

rate is 22 cents per hundred pounds, and the proposed rate as set out in the second column is 5 cents. The present Saskatchewan truck rate for the same weight is 13 cents. For a distance of fifty miles the present rail rate is 34 cents; the new rate rail will be 11 cents, and the truck rate 18 cents.

I use these two examples to show how the new agreement under the agreed charges, into which the railways are entering, would affect the situation. I understand the approval of the board of transport commissioners has not yet been given, but that negotiations are being carried on, on the assumption that there will be approval. Why a railway company could make that assumption and proceed to complete its contract, I cannot understand. But apparently that is what is happening.

Mr. Chevrier: That is what they have to do under the act.

Mr. Johnston: I am sure the minister must be right; but it does seem to me that before the railways could complete that arrangement they should first have to get the permission of the board of transport commissioners to make these charges. Apparently however that is not so.

It will be noted that in the first instance the railways are now charging 22 cents per hundred pounds for a distance of twenty miles, and trucks are charging 13 cents, or a difference of 9 cents. If the railways were sincere in meeting competition—and the royal commission has said that that was the purpose of the act—they would be lowering their rates from 22 cents to 13 cents, and competing from a service standpoint. But they are not doing that. They are lowering their rate to 5 cents. Yet I think the Railway Act states specifically that the railways shall not haul any commodity whereby they effect a loss.

If the railways have been charging 22 cents and are now prepared to come down to 5 cents, they must have been making an exorbitant profit in the first place—an unwarranted profit—on the transportation of oil and oil products in western Canada. As I said before, I have no objection to the railways meeting competition by the use of this agreed charge; but when they come to the point of lowering their rates by 17 cents per hundred pounds, for a distance of twenty miles, it seems to me most clear that they are endeavouring to push the trucking industry out of western Canada.

Hon. members will see at once the position western Canada would be in if this were done. We are not so favourably situated as the people in eastern and central Canada, where there is effective water competition. And so

in large measure we are going to have to depend in the future upon transportation by trucks.

Mr. Chevrier: I did not interrupt the hon. member because I knew he wanted to speak about agreed charges, and that he wanted to discuss the matter generally. However, he has had a pretty fair opportunity to do that. I would remind him that this matter is now sub judice; it is before the board. I believe the hearing is to be either in Regina or in Moose Jaw either this week or early next week. While I have no objection to a general discussion, the hon. member is now dealing with a matter with which a court of record will be dealing in the near future. In view of that I should hope that perhaps he might think he has met his purpose by placing on record the observations he has made thus far. I intend to reply, but I do not wish to deal with matters before the board.

Mr. Johnston: I do not pretend to be a lawyer; I did not know this matter was before the board. However, I was only leading up to a suggestion I wished to make to the minister—and I am sure the board will not take seriously anything I am saying, anyway. I think the minister need not be unduly alarmed in that respect.

Mr. Chevrier: I am not alarmed.

Mr. Johnston: I doubt whether the railways will take any notice of it either, but I do hope the minister will. The matter to which I shall now refer is one which I suggest merits consideration by the minister, and I would hope that he would see that something might be done in connection with it. I am sure the board is not dealing with the matter I am about to discuss.

Up to the moment I have been placing certain facts on the record. At this time, if I am permitted, I should like to say that under the Transport Act—and I am sure the board is not dealing with that—there is the possibility, as the act now stands, of doing a great injury to western Canada. It was never the intention of the act, when it was being discussed by the committee in 1937, to make it possible for the railways to eliminate their competitors. That would be a serious thing indeed.

We will recall that during the last war the trucking industry in Canada performed a worth-while task in the conveyance of war materials from one part of Canada to the other. They did their job with a degree of convenience and rapidity the railways could never hope to equal. Then we will recall that during the railway strike about a year ago the trucks carried on. It would have been