

Hon. Mr. HAYDEN: It was not in existence then.

Mr. EVANS: It was not in existence then. It was, when we were here, but I did not deal very much with the Maritimes amendment before this committee, and the idea about Eastern lines did not occur to me until after I made the presentation here.

Hon. Mr. HAYDEN: You could have the situation that the C.P.R. would be subject to equalization in the Maritimes and the C.N.R. would not be?

Mr. EVANS: Yes. I do not think you would hear me taking that position, because I know how impractical it would be, but some interest with irons in the fire might force that issue.

Hon. Mr. KINLEY: It is all under the Board now? After you get by Levis in future, everything will be under the Board?

Mr. EVANS: What has been done by this is to direct the Board to apply equalization, but you have said that that does not apply east of Levis. If Mr. MacNeill's interpretation is right the Board will have to preserve the old rates for Maritime traffic. I do not mean to say that they will be frozen.

Mr. MACNEILL: No, I did not say that. The Board does not have to preserve the rates. They are not frozen, and the Board can adjust them.

Mr. EVANS: I think I said that.

Mr. MACNEILL: If that is what you said, I agree with you.

Hon. Mr. HAYDEN: Why not say "select territory" instead of "Eastern lines"?

Mr. EVANS: I have an amendment here for that purpose, senator: "upon or over all or any of the lines of railway in select territory, as the term 'select territory' is used in the Maritime Freight Rates Act, as amended by so-and-so". That is to fix paragraph (f), and to retain paragraph (g), on the assumption that you want to go as far as (g) takes you.

Hon. Mr. REID: What is your opinion of paragraph (g)? Does that not give the Board power to go farther than even the Maritime Freight Rates Act empowers it to go, if it considers that an exception should be made from equalization?

Mr. EVANS: I think it does. I do not think that the Board could, in the face of a reference to the Maritime Freight Rates Act, use (g) to do something that it could not do under the other provisions. I think that (g) was intended to give the Board power to deal with cases of a type that do not lend themselves to equalization. I do not think that would give the Board power to override an exception that expressly applies to Maritime freight rates.

The CHAIRMAN: Has Mr. O'Donnell, of counsel for the Canadian National Railways, anything to say on this legal question? I hope the committee agrees with me that we should try to canvass this situation as best we can.

Mr. Hugh E. O'DONNELL, K.C., of counsel for the Canadian National Railways: Mr. Chairman and honourable senators, I suppose I might try to add confusion to a certain extent. I think I can agree with Mr. MacNeill when he says that if it be wished only to preserve the Maritime Freight Rates Act provisions there is no need for this paragraph (f), and I also agree with him that if we want to preserve something west of Levis then something more is needed. I think that (f) deals with traffic west of Levis.

In answer to a question asked by Senator Farris, as to whether any other interpretation was possible, I think that as long as people can hire lawyers other interpretations will be found. There is another possible interpretation. Frankly, the thing that bothers us is the possibility that that provision in paragraph (f) may tend to freeze the rates in and out of the Maritimes and west of Montreal. So far as the Canadian National is concerned, there is no