

The CHAIRMAN: I am sure, gentlemen, we appreciate this fine brief which has been presented by Mr. Magee on behalf of the Canadian Trucking Association. Are there any questions? I may say that Mr. Goodman and Mr. Montague are with Mr. Magee and will assist him in answering any questions you may have. Perhaps you would like to introduce these gentlemen.

Mr. MAGEE: Mr. Goodman is an honorary life director of the Canadian Trucking Associations and the general manager of the Automotive Transport Association of Ontario. He appears today in his national association capacity. I asked him to come here because he has had 25 years experience in our industry.

Mr. George Montague, who is right beside me, is the secretary and legal counsel of the Applied Economic Research Associates in Toronto. He has worked with us since 1955 in a number of studies, including the waybill study.

As some of these matters are very complex, I would like to pass to these gentlemen—some of the questions which I am unable to answer.

Mr. BADANAI: As an example, owing to the freight rate increase, it has increased the cost of an ordinary house by up to \$200. You say we should not pay this subsidy. You are objecting to the subsidy. How are we going to have these freight rates equalized in so far as northwestern Ontario is concerned? What is the industry doing about that?

Mr. MAGEE: Well, as pointed out in our brief, you cannot have it both ways. If you have the subsidy you have weak truck competition which cannot react against the freight rate increase; if you have competition we say it will do the job that the subsidy will do—maybe not as quickly in your part of the country, maybe not in the next year. But we have shown in our brief how the competition has increased tremendously in the past ten years in the three regions of Canada, the west, central Canada and the maritimes. So what the transport board calls the normal traffic, the class and commodity rate traffic, has shrunk since 1953 quite drastically to about one third of the total traffic of the railways. Our submission is that if the transportation system is allowed to remain competitive—and that is the way it has been allowed to develop since World War II; there are many types of transportation enterprises which have been created—that will take care of the regional freight rate discrimination problem. My colleague, Mr. Goodman, might be able to add something to that.

Mr. BADANAI: Are you talking about northwestern Ontario, which is closer to the province of Manitoba?

Mr. GOODMAN: I think, Mr. Chairman, those who live in northwestern Ontario will know that prior to 1953 there was no truck service from central Ontario to the Lakehead. There are now several services. Also prior to 1953 there was only one truck service between the Lakehead and western Canada; there are several now. We believe the competitive situation will become more intensified as the gap over Lake Superior is completed and as reciprocal arrangements and improvement in the highway from the Lakehead to western Canada develops. I think a study will show that during the last four or five years there has been an extensive amount of service into that area which did not exist prior.

Mr. FISHER: I would like to ask Mr. Magee some questions about his association, its membership and strength, and the number of employees involved, so we can get a picture of the association. Could you fill this in for us, Mr. Magee?