

committee believed that the convictions we expressed were extreme, we trust that the evidence which we have presented in subsequent chapters has justified the convictions we hold. We repeat those convictions:

1. Freight rate increases in Canada since World War II have, through propaganda and emotional, rather than reasoned, response, been whipped up into a public issue of far more serious proportions than the facts justify.
2. Freight rate increases have been moderate, not excessive, in respect to the railroads and trucks.
3. Aggregate freight rate increases since World War II have not built up unfair discrimination against any region or territory in Canada. On the contrary, increases have been regulated by competition in such a manner that unfair discrimination, thought it may be an issue, has little, if any, substance in the freight rate structure.

We respectfully submit that our criticism of the government's interim freight rate measures are not destructive; that, on the contrary, the entire submission which is before you is predicated on the constructive results of developing and maintaining a competitive transportation system in Canada.

The railways say that if they have a better product or a better price, then they are going to get the business, just as any other industry does; and if they have not either they are not going to get it. The railways themselves, in that statement of their position, which is typical of their "new look" approach to competition, acknowledge that all of their traffic is subject to actual or potential competition. The trucking industry sees no reason why, in respect to transportation, the competitive enterprise system should not remain intact—with no subsidy barrier being drawn over any class of railway freight traffic.

It must be remembered, of course, that no transportation agency, having got possession of freight traffic,—this is a very important point because the burden of this submission is not that you should leave us alone so we can get the rest of the traffic—has any assurance that it will hold it. There is no such thing as freight that is the exclusive preserve of the trucks; or freight that is the exclusive preserve of the railways. The distribution of traffic between competitors is fluctuating all the time with traffic passing from one form of transport to another as each brings its most attractive selling points to bear upon the shipper. The trucker may get traffic away from the railway on the basis of faster point-to-point service—with, or without, a rate inducement. The railway responds with a competitive rate and goes about improving its own service—and if that does not do the trick they go after the shipper with an agreed charge, containing even lower rates. The shipper may have these lower rates if he is willing to be tied to rail service for a fixed period in the movement of a fixed percentage—often 100 per cent—of the traffic covered by the agreed charge. No transport agency is going to get all the freight—even as one agency goes after new traffic, it may lose, at least until it makes some competitive countermove, traffic which it had previously obtained.

The motor truck was the one transport agency which was technically equipped to end monopoly railroad service and monopoly railroad rates and to do so with complete national, regional and local effect. This result has been largely achieved. Only where substantial railroad freight rate subsidization has long existed has the competitive impact of trucking been weaker and the applicability of railway freight rate increases more noticeable.

If it is true that unfair freight rate discrimination exists today where truck competition does not exist; if the information made available by the board of transport commissioners supports the conclusion that competition is proceeding apace to envelop what remains of the non-competitive traffic; surely it is in the public interest to let nature take its course—to let the competition develop and fill the same roll which the government would fill with a freight rate subsidy.