

29. There was a general decline in the previous rate of increase which, beginning in the late years of the decade 1915-25 becomes marked after 1925. The cause of this decline must be sought elsewhere than in motor truck competition. The opening of the Panama canal and the improvement of inland waterways have had, and are having, an effect on freight tonnage on railways and the passing of the construction and settlement era in Western Canada also has a bearing on the situation. Even without competition from the motor truck, railway freight tonnage could not be expected to show the sustained increases that were general from 1875 to 1915.

30. In making the estimate of 5,000,000 tons of freight moved by trucks over rural highways, the Joint Committee of the Railways took into account tonnage which had been developed by the trucks themselves in serving areas not touched by railways and in conveying freight to and from railway stations. In trying to arrive at the tonnage actually lost to the railways, an exceedingly difficult matter, by reason of lack of statistics, they have had recourse to reports sent in by railway agents to the Bureau of Economics of the Canadian National Railways, and for a three-year period they have arrived at an estimate of tonnage lost by the railways to common carrier and contract carrier trucks as follows:—

1928.....	422,000 tons
1929.....	979,000 tons
1930.....	1,489,000 tons

31. Since experience of several trucking companies indicates the average revenue per ton handled is \$8, the total loss to the railroads was rather less than \$8,000,000 in 1929 and \$12,000,000 in 1930. Losses due to the operations of privately-owned and operated trucks, which for all Canada are about 96 per cent of the total of all trucks and for Ontario, 94.5 per cent of the total for that province, is more difficult still to estimate.

32. The Joint Committee consider it fair to take the same amount as for the common carrier truck, as being directly lost to the railroads. The Ontario traffic census, conducted by the Department of Highways for the past few years indicates that 70 per cent of the freight tonnage moves on common carrier and contract carrier trucks over the King's highways and only 30 per cent on privately-operated trucks and the department deduces from these figures that the operations of privately-owned trucks are largely confined to the urban and suburban areas where they are not directly in competition with the railways.

33. If the railways are correct in their estimate of 1,500,000 tons for common carriers in 1930, it would seem from the Ontario figures that they are well within the mark in estimating their loss to the privately-operated truck in an equal amount. It may be that the percentages ascertained by the Ontario traffic surveys would not obtain in other provinces, for the proportion of common carrier trucks in that province is greater in relation to the total truck registrations than is the case elsewhere, and in Ontario, by reason of the proximity of towns and cities to one another and to the large centres of distribution, the field of operation for the common carrier truck has been more advantageous than in other parts of Canada. Even making allowance for the comparatively small operations of these common carriers in the other provinces as compared with the privately-operated trucks, it is unlikely that these latter vehicles did in all Canada convey as much freight directly competitive with the railways as the common carrier trucks. The estimate of \$24,000,000 lost in freight revenues in 1930 being about 7 per cent of total freight revenues is probably too high, but even if this amount is reduced to say \$20,000,000, the loss is very considerable and of tremendous import to the future of the railways of Canada.

34. Common carrier trucks are increasing rapidly in all provinces and though experience of their operations is too short to form a final estimate as to their ultimate place as an agency in the transport of freight, it would appear that unless their operations are being conducted on an unsound basis of cost and will therefore decline, or unless some form of restriction and limitation of their activities is brought about by competent authorities, a progressively increasing loss will be experienced by the railways in the future which cannot fail to have a damaging effect on earnings.

#### VII. FINANCIAL RESULTS OF CARRIER TRUCK OPERATIONS

35. Information as to the results of common carrier truck operations from a financial point of view was meagre. A representative of the Rural Motor Distributors of Northern Alberta stated that no profits were being made in trucking by reason of competition amongst the truckers themselves. The Manitoba Bus and Truck Operators Association expressed the opinion that operations in that province were on a satisfactory basis as to costs, but the Public Utility Commissioner, to whom applications for permits are made by members of the association, stated that representations were continually being made to him that the operators were not making a fair profit. In Ontario figures for six unnamed freight transport companies were filed by the representative of The Canadian Automobile Chamber of Commerce and the Truck Owners Association which showed that over a three-year period profits, where made at all, were small and that three of the companies were operating at a loss in 1931.

36. These truck owners expressed a desire to have minimum rates for the carriage of goods fixed by a competent body, as they feared that there would be many failures amongst their number if unrestricted competition in rates continued. As a general rule the provincial authorities have not endeavoured to fix tolls for truck services. Manitoba has a tariff but admits it is evaded. Ontario made an attempt to fix rates but has abandoned it for the present until more experience is gained.

37. Until there is regulation and fixing of tolls, as in the case of the motor coach, operating conditions will be chaotic and there will be many failures amongst common carriers of freight, but it is not likely that there will be any considerable diminution in the competition that the railways are now experiencing from this service. The experience in all the provinces has been that when an operator drops out because of financial difficulties, another appears to take his place.

#### VIII. TAXATION OF MOTOR TRUCKS

38. From various quarters there have come to the commission suggestions that the operations of the motor truck on the highway should be regulated. Regulation in these suggestions generally meant restriction, and restriction was to be attained by higher taxation, particularly for the common carrier truck. At present there is very little in the way of regulation of trucks throughout Canada, and there is a lack of uniformity in the method of imposing taxation. In general a fee is charged for registration of the vehicle and in some instances a charge is made for a special permit to operate as a common carrier. In Ontario where the experience in dealing with the carrier truck is greatest, it is admitted by the provincial authorities that taxation has not been applied to carrier trucks as successfully as to motor coaches. An attempt was made to take a toll per ton mile, but there were so many ways of evading it, that the plan was in operation only about three months. Instead permit fees have been increased, and the registration fees on all trucks advanced in that province for 1932, on the principle that motor trucks have not been paying a proper share of the burden of highway maintenance and that these fees offered the only practicable method of taxation.