

own trucks included in that total which you gave of the agricultural products carried by the trucking industry? Is that included?

Mr. MAGEE: Not unless they would be hauling somebody's products for hire. These are figures on the for-hire movement.

The VICE-CHAIRMAN: If the trucks were used exclusively for their own use, it would not be included in that?

Mr. MAGEE: No. The dominion bureau of statistics heading is "for hire" and it gives the total revenue for the commodity movement, so it is commercial transportation only and does not involve private haulage by creameries, for instance, hauling their own products.

Mr. FISHER: You come here, Mr. Magee, as I understand it, with a brief which has the principle of competitive free enterprise.

Mr. MAGEE: Yes.

Mr. FISHER: It is a principle which should appeal to most, but not all, of the members of this committee. The fact that you made a representation to this interdepartmental committee which would perhaps put you on the track of the subsidy, in effect is a contradiction to your main thesis. Do you recognize this as a change of policy and principle?

Mr. MAGEE: No, sir. I think the situation in respect of the Maritime Freight Rates Act subsidy is quite different from this measure here. That is a measure which has been in effect since 1927. It applies to competitive rates of the railway. I will go this far, that if the railway is forced by competition in the maritimes to reduce its rate below the standard rate level, 20 per cent below, and then it has to go down further because of competition, in other words where there would be more than the rate reduction compelled by the Maritime Freight Rates Act, even if no subsidy was necessary because of the existence of competition, the railways still collect a subsidy in that movement.

There has been \$200 million, a very large sum of money, spent in subsidies in railway rates since 1927 in the maritimes. We have tried to show the effect of that on the maritime trucking industry, which is quite distinctive compared to industry in the rest of Canada for the much smaller development it has had. We feel we have to face the facts of life and that it is most unlikely the subsidy will be removed—and perhaps it is not in the public interest that it be removed. The problem then, as we have said, is to put the overland freight transportation of the maritime provinces on an equal footing. This becomes very serious in the long haul, because that is the more difficult problem for the truck traffic. The question has already been raised about trucking in the long hauls. If we are going into subsidization to overcome the distance problem in the freight rate situation, and if it is going to be slapped on the long hauls, then we say that is even more reason to take into account the position of the trucking industry. We say: why single out shippers only on the railways for the benefit?

Mr. FISHER: Because of the permanence of the maritime freight rate subsidization you feel you have to recognize it and in fact try to get in on the same basis?

Mr. MAGEE: That is correct.

Mr. FISHER: So it is just realism on your part rather than any contradiction of your basic principle.

Mr. MAGEE: That is right.

Mr. FISHER: You feel that, according to your basic principle, if subsidization in the maritimes were to be wiped out, eventually it would have the effect of bringing about lower rates through the working of competition between the railways and the truckers?

Mr. MAGEE: I think as long as competition exists it is inevitable that the rate structure of the two competitive industries is going to be held down, yes.