

ever the percentage is of the traffic that comes under the maritimes act, take full advantage of this decrease, or will it affect the subsidies already in existence, and make them apply at all?

Mr. KNOWLES: No, there is no disability about it. The maritime traffic within the 20 per cent reduction requirements in the maritimes, is already on file with the board. They are net rates on traffic going from the maritimes to points west of Levis. The traffic is already on file with 30 per cent as far as to west of Levis. Those are net rates, after taking off subsidy. They have been advanced to 17 per cent and we are simply letting them go back to 10 per cent.

The CHAIRMAN: Are there any further questions? If not, as I indicated earlier, there has been distributed to you a brief by Mr. Wallace, general manager of the Canadian Transport Traffic Bureau. Mr. Wallace will not appear but we ask that this brief be printed as part of the minutes, as an appendix to the minutes of today's proceedings. Is that agreed?

Some Hon. MEMBERS: Agreed.

(See Appendix A).

Mr. DRYSDALE: Mr. Chairman, there will be no opportunity to ask any questions in regard to this brief?

The CHAIRMAN: No.

We have Mr. Magee, the executive secretary of the Canadian Trucking Associations, who will present their brief to us. Do you all have copies of this brief?

Some Hon. MEMBERS: No.

The CHAIRMAN: All right, gentlemen, Mr. Magee will present this brief.

Mr. JOHN MAGEE (*Executive Secretary of the Canadian Trucking Associations*): Mr. Chairman, Mr. Minister and hon. members of the committee, I would like to say that the Canadian Trucking Associations appreciates very much the privilege of appearing before your committee to express their views on the bill. I should explain that our association is a federation of all the provincial trucking associations in Canada, whose names are listed in the brief and on whose behalf we appear unanimously today.

1. Railway subsidization and the freight rate freeze.

The role of the trucking industry as a major competitor of the railways is recognized in two federal statutes, the Railway Act and the Transport Act.

The Railway Act, and the regulations made thereunder by the board of transport commissioners, gives the railways freedom to institute competitive—lower-than-normal—rates the instant truck competition asserts itself. The railways, if they desire, can quote competitive rates to a shipper on the telephone if the exigencies of competition require it. As long as they do not go above the permissive rate ceiling as set in the latest freight rate increase, the railways may vary their competitive rates up and down at will. They may be required to answer to the board of transport commissioners in regard to circumstances of the competition; competitive rates may not be lower than necessary to meet the competition nor must they adversely affect the net revenue of the railways. In practice, the railways are seldom required to make formal submissions to the transport board justifying competitive rates. Seldom, if ever, has a railway competitive rate been varied or cancelled by the transport board on the grounds that it was lower than necessary to meet the competition. The board has consistently held that railway competitive rates are compensatory. As long as the railways stay within the permissive rate ceiling, they are free to use their discretion in competitive rate making.

In the Railway Act, parliament says, in effect, that the trucking industry is a competitor of the railways.