

Hon. Mr. Farris: Has Mr. MacNeill passed on your draft amendment?

Hon. Mr. Campbell: I thank the honourable senator from Vancouver South for bringing that question to my attention. The members of this house will probably wonder why the committee did not produce an amendment which had been submitted to our Parliamentary Counsel, and which in his opinion, in our opinion and in the opinion of all legal experts, is the intention of the government. The reason that such an amendment is not before the house is that in committee the honourable senator from Toronto (Hon. Mr. Hayden) moved that this section be referred to our Parliamentary Counsel with instructions to draft a clause which would clearly express the intention of the government. I was very much surprised to find that anyone would vote against a motion of that kind, but the motion was lost on division. The result was that the only way in which this matter could be brought before this honourable body was by the introduction of an amendment such as the one I have carefully considered. I do not hold myself forward as an expert draftsman in matters of this kind, and I should not like to assure this honourable house that this amendment adequately covers the situation. I feel, however, that it does cover the situation much better than does the present statute. I should not like to say whether or not we should deal with the matter at this time, but I do urge this house to seriously consider an amendment to this particular section which will express the intention of the government in precise language.

Hon. Mr. Euler: I do not think you answered the question of the honourable senator from Vancouver South (Hon. Mr. Farris). I believe he asked whether our Parliamentary Counsel had agreed with the amendment which you suggest makes the situation perfectly clear.

Hon. Mr. Campbell: I said that there was an attempt to have this section referred to our Parliamentary Counsel for the purpose of drafting an amendment.

Hon. Mr. Euler: But he has never passed on it?

Hon. Mr. Campbell: That motion was defeated, and he has not passed upon my amendment. He has not seen it. Honourable senators, I strongly feel that the Parliamentary Counsel should review this draft amendment, but I am not urging the house to adopt this particular draft amendment. I have made it clear, I think, that the reason I have introduced this amendment is to get the legislation into language which will

express the government's intention as expressed by the minister. I am sure honourable senators will agree with me that we should not pass legislation in its present form when there has been so much dispute as to its interpretation.

Hon. Mr. Lambert: May I ask the honourable senator a question with regard to his reference to evidence submitted by Mr. Knowles. I understand him to say that Mr. Knowles agreed that the interpretation of the section under question was that it extended the privileges of the old rates both westbound and eastbound over any line in Canada. I think he also said that that is what was intended.

Hon. Mr. Campbell: You are quite correct. There is a direct conflict between the testimony of Mr. Knowles and that of the minister.

Hon. Mr. Hugessen: Honourable senators, this is a very complicated question, and though I doubt my ability to explain it in such a way as to make it clear either to myself or to the house, in the course of a few minutes I shall try to do so.

The whole question arises out of what happened in the Commons committee when it was considering the question. The bill as originally introduced and as considered by that committee contained no such provision as is found now in paragraph (f) of subsection (4) of section 332A. The Maritime provinces were interested in preserving two things in their freight rate structure. The first was the special privileges which they obtained under the Maritime Freight Rates Act, which in effect gives a subsidy of 20 per cent on shipments of freight out of the Maritime provinces into Central and Western Canada. It was quite clear from the bill as originally introduced that the Maritime Freight Rates Act provisions were expected from it.

But the second thing which the Maritimes wished to preserve was not covered by the Maritime Freight Rates Act. Apparently over the years there has grown up in the Maritimes a special system of groupings of freight rates and of arbitraries over Montreal, as I think they are called, which in effect has given the Maritimes lower rates, on goods flowing both eastward and westward, than they would be strictly entitled to if the rates were calculated solely on a mileage basis. So the point was this. Here was this new bill which proposed to introduce into our rate-making law, by which the Board of Transport Commissioners would be bound, a general principle of equalization of rates based upon distance; and there already existed the system that had been built over