

year. (Applause.) And about sixteen and a half millions in the year just closed. (Cheers.) In a community where financial affairs are always important, among bankers, business men, &c., a record of that character is something that ought to commend a Government to the confidence and support of the people. (Hear, hear.)

Sometimes we are told that these surpluses are matters of bookkeeping; that we have not got the money. Well, there is some truth in that. We have not the money, but we spent it for purposes which, under other conditions, would have meant going into debt. We did have the money, and our surpluses are made out in precisely the same way as our predecessors made out their statements, with the exception of one item. We charge to capital account one item in the matter of bounties which was not so charged by our predecessors. I need not enter into this, but I want to recognize the exception by which our bookkeeping differs. It was only in that item, and, in the aggregate surplus of fifty-eight million dollars in eight years, that item is of small consequence. We make up our surpluses in exactly the same manner as our predecessors made their statements. We charge the ordinary affairs of government to income and other expenditures to capital account. We read in Conservative newspapers that this is bad bookkeeping.

CAPITAL VERSUS CURRENT ACCOUNT.

I am contending that it is sound bookkeeping. It was sound when our opponents used it, and it is still sound. In a country like Canada it is legitimate that you draw a distinction between your charges for ordinary affairs of government and charges for great public works. If a man rents a house for so much a year, he pays the rental every year out of his income. But if he buys a house he does not expect to pay for it out of one year's income; he opens a capital account, and that is the principle whereby great public works, the construction of canals, railways, creation of terminal facilities, the deepening of the great national waterway—the St. Lawrence—and various other things, are carried on. These are the things which we are doing, not for to-day, but for the future, and for the benefit of posterity, and it is legitimate that, if need be, we should charge these things to capital account. And so I show you that our surpluses are bona fide, actual money, and produced under conditions which do not burden the people, but which have been in the highest degree advantageous to the people. (Cheers.)

THE DEBT PROBLEM.

In connection with that comes always the question of public debt. A year or two ago our friends on the other side were constantly talking about the additions we were going to make to the