

## THE FINANCE DEPARTMENT OF CANADA.

By J. M. Courtney.

(Until recently Deputy Minister of Finance.\*)

When your worthy secretary did me the honor of asking in your behalf that I should be this day your guest I told him that it was a change to come from behind the scenes and advance towards the footlights, and that in the novel position, besides being untried, no doubt there would be many imperfections. For these you must forgive me while I try to say something on the subject of the Finance Department of Canada.

I served under every Prime Minister of Canada since Confederation. With each of them in turn I had the most friendly relations. I have served under every Finance Minister but one, Sir Alex. Galt, since Confederation, and with them also my intercourse has been frank and confidential. The one I did not serve under, Sir Alex. Galt, asked me to become the Secretary of the office when he was High Commissioner, and in his case as in his successors, Sir Charles Tupper and Lord Strathcona, the Finance Department has received and continues to receive the greatest aid when matters touching Canadian finances are being dealt with in London.

## Valuable Work of John Langton.

When I entered the public service of Canada in 1869 the revenue of the Dominion was about \$13,000,000, last year it was over \$80,000,000—over six times as great. But although the scale of transactions was lesser, yet it was not altogether the day of small things. There were kings before Agamemnon, and the men who laid the foundations of Confederation, who thought out, and thrashed out the details of the measure were men not to be despised. The result of the work is the Dominion of to-day. And while we hear of the fathers of Confederation and see their faces on the canvas, yet no one as far as I know has given a thought to the members of the public service who gave their assistance in framing the measure. I believe I am correct in saying that the financial clauses of the British North America Act were largely the work of John Langton, a man of great ability who, besides his work in the public service, did much in developing the higher education of Canada, as can be shown in your university, of which he was at one time the vice-chancellor.

Time would be too short to tell the tale of the financial progress of Canada—how stage by stage it has reached its present dimensions. All this is very interesting, and was not arrived at without labor and pain—sometimes the prospect seemed hopeless. In 1885, during the construction of the Canadian Pacific Railway the Dominion had obligations to all the leading banks in Canada; it had obligations in London; it had a \$25,000,000 loan immediately falling due, and on the arrival of Sir Leonard Tilley and myself in London to arrange matters, the first news we heard was of the resignation of the Gladstone administration, with a possible war prospect, and a heavy drooping money market. I just mention this to show that to run matters smoothly requires constant thought and care.

## Tide of Remittances Turned.

But it is with the present and the future more especially I propose to-day to call your attention. In ten short years the Canadian Budget has doubled. The progress is real and substantial. But with this great expansion new conditions have arisen and are constantly arising. To recall my first remark, the scenes require constant shifting. In one respect alone, the money order business of Canada, in the last three or four years there has been a transformation. Formerly, many of our people went to the States and made small remittances to their families and relatives in Canada. As a result the United States postal authorities had to remit to this side funds to meet the orders as presented. The reverse is now the case. To Great Britain, the United States, to the Scandinavian countries, to Italy large remittances have to be sent to meet the money orders largely

procured by immigrants for remittances to their families in the home lands. To Italy alone I estimate there will be sent over \$700,000 this year—these constant evidences of progress entailing new conditions require care and provision to be made by the Finance Department.

But beside the \$80,000,000 revenue and the \$81,600,000 expenditure of which I will treat later on, there are other matters which require the attention of the Finance Department. The Dominion is a common carrier running a railway; the Dominion is a banker, having savings bank deposits of about 60,000,000, against which the law compels a reserve of gold to be held of ten per cent.; the Dominion issues notes against a gold reserve, the reserve being 25 per cent. for an issue up to \$30,000,000, and dollar for dollar beyond that amount. The present issue on the 31st October was \$58,080,025, of which \$15,324,060 was in \$1 and \$2, the small change of the Dominion—and in that regard it may be stated that the circulation of \$1 and \$2 on the 31st October, 1896, was \$7,583,712. Another instance of the wonderful progress that has been made during the last decade.

## A Million Dollars a Day.

The Dominion to meet the payment of interest on the loans domiciled in London is throughout the year largely in the market as a purchaser of sterling exchange, letting alone the amounts required for payments for stores, the postal exchanges and other services. In fact the turnover in cash under the control of the Finance Department runs to about \$1,000,000 each working day. To gather in the revenues the Department keeps some 24 bank accounts in Canada. Besides all these matters the Treasury Board, of which the Minister of Finance is the chairman and the Deputy Minister is the secretary, keeps guard over every appointment, promotion, retirement or superannuation in the public service; it looks after the refunds and remissions of duties; it settles differences between the Departments and the Auditor General; it reviews all deposits and exchange of securities made by the licensed insurance companies with the Government; it grants certificates to banks on commencing business.

And here I may say that to the Department are rendered monthly the statements made by the chartered banks of the conditions of their affairs. While Parliament is in session the Minister of Finance brings down the estimates of the expenditures required by the several departments, which have been duly collated and put together by his officers. The officers of the Department also prepare the statements required for the budget speech. Two of the great Parliamentary committees are the subject of the concern of the Finance Department, the Public Accounts Committee and the Committee of Banking and Commerce. All bills referred to this latter committee are carefully reviewed by the officers of the Finance Department to ascertain if any of the powers sought are inimical to the public interest, and I may say that the financial clauses of bills referred to the Miscellaneous Private Bills Committee are also carefully scrutinized.

## Target for Many Enquiries.

Rarely a session passes that the Department has not to bring in legislation regarding matters under its control such, for instance, as currency. But the Finance Department besides attending to all these matters is a Department of reference and enquiry, and does a lot of silent work in all directions. Many are the imaginary claims that are enquired into; many are the letters received during the year from England and the United States that a son or a brother had left England half a century ago and is believed to have left money in some bank in Canada, and asking for advice or assistance; many are the batches of students in colleges and universities on both sides of the border who are filled with ideas as to the best methods of governing the bodies corporate, and who ask for copies of all legislative enactments respecting banks, currency et id genus omne. To all are sent to the best of the ability of the Department the most grave and courteous replies. These and scores of other matters incidental thereto daily occupy the attention of the Department.

If this is the condition of affairs now what of the future? If in ten years the figures have doubled what may not happen as time rolls on. Sir Wilfrid Laurier has said the

\* An address delivered to the Canadian Club of Toronto, Monday, November, 19th, 1906.