

Hon. Mr. FERGUSON—It is lamentable to see my hon. friend when important measures are before this House, showing that he does not understand their contents.

Hon. Mr. SCOTT—I state that the hon. gentleman is absolutely wrong in the allegation he makes.

Hon. Mr. FERGUSON—I have the clause before me.

Hon. Mr. SCOTT—I will not discuss it with the hon. gentleman.

Hon. Mr. FERGUSON—I cannot help that. Under the Bill it is proposed to put working expenditure to rank below the bondholders' interest—is not that what is proposed in this Bill?

Hon. Mr. CASGRAIN—Not to the bondholders' interest at all.

Hon. Mr. FERGUSON—If my hon. friend's Bill is carried, then the working expenditure will come next to the bondholders' interest, and a part of the working expenditure is taxes. Turn to sub-clause 34, of section 2, letter (e) and there you will see 'all rates, taxes, insurance, and compensation for accidents and losses,' included in working expenditure, and my hon. friend the Secretary of State is supporting an amendment to the law, which will give taxes a position inferior to the interest on the bonds.

Hon. Mr. SCOTT—I am not supporting the amendment. I was against the amendment. I was against any alteration in the law made in 1903.

Hon. Mr. FERGUSON—The amendment proposed by the hon. senator from De Lanaudière?

Hon. Mr. SCOTT—I am speaking of the amendment proposed to-day.

Hon. Mr. FERGUSON—The Bill of the hon. senator from De Lanaudière is the one the hon. gentleman is so strongly supporting.

Hon. Mr. SCOTT—Not at all.

Hon. Mr. LOUGHEED—Is the hon. gentleman opposed to the amendment of the hon. senator from De Lanaudière?

Hon. Mr. SCOTT.

Hon. Mr. SCOTT—The first amendment was to expunge two words; I was supporting that. The next amendment—

Hon. Mr. FERGUSON—Is not my hon. friend supporting the Bill that we have before us?

Hon. Mr. SCOTT—Yes, but not Mr. Bélique's amendment.

Hon. Mr. FERGUSON—We are not speaking about Mr. Bélique's amendment; I am talking about the Bill which the hon. gentleman is supporting so very strenuously, and I say that that Bill, as far as the parliament of Canada can do it, is putting taxes in a secondary position to the bondholders' interest.

Hon. Mr. SCOTT—No, we cannot do that.

Hon. Mr. FERGUSON—My hon. friend says we cannot do it, but he is trying to do it as far as he can, and it shows how silly this Bill is, because we are doing something which will not stand in a court of law, for there is no doubt the provinces have power to deal with property and civil rights and can tax property and collect taxes before the bondholders can collect their money.

Hon. Mr. SCOTT—Yes.

Hon. Mr. FERGUSON—But my hon. friend strenuously supports a Bill giving priority to the bonds over the taxes.

Hon. Mr. SCOTT—No. I am not going to answer the hon. gentleman again.

Hon. Mr. FERGUSON—I hardly know how to account for my hon. friend's hallucination, for that is the position in which he really stands. I take the position that the Act of 1903 must have been amended in a deliberate manner in this particular. It was in the hands of a very able man; my hon. friend was a member of the government himself and they made this amendment and they cannot show us, after five years, that any harm or injury whatever has resulted from the operation of that Act.

Hon. Mr. CASGRAIN—Nobody knows it is there.