

rate for him. Suppose that the maximum rate was fixed at \$1.00. If it is for a movement between points within the maritimes, then as I read the bill, and I hope I read it correctly, the maximum rate of \$1.00 so determined by the board shall be reduced by 20 per cent under the Maritime Freight Rates Act.

If the \$1.00 rate applies from a point in the maritimes, in the Atlantic provinces; that is, in the select territory, to be technically correct, to a point outside select territory elsewhere in Canada, then the maximum rate so determined by the board would be reduced by 30 per cent on that portion of the rate which is within select territory. You will never have a rate reduced by 30 per cent, because, as those of the members who are familiar with the Maritime Freight Rates Act will realize, the 30 per cent shall apply only on that portion of the rate within select territory.

So, in our hypothetical example, to illustrate it more graphically, if it originates within select territory or 500 miles from the boundary to a destination point, let us say, 500 miles on the western side of the boundary, the reduction would be simply 15 per cent of the entire rate.

Mr. STEWART: I wonder if Mr. Dickson realizes that in describing the process he has at no point made reference to the rates prevailing elsewhere in Canada. In other words, Mr. Dickson, I am asking you if section 7 of the Maritime Freight Rates Act has now lost all practical significance. Madam Chairman, I was interested to see if at some point in describing the process he would attempt to relate the rate to be applied in select territory to a rate to be applied elsewhere. It is quite clear that this expert in transportation matters feels that the significant section 7 of the Maritime Freight Rates Act has been completely eradicated; in fact, it is eradicated so far that in his thinking it is not to be applied at all.

Mr. DICKSON: What you are saying is that I failed to answer the second part of your question, and indeed I realize that I have. I feel that the maximum rate scheme of the bill will further erode what little protection we have outlined in our supplementary submission. As you will gather, this is very difficult. Although I would not be quite prepared to say that it might not give us any protection, there might be an isolated instance where you could be prepared to say so, but I just cannot picture what that might be. It might at any time that the railway would indicate that there was truck competition somewhere; within such circumstances which are in effect in the future it might provide effective protection. I think, too, the Maritime Freight Rates Act envisages the relationship of what might be called non-competitive rates either class, or commodity rates, and that this type of rate, although not necessarily disappearing completely as a result of the bill, is sort of going to flow away, or go away like snow in the spring. There will not be these guideline rates to which maritime rates have been related in the past.

Mr. STEWART: I am trying to ascertain why the Maritime Transportation Commission is so unhappy about this legislative proposal. Am I correct in understanding that because of the decision made in the potato case, it would now be fair to say that the board of transport commissioners has decided that generally speaking it has no power to invoke the remedies, which will be necessary to maintain the statutory advantages laid down in section 7?

Mr. COOPER: That is correct.

Mr. STEWART: That is what you are losing now in the new legislation.

Mr. DICKSON: The board has no power to invoke the protection under section 7 where competition is shown. Of course, as more and more competition has been shown between points particularly within central Canada, that power has become less and less able to provide what it was intended to provide.