The truckers were able to make a better bargain with the shippers than the railways, and they took some business away from the railways. The railways now, by the Transport Act in 1938, and by a certain relaxation of the regulations in the present bill, are being given only one thing, and that is the right to go out and bargain with the shipper. The trucker has the same right to go in and bargain in competition with them, and if the railways cannot give a bargain which the shipper is ready to accept, they are not going to get the business.

And if the railways 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 provincial governments—all ten of them—are strongly impressed with the salutary effect of truck competition upon the level of railway rates. Eight of them, when they were before the governor in council on the freight rate appeal last November, appeared to want to have their cake and eat it too. They want strong truck competition with the railroads, maintaining their built-in resistance to railway rate increases. On top of that they wanted subsidy too—a general rail subsidy wiping out the 17 per cent rate increase, at a cost to the taxpayers of around $60,000. But truck competition with the railroads cannot be strong if the industry itself is not financially strong, able to take care of itself in meeting all operating costs—the largest single cost being wages—and in a position to raise the capital required for equipment and terminal expansion. These are simple economic facts of life with which we in the trucking industry must contend. No impatient waving aside of these economic facts of life can dispel them—not as long as we operate under the free enterprise system in this country.

From the statutes that parliament has passed in respect to railway competitive rate-making, from the position taken by the railways themselves, it is clear that trucking is acknowledged as an actual competitor of the railways for a wide range of freight traffic and a potential competitor for the remainder of the traffic. It follows that anything parliament does in respect to railway freight rates could have either immediate or potential consequences for the trucking industry. Unless the impact of the measure was carefully weighed, considerable, and perhaps very serious, damage could be done to trucking firms, particularly those on long hauls, all across Canada.

For example, in freezing railway freight rates pending the report of the royal commission transport inquiry, the government singled out the pricing system of one segment of the economy—overland freight transportation. Its price control has been invoked on the price for service rendered but surprisingly the costs that enter into the provision and maintenance of that service are not subject to control.

Not only has the government frozen railway freight rates within the ceiling of the recent 17 per cent increase but the effect of its policy is to freeze trucking rates within the same ceiling. It is true that the type of service trucking provides is of sufficient value to the shipper that he will sometimes pay more to get that service than he will pay for alternate freight service. But usually, because rail and truck are intensely competitive, railway freight rates are the competitive ceiling on trucking rates.

But the government has not frozen the prices truck operators have to pay to keep themselves in business. For example, it has not said to the manufacturers that the selling price for trucks and truck-tractors is frozen; that trailers can take no increase in the selling price. It has not said to Mr. James R. Hoffa that his International Brotherhood of Teamsters is now negotiating with an industry in Canada whose selling price for service is frozen wherever costs have pushed that price to the 17 per cent railway freight rate ceiling.

Even if it be for only a twelve-month period, the principle of the freight