

39. Taxation of motor vehicles, as has been stated earlier in this discussion, is a matter of provincial concern. It is not likely that any province of Canada will seek to restrict the operations of these vehicles by imposing excessive fees for registration and for permits. The revenues obtained from licences and permits are not generally applied to road maintenance, nor is any attempt made to equate motor vehicle taxation to highway costs. Motor licence fees and gasoline taxes are a dependable source of revenue and the rate of taxation applied is likely to have relation to provincial revenue requirements rather than to direct highway costs. Under such circumstances uniformity in taxation throughout Canada is improbable, even if it is desirable. There may be a tendency in adjoining provinces to make charges approximately equal on similar vehicles, but the movement towards uniformity is not likely to go further.

40. It is not in the interests of the railways that taxes on these vehicles should be so high as to be prohibitive or even restrictive. The motor truck is a necessity in transport. Freight movement to and from railway stations must take place on the highway, and industrial and agricultural development would be retarded by taxation which might be designed solely to bring about restriction of the use of motor trucks on the highways.

41. At the same time the trucks should pay a fair charge for the use of the right of way which is provided for them by the State, and it would seem doubtful if the scale of fees for registration in the various provinces, even when the gasoline tax is taken into consideration, does provide for a satisfactory contribution from these conveyers. In comparison with charges in many of the states of the Union, Canadian registration fees for trucks are low. Public freight vehicles in Ontario paid on the average about \$112 for permit and registration in 1931. In Manitoba about \$64 in the same year. In Saskatchewan slightly less than in Manitoba. Fees charged for similar vehicles in the United States ran as high as \$750 in the same year and were in general much higher than in Canada.

42. The fees mentioned as being paid in Canadian provinces are exclusive of gasoline taxes, which are considerably higher in Canada than in the United States, and therefore the disparity is not so great as might appear. Including gasoline taxes it was estimated that the average for common carrier trucks in Ontario in 1931, on a basis of 30,000 miles travelled in a year, was \$215. Both permit fees and gasoline taxes have been increased in that province in 1932, and protests have been made on the ground that taxation has passed the limit of the operator's ability to pay and has become prohibitive.

43. It is beyond the scope of our inquiry to deal with questions of provincial taxation and the matter is one which must be settled between the motor transport interests and the provincial authorities. Relief to the railways from the inroads being made by trucks into freight earnings will come by restriction and regulation of truck traffic as distinct from taxation, and by some form of co-ordination with rail traffic.

IX. REGULATION OF MOTOR TRUCK TRAFFIC

44. Of regulation, as apart from taxation of the motor truck, there has been little attempted and less accomplished. Provincial highway authorities are all agreed on the importance of the problem. In the first place, it would appear that gravel surfaced roads would in large areas be perfectly satisfactory for the traffic of the passenger automobile, but the truck requires a hard surfaced road, and if it operates on the former the damage done is excessive unless speed and weight are regulated.

45. Secondly, from the point of view of safety of the private car-owners and the public generally, there will have to be regulation of the size and length of motor trucks and motor trains and of the speed at which they operate. Congestion of the highways is leading to a demand that those who use it for commercial purposes shall give way to the tourist and private automobile.

46. Thirdly, there is a growing realization that conditions of operation must be equalized as far as possible between the railway and the truck. The truck cannot replace the railway and it must not be allowed to completely strangle its competitor and leave the country without an essential transport service.

47. It is only in the last of these reasons for regulative and restrictive action that the railways have any direct interest. As provincial taxpayers the railways might well join with other property owners in pointing out that expenditures to provide permanent roadways for the commercial operation of carrying goods in direct competition with existing carriers, travelling on their own right of way, built and maintained at their own cost, is unjustifiable, and that a halt in the program of construction of hard surfaced roads is advisable.

48. They might also very well complain that while they are compelled to expend large sums for road-crossing signals and safety devices and to assist in the construction of subways and overhead crossings, that motor traffic may not be endangered by railway operations, the annual record of motor accidents from excessive speed and undue congestion on the highways is rising at an alarming rate and that little or nothing is being done to deal with the situation. In these matters, however, comment from the railways would be regarded as special pleading, and complaints and warnings from interested parties are of little use in arousing public opinion, from which source alone action will come.

49. In regulations designed to bring railway and motor truck to conditions of operating equality, there is a direct interest for the Canadian railways. We doubt, however, if regulations framed for such purposes will be satisfactory. Freight carriage by motor and by steam train should not of necessity be subject to the same conditions. If there are railway operating conditions that make freight carriage costly, then the solution is not to extend such conditions to carriage by motor truck in order that there may be equality of competition.

50. Carriage of goods on the highway should be regulated in accordance with characteristics of the motor vehicle itself and not by adopting regulations applicable to traffic carried on under different conditions. The purpose of regulation should not be to increase the expenses of motor carriers and so bring about equality of working conditions, but rather to regulate for the safety of the public, protection for cargo carried, to secure for those employed in the industry fair working conditions, and the preservation of the highways.

51. Regulations framed for these purposes are within the competence of highway authorities to devise and police administration to enforce. Already considerable has been accomplished in these matters in Ontario, Quebec and Manitoba. Alberta, Saskatchewan and British Columbia are moving in the same direction, and are profiting from the experience of their eastern neighbours. If trucks operating under proper regulation and paying a fair share of highway costs still continue to encroach upon railway earnings so as to imperil the financial position of these carriers, and it seems entirely probable that they will do so, then the problem must be approached from a different angle and a definite policy of restriction of truck traffic and its co-ordination with railway traffic must be adopted.