

Then again at page 165:

Hon. Mr. Hawkins: I am afraid that a misunderstanding is being created here. This bill does not set rates, it is only an authority for equalizing them.

Mr. Knowles: Yes.

Hon. Mr. Hawkins: There is nothing in this that would save us from having to pay a higher rate on shipments from Halifax to Regina if the rate was made higher by the board.

Mr. Knowles: I think you are wrong on that, sir. The way it has been explained to me by the legal gentleman is that this leaves you exactly where you are today.

Then Mr. Matthews, the counsel, was asked:

The Chairman: Perhaps we could get Mr. Matthews' view on that.

Mr. Matthews: Mr. Chairman, there seems to be a little difference of opinion about this among lawyers.

He was speaking of the difference of opinion as to the interpretation of the section.

Hon. Mr. Haig: Will you just read the section that you are referring to?

The Chairman: It is paragraph (f) of subsection (4) of section 332A on page 6 of the bill.

Mr. Matthews then read the section, and followed up with the statement:

The original bill was drafted without that paragraph, and the equalization section was made subject to the Maritime Freight Rates Act. My interpretation of the Maritime Freight Rates Act was that the rates were frozen on July 1, 1927, and could only be increased or decreased as the cost of operations increased or decreased, and we thought that if the bill was made subject to the Maritime Freight Rates Act the position of the Maritimes would be protected. Now, under the Maritime Freight Rates Act the rate is fixed only on the Eastern lines, that is east of Levis. But the representatives of the Maritimes thought they did not have sufficient protection, and that their traffic should be excluded from the equalization sections of the bill. The point may have to be settled in the courts some time. My interpretation would be that on movements from Halifax to Regina the rate to Levis is settled and would not be touched, but that beyond that the regular rate would apply.

Hon. Mr. Campbell: If you changed the language to read "within the Maritimes"—

Mr. Matthews: That then would apply only to local traffic within the Maritimes.

Hon. Mr. Campbell: But it could be spelled out to cover traffic moving west, outside of the Maritimes. Surely we can draft legislation that will express what we have in mind.

Mr. Matthews: Well, that is my interpretation. The point is not clear.

The result of the evidence and the opinion of counsel, including our own Parliamentary Counsel, clearly indicates that the interpretation of paragraph (f) is not at all clear, and that it is likely to be construed in the broad sense which in the opinion of Mr. Knowles was the meaning of the legislation.

In order to clear the point, certain questions were asked of the minister when he appeared before the committee yesterday morning. Although that evidence has not yet been printed, I have a few extracts from it which I think will clearly show the government's intention and the policy which this legislation

was intended to express. In speaking about paragraph (f), the following question was asked:

Hon. Mr. Hayden: . . . One meaning it appears to bear in their minds is that it does and could be said to operate beyond or west of Montreal. Now, that was not the intention of the government, was it?

Hon. Mr. Chevrier: No, that was not the government's intention.

This clearly shows that Mr. Knowles' interpretation of the legislation is not the intention of the government, as was definitely and clearly stated by the minister.

And further on:

Hon. Mr. Hayden: . . . I say the suggested interpretation that we have had presented here by various witnesses would give a broader interpretation to the section than the interpretation that you put on it. You have interpreted it as intended to preserve rate groupings and arbitraries and carry as far west as Montreal.

Hon. Mr. Chevrier: Yes.

Hon. Mr. Hayden: The interpretation given here by a number of lawyers who are skilled in this kind of work, and one of the views expressed by our own Law Clerk, is that it is capable of the broader interpretation that the movement of goods out of the Maritimes might carry all the benefits that exist to any point in Western Canada. Now, that was not intended?

Hon. Mr. Chevrier: That is right. I do not think that I should get into a discussion of what it means, other than to say what it was intended to mean.

Honourable senators, it seems to me that if there is one duty cast upon this honourable body it is to see that legislation, before it passes parliament, is clear in its terms and expresses the intention of parliament. We should not pass legislation which is capable of two or three different meanings, and which the solicitor for the department—the one responsible for the drafting of such legislation—says will probably have to be settled in the courts. I think the amendment which I have proposed protects all the rights of the Maritimes under the Maritime Freight Rates Act. It puts them in a position where they can use the arbitraries and the groupings which have heretofore existed within the Maritime Freight Rates Act. It puts them in a position where they can use the arbitraries and the groupings which have heretofore existed within the Maritimes and to all points, from Montreal or Levis, or wherever the new rates start and then they will be on the same basis as Ontario, Quebec and the other provinces across Canada. The minister has clearly stated that it is the intention that the rights of the Maritimes under the Maritime Freight Rates Act shall be reserved, and that they shall not be excluded from the general rate structures which are to be established under the new equalization policy which is laid down under the statute.