

We use gross ton miles for our own reasons in assessing the influence of the size of vehicles involved in maritime trucking. For those members of the committee who are interested in the particulars for net ton mile, I can give you that figure.

Over each province, in chart No. 7, the present figure is there—Atlantic region—is 233. The net ton miles charges that figure to 96. For Quebec, 210; Ontario, 371; Manitoba, 136; Saskatchewan, 265; Alberta, 586 and in British Columbia, 5259.

That latter set of figures is the net ton miles divided by the dominion bureau of statistics 1957 population estimates.

As the western and maritime rail subsidy advocates claim that truck competition produces a more favourable railway freight rate situation in central Canada, it is important to compare the railway rate experience of the maritimes and the relative development of the maritime trucking industry (the latter faced since 1927 with federally-subsidized rail rate reductions):

1. The Atlantic region has the least developed trucking industry in Canada, measured in terms of ton-mile per capita.

And the pattern is the same whether you use gross ton miles or net ton miles.

2. The Atlantic region's trucking industry is proportionately 40 per cent less developed than in the neighbouring province of Quebec.

The following conclusions are apparent:

1. Subsidized rail rate reductions in the maritimes, with their inherent weakening of the railways' competitors, did not divert the impact of railway rate increases.
2. The rail subsidy that has existed in the maritimes since 1927—about the year of the birth of inter-city trucking—reduced the competitive force of trucking there and thus prevented the maritimes from enjoying a railway rate experience as favourable as that of Western and central Canada.

The previous sections of this submission presented a critical evaluation of standard arguments for subsidizing railway freight rates on the basis of an assumed "imbalance" and "distortion" of the rate structure.

We submit that on the basis of the factual material presented in the previous sections the "rate distortion" and "regional discrimination" arguments are contradicted by facts. These facts are:

1. The competitive re-molding of the railway rate structure has been increasing faster in the western and maritime provinces than in central Canada.
2. The effective railway rate increases have shown little over-all signs of discrimination against the western or maritime provinces.
3. The rate experience of the maritime appears to be closely related to the far slower development of the trucking industry there than elsewhere—a trucking industry facing subsidized rail rate reductions since 1927, with the subsidy applying even on rail competitive rates.

If past experience indicates anything, it indicates the inadvisability of railway subsidization from the point of view of long-term rate reductions.

We do not deny that in a number of cases full railway rate increases have effected hardship on certain groups of consumers or producers. Since it has been our intention to present all of the relevant facts—as far as our limited resources permit us to present them—we have considered it our duty to present data which might at the first glance appear to support the case for railway subsidization, at least where certain selected movements are concerned.