

X. RESTRICTION OF MOTOR TRUCK COMPETITION

52. In two different and quite distinct aspects is the competition of the motor truck with the railways of direct significance to the public. Railway freight rates have been established on the basis that the steam railway enjoyed a monopoly of the carriage of goods. In the main tolls are high in relation to actual cost on package freight and express carried for short and medium distances, and low and comparatively unremunerative on bulk and heavy commodities moving over long distances. This freight rate structure has been developed not primarily in the interests of the railways but for the benefit of the producers of raw materials which must find access to distant markets at low cost.

53. The motor truck has found its opportunity in carrying a portion of the short haul traffic at rates less than the railways can afford, if the long haul bulk traffic is to continue at its present low rates. The motor truck cannot displace the railways in long haul traffic and in handling bulky commodities. The highways could not stand the strain or accommodate even a fraction of the trucks that would be required.

54. To revise the long distance and commodity rates upward would be a disaster to agriculture and the industries which must seek export markets where laid down costs are matters of vital concern. The country as a whole cannot afford to have the present freight rate structure seriously disturbed and the railways cannot maintain this structure if they are to continue to suffer losses in the short haul traffic.

55. In the second place competition of the motor is threatening the operation of many thin traffic lines in Canada. Motor trucks and coaches, operating along parallel highway routes, especially in the summer months, are taking sufficient of the traffic available to make it advisable or even necessary for the railways to discontinue services altogether. Communities situated along these thin traffic lines cannot expect a railway service as and when they choose to use it, and when motor services are discontinued for climatic reasons. They cannot expect that the railway will be available to move heavy and bulky materials at infrequent intervals while the motor vehicles takes the more profitable less than car load freight business. One of the rival carriers must be dispensed with and in the majority of cases in Canada, the railway must survive.

56. 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 co-ordinated transport system, the railway would assume the main burden of the carriage of goods over distances exceeding fifty miles and the trucks would operate as collectors and distributors of freight.

57. Trucks might be licensed only for operations within reasonable distances of manufacturing and distributing centres, which should be fixed by the highway authorities of each province after consultation with the railways and the shippers immediately concerned. As a condition of the establishment of zones the railways might be required to give a more frequent service and to simplify their freight classifications and modify the present onerous requirements as to crating and packing. As the railways develop pick-up and store delivery service, to which they are now giving serious attention, there will be less objection by the public to zoning of truck operations and to the consequent restrictions in the freedom of movement of these vehicles over the rural highways.

58. In the case of thin traffic lines, it would seem that, as a matter of policy, provincial highway authorities will have to make a choice between the motor and the railway, and refuse permits to the common carrier truck and coach. In some cases the railways could assist by giving more frequent service with unit cars, reserving the steam-operated trains for the carriage of heavy commodities when a full load offered. The experiment has met with a fair degree of success in the case of the Winnipeg Water District Railway, operating easterly from St. Boniface for some 60 miles.

59. It is realized, however, that there are many difficulties in conducting branch line operations with unit cars and that the railways have already given these cars very careful study and trial. There are limits to the usefulness of these unit cars arising from their high initial cost and expense of maintenance, and their lack of reserve power when operating under adverse climatic conditions, that will prevent them from going into general use as substitutes on all thin traffic lines throughout the country. Very properly the railways are proceeding cautiously and after careful study of the traffic and of operating costs and conditions in their plans for utilizing these new units.

60. The related problems of regulation and restriction of motor traffic on the highways could best be dealt with by a conference of the highway departmental officials of all the provinces meeting in conference at the instance of the Federal Government. At this conference the broad lines upon which, for example, the regulation of common carriers of goods and merchandise could be effected might be laid down as follows:—

- (a) Schedules of rates and charges must be published.
- (b) Within that schedule common carriers must accept and carry what is offered without discrimination between shippers.
- (c) Operators must be insured against all risks, including third party risks.
- (d) Operators must keep accounts on a prescribed system and render returns to public authorities on a common basis.
- (e) Uniform bills of lading must be used and a copy given to all shippers.
- (f) Minimum standards in regard to working conditions, including wages and hours of labour should be required.
- (g) Due regard must be had to the preservation of roads and to the safety of the public.

61. Similar principles might be applied *mutatis mutandis* to road passenger services.

62. The administration and adaptation from time to time of the agreed principles of regulation of road transport should be left to the highway authorities of each province, and it should be recognized that varying conditions will call for differences in detail in the framing of provincial regulations.

63. At this conference a body might be set up to study and report upon areas where rail services are being rendered unprofitable without being superfluous by reason of the competition of road transport, to the end that steps may be taken to restrict, or even prohibit, highway carriers in these areas. A study should also be made of the possibilities of assistance to the railways in maintaining their present freight rates structure by a zoning scheme for the licensing of all trucks as a practical step towards co-ordination of rail and motor traffic, or such other plans or schemes as may seem to promise relief to the railways.