

Mr. MAGEE: If I said "yes", it would probably provoke some amusement, but I am going to say "yes". I say it for this reason, that in 1931 the Duff royal commission on transportation issued a report, in which it was said—

Mr. DRYSDALE: Could you haul at Crowsnest pass rates?

Mr. MAGEE: No. If you wish us to make a statement on our position in the Crowsnest pass rates, we have one. It is not a factor that we are trying to dodge, but we could not haul statutory grain at the present rates.

The Duff commission said, on page 104 of the report of 1932: "In the more thickly settled areas in Canada, relief may be found in establishing zones for truck operations. The truck has its place in the movement of goods, but its proper function is collective and dispersive and not that of a primary carrier. In a properly coordinated transport system, the railway would assume the main burden of the carriage of goods for distances exceeding 50 miles, and trucks would operate as collectors and distributors of freight".

That is in the royal commission report of 1932, and there has been a tremendous change since then. As the royal commission on agreed charges—which reported in 1955 and which I have quoted—said, the situation had changed so much even then with regard to the growth of highway competition between eastern Canada and all the western provinces. This is because the railways had published competitive rates on certain commodities, where only a short time before none at all was in effect in these movements.

So my answer is, on the basis of what has happened, that it is impossible to take any traffic in Canada and say that at some time it will not be hauled by truck.

Mr. DRYSDALE: Examining your brief, you emphasize, of course, that trucking is competitive with the railways, about which I do not think anybody would argue. But I wonder, also, if it is comparable, in a sense, because you can get out of the trucking business fairly easily, but it is rather difficult to get out of the railway business.

I understood that you seemed to be implying that you objected to the subsidization of the railways, and you felt in effect that truck competition would eventually serve to take over.

Is there an implication in that, first of all, that the trucking industry would eventually take over the railroads, and if so, how would you provide for the gradual retreat of this, shall we say, capital investment?

Also, is there the implication—if that is not so—that you feel that the trucking industry—(and I realize the constitutional difficulties)—should be represented before the Board of Transport Commissioners in a sense so that the railway and trucking industries, could co-exist? Have you any comments on that?

Mr. MAGEE: I would say, in regard to growing so big that we found we were taking over the railroads—I hope it would never happen to any of us here, because—

Mr. DRYSDALE: I meant, supplanting them.

Mr. MAGEE: No, because, as I pointed out in our brief, there is no traffic that is the exclusive preserve of either the truck or the railway. You hear about traffic that is natural traffic for the truck; but the way the competition has been, there is no natural traffic for the truck or the rail in the areas in which the two are competing, because what the truck operator thought was natural traffic and which he might have been hauling for three years, may not be there tomorrow; the railways may publish an agreed charge, which drops the rate down so low that the truck operator cannot meet it.

Mr. DRYSDALE: In your view, should the railways exist without subsidization?