province.

By Command.

JOHN ASH,  
*Provincial Secretary.*

*Provincial Secretary's Office,  
3rd February, 1874.*

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*To His Excellency the Honorable JOSEPH W. TRUTCH, Lieutenant-Governor of British Columbia, &c., &c.*

SIR,—I have the honor to report that, in accordance with my appointment as Special Agent and Delegate of your Government to make arrangements with the Dominion and Imperial Governments to secure funds in aid of the construction of a first-class Graving Dock at Esquimalt, and to obtain a loan for other Public Works, and to confer with the Dominion Government respecting the Railway Reserve on the East Coast of Vancouver Island, I left Victoria on September 23rd last, and proceeded as rapidly as possible to Ottawa, where I arrived early in October.

Immediately after my arrival there, I placed myself in communication with the Dominion Government in order to carry out the objects of my mission.

I was informed that with respect to aid for constructing the Graving Dock and the granting of a loan for public improvements, I should have to wait until the return of Mr. Tilley, Minister of Finance, then absent in England.

Subsequently, I addressed the letters marked respectively B B and C C, respecting the Graving Dock and proposed Loan, to Mr. Aikins, Secretary of State for Canada, and received his acknowledgment, marked D D.

On his return, about the commencement of the last session of Parliament, an arrangement was made by which the Minister of Finance, on behalf of the Dominion Government, agreed to submit to Parliament a measure to give this Province £50,000 sterling as a bonus in lieu of the guarantee in the Terms of Union of interest at 5 per cent. per annum on £100,000 for ten years in aid of the construction of a first-class Graving Dock at Esquimalt. The money was to be advanced from time to time on certificates of the progress of the work. The letter of Mr. Tilley respecting the arrangement was mislaid in the office of the present Minister of Public Works at Ottawa, but I have telegraphed to him to forward a copy from the Finance Department.

With respect to a loan for public improvements, an arrangement was made with the Dominion Government, through Mr. Tilley, by which the Dominion Government agreed to advance to this Province a sum equal to the difference between its actual and allowed debt, or about \$1,000,000, at 5 per cent. per annum, without a sinking fund, with the condition that the Province might refund the same at any time. An Order in Council of the Honorable the Privy Council of Canada, marked A A, sanctioning this arrangement, accompanies this Report.

Before concluding the arrangements with Mr. Tilley respecting the Loan, I addressed to him the letter marked E. E.

With reference to my instructions to confer with the Dominion Government as to opening the Railway Reserve of land on the East Coast of Vancouver Island to

settlement, I was informed by Mr. Langevin, Minister of Public Works, that nothing could be done until Mr. Fleming, Chief Engineer of the Canadian Pacific Railway, returned from New Brunswick. But very shortly after his return, and before the matter could be considered, the Ministry of Sir John A. Macdonald resigned.

After the resignation of the Macdonald Ministry, I considered it advisable to ask their successors to confirm the arrangements made with the late Government respecting the Dock bonus and loan.

Without entering into minute details of the negotiations with the new Ministry, I have much pleasure in stating that Mr. Mackenzie, Premier of Canada, agreed to submit a measure to Parliament to grant as a bonus £50,000 sterling to this Province in lieu of the guarantee in Section 12 of the Terms of Union. His letter to this effect, marked B., accompanies this Report.

He also agreed to submit a measure to Parliament to make advances to this Province, from time to time, for improvements, of a sum equal to the difference between its actual and allowed debt, and that the same might be repaid at any time that the Provincial Government might think proper. His letter, marked A, giving this pledge, accompanies this Report.

As a matter of record, it may be here stated that the nature of the guarantee in section 12 of the Terms of Union respecting the Graving Dock, was considered during the negotiations with Mr. McKenzie; and that the decision was that the £50,000 sterling in lieu of the guarantee of interest in section 12 of the Terms of Union, should be given to the Province as a grant or bonus,—and was not to be charged as a debt against the Province.

With respect to the Railway Reserve, Mr. Mackenzie promised to inform the Provincial Government of the course his Government would adopt, at the earliest moment possible.

In order that you might be made acquainted, as early as possible, with the result of the negotiations with the Dominion respecting the Dock and Loan, I addressed two letters, marked C and D respectively, to the Provincial Secretary, accompanied by copies of Mr. Mackenzie's letters, marked respectively A and B.

A few days before I concluded these negotiations, I asked some of our Provincial representatives to join me in a letter to Mr. Mackenzie, concurring in the proposal of the late Government respecting the Dock, which they cheerfully did. A copy of this letter, marked E, accompanies this Report.

The negotiations with the Dominion Government having been satisfactorily concluded, I made arrangements to proceed at once to England to secure Imperial aid for constructing the Dock. Accordingly I sailed from New York on November 19th, and arrived in London on December 1st.

The time was inopportune to negotiate with the Imperial Government. Ministers had either all left town, or were on the point of departure for the country, and were not expected to transact any but the most important business till after Christmas and New Year holidays. However, I addressed the letter herewith submitted, marked F, to Lord Kimberley, requesting an interview respecting the Dock, and presented it personally to the Under-Secretary, Mr. Herbert, who informed me that Lord Kimberley was absent, and that at least six weeks would transpire before the Government would be able to decide upon the matter. The letter, herewith submitted, marked G, is Lord Kimberley's reply.

Having heard that Mr. Gladstone and Mr. Goschen were likely to be in town the next day I sent a memorandum, marked H, to Mr. Godley, Private Secretary, stating the grounds on which I sought an interview with Mr. Gladstone, and received in reply the letter marked I. I also wrote the note, marked K, to Captain Fairfax, asking an interview with Mr. Goschen, First Lord of the Admiralty, and received in reply the note marked L, acquainting me that Mr. Goschen would receive me the next day.

At the time appointed, I met Mr. Goschen at the Admiralty, and made a verbal statement of my proposal for aid respecting the Dock. He informed me that

Admiral Richards, Hydrographer, and Colonel Pasley, Director of Works, would have to make their reports respecting the Dock before he could give an official answer to my proposal. He referred it to those gentlemen at once, and the same day I had an official interview with Admiral Richards and Colonel Pasley on the subject. The plans of the Dock at Thetis Cove, made by Mr. Bulkley, were examined, and the nature of the aid from the Imperial Government that I sought was discussed. The next day was appointed for a further consideration of the matter. Admiral Richards informed me that there was no place in the world where a first class Dock was so much required, for the use of Her Majesty's Fleet, as at Esquimalt, and that he would report in favour of it. Colonel Pasley also agreed to report in its favour. They both informed me, subsequently, that they had done so.

The same day I addressed the letter marked M to the Secretary of the Admiralty. It contains my proposal as to the conditions on which a first class Dock, suitable for the use of the largest Iron-clad Ships of War, would be constructed by the Province, and the grounds on which the Province would give £50,000 to the Imperial Government.

On the 8th, I addressed the letter marked N to the Secretary of State for the Colonies, for his information.

On the 10th I had another interview with Mr. Goschen. He informed me that the Government could not think of accepting £50,000 from British Columbia and undertake the construction of the Dock at Esquimalt. That the other proposal to assist the Province in constructing it was narrowed down to one of degree, and that degree the difference between a smaller Dock suitable to accommodate ordinary sized vessels, and a larger one that could be used by the largest class of ironclad ships of War. After considerable discussion he asked for my ultimatum, and I informed him that if my proposal was not satisfactory a counter proposition ought to come from him, which he acknowledged; but as it was necessary for me to return home as quickly as possible, I would amend my proposal by agreeing, on behalf of the Province, to accept a bonus of £50,000 when the Dock located in a suitable place in Esquimalt, and of such dimensions as would be acceptable to the Admiralty, was satisfactorily completed. He then informed me that it was impossible to give me an answer during the next four weeks.

One reason for the delay, I may add, was that if aid were recommended by the Admiralty it would have to pass the Treasury Board, and then be communicated to the Colonial Office. But the most important reason why no answer could be had was that there was no expectation of a Cabinet meeting till the middle of January. An answer, I was informed, to my proposal would be given as soon as possible. After this interview, I addressed the letter marked O to the Secretary of the Admiralty. It contains my amended proposal to Mr. Goschen. I deemed this expedient, so as to make it unnecessary to apply to Parliament for an immediate vote.

Subsequently, in an interview with Colonel Pasley, he informed me that he believed the Government would grant aid to the Dock, but possibly not so large a sum would be granted as I had asked for, and that they might also ask that Her Majesty's Ships should be docked at three-fifths of the cost of ordinary vessels.

Knowing that it was impossible to get an answer from the Imperial Government before the lapse of a month or six weeks if I remained in England, and aware that I was expected to be present here during the existing Session of the Legislature, I wrote the letter marked P, herewith submitted, addressed to Her Majesty's Principal Secretary of State for the Colonies, acquainting him with my intended departure for home, and requesting him to telegraph an answer to my application to the Provincial Secretary, and to communicate the same to the Agent-General of the Province, Mr. Sprout. The letters marked respectively Q, R, S, T, and U, are submitted as bearing on my mission.

Before leaving England, I deemed it my duty to acquire some information respecting the different kinds of Graving Docks in the United Kingdom, consequently I visited several of the well-known Docks in London, the new Government Docks

at Chatham, the Docks of Palmer & Co. at Newcastle, the Leith Docks, Henderson & Co's Docks, Glasgow, the Garvel Dock, Greenock, the Sandon and other Docks in Liverpool. The information collected I consider unnecessary to detail here, but will place it at the disposal of the Government.

On my return to Ottawa, I asked Mr. Mackenzie, Minister of Public Works, whether his Government would object to a first-class Graving Dock of smaller dimensions than one that would accommodate the largest iron-clad ships of war, being built by the Province. He replied that his Government would offer no objection.

Since my return here, I sent the telegram marked V, and received the reply marked U.

In conclusion, I may add that I believe that the Imperial Government will aid in the construction of the Graving Dock at Esquimalt; but it is possible that there may be some additional delay in communicating their answer owing to the dissolution of Parliament.

I cannot close this report without acknowledging the able services of Mr. Sproat, Agent-General of the Province.

I have, etc.,  
A. DECOSMOS.

(Signed)

*Victoria, B. C., February 2, 1874.*

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*Copy of a Report of a Committee of the Honorable the Executive Council, approved by His Excellency the Lieutenant-Governor on the 20th day of September, 1873.*

On a memorandum, dated 17th September, 1873, from the Hon. the Chief Commissioner of Lands and Works, reporting that there are many Public Works required in this Province the cost of which cannot be defrayed out of the ordinary Provincial revenue without a loan, but which if undertaken would be of great public benefit, and would tend materially to give employment and secure settlement in the Province, and enumerating the following:—

The Graving Dock at Esquimalt; Public Roads in New Westminster District, Vancouver Island, and other portions of the Province; Surveys of the Provincial lands; University, or High School; Hospital and Lunatic Asylum buildings, &c.

And recommending that the sum of one million of dollars be provided for that purpose.

The Committee advise that the recommendation be approved.

(Certified)      W. J. ARMSTRONG,  
Clerk Executive Council.

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*Copy of a Report of a Committee of the Honorable the Executive Council, approved by His Excellency the Lieutenant-Governor on the 20th day of September, 1873.*

On a memorandum, dated 17th September, 1873, from the Hon. the Minister of Finance, reporting on a recommendation from the Hon. the Chief Commissioner of Lands and Works, in which he states that many Public Works, which he enumerates, are required in this Province, and recommends that one million of dollars be provided for their construction.

The Minister of Finance considers that the sum of \$1,000,000 might be provided as follows:—

That the Dominion Government pay in cash \$250,000 in lieu of the guarantee of 5 per cent. per annum interest for ten years on £100,000 sterling for the construction of a first-class Graving Dock at Esquimalt.

That the Imperial Government be requested to loan this Province, in aid of the construction of the said Dock, the sum of \$250,000, for 21 years, at 4 per cent per annum interest, without Sinking Fund, on the security of the Dock; or, should that security not be acceptable, then to be secured upon the Consolidated Revenue of the Province, or upon the subsidies granted to the Province by the Dominion of Canada.

That the Imperial Government be also urged to grant to the Province an annual sum of \$10,000, to be repaid from time to time by the docking of Her Majesty's ships in the said Dock.

That the Dominion Government be requested to loan the Province the balance of the amount required, at 5 per cent. per annum interest, and 1 per cent per annum sinking fund, secured on the Consolidated Revenue of the Province; or that they be requested to guarantee for 35 years the interest and sinking fund on the amount required, secured upon the Consolidated Revenue of the Province.

In the event of negotiations as above not being successful, it will be necessary to ascertain by some means on what terms as to interest, sinking fund, and incidental charges one million of dollars, or a smaller amount in Provincial bonds, may be sold in England or Canada, from time to time, as funds may be required to meet the expenditure for the proposed Public Works, such loan to be made a first charge on the Consolidated Revenue of the Province.

The Minister of Finance therefore recommends that the Hon. the President of the Executive Council be empowered to negotiate with the Governments of the Dominion and of Great Britain, with the object of obtaining funds for the construction of the proposed public works, and that he be authorized to proceed at once to Ottawa and London to that end, and that he report the result of his mission in time to allow the sanction of the Legislature to be asked during the next session for the construction of the said works.

The Committee advise that the recommendation be approved.

(Certified)

W. J. ARMSTRONG,  
*Clerk Executive Council.*

*The Lieutenant-Governor to the Secretary of State for Canada.*

COPY.  
No. 79.

GOVERNMENT HOUSE, VICTORIA,  
22nd September, 1873.

SIR,—I have the honor to request that you will lay before His Excellency the Governor-General, the enclosed Minute of my Executive Council, authorising and empowering the Hon. Amor DeCosmos, President of the Executive Council and Premier of my Ministry, to be the Special Agent and Delegate of this Government, to negotiate with the Dominion and Imperial Governments preliminary arrangements for securing the means to carry out certain Public Works in this Province, for which it is proposed to ask the sanction of the Legislature at its next Session; and, in accordance with the desire of my Ministers expressed in this Minute, I beg to request that His Excellency may be moved to inform Her Majesty's Principal Secretary of State for the Colonies, that Mr. DeCosmos is duly accredited by the Government of this Province to act as its Special Agent and Delegate in all negotiations having for their object the construction of a first-class Graving Dock at Esquimalt; and the obtaining of a loan on the security of the Consolidated Revenue of the Province.

Mr. DeCosmos starts to-morrow for Ottawa, and takes with him a duplicate of this Despatch and its enclosure.

I have, &c.,

(Signed)

JOSEPH W. TRUTCH.

*Copy of a Report of a Committee of the Honorable the Executive Council, approved by His Excellency the Lieutenant-Governor on the 20th day of September, 1873.*

On a memorandum, dated the 18th September, 1873, from the Honorable the Provincial Secretary, reporting that it is necessary to make preliminary arrangements in Ottawa and London, with the Dominion and Imperial Governments, for securing the means to carry out certain Public Works, for which the sanction of the Legislature will be asked during the coming Session.

The Committee recommend that Your Excellency do authorize and empower the Honorable A. DeCosmos, President of the Executive Council, to be the Special Agent and Delegate of this Government to negotiate such arrangements with the Dominion and Imperial Governments, and that Your Excellency be requested to inform the Secretary of State for Canada and, through the proper channel, Her Majesty's Principal Secretary of State for the Colonies, that the Honorable A. DeCosmos, President of your Executive Council, is empowered by the Government of this Province to act as its Special Agent and Delegate in all negotiations which have for their object the construction of a first-class Graving Dock at Esquimalt, and the obtaining of a loan on the security of the Consolidated Revenue of the Province.

(Certified) W. J. ARMSTRONG.  
Clerk Executive Council.

*The Provincial Secretary to the Honorable Mr. DeCosmos.*

PROVINCIAL SECRETARY'S OFFICE,

23rd September, 1873.

COPY.

SIR,—I am directed by His Excellency the Lieutenant-Governor, to acquaint you that in accordance with a recommendation of his Council, he has been pleased to appoint you Special Agent and Delegate for this Province, duly empowered to negotiate with the Imperial and Dominion Governments in reference to the construction of a Dry Dock at Esquimalt, Vancouver Island, and for raising a loan on the security of the Consolidated Revenue of this Province.

I have, &c.,  
(Signed) JOHN ASH.

*The Secretary of State for Canada to the Lieutenant-Governor.*

OTTAWA,

8th October, 1873.

SIR,—I have the honor to acknowledge the receipt of your Despatch, of the 22nd ultimo, respecting the construction of a first-class Graving Dock at Esquimalt, and to state that the same will receive due consideration.

I have, &c.,  
(Signed) E. J. LANGEVIN,  
Under Secretary of State.

*The Secretary of State for Canada to the Lieutenant-Governor.*

COPY.

OTTAWA,

18th November, 1873.

SIR—I have the honor to inform you that His Excellency the Governor-General has had before him, in Council, your Despatch of 22nd of September last, covering a copy of a Minute of your Executive Council authorising the Hon. Amor

DeCosmos, President of the Council and Premier of your Ministry, to be Special Agent and Delegate of the Government of British Columbia, to negotiate with the Dominion and Imperial Governments preliminary arrangements for securing the means to carry out certain Public Works in the Province, and requesting His Excellency to inform Her Majesty's Principal Secretary of State for the Colonies that Mr. DeCosmos is duly accredited by the Government of that Province, to act as its Special Agent and Delegate in all negotiations having for their object the construction of a Graving Dock at Esquimalt, and the obtaining of a loan on the Consolidated Revenue of the Province.

I have now to acquaint you, for the information of your Government, that His Excellency has been pleased to notify the Right Honorable the Secretary of State for the Colonies as requested in the Minute of Council.

I have, &c.,

(Signed)

E. J. LANGEVIN,

*Under Secretary of State.*

BB.

*The Honorable Mr. DeCosmos to the Secretary of State for Canada.*

OTTAWA,

25th October, 1873.

SIR,—I have the honor to submit for the consideration of the Dominion Government the following statement and proposition, respecting the construction of the proposed Graving Dock at Esquimalt.

When the Terms of Union between the Dominion of Canada and British Columbia were framed, the early construction of a first-class Graving Dock at Esquimalt was deemed to be essential in order to advance the maritime interests of the Western portion of the Dominion, and, also, to aid in making the harbour of Esquimalt the permanent Naval head-quarters of Her Majesty's Fleet in the North Pacific.

In order to attain that end, the guarantee in Section 12 of the Terms of Union was offered by the Dominion and accepted by British Columbia,—both of the contracting parties believing that it would induce private enterprise to undertake the construction of the Dock.

Accordingly, the Provincial Government called for tenders in Canada, England, and the United States; but none were received, except from one party, who sent in three alternative tenders. The one deemed to be most favorable, asked for a guarantee of seven per centum per annum on £130,000 sterling for twenty-five years. This the Provincial Government refused to accept, owing to the Dominion guarantee being too low; and as matters now stand, there is no hope whatever of private enterprise building the Dock.

Feeling the importance of its early construction, the Provincial Government have decided to construct it as a Provincial public work, if the Dominion and Imperial Governments will render such reasonable assistance as will warrant the undertaking.

It proposes, therefore, to construct the Dock, if the Dominion Government will pay to the Province the sum of two hundred and fifty thousand dollars (\$250,000), in lieu of the guarantee in Section 12 of the Terms of Union, or such sum as may be realized by capitalizing the Dominion guarantee, and such other sum as will make the total grant \$250,000. Provided, further, that the Dominion Government will use its influence to induce the Imperial Government to grant \$250,000 in aid of its construction, as a loan to the Province for twenty-one years, at a rate of interest not exceeding 4 per centum per annum, without Sinking Fund, secured either upon the Dock, the Dominion subsidy, or upon the Consolidated Revenue of the Province, or

upon all three; and in addition, that it will urge upon the Imperial Government the importance of encouraging the Provincial Government to undertake the construction of the Dock, by granting to the Province a sum not exceeding £2,000 a year for twenty-one years, to be repaid from time to time by docking Her Majesty's ships.

I have, &c.,  
(Signed) A. DECOSMOS,  
*Special Agent and Delegate of British Columbia.*

CC.

*The Honorable Mr. DeCosmos to the Secretary of State for Canada.*

OTTAWA,  
25th October, 1873.

SIR,—I have the honor to inform you that it is the intention of the Government of British Columbia to commence, as soon as the necessary financial arrangements shall have been made, various public works, calculated to materially advance the settlement of that Province, and which will involve an expenditure, extending over two or three years, of over a million of dollars.

The ordinary Provincial revenue being insufficient to meet the proposed expenditure, the Government propose to raise by loan at least \$750,000, secured upon the subsidies granted to the Province in Sections 2 and 3 of the Terms of Union, or upon the Consolidated Revenue.

Now, in order to raise such a loan as cheaply as possible, I have the honor to submit for the consideration of the Dominion Government the following proposal:

The Dominion to loan to British Columbia, for a period not longer than forty years, a sum not exceeding seven hundred and fifty thousand dollars (\$750,000), at five per centum per annum interest, the loan to be secured upon the subsidies granted by the Dominion in the Terms of Union to that Province, or upon the Consolidated Revenue. It is probable that the loan required will not exceed \$650,000, and may be only \$500,000.

As the Legislature of British Columbia will, in all probability, be convened in December next, and as it will be necessary to secure its sanction to the loan, I will feel obliged by an early answer to the above proposal.

I have, &c.,  
(Signed) A. DECOSMOS,  
*Special Agent and Delegate of British Columbia.*

DD.

*The Secretary of State for Canada to the Honorable Mr. DeCosmos.*

DEPARTMENT OF THE SECRETARY OF STATE,  
Ottawa, 29th October, 1873.

SIR,—I have the honor to acknowledge the receipt of your letter, of the 25th instant, submitting, for the consideration of the Dominion Government, a certain statement and proposition respecting the construction of a proposed Graving Dock at Esquimalt, and to inform you that the subject will receive the consideration of the Government.

I have, &c.,  
(Signed) J. C. AIKINS,  
*Secretary of State.*



EE.

*The Honorable Mr. DeCosmos to the Minister of Finance, Canada.*

OTTAWA,

October 30th, 1873.

SIR,—In accordance with the understanding at the conclusion of our conversation this morning respecting a loan to British Columbia, I have the honor to submit, for the consideration of the Dominion Government, the following, viz :—

The Dominion to advance to British Columbia a sum of money not exceeding in amount the difference between its actual debt and its allowed debt at the date of Union, at a rate of interest not exceeding five per cent. per annum, to be repaid by a Sinking Fund at the rate of one-half of one per cent. per annum; the sum advanced to be secured upon the annual subsidies granted to British Columbia by the Dominion.

An early answer to the above will confer a favour.

I have, &amp;c.

(Signed) A. DECOSMOS,  
*Special Agent and Delegate of British Columbia.*

AA.

*Copy of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor-General in Council on the 3rd November, 1873.*

On a Memorandum dated 30th October, 1873, from the Honorable the Minister of Finance, submitting an application from Mr. DeCosmos, on behalf of the Government of British Columbia, asking that the Dominion may advance for local improvements a sum equal to the difference between the actual debt of the Province and the debt allowed at the Union, such advance to be at the rate of 5 per centum, to be secured upon the subsidy, and to be repaid by a Sinking Fund.

The Minister states that he considers it inexpedient that the Dominion Government should undertake to make a loan on the terms specified; but that there is no doubt that if the Province wishes to enter upon local improvements, and borrow money for the purpose, it could be done on more favorable terms in the manner proposed, than by procuring a loan elsewhere; and he suggests that the same object can be gained in another way, which would be quite legitimate: That the excess of the debt allowed over that outstanding at the date of the Union, is in fact a debt of the Dominion, upon which it has to pay five per centum annually on the subsidy, and that there can be no objection to the Dominion, if it thinks proper, redeeming this debt by paying the money to the Province.

The Minister, therefore, recommends that authority be given to advance to the Government of British Columbia, for local improvements, such sums from time to time as may be applied for, to be charged against the debt of the Province to the extent of the amount by which that debt falls short of the debt allowed. Should the Provincial Government at any time wish to refund any portion of the advances so made, the refund, the Minister observes, would, on the same principle, be credited to the debt.

The Committee concur in the foregoing recommendations, and submit the same for your Excellency's approval.

(Certified),

W. A. HIMSWORTH,  
*Clerk Privy Council.*

A.

*The Honorable Mr. Mackenzie to the Honorable Mr. DeCosmos.*

COPY.

OTTAWA,

14th November, 1873.

MY DEAR SIR,—Your proposal to the Dominion Government, respecting the payment to the Local Government of British Columbia of such sums as may be applied for, from time to time, to be expended on local improvements, to be charged against the debt of the Province until the sums so advanced will with the existing debt reach the amount of the debt allowed by the Terms of Union, is one that will require the sanction of Parliament. This being the case, no absolute promise can be given till Parliament meets.

I see no serious objection, however, to the proposal, and we will submit a measure to enable the Government to carry it into effect. I have, &c.,

(Signed) A. MACKENZIE.

B.

*The Honorable Mr. Mackenzie to the Hon. Mr. DeCosmos.*

COPY.

OTTAWA,

14th November, 1873.

MY DEAR SIR,—With reference to the proposal you submitted on behalf of the Government of British Columbia, viz : to advance £50,000 to aid in the construction of a Graving Dock at Esquimalt in lieu of the guarantee of interest at 5 per cent. on £100,000 for ten years provided by the Terms of Union, I have to say that any change in the mode of aiding in the construction of this work from that agreed to will require the sanction of Parliament.

I can only say at present that the Government will submit a measure to Parliament to carry out your proposal, or some scheme equivalent thereto.

I am, &amp;c.,

(Signed) A. MACKENZIE.

C.

*The Honorable Mr. DeCosmos to the Provincial Secretary, B. C.*

COPY.

OTTAWA,

14th November, 1873.

SIR,—I have the honor to transmit herewith for the information of His Excellency the Lieutenant-Governor, a copy of a letter addressed to me by the Honorable A. Mackenzie, Premier of the Dominion Government, in answer to an application made by me on behalf of the Government of British Columbia to the Dominion Government, for the advance of a sum of money equal to the difference between its actual and its allowed debt, the interest at the rate of five per centum per annum to be deducted annually from the subsidies payable by the Dominion to the Province, and the Province to be credited with any sum it may pay back.

I may remark that the actual debt at the time of Union was \$1,000,405 03. The allowed debt then was \$1,666,200. The allowed debt increased by the Act of 1873 is \$1,946,284. The sum, then, proposed to be advanced to the Province, is the difference between the actual debt and the present allowed debt, viz., \$945,878 07.

The letter of the Honorable Mr. Mackenzie will be confirmed by an Order in Council, and a measure will be submitted to Parliament to carry it into effect.

The sanction of the Legislature of British Columbia will also be required to the arrangement, and ought to be secured at its next Session.

It is difficult to imagine how the Province could have raised money on more favourable terms.

It is but proper that I should state that the late Administration of the Dominion had consented to make the advances on the same terms as those agreed to by the Honorable Mr. Mackenzie.

(Signed) A. DECOSMOS,  
*Special Agent and Delegate of British Columbia.*

D.

*The Honorable Mr. DeCosmos to the Provincial Secretary, B. C.*

COPY.

OTTAWA,

15th November, 1873.

SIR,—I have the honor to transmit herewith for the information of His Excellency the Lieutenant-Governor, a copy of a letter marked B. addressed to me by the Honorable Mr. Mackenzie, Premier of the Dominion Government, in reply to a proposal made by me on behalf of the Government of British Columbia, respecting a grant to the Province of \$250,000 in lieu of the guarantee of interest in the Terms of Union, in aid of the construction of the proposed Graving Dock at Esquimalt.

The pledge given by the Honorable Mr. Mackenzie in his letter, to submit a measure to carry out my proposal places the negotiations with the Dominion Government respecting the Dock on a most satisfactory basis.

It is due to the late administration to state that they were prepared to submit a similar measure to Parliament respecting the Dock to that agreed to by the Hon. Mr. Mackenzie.

I have, &c.,

(Signed) A. DECOSMOS,  
*Special Agent and Delegate for British Columbia.*

E.

*British Columbia Representatives to the Honorable A. Mackenzie.*

OTTAWA,

November 11th 1873.

SIR,—We fully concur with the proposal of the late Government to ask Parliament to grant to British Columbia £50,000 sterling, in lieu of the guarantee in the Terms of Union, for the construction of a first-class Graving Dock at Esquimalt; and have the honor to say, that if the same be submitted by the present Government to Parliament for its sanction, it will receive our undivided support.

We have, &c.,  
(Signed)

A. DECOSMOS,  
E. DEWDNEY,  
J. S. THOMPSON,  
R. W. W. CARRALL,  
H. NATHAN,  
H. NELSON.

F.

*The Honorable Mr. DeCosmos to the Secretary of State for the Colonies.*LONDON,  
December 3rd, 1873.

MY LORD,—In reference to the enclosed letter to your Lordship from the Governor-General of Canada, I beg to state that I have come to London as Special Agent and Delegate of the Government of British Columbia, of which Province I am at present the Premier and President of the Executive Council.

My instructions are to inform Her Majesty's Government that the Province proposes to make a vigorous effort to build the long contemplated Naval Graving Dock at Esquimalt as a Provincial public work; and I am also to endeavour to arrange terms with Her Majesty's Government, so that a Dock may be built within the next three years, that shall be capable of accommodating the heaviest Ironclad Ships of War.

The Province is unable to provide for the total cost of such a Dock, but will undertake to construct it with some assistance from Her Majesty's Government, additionally to that provided for by 28 & 29 Victoria, Cap. 106—Act to authorize Loans in aid of Construction of Docks in British Possessions.

It is estimated that a first-class Graving Dock can be built for about £100,000, but this sum might be considerably increased by unforeseen contingencies incident to Dock construction.

It is with reference to assistance from Her Majesty's Government, that I beg the favour of an interview with Your Lordship.

The Province will have at its disposal \$250,000, or £50,000 sterling, for the purpose of building the Dock.

I have, &amp;c.,

(Signed) A. DECOSMOS,  
*Special Agent and Delegate of British Columbia.*

G.

*The Secretary of State for the Colonies to the Honorable Mr. DeCosmos.*DOWNING STREET,  
December 5th, 1873.

SIR,—I am directed by the Earl of Kimberley to acknowledge the receipt of the letter, with enclosures, on the subject of the proposed Graving Dock at Esquimalt, which you left at this Office on the 3rd instant, and to express His Lordship's regret that, being absent from town, he could not have the pleasure of seeing you.

Lord Kimberley had received no previous intimation from the Dominion Government that the application for assistance, which you have been deputed to support, would be made, and is of course unable, at present, to express any opinion on the subject; but His Lordship will lose no time in communicating with the Lords Commissioners of the Admiralty, whose views, with regard to this and similar applications, it is necessary to obtain in the first instance.

I have, &amp;c.,

(Signed) ROBERT G. W. HERBERT.

P. S.—I am to request that you will favour Lord Kimberley with another copy of the Pamphlet enclosed in your letter, if you can spare it.

## H.

*Statement sent by Mr. DeCosmos to J. A. Godley, Esq., Private Secretary of Mr. Gladstone.*

The Report, sent herewith, of the Honorable H. L. Langevin, C. B., late Minister of Public Works of Canada, pages 44 and 45, and the correspondence, appendix KK, page 205, show the position of the Esquimalt Dry Dock question at the date of the Report, March, 1872.

Since then, the Provincial Government has decided on building the Dock as a Provincial Public Work; and the Canadian Government has agreed to pay £50,000 towards this object, in lieu of the guarantee of interest (5 per cent. on £100,000 for 10 years) named in the Report (page 44).

A copy of a letter from the Premier of Canada, to this effect, is sent herewith.

Mr. DeCosmos, Premier of British Columbia, and President of the Executive Council, has come to London with an introductory letter to Earl Kimberley from the Governor-General of Canada, but, unfortunately, Earl Kimberley is not in town.

Mr. DeCosmos must immediately return to British Columbia to attend the approaching Session of the Provincial Legislature in January next, hence his desire, if possible, to see Mr. Gladstone, in order to explain shortly the position of the question, and the grounds on which it is expected Her Majesty's Government will aid the building of the Dock.

The Province has shown its willingness to undertake the main burden of building the Dock; and what is sought for, now, is some supplementary aid from the Home Government, in their own interest, to secure the building of a Dock such as Her Majesty's Navy requires in the North Pacific, and which the Province, without such aid, is unable to build of the required character.

Mr. DeCosmos believes that the Admiralty will favour the proposal.

*Langham Hotel, 3rd December, 1873.*

## I.

*J. A. Godley, Esq., to the Honorable Mr. DeCosmos.*

10, DOWNING STREET, WHITEHALL,  
December 4th, 1873.

SIR,—I laid your statement, with regard to the proposed Graving Dock at Esquimalt, before Mr. Gladstone on his arrival in town to-day. He desires me, in reply, to say that he much regrets that he is about to quit London himself; and, likewise, that it would be impossible for him, under the pressure of his occupation, to enter orally upon this question.

He trusts that you are able to make a favourable report of the state of things in your important and interesting Colony.

I have, &c.,  
(Signed) J. A. GODLEY.

## K.

*The Honorable Mr. DeCosmos to Captain Fairfax, R. N., Private Secretary of Mr. Goschen.*

LANGHAM HOTEL,  
3rd December, 1873.

DEAR SIR,—Referring to my interview to-day, I beg to send the Report of the late Minister of Public Works of Canada, which, at pages 44 and 45, and appendix KK, page 205, shows the position of the question of the proposed Dry Dock at Esquimalt, in March, 1872.

I shall be glad if Mr. Goschen will give me an opportunity of explaining personally what is now desired. My time in London is very short, as I have to return to British Columbia to attend the Session of the Provincial Legislature in January next.

I am, &c.,  
 (Signed) A. DECOSMOS,  
*Special Agent and Delegate of British Columbia.*

L.

*Captain Fairfax, R. N., to the Honorable Mr. DeCosmos.*

ADMIRALTY, WHITEHALL,  
 December 4th 1873.

SIR,—Mr. Goschen desires me to say he will be happy to receive you to-morrow (Friday) at 12.45.

I am, &c.,  
 (Signed) W. FAIRFAX.

M.

*The Honorable Mr. DeCosmos to the Secretary of the Admiralty.*

LONDON, LANGHAM HOTEL,  
 6th December, 1873.

SIR,—Referring to my interview, yesterday morning, with Mr. Goschen, on the subject of the proposed Naval Graving Dock at Esquimalt, in Vancouver Island, I now beg leave to state that the Government of British Columbia will recommend the Provincial Legislature to authorize the acceptance from Canada of the lump sum of \$250,000, or about £50,000, in lieu of the payments to be made by Canada over a series of years, as per the Terms of Union between Canada and British Columbia, for the purpose of aiding the construction of the Esquimalt Dock.

I enclose a copy of a letter to me from the Honorable A. Mackenzie, Premier of Canada, dated 14th November, 1873, showing that the Government of Canada will, in the approaching Session, ask the Canadian Parliament to sanction the above variation of Article 12 of the Terms of Union.

The Government of British Columbia will be prepared to apply the whole of the above sum of £50,000 towards the building of a first-class stone Graving Dock at Esquimalt, of such dimensions as will accommodate the largest of Her Majesty's iron-clad ships of war, likely to be on the Pacific Station; and will engage to begin the construction of the Dock in 1874, and complete it in three years, and afterwards maintain it in an efficient condition; provided the Home Government will give a bonus of £50,000 towards defraying the cost of the Dock.

In consideration of this bonus, the Government of British Columbia will, further, engage to allow Her Majesty's Ships on the Pacific Station to be docked for repair in the Esquimalt Dock for a period of fifteen years from its completion, free of charge for the use of the Dock.

If Her Majesty's Government prefer to build a first-class stone Graving Dock at Esquimalt, and will complete it within three years, and afterwards keep it in an efficient condition as a Graving Dock for ships; and will permit Canadian, British Columbian, and other ships to be accommodated in it for repair, when the Dock is not being used for the repair of Her Majesty's Ships on the Pacific Station, the Government of British Columbia will recommend the Provincial Legislature to place the above £50,000 at the disposal of Her Majesty's Government.

I may add, that the present state of feeling in Canada and in British Columbia favours the construction of this work; and I hope Her Majesty's Government will second the efforts the Province is making to build it; otherwise it is possible, if the work should not be undertaken on the terms proposed, that a smaller Dock, insufficient for the requirements of the Navy, may be built, or that the above sum of £50,000 may be appropriated to other purposes,—and thus the opportunity may be lost of constructing what is really an Imperial work, with large assistance from the Province.

I have, &c.,

(Signed) A. DECOSMOS,  
*Special Agent and Delegate of British Columbia.*

N.

*The Honorable Mr. DeCosmos to the Right Honorable the Secretary of State for the Colonies.*

Copy.

LONDON, LANGHAM HOTEL,  
8th December, 1873.

MY LORD,—In reference to my letter of the 3d inst., on the subject of the proposed Esquimalt Graving Dock, and Mr. Herbert's reply of the 5th inst., I have the honor to enclose, for your Lordship's information, a copy of a letter which I addressed to the Secretary of the Admiralty on the 6th inst., following an interview which I had with Mr. Goschen.

I also enclose a copy of the letter of the Premier of Canada, dated 14th November, therein referred to, and send herewith two copies of the printed correspondence asked for by Mr. Herbert.

I believe that the Lords Commissioners of the Admiralty will find no reason to express any other opinion than the favorable one which is expressed by Admirals Richards and Hastings in the above printed official correspondence respecting this Dock; and on that assumption, I respectfully beg leave to represent to your Lordship several circumstances which make it desirable that the application which I have been deputed to support should have early consideration.

As stated in my letter of the 6th inst. to the Secretary of the Admiralty, the present feeling in Canada and in British Columbia favors the construction of the Dock, with large assistance from the Province; but if the work should not be undertaken soon, it is possible that a smaller Dock, insufficient for the requirements of the Navy, may be built, or that the £50,000 which the Province is now willing to give may, under the pressure of public opinion in the Province, be applied to other purposes.

The Parliament of British Columbia will have to legislate in order to enable the Provincial Government to carry out its proposals, and the meeting of the Provincial Legislature will take place about the 10th of January, 1874. Being Premier of the Government, it is necessary I should be there to arrange for the required legislation, and I can only effect this by leaving London in a few days. Should legislation not take place in the approaching session, there may be the loss of a whole year, until the session of 1875; and in the meantime, as above said, there may be some change in public opinion, making future action more difficult.

For these reasons, I hope it may be possible for Her Majesty's Government to take the Esquimalt Dock proposals into their consideration at as early a date as possible.

I have, &c.,

(Signed) A. DECOSMOS,  
*Special Agent and Delegate of the Government of British Columbia.*

O.

*The Honorable Mr. DeCosmos to the Secretary of the Admiralty.*

COPY.

LONDON, LANGHAM HOTEL,  
10th December, 1873.

SIR,—Referring to my letter of the 6th inst., and my interview to-day with Mr. Goschen, I beg to state that the Government of British Columbia will accept the bonus of £50,000, asked for in my letter of the 6th, on the completion of the Dock.

I am, &amp;c.,

(Signed) A. DECOSMOS,  
*Special Agent and Delegate of the Government of British Columbia.*

P.

*Hon. Mr. DeCosmos to the Right Honorable Secretary of State for the Colonies.*

COPY.

LONDON, LANGHAM HOTEL,  
13th December, 1873.

MY LORD,—Referring to the application made in my letters of the 3d and 8th instants, I beg now, further, to enclose a copy of a letter which I addressed to the Secretary of the Admiralty on the 10th inst.

I have arranged to leave England on Thursday, but will not be in London after to-day. My address, however, can be obtained, if wanted, from Mr. Sproat, Agent-General for British Columbia, No. 4, Lime street Square, E.C., London.

When Her Majesty's Government shall have decided on the application which has been made respecting the Esquimalt Dock, I shall be greatly obliged if your Lordship will cause a telegram to be sent to the Hon. the Provincial Secretary, Victoria, British Columbia, and if your Lordship will, at the same time, communicate the result of the application to Mr. Sproat, whose address is mentioned above.

I am, &amp;c.,

(Signed) A. DECOSMOS,  
*Special Agent and Delegate of the Government of British Columbia.*

Q.

*The Honorable Mr. DeCosmos to Colonel Pasley, Admiralty*

LANGHAM HOTEL,  
December 13th, 1873.

DEAR SIR,—I have to thank you for affording me an opportunity of seeing the fine Stone Docks at Chatham. Mr. Bernays received me, and was good enough to accompany me to the Docks, and to give me much information. The larger Docks are beautiful, and I only wish that by co-operation such Docks could be built at Esquimalt. I hope they may. Mr. Bernays said that it was proposed to build a cheaper Dock—yet one suitable for Ironclads—and it occurred to me that I should like to have sections of this cheaper Dock for my information. Mr. Bernays said that, with your permission, he would give me these sections; and he also said that you might, perhaps, authorize me to receive several of his Pamphlets or Lectures on the Construction of Docks. I should be very pleased to receive these addressed to the Royal Hotel, Edinburgh, where I will be on Monday and Tuesday. I have deferred my departure for home till Thursday next. I am sorry that I have to leave so soon. I cannot do so without thanking you much for your attentions, of which I shall retain a remembrance.

I am, &amp;c.,

(Signed) A. DECOSMOS.



R.

*Colonel Pasley to the Honorable Mr. DeCosmos.*

DIRECTOR OF WORKS DEPARTMENT,  
ADMIRALTY, SPRING GARDEN TERRACE,  
December 13th, 1873.

DEAR SIR,—I am glad you had an opportunity of seeing some of our large Docks. I believe the two which were last built at Chatham are equal, or superior, to any works of this kind elsewhere, either in England or abroad. I fancy there must be some misunderstanding about cheaper Docks for Ironclads. I have never heard of any proposal to diminish the expense of our large *repairing* Docks; although I have myself proposed to construct Docks at Chatham of a much less costly description for *building* Ironclad Ships. The Dock in which a Ship is built, and from which she is launched before her engines, boilers, and weights generally are put on board, may of course be much less deep than that in which the same ship will afterwards be repaired. Of course a Dock of the former description would not answer your purpose at Esquimalt. It is possible that Mr. Bernays may have referred to one of this kind. I have, however, written to tell him that I have no objection to his giving you any kind of information; and I should be very glad if it should be in my power to be of any further service to you.

I am, &amp;c.,

(Signed) C. PASLEY.

S.

*Mr. Bernays to the Honorable Mr. DeCosmos.*

H. M. DOCKYARD CHATHAM,  
December 14th, 1873.

MY DEAR SIR,—I have just received your letter (Sunday Morning) and will attend to your wishes as soon as possible. I will send, early to-morrow, for three copies of my lectures and will forward them at once. As, however, book-post parcels do not always travel as fast as letters, they may not reach Edinburgh on Tuesday, and I therefore write a line in order that, if they do not arrive on that day, you may not think me unmindful of your wishes, and that if you are leaving Edinburgh you may give directions for their being forwarded to you.

From your letter to Colonel Pasley, you appear to have misunderstood me about "cheap Docks." We do not contemplate building any thing of the kind for building or repairing ships; but we are going to make one or two lock entrances, which are to be of a cheap construction, so as to admit of being pumped out, so as to serve as Docks for a tide or two, to allow the bottoms of ships to be cleaned and coated with anti-paling composition, to have the sea-cocks examined, &c.

I am, &amp;c.,

(Signed) EDWIN A. BERNAYS.

T.

*Mr. Bernays to the Hon. Mr. DeCosmos.*

COPY.

H. M. DOCKYARD, CHATHAM,  
15th December, 1873.

MY DEAR SIR,—I send you, by Book Post, three copies of my lectures on these works. If time had permitted, I would have had the plates colored. I hope they will reach you safely, and that some of the information they contain may be useful for your purposes.

Yours, &amp;c.,

(Signed) EDWIN A. BERNAYS.

U.

*Messrs. Kinipple & Morris to the Hon. Mr. DeCosmos.*

COPY.

1, WESTMINSTER CHAMBERS,  
London, S.W., Dec. 16, 1873.

DEAR SIR,—We have thought that you might like to have with you particulars of the usual terms upon which Engineers carry out works in England.

TERMS:—Five per cent. upon the total cost of the works; moiety of which, or two and a half per cent., is considered to be earned when all the drawings and specifications are completed, and the remaining two and a half per cent. for superintendence of works.

The usual terms for works abroad are in excess of these and subject to arrangement. As we are led to believe that we shall be appointed the Engineers to carry out the Quebec works, under these circumstances, we beg to say that should we have the honor to be appointed the Engineers to carry out the construction of the Esquimalt Graving Dock, we shall be glad to do so on the same terms as we are paid for works in England, and as quoted on the other side.

We have, &amp;c.

(Signed) KINIPPLE &amp; MORRIS.

V.

VICTORIA,  
27th January, 1874.*Gilbert M. Sproat,*

4, Lime Street Square, London, England.

Call on Downing-street for decision, and telegraph me.

(Signed) A. DECOSMOS.

W.

Cable, via OTTAWA,  
January 28th, 1874.

To A. DeCosmos,

Dissolution English Parliament somewhat delays decision Esquimalt Dock. Herbert cannot estimate for how long.

(Signed) SPROAT.

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## RETURN

To an Address of the Legislative Assembly for copies of all correspondence and documents respecting William Moore's Charter, Stickeen to Dease Lake, Cassiar Mines.

By Command.

ROBERT BEAVEN,

*Chief Commissioner of Lands and Works.*

*Lands and Works Office,*

*January 28th, 1874.*

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*Mr. W. Moore to His Excellency the Lieutenant-Governor.*

COPY.

VICTORIA, V. I.,

January 3rd, 1873.

SIR,—I take the liberty of making a few remarks on the Northern mines by the way of Stickeen River, from the Stickeen River to Dease Lake—distance of about one hundred and fifty miles—where there is no road where pack animals can travel, but an easy country to make a road through. As there are a number of men anxious to go into that country, but, as now there is no way of getting supplies in, I would ask Your Excellency for the appropriation of \$500; for that amount a party of ten or twelve men can be got up, and a pack train, on the first opening of the Stickeen River, could go up with the men and animals and a Summer's provisions and tools, and cut a road from Flying Dutchman's Landing to Dease Lake. From there, boats can be used for a thousand miles or more, with the exception of two portages, one of five miles and the other of two miles; can go right from Dease Lake to Fort Simpson, on the McKenzie River. In the enclosed, I send you a sketch. This will also open an extensive fur country.

I remain, &c.,

(Signed)

WILLIAM MOORE.

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*Mr. W. Moore to His Excellency the Lieutenant-Governor.*

COPY.

VICTORIA, V. I.,

February 10th, 1873.

SIR,—As I have been given to understand that there will be no Government aid to open a road from the head of steamboat navigation on the Stickeen River to Dease Lake, I take the liberty to suggest to open that road, if the Government will grant me a Charter; a toll of two cents per pound on all goods passing over the road for a term of five years, and if there is a gold field discovered which will employ three hundred miners and upwards, a bonus of £1,000.

I propose to leave here about the 1st March, go up to the mouth of Skeena on about the 1st April, start from the mouth of Skeena to Stickeen River with a couple of barges, a small train of horses, and ten or twelve men, with a Summer's provis-