

TO THE MINISTER OF FINANCE

Historical Background

Canada has not always had exclusive control of her own finances. During the French regime, and the earlier part of the British, the hereditary and casual revenues of Canada, consisting of certain seigniorial dues and the proceeds from the sale of government land and timber, were reserved to the authority of the rulers overseas. In 1763, by the Treaty of Paris, the right to levy taxes and to regulate the trade and commerce of the colony in Canada was vested in the British Parliament.

During the early part of the nineteenth century, thanks to the rapidly increasing revenues of the several Provincial Legislatures, the real power of the purse began to pass into their hands. The growing financial power of the Legislatures was further strengthened in 1831, when the British Parliament turned customs duties over to them.

Under the Act of Union, 1841, a Consolidated Revenue Fund was set up, (consisting of all government moneys), appropriation bills were required to originate in the Legislative Assembly in Canada, upon recommendation of the Governor General, and the British Parliament surrendered all control of hereditary and casual revenues.

With Confederation, in 1867, the Dominion Government assumed control of the customs and excise duties, the principal sources of revenue at that time, and Canada became sole master of her own finances.

The Department of Finance was established in 1869. It is under the jurisdiction of the Minister of Finance and Receiver General. The chief permanent official of the department is the Deputy Minister.

FUNCTIONS OF THE DEPARTMENT

The Department of Finance has the supervision, control, and direction of all matters relating to the financial affairs and public accounts, revenue and expenditure of Canada, which are not, or in so far as they are not by law, or by order of the Governor in Council, assigned to another department of the Government.

The Minister

The main functions of the Minister of Finance is to plan and administer the fiscal policy of the Government. He is responsible for the preparation of the Budget which is an estimate of government expenses for the coming fiscal year, together with proposals for obtaining revenue to meet the proposed expenditures.