

Department; but any personal change during the life time of the present holders of these two offices would involve, as an act of simple justice, a retiring allowance to the parties interested.

11. The Provincial Secretary is in fact the officer on whom all duties naturally fall which are not allotted to any particular department. We have no Board of Works, and no Superintendent of Roads and Bridges, though all the Roads and all the Bridges in the Province are made and maintained out of the general Revenue. Correspondence on these subjects passes through the Secretary's Office, and is finally laid before the Lieutenant Governor in Council, but the Secretary is the officer who ought to deal with the numerous questions likely to arise in the Assembly out of such transactions. It is impossible to conceive a subject more fertile in disputed facts, and in which greater abuse in detail may take place, than that of Roads and Bridges; yet the Secretary has no responsible officer under him in this department, nor has the Lieutenant Governor any public servant whom he can as a matter of course send to ascertain the truth of a disputed case. In addition to all this, it is through the Provincial Secretary that the Treasurer, as a permanent and subordinate officer, must communicate with the Executive Government, and must receive instructions from the Lieutenant Governor.

All magisterial matters, and all ordinary business (such for instance as the correspondence with the Postmaster General,) not belonging to the Law Officers or to the Crown Land Department, fall upon the Provincial Secretary; it is obvious enough therefore, that though the Colony is not very populous, a distinct financial officer connected with the Executive Government as a Member of the Council is greatly needed.

12. As our revenue and our financial business increases, it will become impossible for the Provincial Secretary to discharge his multifarious duties: If indeed the Legislature were to create an officer as Superintendent of the Roads and Bridges, who should be head of a distinct and separate department, charged with this service, the case might be different; such an officer with two assistants and two clerks, might exercise a vigilant and effectual control over the expenditure of large public funds now comparatively unwatched: Such an officer could stand in his place in the Assembly and reply as one of the Government to the questions put by Members with reference to their particular districts:—The local Supervisors might then be paid (as they ought to be) by a salary, instead of a per centage; and I believe that a great inducement to waste money would then be removed, whilst far more than the cost of a new department would be gained by the public.

13. Under such circumstances, indeed, the Provincial Secretary, relieved of all correspondence relating to roads and bridges, could properly be expected to devote increased attention to the finances; but unless such a new department be created, I am clearly of opinion that it will be absolutely necessary to appoint some member of the Government whose time should be specially devoted to the finance of the Colony.

14. Your Grace may no doubt ask why, in the course of the six years during which I have held the Government of this Province, I have not, seeing the necessity, attempted to induce the Legislature to appoint a Financial Secretary or some such officer, or why I have not suggested these changes in detail, before there expediency was in a manner forced upon us by an increasing revenue. I answer this enquiry by saying, that no appointment of such an officer, nor any other measure for controlling our finances, can even now be really satisfactory, so long as a system is preserved by the Legislature, which prevents any public officer at all from being directly responsible for the introduction of money votes.

15. A great deal has been said in these Colonies on the question of "Responsible Government," but the one peculiar subject on which the Executive Government ought to be more especially responsible to the Representatives of the people—the relation of expenditure to income—is practically conducted so as to exclude all responsibility. The preparation of the estimates, and the due care that the aggregate of money votes introduced shall not exceed the probable income, are matters for which no public officer is answerable; I had almost said they are left to chance.

So long as this system continues in the House of Assembly, I do not myself believe that any institution of a separate department, such as that of a Financial Secretary, or any improvement in the Audit Office, will produce a steady and systematic administration of finance on which reliance can be placed.

16. On referring to my Speech to the Legislature at the opening of the Session of 1851, Your Grace will find that I expressed myself as follows on this point:—"So long as the existing system continues, the Government cannot be held responsible for the first condition of all efficient action—the correspondence of expenditure with income."

In the previous year I had said "I believe in the first place that it is most desirable to define more accurately the responsibility attaching to the initiation of money votes. This can only be done by throwing such responsibility on the Executive Government."

17. I have not failed therefore to press on the Legislature the principle which I conceive to be the necessary condition of a sound financial system; that principle has not been adopted, and I have despaired and do despair of any effectual control or security which is not founded upon it. The example of Great Britain, and the working of our constitutional system as applied in Canada, may

gradually convince the people of New Brunswick of the necessity for a change. They will probably in time see that the power of the Representatives of the people to refuse any item in Supply, is undiminished and unrestrained, by the fact that the Advisers of the Crown are answerable for the introduction of every money vote.—On the other hand, however, they will feel that when this definite responsibility is thrown upon the Government, a great additional security is given to the public for the correspondence of expenditure and income, and for the due observance of economy in all details.

18. It is perhaps not very important that I should now state my opinion upon the most expedient form in which administrative changes could be made in this Colony, as there is little probability of anything effectual being done in the approaching Session: I believe, however, that the best course for the interest of the Province would be as follows:—

A.—A short Act should pass exactly in the terms of the Canada Act, requiring the assent of the Lieutenant Governor to the introduction of all money votes; this assent would of course be given by his advisers, and upon their responsibility to the Legislature: It is obvious enough that in a Colony such a constitutional principle as this requires to be embodied in an Act as it is in Canada, and cannot properly be left to a Resolution of the House of Assembly: With the adoption of this change, the right of the Legislative Council to alter the details of money bills, should cease.

19. B.—A new department should be formed for the superintendence of "Roads and Bridges," the head of which should be in the House of Assembly, and be a Member of the Executive Council. So long as the Bye Roads are maintained out of the general Revenue, instead of being (as they ought to be) in the hands of Municipal bodies expending a local tax, the duties falling on a public officer charged with this department will be severe. At present this duty of general control is in fact discharged by no responsible public servant. Local Commissioners of the Bye Roads, and Local Supervisors of the Main Roads are appointed annually and paid by a per centage; a system which obviously gives them a direct interest in expending the money already voted in such a manner as may make a further outlay absolutely necessary: This may be especially the case with the Supervisors, who often continue in office for several years: To change them perpetually would be to incur another set of evils by substituting an ignorant and incompetent person for one well acquainted with the district and its wants.

20. C.—The correspondence respecting roads and bridges being taken from the Provincial Secretary, that Officer should be considered as "Inspector General of Finance," or "Financial Secretary," and should be charged with the preparation of the estimates, and their introduction in the Assembly; he would stand to the Treasurer in the same relation in which the Chancellor of the Exchequer and the Lords of Her Majesty's Treasury, stand to the permanent Secretary of the Treasury and the Board of Customs. As Members of the Executive Council, both the Provincial Secretary and the Superintendent of Roads and Bridges would be called on to resign office if they lost the confidence of the Assembly, and they would be strictly responsible for all money drawn by their respective departments from the Public Treasury: Subject to such responsibility, a fund in the nature of the consolidated fund, should be at the disposal of the Government.

21. Such, my Lord Duke, is the outline of the change in our financial system which I think best calculated to meet the wish expressed by the Finance Committee of last Session, that is to say, to secure the correspondence between expenditure and income.

A time of prosperity is obviously the proper moment for making such a change. A general election will take place this year, and it is possible that if nothing is done before that takes place, the people of the Province may express their views upon this important subject.

If Your Grace thinks that these suggestions of mine are likely to be useful, I can have no objection to lay a copy of this Despatch before the Legislature when they shall have met in the approaching Session.

I have, &c.

(Signed)

EDMUND HEAD.

His Grace the Duke of Newcastle, &c. &c. &c.

Copy—No. 55.

Downing Street, 3rd March, 1854.

SIR.—I fully share in the satisfaction so strongly expressed by yourself, in your Despatch No. 5, of the 14th January last, at the flourishing condition of the finances and interior economy of the Province under your government; a state of things which, when contrasted with the depression and anxiety prevalent a few years ago, bears the highest testimony to the energy and perseverance of the community established in it.

2. I believe that few things could more tend to establish the prosperity of that community on a permanent basis, (so far as this is in the power of political measures,) than the adoption of those principles of financial Government of which your Despatch contains the outlines; and I have to instruct you, in laying this Despatch before the Assembly, to convey to them the sincere hope of Her Majesty's Government, that the measures which you have advocated will on some favourable opportunity be seriously taken into consideration.

I have, &c.

(Signed)

NEWCASTLE.

Lieut. Gov. Sir Edmund Head, Bart. &c. &c. &c.