

CANADA.

to have been spared the necessity of offering an opinion, I beg to add as respects myself, that the amount of salary was not the inducement which led me to undertake the duties of the office which I have the honour to fill, inasmuch as I renounced on assuming it an income which considerably exceeded it; and that my readiness to place my humble services at the disposal of Her Majesty whenever they may be commanded, will not be affected by any decision to which Her Majesty's Ministers may arrive on this question.

I have, &amp;c.

(Signed)

ELGIN AND KINCARDINE.

The Right Hon. Earl Grey,  
&c. &c. &c.

Enclosure 1 in No. 1.

Enclosure in No. 1.

Extract from a Report of a Committee of the Honourable the Executive Council on matters of State, dated the 20th December, 1850, approved by his Excellency the Governor-General in Council on the same day.

THE Committee of the Executive Council have had under consideration, on your Excellency's reference, the reports made to the Legislative Assembly during the last session by a Committee appointed to inquire into the state of the Public Income and Expenditure of the province. Your Excellency having, in your speech from the throne at the commencement of the last session, recommended such an inquiry, the appointment of a Select Committee appeared to your Excellency's advisers to be the most efficient means of bringing about every retrenchment compatible with maintaining the efficiency of the public service, and at the same time of dispelling the illusory expectations which seem to have been formed by a portion of the public. The Committee of Council regret that the delay which has taken place in printing the report of the Select Committee, has prevented them from sooner taking it into consideration, and giving it that attention which the great importance of the subject demands. On examining the proceedings of the Select Committee, it appears that it was first resolved, on motion of the Inspector-General, that the Committee should commence its inquiries by investigating the various sources of the public revenues, and all charges defrayed out of the said revenue, before it reaches the Receiver-General, and that it should then proceed to consider the expenditure under its various heads. Although the Select Committee appear to have deviated from the mode of proceeding originally determined on, the Committee of Council propose to adhere to it in considering the report, from a conviction that it is the mode best calculated to give general satisfaction. The most important branch of the public revenue is the Customs; and in connexion therewith may be considered that derived from tolls on canals and other works which are under the same general management, and in many instances collected by the same officers. Suggestions have been made as to the expediency of changing both the system of management of these revenues, and the mode of remunerating the officers employed in collecting them.

On examining the proceedings of the Select Committee, the Committee of Council find not only that these suggestions were not entertained, but that the present scale of salaries met the unanimous approbation of the Committee. The Committee of Council would here remark, that considerable reductions have been made in the salaries of various officers employed in the Customs department, on the recommendation of your Excellency's present advisers; and it is satisfactory to them to find that these reductions have been approved of, and that the present salaries are considered reasonable.

The next branch of revenue to be considered is that included under the head of "Territorial," which includes that derived from the timber cut on the Crown domain. The Finance Committee having pronounced no opinion as to the present system, the Committee of Council have carefully considered whether any changes can be introduced, by which greater economy in the collection of the revenue can be effected, and at the same time the interests of those engaged in the timber trade can be promoted. The Committee of Council find that in the sister province of New Brunswick, the stampage duty on timber has been converted into an export duty, payable on all timber, whether cut on public or private property. Were such a change adopted in Canada, the revenue could be conveniently collected without any expense, and the mode of collection would give great satisfaction to those engaged in the lumber trade. The only objection that presents itself to this mode of collecting the stampage duty, is that the owners of timber-land would be subject to a charge from which they are now exempt. It seems to be the opinion of those most conversant with the trade, that at present large quantities of timber cut on the Crown domain are passed as cut on private property; and it has been suggested that, as the enforcement of regulations sufficiently stringent to prevent fraud would operate more disadvantageously to the trade than a small duty, it would be the least objectionable policy to impose a uniform export duty, rather less than the present stampage duty. The Committee of Council are of opinion that this subject should undergo further con-