The same situation exists in the Transport Act under which the agreed charges come. Agreed charge rates are actually a type of competitive rate. But whereas a shipper, in considering a railway competitive rate, can take it or leave it, as he chooses, the lower rates in the agreed charge can only be secured in a contract binding the shipper to use rail exclusively for most or all of the movement of the freight traffic for which the agreed charge is made. The transport board has held that railway agreed charge rates are compensatory.

The railways have complete freedom in making agreed charge contracts to meet truck competition. The information which we will place before you in this submission will demonstrate the extent in the past decade of the railways' use of their competitive rate-making powers.

In the Transport Act, parliament says, in effect, that the trucking industry is a competitor of the railroads.

After the birth of the trucking industry in the 1920's, the railway, for a long period, reacted defensively to the new competition. They concerned themselves chiefly with a regulatory program which would have "solved" the problem of truck competition by restricting it. Claims that truck competition was "unfair" were recited ad infinitum: the truckers were pickers and choosers of freight, taking the cream of the traffic, while the railways had to haul any freight offered for movement—these and other contentions were advanced in support of the claim of "unfair".

But as all forms of transport developed, as trucks competed in service and rates in an ever-widening range of traffic, the railways, to their credit, began to throw off the defensive approach. Their cries for regulatory restriction of trucking became sporadic and faint and finally, around the early 1950's, died out completely. By this time both major railways were competing against themselves in the airline and trucking businesses, having become operators in the two newer forms of transport; the trans Canada highway was proceeding to completion; and a mighty St. Lawrence seaway was approaching reality. It was clearly the will of the Canadian people that their transportation system be competitive and that the disastrous experiences of other countries in attempting to "plan" transport agencies into various suspected economic niches would not be repeated in this country.

So completely had the railways' viewpoint towards truck competition been transformed by the inexorable pressure of events that the policies on transport regulation which they successfully advocated to the Turgeon royal commission on agreed charges in 1954 were unrecognizable as compared to regulatory policies which they advocated prior to, and during, World War II. Submitting the views of the Canadian National Railways regarding truck competition, Mr. Hugh O'Donnell, Q.C., made the following statement to the Standing Committee on Railways, Canals and Telegraph Lines on June 28, 1955:

> Competition is the regulator. The railways take the position here in Canada that competition should be the regulator. They say that where there is competition then the competition is free and equal and that that should determine the issue and the shipper will decide the medium which he wishes to use. The public will get the benefit of the lower rate that is provided by the competitor...

On behalf of the Canadian Pacific Railway, Mr. John L. O'Brien, Q.C., made the following statement to this Standing Committee on June 28, 1955:

> The public, in my respectful submission, is entitled to the cheapest transportation available, and it should have the right to bargain for it just like a customer of any other industry has the right to bargain, and that one industry or another may be hurt in the process is the result of the normal process of competition.