

Budget speech being delivered to-day. The Finance Minister in the early part of 1914 in delivering his Budget speech, spoke of the prosperity of Canada. He had delivered a budget which had brought him congratulation, and which contained in it no cause for alarm. He had shown the House, I remember, that the total expenses of the year, on revenue and capital account combined, had been \$163,000,000, and that entire sum had been met by the collections of that year, and that we had not added one dollar to our debt, nay more, we had decreased our debt between 1911 and 1914. Canada was in a thoroughly sound and healthy condition, financially speaking. It was well that it was so, for we were destined shortly to be submitted to a trial greater than this nation had ever before been called upon to endure. It was well that we were financially sound in the early part of 1914, because the great war came upon us that summer, and found us in that respect as in many others, ready. When Parliament met in August, 1914, we had a short session, but a very momentous one. We were under the cloud of a great menace, possibly a disaster. Parliament wasted no time in debate, I can assure you, in that session. We passed the necessary appropriation, \$50,000,000, the amount we thought sufficient at that time to enable us to raise our first fighting force. We passed other legislation to enable the Government to be carried on and to cope successfully with the situation, and we adjourned within two weeks. Parliament at that time gave its pledge, and gave it unanimously, that in so far as Canada was concerned, we were in the war for all we were worth, and that we would put into it all the men, money, munitions and food that was necessary to the extent of our ability, and we have kept that pledge. Our forces have grown from 50,000 to 100,000, from 100,000 to 250,000, from 250,000 to 500,000, each increase with the consent of Parliament, one step after another. To raise, equip, train, transport and maintain an army such as we have had and still have in the field; to care for the dependents of the soldiers and to look after those in need of pensions; to carry on all the other activities of the war, and at the same time to keep the regular functions of Government in operation, is an immense task. In our war record stupendous figures may be found. In the first year of the war we spent \$60,000,000 for war purposes; in the second year, \$166,000,000; in the third year, \$306,000,000; in the fourth year \$348,000,000—a con-

stantly mounting expenditure; a total to the end of March, 1918, of no less than \$880,000,000. If any one had predicted in the war session of 1914 that within three and a half years this war would cost us \$880,000,000, that man would have been told by every financier in the country that Canada would be bankrupt long before any such sum could be raised. Yet as war needs came we have sanctioned one appropriation Bill after the other, each year meeting larger requirements — \$50,000,000, \$100,000,000, \$250,000,000, \$500,000,000; four successive war Bills aggregating \$900,000,000, and we have had before the House this session another war Bill for \$500,000,000, making a total of \$1,400,000,000 voted by Parliament for war purposes since the outbreak of hostilities in 1914.

At the risk of laying before the House figures which are easily accessible to all and of repeating facts that all have heard, I purpose briefly to run over the financial history of the war to date so far as Canada is concerned. I do this because I feel that, as a preliminary step to the consideration of the measures which the Finance Minister will base on his Budget of to-day, it is desirable that we should be reminded of the various milestones which we have passed during the last four years; that we should realize what obstacles we have met and surmounted; that we should be able intelligently to pass in review those things which we have accomplished. To do that will make it possible for us more wisely to deal with legislation and more courageously to look into the future.

When Parliament assembled six months after the outbreak of the war the outlook was far from encouraging. There had been throughout the country a dislocation of business, a great uncertainty as to what might happen. All our borrowing was suddenly cut off, and Canada, which had been a debtor country ever since Confederation, found herself no longer the happy possessor of moneys pouring in at the rate of a million dollars a day. Our customs revenues greatly declined. We found ourselves face to face with a diminishing income and an increasing expenditure. A demand was made that public works should cease; I remember that I myself supported that demand. We now recognize that the Government did wisely in not suddenly putting to an end the public enterprises being prosecuted on capital account. These were continued in order that men might be able to find employment, that contractors might be kept solvent, that