

ada paid it, and they paid it because this gentleman's government promoted and aided that combination, and made it possible for it to squeeze the farmers to this extent.

The **MINISTER OF CUSTOMS**. Even so, that would not justify you leaving it out.

Mr. MONTAGUE. It would not justify the hon. gentleman leaving it out, and I took his table just as I found it. At least I intended to. If I am mistaken I shall gladly stand corrected. Now, the hon. gentleman had a good deal to say about a surplus, he said that the surplus was \$4,837,749. Now, what is a surplus? A surplus is what is saved over after the necessary expenditure has been met out of ordinary income. In order to know whether we are exactly right in our comparisons, we must know whether the same policy has been pursued as was pursued in the past. I am rather astonished at the Minister of Finance who made this statement in his budget speech:

Let it be clearly understood that the accounts of the government, as respects these two classes of expenditure—

The consolidated revenue fund and capital account.

—are kept to-day exactly as they were in former times; and therefore the comparisons we make are those we have a right to make with the expenditures of former administrations.

Sir, I dispute that in the most emphatic manner. Two years ago we discussed Intercolonial Railway matters in this House. I will not turn up the debate now, but I will if the hon. gentleman wishes to see it. The Minister of Railways and Canals was asking us to vote his estimates, and what did we prove in this House? We proved, what the hon. gentleman had to admit, that the reconstruction of bridges, the repairs of bridges, the replacement of bridges, done by this government, were being charged up to capital, while the hon. gentleman was compelled to admit that in 1896, and previous to that time, they had been charged up to revenue account alone. We cautioned the hon. gentleman, we warned him, that, when he was making that change, in the way of voting that money, he was destroying for all time to come the figures, so far as comparisons between different years, as regards expenditure on the Intercolonial Railway, on consolidated fund account are concerned. And then, too, what does the hon. gentleman do in order to make a good comparison with the last year of my hon. friend, the ex-Minister of Finance (Mr. Foster)? He charges up, to 1896, \$2,394,000 of indebtedness assumed by this government, of the North Shore Railway Company in 1882, which has not been paid, which was not paid by the past government, and which is not paid to-day. What did we do? We paid

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each year, the interest on it, and the hon. gentleman is doing just the same thing. He is doing just the same thing, and yet, he charged up to 1896, not only the payment of \$2,394,000 of capital, but the interest as well, in order to make the comparison show well for himself, as affecting his own expenditure. Sir, here is an illustration. The hon. gentleman got some running rights over the Grand Trunk Railway in 1898. We are paying for that \$140,000 a year. If we charge up that \$2,394,000, which we did not pay, en bloc, and upon which we are paying the interest annually, it would neither be honesty, nor good bookkeeping nor fair-play, not to charge up the whole sum which we became responsible to the Grand Trunk Railway for in 1898. And what would that amount be? Capitalized, Sir, at 2½ per cent it would be between five and six million, which, if we are to charge up the \$2,394,000 in 1896, should be capitalized and charged up to 1898. The hon. Minister of Trade and Commerce (Sir Richard Cartwright), upon being challenged, when he was discussing it, went around the question, and never attempted to answer that challenge.

The **MINISTER OF FINANCE**. There is all the difference in the world between the two.

Mr. MONTAGUE. What is the difference? There is no difference at all, the one being the assumption by the Dominion of a debt owed by another party, on which we are paying the interest, while, in the other case, the hon. gentlemen made the debt themselves, and paid the interest on it. If there is any material difference between the two, I should like the hon. gentleman to explain it. After all, are these surpluses good things? I think I see the hon. Minister of Customs (Mr. Paterson), in 1883, pounding this desk at which the hon. member for South Norfolk (Mr. Tisdale), is sitting now.

The **MINISTER OF CUSTOMS**. No, it was the next one.

Mr. MONTAGUE. The next one? Well, it is a little more used up than this one. What did the hon. gentleman say in 1883?

When the government find that they have beyond doubt a surplus, when they can calculate to a certainty on having one, it is their bounden duty to reduce taxation.

The **MINISTER OF FINANCE**. That is what we did.

Mr. MONTAGUE. Will the hon. gentleman (Mr. Fielding), tell us where he did it?

The **MINISTER OF FINANCE**. In our 33½ per cent reduction in the tariff.

Mr. MONTAGUE. We shall see about that. The hon. gentleman (Mr. Paterson), continues:

It is no part of the duty of the Finance Minister to extract more money out of the pockets