these favourable arrangements. A third provision was a denial of intermodal rates, that is to say, not just the carriage across the ocean but also the movement on land by rail or truck. The carriers were denied the opportunity to do that.

The question for us, of course, is how to relate to the changes the U.S. has made. How should we position ourselves given the diversity of conferences, and some very large ones have come into existence recently, which organize the vessels carrying goods to and from North America? What we were given in Bill C-21 so far as some of these provisions I have been exploring are concerned was a provision on loyalty contracts. That is to say, a basic feature of the conference system by which shippers commit themselves to a particular carrier. They say, in return for giving you all of our trade, what are the rates? The loyalty contract reflects the arrangements they have arrived at. This gives the carrier some assurance of cargo to be carried. That is for the carrier a very important feature.

What Bill C-21 has done is to open up the possibility that a shipper might be able to divert some of the cargo from this loyalty contractor to others. Of course, that opens up the possibility of playing off members of the conference against independents who may want to enter the trade for their own advantage, even if what they are doing in the short run is going to be ruinous to them and to others in the long run.

The Bill also includes provisions for independent action and it is of course reflecting the American law, where mandatory independent action is provided for on very short notice, that another of the contentious features of Bill C-21 is to be found. The length of notice a shipper has to give before this action comes into effect is one of the points in which the Bill was amended in committee thanks to the hearings and the careful investigations we carried out.

A third feature of Bill C-21, the service contract arrangement, is given novel treatment. Where the U.S. law provides that these particular special arrangements between shippers and carriers will be filed confidentially but their essential terms released so that others know what they are doing, what the best arrangements are that a big shipper can arrive at, in Bill C-21 we have a provision for confidentiality of service contracts. It will not be known to others what exactly a big shipper has been able to arrive at in negotiating one of these service contracts.

As I have already suggested and others have noted the Bill received some amendment in committee. One of the most important changes, and this was a recognition by the Government of concern in the industry about the consequences of the legislation, was the deletion of a clause which would have allowed independent action on service contracts. Those contracts now negotiated will not be open to that additional violation of the conference principle but the service contracts themselves will continue to operate and the confidentiality of them continued as well, as I want to note in a moment.

The increase to 30 days' notice on independent action was an improvement over the 10 days originally in the Bill. A couple of other more or less significant changes which the Bill proposed were a fine of $5,000 per day for violations, which is an enormous increase from what was in the old Act. The committee agreed to reduce that to $1,000 a day.

• (1340)

The proposal that the Act, once passed, should terminate at a certain time was also dropped from this Bill. That strikes me as very sensible. Once the law is established it should continue in force unless and until it proves to be unwise or in need of reconsideration. That can obviously be done. However, it should not contain a sunset clause which will cause it to lapse in five years, which will only impose work on the next Parliament. Therefore, that was a useful amendment.

Among the amendments which I put forward in committee which were not accepted was one to Clause 12 to have service contracts, in their essential terms, open to the public, as American law now specifies that they shall be. I regret intensely that that particular amendment was not accepted. Various interests called for it in appearances before the committee. The decision to keep them confidential in Canada becomes the basis for my objection and my advice to my colleagues to vote against the Bill in the form in which it has come back from committee.

Clause 21 is another on which I proposed an amendment. That amendment grew directly out of the work of the Water Transport Committee in 1982 but which reflected a philosophy different from that of the Government on transport legislation in general which is to let the market-place operate with very little concern on the part of the Government. It seemed to me that we wanted instead sound regulation and, since the negotiations between shippers and the conferences do not always go as well as they might, an obligation placed upon the carriers to negotiate with these shipping associations in good faith which would reflect the American law. That was one of the obligations which I sought to include in the Bill. The government majority of members of the committee refused to accept that.

The issue of considering Bill C-21 was illuminated by a couple of professional witnesses who appeared before the committee at the very beginning of its deliberations. The first was a Canadian, Professor Gunnar Sletmo of Montreal of l'École des Hautes Études Commerciales. As Professor Sletmo himself reminded us, he chaired the task force considering deep sea shipping a few years ago. He knows intimately the people involved in large-scale shipping in Canada. He knows very well what their concerns are about carriers. He took quite a different position on the Bill from that of the shippers' council. In a paper which he presented to the committee he discussed the background to the operation of conferences and his concerns about what Bill C-21 might do. He said:

> As shipping space, usually in the form of containers, is largely a standard "commodity", there has to be some mechanism for reaching agreement on rates