

"758. It is my allegation that the following companies have been parties to a combination having relation to those commodities which may be the subject of trade or commerce and which are commonly transported by cargo liners, eastbound and westbound, between ports in Eastern Canada (including Canadian Great Lakes ports and Eastern ports of Canada other than ports in Manitoba and Newfoundland) and ports in the United Kingdom and Eire, by way of actual or tacit consent, agreement or arrangement having or designed to have the effect in relation to such commodities of

- (a) fixing common costs of ocean transportation, and
- (b) preventing or lessening competition in or substantially controlling ocean transportation,

This is what has been going on. These shipping conferences were designed to fix the costs of ocean transportation and to prevent or lessen competition in, or substantially control, ocean transportation. I emphasize the word "substantially" because from a legal point of view "substantially" does, in essence, mean "unduly". Here, the companies were found to have substantially curtailed competition.

In the bill before us it is proposed to legalize the practice which I have described for a period of three years. For three years, it is proposed to permit the present state of affairs to continue. Again, I wish to quote from the committee proceedings. Mr. Henry of the Combines Investigation Commission said this:

In this particular case the evidence which we had gathered appeared to us to disclose quite clearly an offence against the Combines Investigation Act—an offence that I would in simple terms call price fixing.

The witness referred to the committee report from which I have already quoted and went on to suggest that we were dealing, here, with a cartel—that "cartel" was another word for these conferences. So the evidence is clear. Yet, instead of doing something designed to bring about an improvement in the situation, the government proposes, in this bill, to legalize what has been going on. In considering whether Parliament should, indeed, legalize this practice, I ask the question: what have other countries done in similar circumstances? Let us bear in mind that this is an international problem and one which concerns international shipping lines. As reported at page 16 of committee report No. 26, Mr. Campbell had this to say:

• (4:30 p.m.)

The Committee, Mr. Chairman, might be interested in an observation which appeared in the Economist of April 11 of this year, and I quote:

Shipping Conferences Exemption Act

... it is high time that shipping became subject to some kind of regulatory body with the function of ensuring fair competition. This is done in the United States by the Federal Maritime Commission and rather weaker measures to do the same are being introduced in Canada.

I want to re-emphasize the words "weaker measures to do the same are being introduced in Canada" because that statement specifically refers to Bill C-184. My amendment attempts to strengthen the measures proposed in Canada so that that regulatory body will have the power to do something about the cartel that is being given legal sanction by this measure.

It might be of interest to point out exactly what ships are involved in the cartel and how many of them are Canadian ships. In answer to a question put by me in the committee, as reported at page 24 of committee proceedings No. 26, Mr. Henry had this to say:

Mr. Chairman, I am not sure that my colleagues here have the exact figure to answer that question but I am sure it could be obtained. The figure that I have is that at the time we undertook our inquiry, which was back in 1962, the members of the conferences had carried over 80 per cent of eastbound cargo and over 90 per cent westbound. So there is no question about it that the conference lines have the major part of the trading both east and west within Canada, and I think those figures are probably valid now.

So that this bill will apply to practically all shipping serving Canada, both incoming and outgoing; there is no question of that.

I should also like to re-emphasize the statement that none of the ships are Canadian owned, and some are at the most flying flags of convenience.

It is also pertinent to ask how big a monopoly is being set up. How badly do we need a regulatory body to examine the rates that the monopoly is charging? At page 71 of the committee report Mr. McLaughlin, head of the Canada-United Kingdom Freight Conference, was asked a question by the hon. member for Regina-Lake Centre (Mr. Benjamin) which is as follows:

Well, I gather you are the Canada-United Kingdom Freight Conference.

Mr. McLaughlin: Yes, sir.

Mr. Benjamin: Are there other conferences operating out of Canadian ports to the United Kingdom and Ireland or is yours the only one?

Mr. McLaughlin: No, we are the only one.

So that this bill will be legalizing the creation of an all-inclusive monopoly between Canada and the United Kingdom, to mention only one, a monopoly that will charge whatever rates it likes.