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with a large surplus over all our liabilities, with a surplus over the operations of last year, and with a prospective surplus of over half a million dollars on the operations of the present year, and all the public services treated liberally and in the interests of the Province! But while this appears to be so from the Auditor's statement there are objections made by Hon. gentlemen opposite in reference to these statements. The Hon. member for South Lanark in his address tells us that there is a large debt I do not know exactly how much he represents it to be, it is enormous at any rate; and then he tells us that on the operations of 1903—coming right up against the signed statement of the Auditor—he tells us these statements are not correct, but there was a deficit on the financial operations of that year. And then we are assured, too, that next year will see a still larger deficit, which the Auditor was unable to see any indication of. He looks upon the increased expenditures of this year with great alarm and anxiety. Now, I have been looking back to his speeches ever since he became a member of this House, and the statements made with reference to our financial position here this year is in harmony with the statements he has always made. He has always found deficits, always found enormous debts, and has always told the country that we were in great financial straits. Yet year after year passed by and the surplus is larger still, and each year shows a surplus on the operations of that year. (App.) I take the views, too, of my friend from West York, Mr. St. John, who in a speech last session said that if we were to be blamed for anything it was that we did not spend money enough. He takes an entirely different view to the gentleman from Lanark, (Mr. Matheson) and if my opinion is worth anything the member for West York is more nearly right than his colleague.

Decrying the Province.

Does my Hon. friends think it is a patriotic attitude to decry the financial position of the Province as

they are continually doing? We are endeavoring to get settlers to locate in this country in the great, unsettled portion of the Province of Ontario we are opening out to them, and the inducements we hold out to them as a Province, financially and in other respects, can be offered by no other Province in the world. And still my Hon. friend, from his place in this House, and on his responsibility as a member of the Legislature, assures the country and other countries as well, where speeches of the members of this House are read, that we are in a very bad financial position. I ask is this a patriotic, wise or prudent attitude to assume, I do not mean that, if we are in a bad way financially, or year after year it is proven conclusively that we are in the best possible position financially, better than any State in the American Union, is it fair from a patriotic standpoint to continue to run down the financial condition of the Province in which we live? (App.)

Sh, I have been trying to find a foundation for the statement that we are in debt, as made by the Hon. member, and his contention seems to me to be embodied in the article in the Mail and Empire of the 11th of February, headed "Ontario's Huge Deficit." I find in that article two or three expenditures to which the Hon. gentleman takes exception. One is a payment of \$250,000 for wages at the Soo. I am not dealing now with the prevention of bloodshed and all the graphic features of the Soo difficulties, which we have heard so much of from several Hon. gentlemen opposite, but I am trying to deal with it for one moment from a purely financial standpoint in order that we might see whether the Treasurer or Auditor was justified or not in having that statement left out of the expenditure of last year. That money has not been paid out of the Provincial Treasury, as I understand it. It has been provided for through the bank, under certain conditions, and if certain conditions are complied with, with reference to the opening up and continuing of certain