

## Supply—Transport

United Kingdom act and our act is that ours is much more restrictive and can come to the point where it eliminates competition rather than meet that competition. If I am informed correctly, the United Kingdom act does not go that far. The country to the south of us, a great admirer of free enterprise—and we say that we are too in this country—is also a country of free competition; and we pride ourselves in that respect also. But in the United States, as I have been informed, they have no such act as we have here in Canada.

The purpose of the agreed charge was to meet competition. I remember that, back in 1937—because I was on that committee—this section was strenuously opposed by me. I could see quite clearly then that there was a possibility that the railways, if they saw fit to use the power which was being given to them, could eliminate any competitor in the field of transportation. There is some reference to that matter at page 92 of the report of the royal commission. I say at this point that it is my opinion that the railways are endeavouring even to tighten the act so that they will be able—I was going to say—to meet this competition, but in effect the result would be to eliminate their competitors rather than to meet them on fair ground. At page 92 of the report, in summing up the submissions made by the railways, the commission has this to say:

If the agreed charge is aimed chiefly at the trucks (and this is what the railways say) it is hard to see what there is to prevent the railways and the water carriers from entering together into agreed charge contracts on the basis of proper traffic differentials.

The danger is that when the railways and the water carriers—although the latter do not enter into my argument so much as do the railways—these two large transporting concerns, get together under an agreed charge, there is nothing to stop them from eliminating their competitors entirely. It does not in any sense provide competition. I think that competition is a highly desirable thing. I am going to say that, because of the increased competition from trucks, there has been an endeavour, at least on the part of the railways, to modernize their methods of transportation in order to meet this competition.

The railways claim that the reason they must have this agreed charge is that the truckers are draining off the more profitable business and are leaving the railways that business which is less profitable. I have here before me a clipping which I took from the *Calgary Albertan* of Saturday, January 26, 1952. It refers to the increases in freight rates. The heading is: "4½ Per Cent Freight Rate Increase Granted." "Place Time Limit

on New Schedules." This is the important subheading that I wish hon. members to note:

Jump brings to 70 per cent the increase in rail freight tolls from 1948 levels; board places some restrictions on firms.

With the tremendous increase in freight rates as indicated in that article, it would seem to me that the railways are not so badly in need of increased revenues as to make it necessary to eliminate their competitors. There is every ground for believing that the railways should be in a position to meet competition. But when you go to the extent of eliminating your opposition entirely, free enterprise ceases to exist. This problem has come to the fore particularly in Saskatchewan, but it affects Manitoba and Alberta as well, and probably British Columbia also.

I have here a circular which was sent out by the Saskatchewan motor dealers association. I have no intention of reading all of it, but shall put only a small portion of it on the record. It says:

Item one on bulk oil freight rates: We understand that the railways have offered the oil companies operating west of Fort William a special agreed charge on the condition that they use only rail facilities. According to information we have received the following figures furnish the picture:

And then they set out three columns, about seven rows each. I would ask the permission of the committee to have part of this document put on *Hansard*, so the hon. members may be able to compare the rates.

**Mr. Browne (St. John's West):** Why not read it?

**Mr. Johnston:** It would be awkward to read. However, I shall read some of it. With the permission of the committee I would ask to have this one section of the document placed on *Hansard*.

**Some hon. Members:** Agreed.

**Mr. Johnston:** It is as follows:

	Present rail rates (per 100 lbs.)	Proposed rail rates (per 100 lbs.)	Present Sask. truck rates (per 100 lbs.)
20 miles ....	22	5	13
50 miles ....	34	11	18
75 miles ....	45	16	23
100 miles ....	53	21	31
150 miles ....	63	30	39
200 miles ....	76	40	46
250 miles ....	86	50	54
300 miles ....	95	68	61

It will be noted that this table gives in the first column the present rail rates per hundred pounds, the second column the proposed rail rates, and the third column the present Saskatchewan truck rate. The first column also gives mileage figures. For instance, for a distance of twenty miles the present rail