

Mr. STEWART: Mr. Chairman, I would like to refer to the example of rates to be fixed on captive traffic. There is a heading down the side of the page which reads: "Percentage reduction for larger cars" which shows, as I understand it, that the railway company would have an advantage over truck competition in commodities involving large loadings. Is that correct?

Mr. CUNNINGHAM: The word "larger" quite possibly should have been heavier load.

Mr. STEWART: Yes. You are suggesting that this advantage would be very considerable by the time you get two cars loaded over 100,000 pounds?

Mr. CUNNINGHAM: By using the formula as proposed under section 335 and using the variable costs plus 150 per cent we are attempting to show in this exhibit the scale of rates that would result at the minimum. We do not have this in the exhibit but we just took it out of one of the present tariffs and we arrived at a rate for distance of \$1.01. That is the closest we can get to this dollar that we show as a fixed rate. The present published rail rates in cents per 100 pounds are: 101 for 30,000 pounds, 79 for 45,000 pounds, 77 for 55,000 pounds, 75 for 70,000 pounds, 73 for 90,000 pounds, 71 for 110,000 pounds and 69 for 120,000. You can see that by using this formula, these rates would result in much higher rates than the railways had presently published. This is what we were attempting to show by this statement.

Mr. STEWART: Yes. Thank you very much.

Mr. MACDONALD: Mr. Gracey, it might be useful if we had on the record some indication of the membership association. Do I take it that your membership is primarily industrial firms who have cause to use the transportation facilities in a major way?

Mr. GRACEY: Yes, sir. We have approximately 1,200 traffic management personnel representing 550 industrial and commercial concerns. We are the shippers and we use all modes of transportation.

Mr. MACDONALD: Therefore, the transportation companies themselves are not as a rule members of the association?

Mr. GRACEY: No. They are not eligible for membership.

Mr. MACDONALD: And where would your membership be centralized. Would it be central Canada or right across Canada?

Mr. GRACEY: Approximately half of our membership is from Ontario, approximately 25 per cent in Quebec and the east and approximately 25 per cent in western Canada. This follows the industrial development of our country.

Mr. MACDONALD: Did you make a presentation as a league to the royal commission?

Mr. GRACEY: Yes, we did.

Mr. MACDONALD: Thank you.

Mr. REGAN: I wonder if I might ask Mr. Gracey to elaborate on the submission made on page 3 with reference to the proposed provision for the new bill doing away with any declaration that the railways must not discriminate. Would you like to deal with this question of discrimination as regards what harm you see is likely to develop; that there would be no prohibition against discrimination contained in the new bill.

Mr. PAUL: Yes, Mr. Chairman. That is one of the things that our members are quite apprehensive about, the fact that if this new bill is amended as proposed there will be no safeguard whatever against the railways practising discrimination. It is for that reason that we are proposing in our amendment that clause (d) be added to the national transportation policy so that any regulatory board will know the principle on which they should be guided. In