

rate freeze cannot be accepted by the trucking industry as either right or fair. So we can do no less than register the industry's strong opposition to the freight rate freeze.

The expenditure of \$20,000,000 on a twelve-month reduction of the class and commodity rates of our competitors, the railroads, may have little if any *immediate* impact on the trucking industry.

Incidentally, Mr. Chairman, this is a question which could not be studied with finality in time for these hearings because of the very large number of railway tariffs which had to be examined and which were mentioned this morning in the evidence which was given. There are a very large number. However, we have so far come across some instances where reduction of commodity rates—and I am speaking of non-competitive commodity rates, not competitive rates—will affect directly the level of trucking rates in one province. We will be prepared to provide evidence on that if you desire. Generally, we are not claiming that the immediate impact of the subsidy is going to have a great damaging effect on the trucking industry at this time. But its effect is that public funds are being used to isolate freight traffic from potential competition: and yet if that competition was allowed to take its course, without the intrusion of subsidy, it would do the job that the subsidy is doing, *at no cost to the taxpayer.*

The non-competitive class and commodity freight traffic is potentially competitive. According to the Board of transport commissioners judgment of November 17, 1958: "Since 1953, this normal traffic has drastically shrunk in volume and now constitutes only about one-third of the total freight revenue of all railways." Much of what used to be class and commodity rated freight traffic is now either competitive-rated or agreed charge traffic on the railways or is moving by truck.

The principle of nation-wide railway rate subsidization, embodied in the bill before the committee, is believed by the trucking industry to be neither right nor fair. We are strongly opposed to such subsidization.

Underlying the trucking industry's opposition to the railroad freight rate freeze and to the subsidized rate reductions are the industry's conviction that:

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, rate increases have been regulated by competition in such a manner that unfair discrimination, though it may be an issue, has little, if any, substance in the freight rate structure.

Anyone who has had the opportunity of travelling throughout Canada, and of following press comment on transport issues, knows that freight rates can be discussed with as much heat as light. They are an issue which tends to be supercharged with emotion—freight rate emotion. Why it should be believed that the matter of freight rates can be settled in such an atmosphere, when it is expected that other public matters will be settled in the pure, a stringent atmosphere of reason, it is difficult to imagine.

This committee, Mr. Chairman, is hearing us today not to perpetuate freight rate emotion but to get the facts—to develop freight rate reason. Let us see,