

*Transportation*

committee. All that the provinces will be able to state to the parliamentary committee is that this essential cost information requested on the advice of experienced consultants has been refused. It would follow that the provinces must also say to the committee that the committee itself, in the absence of such information, is not in a position to validly assess the practical effect and long-term consequences of the maximum rate formula.... It is impossible to determine whether the proposed maximum rate formula will afford any protection to captive shippers. We strongly believe it will not. Whatever its effect, parliament is being asked to enact it without the slightest assurance that it will serve to remove the discrimination and distortion in the freight rate structure which was the reason for the creation of the royal commission.

There is considerably more in that communication than these paragraphs which I have quoted, but they constitute the essence of the message, and of the complaint and anxiety which we in western Canada feel about the maximum rate formula. If we could obtain this costing data we would have the opportunity to assess the impact of the formula, and the lack of this data has been one of the thorns which has stuck in the side of committee members since they began study of this legislation earlier this year.

This lack of data has been a roadblock to us in our pursuit of a reasoned judgment and assessment of the legislation. Apparently, there has been no inclination on the part of the railroads, or on the part of the government itself, to make this costing data available. On the contrary, it has been emphasized fairly strenuously that such costing data will not be available. In the light of that fact, we submit it becomes a purely academic exercise for us in the standing committee, or for members in committee of the whole house, to try to assess properly all of the key points and all of the key clauses in this revolutionary piece of legislation.

What does this maximum rate formula mean? What will its impact be on shippers? How can we answer unless we have the mathematical information necessary to proceed with a reasoned and intelligent study of that point?

Another aspect of the legislation with which we are distinctly unhappy is the definition of the term "captive shipper." This is also a point which was argued strenuously and long in the deliberations of the standing committee, but on which we have still not achieved the satisfaction that is necessary if we are to assess the legislation properly.

It is probably a question of semantics. The minister has stated on occasion that when entreaties have been made to certain of the

[Mr. Sherman.]

western provinces to suggest to the government, or to the standing committee, some shippers that they feel would fall into the captive category there has been no haste on the part of those provinces to supply such a list. I hope I am not attributing a sense to the remarks of the minister which is not correct, but I believe this is the essence of what he said on this subject to the committee. Probably one reason there has been no attempt by the provinces, or by the shippers themselves, to classify themselves as captive at this stage of the deliberations is that they are reluctant to tip their hand with respect to legislation that has not been passed.

Another point on which I am distinctly unhappy—

**Mr. Pickersgill:** Would the hon. gentleman permit me to ask him a question about that?

**Mr. Sherman:** Yes.

**Mr. Pickersgill:** I do not quarrel with what he said about shippers, but a formal request was made. I think the hon. gentleman probably has the document with him, and I also have it here somewhere. A formal request was made to the provincial governments to submit samples of those persons now paying class rates whom they believed would be likely to be captive shippers. I think the hon. gentleman made a very good paraphrase of what I said, but I thought I would like to have the actual phrase on the record.

**Mr. Sherman:** I appreciate the minister's explanation of that point. I think it is valuable to have the actual statement of the minister on the record in this context, and I thank him for injecting it into the debate at this stage.

Sir, another point on which we in the west are distinctly unhappy is the scale of rates and the extent to which they will go up for a captive shipper. Under the legislation as it is presently worded, the maximum rate imposed on a captive shipper would consist of the variable costs plus 150 per cent, on 30,000 lb. carload lots. Evidence submitted by experts in this field, including the two United States experts referred to in the communication from which I quoted a few moments ago, plus argument from counsel for the provinces of Manitoba, Alberta and Saskatchewan, have demonstrated to us that this particular rate which the railroads may charge will go up in an explosive fashion on carload lots over 30,000 pounds.