

you are giving service and not getting travel? I ask you to look at that downward drift of 6 per cent on the passenger service. At 1930 you have \$89,894,000 of passenger revenue. At 1937 you have got only \$38,894,000. Now, while there has been some reduction in the number of trains since 1930, the reduction has not been as rapid as the reduction in travel. The revenue per train mile and the number of travellers per train mile have both gone down.

By Hon. Mr. Calder:

Q. What surprises me, Mr. McDougall, in your statement is that we have that board, to which you have referred, created somewhere around 1920. Ever since they have had many appeals reach them on questions such as you have referred to, and I think with the exception of two cases you referred to, the six railway managers sitting down with the six railway employees have agreed that the railway employees' contentions were correct, and they were granted.—A. Yes, sir. I think I have an explanation for that. It is a board to interpret agreements which have been made. That is, its function is not to tell the management what to do, but merely to make an interpretation. If you ask me why the management has agreed to this, I think I understand it. I cannot prove it but I have my own guess, and that is, the power of these men is so great that it is easier to let the sleeping dog lie than stir him up. It is not that they approve of these things, but they are afraid of the consequences of stirring up trouble. I think if there were a reasonable public attitude to the situation the railways' hands might be strengthened.

Q. Probably the public does not know anything about it.—A. I think not, sir. I think the *Labour Gazette* is a very useful publication and might be read much more carefully.

By Hon. Mr. Murdock:

Q. Mr. McDougall, you filed this table, No. 2. It shows compensation paid to road train and engine-service employees in 1937 as a percentage of the total paid to each class, class 1 steam railways of the United States. Would you care to give the committee what is the relative percentage difference between the wages of men employed on class 1 steam railroads in the United States and of those similarly employed in Canada?—A. The nearest I can reach, sir, is that the wages in Canada fall perhaps between 10 and 13 per cent—I am sorry, that is the total annual earnings, which is the only figure I could reach—between 10 and 13 per cent below the United States. But against that it must be remembered that the capacity of the American railroads to pay wages is very much higher. The density of traffic, averaging the fifteen years from 1921 to 1936, was exactly double. Expressing Canada as 100, the density in the United States was about 204, and in relation to passenger traffic it was just about 202. So that there is a capacity to pay wages there which is not present here.

Q. According to the information we get, they are in just as hard luck with their railways as we are?—A. That is what I wonder, sir, whether they still are being operated without Government subvention and whether the fact that their distress is so great may itself be a proof that these things ought to be changed there as well as here.

Q. If we had adopted in Canada the principle that was adopted in the United States, of scrapping certain roads and letting certain roads go into the hands of a liquidator when they became obsolete and out of date, would we have the trouble we are confronted with right now?—A. Yes, sir. That makes no difference to my position, because in relation to your dense lines you are paying very heavy monthly and annual wages, and giving a great deal of leisure time as well.

Q. The point is this. If many of those roads had gone into the hands of the receiver, we would have been relieved of the millions of dollars that are

[Prof. John L. McDougall.]