

*Shipping Conferences Exemption Act**And more than five members having risen:*

Mr. Speaker: Pursuant to Standing Order 75(11) the recorded division on the proposed amendment shall stand deferred.

● (4:20 p.m.)

Mr. Jack Horner (Crowfoot) moved:

That Bill C-184, an act to exempt certain shipping conference practices from the provisions of the Combines Investigation Act, be amended by adding thereto, immediately following clause 7 on page 5, the following:

"Approval by Commission

8. For the purposes of this Act, a tariff, patronage contract, arrangement, agreement or contract shall not be valid unless and until approved by an order of the Commission as just and reasonable and in the public interest as defined in section 16 of the National Transportation Act; any tariff, patronage contract, arrangement, agreement or contract so approved shall not continue valid beyond a day six months next following the day the order is made or that day specified in the order as the day of expiration, whichever is the sooner."

and by renumbering subsequent clauses accordingly.

He said: At the outset, Mr. Speaker, I should like to spend some time dealing with the whole subject of shipping conferences and shipping practices as it concerns my amendment. In effect, a shipping conference is a getting together of shipping lines to set prices and establish patronage contracts; in other words, to seek from shippers ironclad contracts guaranteeing that 100 per cent of a shipper's goods will be moved in vessels of the shipping lines meeting at the conference. In further explanation, I should like to quote from the remarks of Mr. Campbell of the Canadian Transport Commission as reported on page 14 of the proceedings of the Transport Committee on May 12 of this year. He had this to say:

A conference is an association of shipping lines serving a precisely defined general cargo ocean trade, established by formal agreement of its members. Under this agreement, members will be required to adhere to a common tariff of rates and charges and, typically, to restrict competition. It will bind shippers to use only conference line vessels by a form of contract known generically as a loyalty arrangement in which the inducement to the contract signatory is that he will have applied to his shipments a schedule of rates which is lower than that applied to non-contract signatories.

Basically, we are dealing with a shipping cartel. The present bill would remove from the compass of the Combines Investigation Act certain people who combine to set rates and to seek ironclad contracts for themselves. Without doubt, this would amount to granting a monopoly in this area. Mr. Campbell makes

[Mr. Speaker.]

the position clear when he states, as reported on page 15 of the committee proceedings:

Unquestionably, a conference is a cartel and this is explicit in the findings of the Restrictive Trade Practices Commission which, in its report of June 17, 1965, found that conferences were in breach of the Combines Investigation Act.

The question which naturally comes to mind is this: are these shipping companies Canadian? Do they have the public spirit which prompts them to do good for this country apart from normal business considerations? Do they really wish to see Canadians benefit as a result of these meetings in conference? Mr. Speaker, none of the shipping lines which form this conference are lines operating Canadian ships. At best they are flying flags of convenience. All ships are owned by foreign concerns. So there is no genuine Canadian involvement here; we are dealing with international companies who are taking part in a cartel to set rates which Canadians have to pay.

Anyone who seriously considers this question realizes that when any government whether it is a federal, provincial or even a municipal government, permits a monopoly, it sets up a board to scrutinize the rates set by that monopoly with a view to determining what is fair and proper, bearing in mind the interests of the consumer who is obliged to use the services of the monopoly. This is the principle which is applied in the field of electric power, of pipe lines and of transportation generally. In the case we are considering it is true there is a board which has a certain interest, namely, the Canadian Transport Commission. But the commission does not scrutinize rates. All it does is receive the rates and file them for three years so that they are on record. Thus, the effective length of operation of this bill is three years. Perhaps, after that, some different system will be devised though I am inclined to believe that the measure will simply be extended for a further three years. From my experience of government operations, this is what is more likely to happen.

What has been going on? Mr. Campbell told the committee there had been an investigation which was the subject of a report tabled on June 17, 1968. This report was made under the terms of the Combines Investigation Act by the Restrictive Trade Practices Commission and I should like to read from page three:

Finally, the Director made the following allegations against steamship lines which have participated in shipping conferences in the eastern Canada-United Kingdom trades: