

Mr. MAGEE: I think the railway could exist without subsidization, yes. I also think there are situations in the transportation system in Canada that require looking at very carefully and require to be ironed out.

Mr. CHOWN: I was wondering if there was any single authority in the auspices of your association or elsewhere which sets the freight rates for truckers?

Mr. MAGEE: No, sir.

Mr. CHOWN: There is not?

Mr. MAGEE: No, there is not; and I may say that this association and Mr. Goodman's association, and every other provincial trucking association in Canada do not enter into the rate picture because, for very obvious reasons, that would not be possible.

The only time our officials meet with truckers in regard to rates is when it is a railway rate matter that confronts truckers, and may necessitate some representations to some federal agency. Then we would meet to discuss the impact of the railway rate situation. But we cannot meet and discuss truck rates with our own people.

Mr. CHOWN: Do you not agree that the industry received a substantial subsidy from the government of Canada in the construction of the Trans-Canada highway ?

Mr. MAGEE: That raises the question of whether the trucks pay their fair share of highway costs. We think we do.

I do not think that even if we were to argue for a minute that that is not true, it is a comparable situation or has a relationship to the situation we are discussing today, because in one instance we are talking about roadbed subsidization and the railroads have, as we all know, in order to get started in Canada, received very substantial subsidies and land grants, bond guarantees, mineral rights. Secondly, we pay in the automotive industry, both trucking and automobiles, about \$300 million a year in sales and excise taxes on equipment and supplies which we use for our operation. That is paid to the federal exchequer. I think the amount that has been spent on the Trans-Canada highway is some indication of the tremendous tax entity that automotive transport represents in the tax structure of Canada.

Mr. CHEVRIER: Mr. Magee, I agree with the chairman's remark made a moment ago that you have presented here a very excellent and comprehensive brief. In fact, I have listened to many of your briefs and I do not know that any brief has been as well prepared as this.

You are fortunate, I think, in having had the benefit of the waybill analysis to make the conclusions which you have. I am not admitting that they are correct.

Mr. MAGEE: No.

Mr. CHEVRIER: But the question I should like to put to you now is this. I take it from the brief that you are ill disposed towards this bill that is now before the committee?

Mr. MAGEE: Yes.

Mr. CHEVRIER: Our business, as I understand it, is to determine what action we shall take on this, because of a judgment of the Board of Transport Commissioners to increase freight rates by 17 per cent.

Mr. MAGEE: Yes.

Mr. CHEVRIER: Have you any suggestions to make other than this subsidy? If the wages had to be increased by the amount mentioned in the conciliation board report, and if that could be done by no other way than an in-