

slack, and it is one compulsion which comes upon us in regard to wage increase. Secondly, they would raise their rates.

Mr. FISHER: Yesterday, when replying to Mr. Chown, in my opinion you did not go into complete detail in answering his complaint. If you look at schedules eight and nine and compare them, it shows the percentage of maintenance of way cost as a total percentage in which, for the railways, it is 20.5 per cent, while for trucking it is only 6.9 per cent. In fact it is very obvious from these figures that there is a very much greater burden in this respect resting on the railways. This, it seems to me, is a fundamental weakness in your position in so far as any attitude towards subsidization is concerned.

What is your rationalization of what some people say is the subsidy which you get in terms of highways and such things as thruways.

Mr. MAGEE: In the first place, I do not have the report in front of me, but the railways have the misfortune in this particular instance of being a form of transportation which must move on a fixed track installation, and nothing else can use it.

We have the good fortune, along with aeroplanes and ships, in being able to move more freely upon other types of roadway. The types of roadway which we use, very largely, even if there were no trucks rolling, would probably be used to accommodate automobile traffic. But as far as our use of them is concerned, we certainly must pay our fair share for them; and the provincial governments, I think, across the country, are ensuring that we do so.

The truck taxation situation is constantly being reviewed and adjusted in every province. I do not think that any province in Canada is going to let us get away with paying less than our fair share for the use of their highways.

Mr. FISHER: The railways have this sort of built-in added percentage of expense. Do you not think that they have a different relationship to the public treasury and to the public than your group has?

Mr. MAGEE: No sir; I do not think you can take just one operating characteristic of any one form of transportation and compare it with another in that way. You have to take the total picture. For example, if 50 or 60 loaded freight cars go out, on a railway it is a one-power unit which hauls them, made up of a crew of four or five men.

Unless we do piggy-backing—and there are many routes in Canada on which we cannot do it, where we could never do it anyway—to give the kind of service we are giving, personal, fast, point-to-point service, we have to dispatch a power unit with a driver for every load that goes out. So while you may get in one industry a cost which looks like a very unfavourable operating situation, as on the railways compared to the trucks, you can get in another industry a cost which balances it up.

Mr. FISHER: I have no further questions. I compliment you on your presentation. I do not agree with much of it, but you do it very well.

Mr. BROWNE (*Vancouver-Kingsway*): I would like to ask one question arising out of some of the tables presented. On page 10 there is a table dealing with the average revenue per ton mile, and there is another one on page 22. Can you explain why the table on page 10 shows a smaller percentage of increase in the average revenue per ton mile when compared to the one on page 22?

Mr. MAGEE: I shall ask Mr. Montague to answer you.

The CHAIRMAN: Certainly.

Mr. George MONTAGUE (*Secretary and Legal Counsel of the Applied Economic Research Associates*): Before giving a detailed answer, I would like to point out—as this has raised the issue which is the pertinent key subject of