

the Government for appropriating money set aside for a specific object by the House for other purposes. The Government started the year with a cash balance of \$1,439,000, but almost \$1,200,000 of that amount was borrowed from the proceeds of the loan authorized for Northern Ontario development. At the end of 1912 there was enough money on hand to take care of all the contemplated expenditure in Northern Ontario under the \$5,000,000 grant, but during the year the Government borrowed more. The situation finally was that at the end of the last fiscal year the Province owed this fund actually \$681,000 more than all the cash on hand, or \$2,815,000 in all.

These were facts on which he challenged correction.

"After a while I will answer it," said Mr. Lucas.

"Quite so," replied Mr. Rowell. "I hope my hon. friend will tell us how he justifies raising money for one purpose and applying it for another and one entirely unauthorized by the Legislature or the statute." (Applause.)

Referring to the Treasurer's estimates of revenue and expenditure for the present year, Mr. Rowell went on to point out that the figures were entirely misleading.

Treasurer Claims to be Frank.

Mr. Lucas in reply said he had been told again and again that the financial statement lacked frankness and honesty. After listening to all this from the Opposition leader he did not feel a bit riled; in fact, he felt rather pleasant, but his hon. friend seemed to be a bit riled. He (Mr. Lucas) contented himself with the thought that the man who first gets riled is most always wrong. He submitted that the statement which he placed before the House, and which Mr. Rowell was not present to hear, was fair and frank. Mr. Rowell appeared to have gathered a great deal of information from the public accounts. They seemed to show everything to him. He knew exactly what the deficit would be; he knew exactly what the borrowings were; he had every detail before him, and yet he supported a resolution which says these public accounts were not presented frankly and honestly to the people. Mr. Rowell's criticism did not carry in weight simply because he used strong language. He must point out in what particular it was not a frank and honest statement of the finances of the Province.

When Did Deficits Begin?

Examining one or two points of Mr. Rowell's statement, the Treasurer said he started out by asserting that the old Government before 1905 always had sufficient to pay its way, to pay not only the current but the capital expenditure of the Province.

Mr. Rowell here jumped to his feet and declared he made no such statement. What he said was that for the last three years previous to 1905 there was an average surplus.

Mr. Lucas said his hon. friend's statement was exactly in line with the argument of the member for West Middlesex and with some editorials that had appeared in *The Globe*, the meaning of which was that they were placing certain assets of this Province in the receipts that properly belonged to capital.

Mr. Lucas said that the Opposition leader was not correct in his statement that the school grants had been cut by 28 per cent. The grant was the same as last year. In other directions Mr. Rowell had not taken note of certain transfers that had been made of various services to different departments.

LEGISLATURE ASKS IRON INDUSTRY AID

Northern Ontario Gets Pressure for Ottawa

MR. ROWELL CAUTIOUS

Advises That Such Action is Outside Province of Legislature—Gamey Resolution Passes, Though Dividing Party Lines.

Northern Ontario had its innings in the Legislature last night when the resolution of Mr. R. R. Gamey (Manitoulin) urging upon the Federal Government the necessity for granting aid to develop the iron resources of the country was adopted by a non-party division. It was a non-contentious proposal that found supporters on both sides of the House, and gave Hon. W. H. Hearst an opportunity to present an interesting and instructive survey of the possibilities for putting this industry on a permanent basis and maintaining a prosperous community in the North country.

In discussing his motion Mr. Gamey pointed out that although there were large deposits of iron ore in Ontario and the other Provinces of the Dominion now lying idle or but little worked, the great and growing demand for iron and steel and also the demand for iron ore for smelting purposes were largely met by importation from abroad, and especially from the United States. He advocated a measure of assistance by the Parliament of Canada that would place the iron and steel industry on an assured footing.

Mr. D. M. Hogarth (Port Arthur) seconded Mr. Gamey's motion.

Mr. Hearst Cautious.

Hon. Mr. Hearst quoted a statement showing that Europe had an iron reserve of 4,733,000,000 tons and America 5,154,000,000. It was impossible to accurately say at the present day what amount of ore they had in the different bodies in Canada, but there was a very large deposit of low grade ore. It was not surprising that the Canadian iron industry was not progressing with rapidity, because the quality of the ores as compared with the south shore of Lake Superior was such as to handicap it. These ores might be successfully treated, as was evidenced by what had been accomplished in other countries, such as Germany. He was not going to discuss whether it was right or proper that the Dominion Government should give aid in the way of bounties or anything of that kind, but he wanted to point out this, that if aid should be given at all the Dominion Government was the proper source from which that aid should be obtained.

Mr. Proudfoot (Centre Huron) was favorable to what was proposed to stimulate the iron industry, but also thought that the Legislature should do something by way of assistance.

Mr. T. W. McGarry (South Renfrew), Mr. Machin (Kenora) and Mr. Allan Studholme (Hamilton) favored