

every year for the last twelve years. Let me show my hon. friend the evidence of that. If time permitted to make quotations to show that that was the policy of hon. gentlemen every session, it would not be without interest, but I do not want to do that. During the very first session, before this government had had time to proclaim or arrange any policy, when we were just simply taking the estimates as my hon. friend had left them, I find that even at that time the hon. gentleman pictured to us a gloomy outlook:

"The Finance Minister looks out upon a future in as normal condition as it well can be, and he deliberately asks this House, with a revenue of less than \$37,000,000 to sanction an expenditure of \$44,000,000, with supplementary estimates to come down, . . . \$44,000,000 will be nearly \$8,000,000 more than the total revenue that can be expected during the present year."

The leader of the opposition of that day, the veteran Sir Charles Tupper, was more alarming yet. His was a bigger wolf than my hon. friend's. He said on that occasion that our statement of the position:

"Involved the expenditure of millions of money more than he (the Finance Minister) can show any expectation of obtaining."

He said further that the Minister of Finance—

— "Was about to expend something like \$10,000,000 more than he has any reason to expect to receive."

My hon. friend from North Toronto was a little more moderate. He said \$8,000,000, but the leader of the opposition of that day saw a larger wolf, and he said that this government was preparing for a deficit in that year of \$10,000,000. Then the veteran Sir Charles said at the same time that we were preparing to destroy the credit of the country, which had been so well established under the administration of himself and his friends. What was the result? In due time the supplementaries, which Sir Charles referred to came down, the accounts were closed, and we had the result before us. What was it? Did we have the \$8,000,000 of a deficit which my hon. friend said was staring us in the face? Did we have the \$10,000,000 deficit that the veteran Sir Charles Tupper saw facing us? Just as loudly as my hon. friend declares it now, that hon. gentleman said that we were going to have a shortage of \$8,000,000 and just as loudly Sir Charles Tupper declared that there would be a shortage of \$10,000,000. If there had been a shortage of \$10,000,000 at that time it would not have been anything that we had need to be ashamed of. It was not our year; there was not time to mature a policy; we simply took the estimates of our predecessors, with some slight changes, and carried them through the House. If we had a large deficit that year, it would have been something for which our predecessors were as much responsible as we were. But what happened? Was there a deficit of \$8,000,000? Was there a deficit of \$10,000,000? Did the wolf come? No, it did not come to the extent of \$8,000,000 or \$10,000,000, or \$1,000,000, but there was a deficit of only \$519,000. These hon. gentlemen cried 'wolf, wolf,' but the wolf did not come. That was the end of the era of deficits and the beginning of the Liberal era of surpluses.

Their prophecies as to the public credit were put to the test. The hon. gentleman to-night discussed the public credit, and I may take occasion to allude to that further on, but on the occasion to which I have referred, in that first year the veteran leader of the opposition, Sir Charles Tupper, declared that we were entering upon a condition which would destroy public credit. A few months later I had the honour to go to England to float a loan, and that loan was admittedly the best loan that had ever been obtained in the history of Canada. We were able at that time to put on the market, for the first time in