

Towards the end of January, 1959, Canadian trucking associations, reviewing the freight rate situation in preparation for the national transportation inquiry which was first announced on November 26, 1958, again gave careful study to the transport board's decision to award the railways a 17 per cent rate increase.

We came again to the finding in the board's judgment of November 17, 1958, that the actual increase in the railways' average freight revenue per ton mile, 1947 to 1957, inclusive, was only 55.4% for the Canadian National and 57.9% for the Canadian Pacific. As the board itself pointed out: "The revenue per ton mile is the ultimate measure of what the railways can earn from year to year and it expresses in one figure the revenue for the work performed on the goods, i.e., the weight carried and the distance the freight is hauled."

If we could go beyond the national figures on the amount of freight rate increase and ferret out the actual increase in the railways' revenue per ton mile *by regions* and *between regions* of Canada during the past decade we would have authentic facts about the alleged "imbalance" and "distortion" in the freight rate structure on which the eight provincial governments expressed themselves so eloquently, first in their written petition to the governor in council, dated November 18, 1958, appealing for the rescinding of the transport board's 17 per cent decision, and then in their spoken submissions in support of the appeal on November 24, 1958.

Study of all of the transport board's waybill analyses, 1949 to 1957 (excluding the year 1950, for which no analysis was available) revealed that the regional results we sought were available. But they were not readily available. Only at great effort and at considerable cost could the required information be extracted by statistical procedures from the waybill analysis.

Neither the transport board nor any agency or department of the government has ever published the type of study we contemplated. At the time—towards the end of January, 1959—no such information was publicly available in Canada. The increasing involvement of trucking in the freight rate issue, and the extravagant and irresponsible nature of some of the public proposals for federal subsidization of our railway competitors, made it imperative that we undertake our own study of alleged freight rate discrimination on which the case for subsidy is based. Early in February our study began. The facts which follow are those uncovered to date—some as late as a few days ago. These facts as to the nature of freight rate discrimination in Canada are of such interest to us—as we hope they will be to the committee—that we are pressing on with additional studies of the waybill analyses in preparation for our participation in the royal commission transport inquiry.

There follows a table and a chart—No. 2—which indicate that:

Both the western and the maritime regions show the largest percentage increases in revenues generated by competitive rates and agreed charges. It is correct to say that in 1949 the western and maritime provinces had only a small proportion of traffic moving under competitive rates and agreed charges; and therefore they were taking the brunt of the freight rate increase; in 1957 the proportion of railway revenues generated by the two competitive rate categories in the west and the maritimes was close to the proportion of such revenues generated in central Canada in 1949.

Since facts speak stronger than oratory let us look at the results of official federal statistics compiled in the following table:

See Appendix B.

In 1944, the number of agreed charges was very small indeed, but a very significant increase is taking place in that traffic in the west and the maritimes, and the non-competitive traffic is coming down in both regions of Canada.