

SCHEDULED MOTORCOACH SERVICE IN NOVA SCOTIA 1922-1990

**A Study of the Effects of Government
Regulation on the Industry**

**A thesis submitted by Robert A. Gillis in partial
fulfillment of the Requirements for the Master of Arts
Degree in Atlantic Canada Studies
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ABSTRACT

SCHEDULED MOTORCOACH SERVICE IN NOVA SCOTIA 1922-1990

A Study of the Effects of Government Regulation on the Industry

Robert A. Gillis

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This thesis examines scheduled motorcoach service in Nova Scotia between the years 1922-1990 and the effect of government regulation on the industry. It examines the relationship between the government as a policy maker through legislation, the Public Utility Board, whose function was to oversee and regulate by means of the Motor Carrier Act, and the scheduled carriers who provided a service in a regulated environment.

It examines early stagecoach and railroad systems and their establishment with some form of government subsidy. After 1922, it examines the relationship of the government, Board, and the carriers to the problems of illegal operations, cut-throat competition, a Royal Commission's desire for deregulation, increased regulation required by government, and the bankruptcy of many carriers. This thesis examines, after 1985, predatory pricing, unfair competition, and a sense of direction towards deregulation.

The interrelationships of the three participants grow out of analysis of various source material. The Annual Reports and company files kept by the Board and the personal papers of George C. Thompson provide much of the primary source material. These documents narrate the study from 1922 until 1990. As well, newspaper accounts, learned journals, and personal interviews have been utilized to give voice to some of the arguments presented.

This thesis makes a contribution to our collective understanding of scheduled service in Nova Scotia and the means by which these services were established and continued to operate without government subsidy. At the same time, it shows the important relationships between the companies operating these services and the successful regulation, for the public good, of the industry, by the Public Utility Board.

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The Board of Commissioners of Public Utilities provided me with public documentation as I required them. Many of the Board's files were in storage and retrieved at my request. Ms. Donna Peel, Secretary to the Chairman and Board Librarian was very helpful in aiding me in research for particular materials. Mr. Paul Allen, Board Administrator also helped in the retrieval of specific documents. Mr. David White, Supervisor Public Passenger Service, assisted my research into route structure and the disbandment of service on several routes. Mr. W.D. Outhit, a retired Chairman, and Commissioner of the Board for approximately thirty years

provided time for a personal interview to discuss events which occurred in the 1950's and 1960's. Mr. J.S. Drury, recently retired Chairman, provided time for an interview and discussed the relationship between the Board and carriers since the late 1970s. Commissioner Allan Green, in an interview, provided valuable insight into the responsibilities of the Board and its regulating under the terms of the Motor Carrier Act. Commissioner John Harris has been consulted in regards current research studies completed on a global basis and his comments have been most helpful.

Ms. Gillian Allen, an outside reader, suggested changes in the presentation of some content. My typist, Christine Cameron, spent many hours preparing the manuscript with the various revisions. She has been most tolerant of my schedule requirements.

Finally, but most importantly, I must express thanks to my wife, Cathy, and my young children, Ian, 8 and Heather, 10, for their understanding over the last four years. Many hours required to research and write the thesis was time spent apart from the family.

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INTRODUCTION

This thesis will study the scheduled motorcoach industry in Nova Scotia from its origins in the early 1920s to the present day. The effects of state regulation on the industry and the gradual emergence of Acadian Lines as the major motor carrier after World War II will be its main themes. An examination of the Motor Carrier Act, the regulations pertaining to the Act, and the role of the Board of Commissioners of Public Utilities in interpreting the Act and regulations will provide the basis for what follows. This thesis discusses the relationship of the scheduled carriers to the market; the existence of competition (whether fair or not); and the danger that cut-throat competition may engulf the contemporary industry if regulation is not continued.

In order to study the effects of government regulation on the industry I will provide a short history of transportation beginning with the early stage coaches which commenced service in 1815. The contribution of the stage coach to the history of transportation in Nova Scotia was important, as was that of the railroads. Both of these forms of transportation, however, received government subsidies to start their respective operations, although the railroads received a much higher level of government support and after 1867 were regulated by federal law. The stage coaches operated without regulation, but contracts existed with respect to their subsidies.

The study of stage coaches and railways is important for a number of reasons. The early history of stage coach service, for example, will provide an

indication of the major transportation routes in the province and why they were established. The early highway and the initial routes of scheduled motorcoach service followed the early stage routes. Railways are equally important, and gradually spelled the end of stage coach service. The development of the railways and their artificial growth under the National Policy of 1879, moreover, presented what some regarded as unfair competition to the stage coaches. A century later, the cry of unfair competition would be raised by the motorcoach industry with respect to the passenger service provided by VIA rail. Between 1988 and 1990, the federal government abandoned its traditional support of the railways and began to look at the issue of unfair competition in the transportation industry. The Federal Government, in January 1990, cut many of VIA's uneconomical routes. It would no longer subsidize many uneconomical routes which required a subsidy. In addition, the Provincial Government enacted legislation in 1988 to limit any expansion of highway motorcoach fleets until the issue of charter subsidization of scheduled service was studied. In 1990, the Motor Carrier Act was changed to ensure that in future hearings, the Public Utility Board would consider the effect of any expansion of charter motorcoach service on scheduled service.

Over the years, VIA had complained about high fees for track rental from Canadian National (CN) and Canadian Pacific (CP) and about unfair competition from the passenger car. The Dominion Atlantic Railway (DAR) had also complained bitterly, during the 1930s, about having to purchase and maintain rail rights of way, and to pay taxes on their properties while facing so-called "unfair

competition" from the private automobile for passenger service. Even though the railroad was regulated by a Federal Act and the motorcoach industry by a Provincial Act, both forms of transportation faced competition from the private car.

Scheduled motorcoach service began in Nova Scotia in the 1920s and with it, regulation under the first Motor Carrier Act of 1923. This Act permitted the development of the industry, encouraged the beginning and expansion of tourism by motorcoach, and provided the legal framework within which Acadian Lines would emerge. The present Acadian Lines is an amalgamation of companies purchased during the 1930s and 1940s. Acadian Lines purchased a number of smaller services, including Wagner Tours, which operated between Yarmouth and Halifax, and the services provided by Michael Sullivan in Cape Breton. An analysis of Wagner Tours reveals the entrepreneurial abilities of its management, the company's contribution to the tourism industry, and how it became one of the larger carriers in the Province. The experience of Wagner Tours also reveals the increasing impact of the motorcoach industry on the railroads. Similarly, in Cape Breton, Michael Sullivan pioneered a number of routes and the Board permitted the company's growth. Routes were abandoned by other carriers, and in a state-regulated marketplace, Sullivan provided service on them after receiving the government's blessing. Eventually, Acadian absorbed Sullivan's business along with Ocean View Bus Service owned by Orville and Alden Pulsifer, and the Pender Bus Company owned by Charles Pender. These latter two companies provided suburban service in the City of Halifax and surrounding areas.

In this thesis, the Board of Commissioners of Public Utilities (referred to variously as the Public Utility Board, P.U.B., or Board) will be analyzed to show how the relationship between the industry and Board changed over the years. In the 1920s, entry into the industry was not difficult and the requirements that certificate holders had to meet were few. By the end of the decade, the Board began to assert its influence. The number of certificates issued by the Board, dropped by the early 1930s. During World War II, however, the Board became more flexible, enabling the scheduled carriers to provide the best service available despite the uncertainties of the period. After the war, the Board took a pragmatic approach to the development of the industry. Although it placed increased emphasis on the financial viability of companies in granting licenses, it permitted changes in routes so that the few companies which remained would not be driven out of business. This was generally the case until the 1980s when, from the carriers viewpoint, the Board appeared to become too lenient in issuing licenses for charter service. Because of an outcry by the few remaining scheduled carriers in Nova Scotia, the Attorney General of Nova Scotia enacted legislation beginning in 1988 to alert the Board to the importance of scheduled service and to warn of the potential underdevelopment of scheduled service in the Province if too many charter licenses were granted..

CHAPTER I
STAGE COACHES, RAILROADS, AND PUBLIC CONVEYANCE
1816-1932

From its very inception, the transportation industry in Nova Scotia has relied upon state support. When Isaiah Smith commenced the first stage coach service (in 1816,) it was with the support of the provincial government. "The only requirement for the £100 subsidy was that the service operate one year and carry the mails between Halifax and Windsor."¹ That same year, coach service commenced between Halifax and Pictou, again with a provincial subsidy and under the same terms as the service to Windsor. With government support, stage coach service continued to expand. By 1850 there was service from Halifax to Annapolis Royal three times a week with one trip travelling as far as Digby; another line operated twice a week to Liverpool and Yarmouth along the South Shore; a third operated four times a week to Pictou; and a fourth on a semi-weekly basis between Truro and Amherst. By the middle of the nineteenth century, albeit with limited government assistance, the bulk of the contemporary motorcoach routes were being covered by stage coach.

Railroad construction in Nova Scotia developed under different auspices. Nova Scotians hoped to emulate the British experiment with the railroad. Compared to England, however, Nova Scotia had two major problems: a rough terrain and a sparse population. The noted reform politician, Joseph Howe, first

promoted the construction of the railroad during the 1830s, writing several editorials in the Nova Scotian promoting a rail link between Halifax and Windsor. Howe argued that "the revenue derived would yield an ample return to the investor...[the] price of land would rise...trade would expand...[and] servicing of constant customers to Halifax...would be secured."² Howe believed that railroad stock would be a good investment and would provide a great profit to investors. In 1836, however, the Nova Scotia House of Assembly refused an application for a grant of £250 to aid in surveying the land between Halifax and Windsor for purposes of building a railroad. Soon after that, the first private railroad was built by the General Mining Association; this six mile line to connect the coalfields with the docks in Pictou Harbour opened September 19, 1839.

During the following decade, Howe continued to lobby the Nova Scotia Assembly and the British government for help in constructing a railway. But for all his pleading he could get the legislature to provide only half the money for the railway line already surveyed from Halifax to Windsor, none of it to be advanced until the remainder had been secured through private sources. "Aid me in this good work," said Howe in 1850, "and British North America will rise to [have]...all the organization and attributes of a nation."³ In the autumn of 1852, Howe was in Britain investigating railway financing, and seeking to elevate his countrymen to "something more enabling, exalting and inspiring."⁴ Eventually, after Howe reminded Britain about loan guarantees that had been granted to the West Indies in 1848, the British government agreed to support Nova Scotia's railway

development. Britain guaranteed the financing and Nova Scotia borrowed money for railway construction at 3½% interest instead of 6% on the open market. This amounted to a subsidy, even if it was not a direct one.

The railroad was to carry the postage cargo. Control of the service would be exercised by the Province, not by foreign companies or investors. Howe opposed extensive involvement in railway construction, but had "to counter arguments against public works being built and owned by government. His defence was that to give a company of speculators entire control over them would produce a monopoly that would dominate the assemblymen and wrest from them every particle of power."⁵ Construction finally commenced in 1854 and "by 1858, the ninety-three miles from Halifax to Truro was completed at a cost of \$49,000 per mile."⁶ The construction of the railroad marked the beginning of state support for a transportation service which was to compete with the privately operated stage coach.

The stage coach industry had reached its peak size by Confederation. Thereafter, the railroads would exclude stagecoaches of the majority of their passengers and eventually relegated them to providing service at train stations similar to a taxi service. In the long run, state support for railways eroded the sources of revenue for privately operated coaches.

By the turn of the century, railways had reduced stage coaches to a feeder service and new forms of transportation were emerging in urban communities.

While railroads were federally regulated, the development of rail and

streetcar service to commuters remained outside the jurisdiction of the federal government. In Nova Scotia, the first attempt to regulate this new transportation service came in 1909 with the passage of an Act establishing the "Board of Public Utility Commissioners" (commonly known as the P.U.B.). This new Board served as a watchdog over various utilities, such as water, power, and light companies which also sometimes operated commuter or town transportation systems. The most important sections of the Act of 1909 demanded that "the charge for any service shall be reasonable and just...rates would have to be filed with the Board...and upon a complaint by five persons...the Board could call for a public hearing into the matter."⁷ This was the beginning of a formal regulatory edifice. The Board has continued to operate since 1909.

One of the first complaints presented to the Board came from the Motormans' and Conductors' Union in 1913, and the Board's decision, rendered in 1914, established the framework for future regulation of the industry. The Union felt that tram cars should be fitted with air brakes which would be easier to apply than the existing manually-applied hand brake. The hearing was lengthy, and expert witnesses from Ontario and the United States provided evidence on the mechanical and engineering requirements of the streetcar. In ruling in favour of the tram company, the Board outlined the approach it would take with the regulated industry. The Board concluded that "the evidence does not convince that any greater safety will be secured by the change proposed...it is an important consideration, secondary only to safety that the question of the cost of the air

brake has not been examined ...it is an important consideration, at first a charge upon the company, it must ultimately fall upon the patrons of the road...the Board recognizes that its function is regulation, not management."⁶ In this decision, the Board clearly noted its commitment to regulation, not management of the industry. It would concern itself with issuing certificates when "public need and necessity" required the same and with safety matters. It would not decide on what type of equipment and options were to be purchased by a company. The Board did not envisage itself becoming involved in day to day operations of a company or taking sides in labour-management disagreements.

Scheduled passenger conveyance by bus, operating on wheels not rails, commenced service in the early 1920s in Nova Scotia. The Colchester and Cumberland Bus Company operated in the Parrsboro area; L.M. Bell provided a service in Dartmouth; and Charles A. Pender between Halifax and Bedford. The early history of the industry was chaotic to say the least. Pender and several others operated on the identical routes with different types of vehicles, schedules, and rates. There was little stability in this marketplace for these carriers, some of whom provided both commuter and long distance service. The problem was that carriers were not governed by the Public Utility Act. The Act covered only utilities; bus companies fell outside the jurisdiction of its purview.

Eventually, severe competition between operators resulted in the first Motor Carrier Act, R.S. N.S. 1923, c.78. This legislation was specifically enacted by the province to regulate motor carriers, (i.e. carriers on tires not rails) and to ensure

the safe conveyance of both passengers and freight. The Act also gave the P.U.B. responsibility for carrying out the provisions of the Act. The government purposely placed the regulation of the industry at arms length and allowed the Board to operate without interference. As Bill Outhit, a former chairman and member of the Board, from 1950 to 1980, pointed out, "the government did not tell the Board what to do. The Board operated within the Act and regulations. If there was something which the government wanted changed, the Board's reply was that the Act should be changed."⁹ The government, through the years, has made changes to the Act, the most important relating to mail carriers and the character of scheduled service.

The Motor Carrier Act provided the Board with a framework for regulation and invested it with the power and authority to carry out its functions. It required that all changes either to charges for service or routes must receive Board approval. The Board could also require a public hearing on any petition placed before it. The most important clause in the Act stated that "no motor carrier shall operate any motor vehicle without first having applied for, and obtained from the Board, a certificate declaring public need and necessity require this operation."¹⁰ This clause is still the basis upon which a request for a passenger service license is considered by the Board. The requirements for freight licenses have changed.¹¹

The first applicant under the 1923 Act, was L.M. Bell of Dartmouth, whose company continued to operate until the 1970s when purchased by the City of Dartmouth. In the hearing on Bell's license application, the Board established the

guidelines which it would follow in making future decisions. The Board concluded that while it was a well established principle of economy that competition stimulated business, it believed that these principles could not be applied to the public utility field. "It was in the motor carrier business, [that the P.U.B.] speedily recognized that the principle of competition which in other lines spelled improved service and lower prices, result in that form of 'cut-throat' competition which demoralized service and landed the motor carrier in the bankruptcy court."¹² Competition came not only from other motor carriers but from railways who served the same district. The Board remained sensitive to the railway, the regulations they were under, and how other forms of transportation affected their operation. The Motor Carrier Act required the Board to study the effects that granting a certificate would have on other modes of transportation.

Early on, the Board had to define what it meant by "public convenience and necessity." It applied the meaning suggested by Commissioner Irvine of New York, who said of the phrase that, "it does not mean to require a physical necessity or an indispensable thing...a public convenience and necessity exists when the proposed facility will meet a reasonable want of the public and supply a need, if existing facilities, while in a sense sufficient, do not adequately supply that need."¹³ The Board decided, moreover, that it was not the need of the motor carrier but the convenience and necessity of the public which had to be considered. The Board also found guidance in a California Commission decision of 1918 affecting the Santa Clara Valley Auto Line where it was concluded that,

"the law looks not to the operator, but to the convenience and necessity of the public....Applications of this character shall be decided on the basis of the test above and not on the basis of the desires or necessities of the operators."¹⁴ This first application set the requirements or means test which the Board would use in grant certificates.

The Board, in some situations, permitted more than one operator to provide service in cases where public need was justified. The Colchester-Cumberland Bus Company Ltd. and Edson Lewis were both given permission to operate over the same Painsboro to Truro route. Lewis was a mail carrier who previously supplied service between Lower Five Islands and Great Village, a distance of 28 miles. In addition to carrying the mails, he carried passengers as an additional source of revenue. In the application to extend his route, he had already made arrangements to have a 12 passenger vehicle built. The Colchester-Cumberland Company was commencing passenger service only and would later apply for routes to Amherst and New Glasgow. Many mail carriers supplied passenger transportation in addition to the carriage of the mails. Later this would become a point of contention because the mail carriers felt they were exempt from the Board's requirement for a certificate.

At first, many applicants for certificates were individuals of little financial standing. Guy Morehouse, a returned soldier, for example, applied for a certificate to operate between Digby and East Ferry, a distance of 31 miles. He was granted a certificate to operate two buses although his total assets amounted to only

\$7,000. Morehouse, a mail carrier, wished to carry more than the two passengers which mail carriers were permitted to carry without requiring a certificate. The Board granted his request without the requirement of a public hearing because there was no opposition to his application. Similarly, Thomas Hutchinson, with assets of \$9,000 was granted a certificate to operate from Yarmouth to Bridgetown with a 20 passenger Reo.¹⁵ William MacDougall, another mail carrier who wanted to carry passengers, was granted a certificate to operate between Canso and Guysboro.¹⁶ This service still operates today, connecting with Acadian Lines in Antigonish and providing local service on the route mentioned above. Thus the Board granted certificates where public need and necessity was established.

In the 1920s some operators tried to link their services to the newly emerging tourist industry. Such was the case with Cyril L. Dauphinee who applied for a certificate to provide a bi-weekly service between Yarmouth and Halifax with a stop in Wolfville. All meals and hotel accommodations were to be included in the ticket price for the proposed service. This service was designed to carry tourists rather than providing local service on the route. But this objective raised the ire of other carriers who depended upon tourism to meet their expenses. The Dominion Atlantic Railroad (DAR) complained that it had been providing passenger service for a number of years and that any additional service would work "an unnecessary and detrimental competitive situation which would make serious inroads upon the inadequate revenues of the railways."¹⁷ The railways argued that the Act provided a necessary protection against any detrimental effect a

highway service would have on other means of transportation. The railway mentioned that "it had already lost 50% of its traffic during the summer months, largely because of the private automobile. During Apple Blossom festival in June 1924, for example, 2,800 automobiles carried approximately 11,000 people compared to a mere 100 passengers carried by the railway."¹⁸ By 1924, with 18,234 vehicles registered, the private automobile was a major competitor to scheduled passenger service whether rail or road.

Dauphinee's application was supported by George E. Marsters of Boston who had been engaged in sending tourists to Nova Scotia for 25 years. "In my opinion, nothing will help Nova Scotia as a whole, more than increased motor travel both in privately owned cars and motorcoaches...Competition with the railway has never come up...the transportation rates by motor are higher and the tickets would include meals and accommodations...the large motorcoach does not get its business from the railway but a large proportion is absolutely new business."¹⁹ More than a half century later, this same argument would be used by SMT Eastern Limited in its attempt to obtain additional operating authority in Nova Scotia.²⁰

The railway did not offer a response to the comments of Mr. Marsters. As a result, the Board ruled in favour of Dauphinee.²¹ In its decision, the Board observed that "the petitioner has made out an uncontradicted case to show that there is a demand for the kind of service he proposes. It appears to the Board to be a service which cannot be furnished by the railway...that public convenience

calls for it, and again that necessity requires such public convenience should be served."²² Over the next decade, the railway continued to oppose applications, with mixed results. Although the Board approved some of these applications, in other cases the railway proved that a new license would be detrimental to its revenue and the Board denied the motor carriers application. Despite the establishment of a comprehensive regulatory regime, the industry was plagued by illegal operators. During the 1920s, inspectors were few and the fines for illegal operation were minimal. Illegal operators were an enduring problem until the Act was changed in 1990. From the 1920s, in cases of continuous illegal operation, the Department of Motor Vehicles could cancel the license plates of an offending vehicle. It was often difficult to convict an offender, however, because of the way in which the Act was written. Take for example, the case of Thomas E. Fillmore of Advocate Harbour, a licensed operator, who provided scheduled service between Advocate Harbour and Parrsboro, commencing at 5:00 a.m. and finishing at 7:30 p.m. On July 6, 1925, Fillmore wrote the Board complaining that a Mr. Harry Allen "should be made to come across with a tax each month the same that I have to, for he is carrying a greater number of passengers and running a public conveyance as much as I am, and is able to cut prices for he has the best part of road to travel on, no insurance to carry, with a premium of over \$200 to pay, besides a tax on passengers. This went on all last summer and is going on this summer and nothing being done."²³ People in the local community also complained to both the Board and the Minister of Highways and showed their

support for Fillmore.²⁴

The Minister of Highways, approached the Board with the following comment: "I am satisfied" he wrote, "that Fillmore has the support of 90 per cent of the people along the route. I have much sympathy with them in their complaint that they have not had the support and protection they might reasonably expect."²⁵ At this point a question of procedure emerged. The Board was permitted to issue and cancel certificates and the Minister of Highways countersigned all operating certificates, but the Board had no real power with respect to illegal operators. Instead, the Attorney General's Department was required to prosecute offenders through the courts. Although the Motor Vehicle Act allowed the Minister of Highways to cancel registrations (and continues to do so even today) such cancellations are only carried out if proof has been obtained that the vehicle has been used in an illegal activity. But what was illegal activity?

When Henry Allen was brought before the court, the presiding judge ruled that a mail carrier traditionally had the right to carry two passengers in addition to the mail as a courtesy and mainly because there was no other passenger service available. The judge refused to convict Allen although he was operating a scheduled service in direct competition with Fillmore. Thomas Fillmore's brother, an elected councillor and doctor, wrote Mr. Black, the Minister of Highways, complaining that "if the judge was right and said that a mail carrier did not require to be licensed under the Act, then the Board should refund all of Mr. Fillmore's money as he had paid for a certificate and also paid mileage taxes."²⁶ As we

shall see, this led to a revision of the Act in the 1930s.

The motorcoach industry was particularly unstable in these early years. At the end of 1930 there were 11 passenger certificates in force, down from a high of 31 in 1927. (Table 2 supplies route details). Competition between legal carriers was intense and also with those operating without a certificate. In addition, as the public began to purchase private cars, (there were 36,078 registrations in 1930, more than double that of 1923)²⁷ further pressure was felt by the scheduled carriers. In this context of instability, the Board permitted amalgamation of routes, and the disbanding of service where there were not enough passengers to provide a break-even operation.

By the end of the 1920s then, the motorcoach industry in Nova Scotia operated under a Motor Carrier Act which regulated the operations of passenger carriers. In an attempt to bring stability to the industry, the Board provided relatively easy access while permitting the amalgamation of routes and abandonment of services when conditions dictated it. There were problems, however. Illegal operations were responsible for the demise of some legal carriers, but the Board could do little about the problem because the courts would not find illegal operations guilty. The regulations, under which the Act was managed, were not always clear as to what was deemed legal or illegal under the Act. Judges would often interpret regulations differently.

CHAPTER II
AMALGAMATION, CONSOLIDATION, AND
DISBANDMENT OF SERVICE
1932-1952

The 1930s commenced amidst problems the industry and board inherited from operations in the 1920s. The 1920s had witnessed the introduction of the first Motor Carrier Act. The Act had been designed to regulate the industry both from a safety perspective as well as the requirements of the travelling public. The Act required "public need and necessity" to be proven before a certificate was issued. It attempted to regulate the instability caused by unlicensed operators. The Board had limited powers under the Motor Carrier Act. It could not prosecute directly and the initiative had to come from the Minister of Highways. However, even with the Highways Department laying a charge, the courts often found favour with the mail carriers who traditionally carried passengers in addition to the mail.

By the late 1930s, the industry was in poor financial shape. Many carriers experienced tough times and abandoned or sold routes to more stable carriers. The Board approved many of these changes for fear there would be no scheduled service. By the early 1940s, the war placed additional burdens on both the carriers and the Board. During the war, the Board became more concerned with the issues of overcrowding and mechanical fitness of motorcoaches. Often the best

motorcoach operator and mechanics enlisted, leaving company owners with few trained staff. The war progressed and with increased rationing, few new units coming available, and routes being cut, the Board's main concern was in assisting operators to remain in business and providing scheduled service. At the same time, the Board's power was diminished. All equipment allocation, parts availability, and route changes were required to be approved by the Federal Transit Control. Nevertheless, the Board assisted the stronger carriers and permitted the amalgamation of routes so that scheduled service would remain in existence.

During the 1930s, numerous small scale carriers had abandoned routes. Many of these routes were eventually taken over by stronger, well established carriers. The most significant of the carriers during the "Dirty Thirties" were Albert Wagner in Yarmouth, Charles Pender in Halifax, Fred Nickerson on the South Shore, and Mike Sullivan in Cape Breton.

Albert Wagner commenced in the passenger motorcoach industry in 1933 by first operating a taxi service in the town of Yarmouth, similar to Mike Sullivan of Sydney who commenced in the same manner. Wagner became interested in the tourist industry and spent considerable time reading tourist publications and studying the operations of various American tour operators. The Board issued him a certificate to commence scheduled passenger service between Yarmouth and Halifax. Charles A. Pender, mentioned earlier in regards suburban transportation in Halifax, formed Pender Bus Company in 1933 to operate special charter trips and sight seeing in Halifax. Thus, the requirement of catering to tourists and the

travelling public enabled these operators to petition the Board proving "public need and necessity" and the Board issued them certificates. In 1934, Fred Nickerson commenced passenger service between Lockeport and Shelburne. His route was partly along the main highway and on certain days, also operated on the back roads which enabled him to serve Clyde River, Barrington, and Cape Sable Island. Another route, established by Nickerson, serviced Port Latour, Baccaro, Barrington to Yarmouth, and twice weekly trips between Clyde River and Yarmouth by the main highway. Mike Sullivan, in Cape Breton, added a route from Sydney to Louisbourg in 1933 and two additional routes from Sydney to Margaree Forks, one via St. Peter's, and one via Baddeck.

Despite the expansion of the routes serviced by these carriers, the industry remained in a precarious condition. Illegal competition from unlicensed operators, which was rampant in the 1920s continued into the 1930s. Under pressure from the approved certificate holders, therefore, the provincial government established a Royal Commission in 1932 to study the entire truck and motorcoach industry. The mandate of the commission was to decide "what provision, if any, ought to be made for licensing and regulating, or further regulating persons or corporations transporting passengers by motor vehicle for gain and persons or corporations transporting goods by motor vehicle whether for gain or not, in order as far as possible to ensure that first and reasonable service shall be furnished by such persons or corporations and to prevent such persons or corporations from unfairly competing with one another or with other forms of passenger and freight

transportation."²⁸ The provincial government, through the Royal Commission, was to examine its position on regulation of the scheduled motorcoach service and the nature of competition within the industry or from other types of scheduled passenger services.

Although an Order in Council established the Commission in 1932, the actual study did not start until 1933. In that year, the Commission held public hearings throughout the Province and much evidence was submitted by private companies, motor carriers, wholesalers, (such as those represented by Maritime Fruit and Vegetable Jobbers Association), all bus operators in the Province, the Department of Highways, the railways, and various other associations.²⁹ There were 18 sittings between August 10, 1933 and May 3, 1934. The end result of these sittings was the release of the Royal Commission report and a new Motor Carrier Act in 1938. The question of unfair competition has been an enduring one. In 1989, the provincial government of Nova Scotia, called tenders and awarded a contract to a consortium of consulting firms to study the Nova Scotia industry with particular emphasis upon the affect charter revenue exerts on the operation of scheduled service.

The Royal Commission report was released on January 27, 1936. It stated that there was a perception of unfair competition between carriers and railways. The Commission's report observed that outside of insurance provisions, the existing Motor Carrier Act did not regulate the carriers anywhere near the extent to which the railways were regulated. In addition, the report concluded that the

Province was not obtaining enough revenue from the carriers in order to maintain the roads in a proper manner. The Commission presented the province with three main options in regards regulation of the industry. The first was that the entire Province could be considered one total zone open to any legally licensed carrier to provide service. The second option was to divide the Province into separate zones or routes with motor carriers receiving an exclusive franchise to service a certain area. The third option was to leave the carrying of goods or passengers open to unregulated competition.³⁰ The only regulations, in such cases, would be those involving insurance and those statutory controls which ensured that vehicles were appropriately manufactured and operated in a safe manner to protect life and limb. It was also recommended that provisions involving hours of work be introduced for operators of vehicles licensed under the Act.³¹

The report recommended that because the motor transport industry was new and developing rapidly, the work and results of the Royal Commission should be continued under the direction of a full time official working in collaboration with the Department of Highways. "Only in this way can a sound transportation policy, which will adequately meet the needs of the people be developed",³² said Commissioner Ira P. MacNab. The Commission wanted a permanent liaison with the Department of Highways and wished to repeal all regulatory statutes. The Commission wanted a political structure set up through the department of highways which would report to the Minister. The analysis and regulation, if any, of the industry would be done by the elected element of government. The

Commission did not envisage a Board having any other input than regulating safety and insurance requirements. Of the three options presented to government, the Commission recommended complete deregulation of the industry except for safety and insurance requirements.

The Angus L. MacDonald government, however, felt that this emerging industry needed and required direction. Instead of deregulation, it felt that increased regulation was necessary in order to control wanton illegal operations. The Halifax Mail Star of April 15, 1937, observed that when Highway Minister Alexander Stirling MacMillan introduced the Act, he stated that "rates for passengers and routes for operation would be decided by the Public Utilities Commission which can grant franchises to bus owners' certificates. To the Highways Minister was given the right to regulate and supervise the method of operating such carriers in the relationship between the vehicles and public."³³

The report also considered the importance of tourism to the economy of the Province. In the mid 1930s, the average tourist travelled 637 miles and spent 11 days in the province. Government did not wish to lose the tourist motorcoach business. "Tourist transports entering Nova Scotia from other provinces or states are freed of the necessity of having a permit, but they are prohibited from doing 'station to station' business within this part of the country."³⁴ This important policy has remained in effect to the present day and will be discussed in a later chapter. Some provinces and many states have succumbed to the wishes of tour operators, however, and have permitted the dropping off or picking up of tourists

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within their jurisdictions to the detriment of local motorcoach operators. Scheduled service operators have traditionally used charter revenue to supplement money losing scheduled routes.

The new Motor Carrier Act was passed April 17, 1937 and was to take effect on April 1, 1938. Much of the original Act was rewritten and increased emphasis was placed on operators who wished to abandon routes. "No motor carrier," the Act read, "shall abandon or discontinue any service provided for in its certificate without an order of the Board which shall be granted only after a hearing upon such notice as the Board may direct."³⁵ The Board accepted applications in 1937 but these were not heard until the Act took effect in 1938. The new Act also required all certificate holders as well as those operators without certificates (those who entered the business between 1933 -1938) to apply or reapply for licensing, and the Board studied the applications under the requirement of "public need and necessity" which had been an important component of the Act of 1923.

The Canadian National Railway, in the first hearing under the new Act, opposed all of the new applicants. The railway's main argument, the same one used in its opposition to the application of Cyril L. Dauphinee in the mid 1920s, was that it operated a passenger system on all routes being applied for. The railway argued that it was prepared and equipped to provide any needed service and would operate continuously, maintaining service on a year round basis, unlike the applicants who were unable to do so in the winter and spring because of poor road conditions. The Board dismissed the railway's arguments and granted

motorcoach service on all of the routes applied for. Not all applications for certificates were approved. Often there was more than one applicant for a particular route. Using the same criteria as in 1923, the Board felt that most routes should be granted to one operator. This would have serious implications for two carriers, Scotia Motor Transport, owned by K.C. Irving, and Acadia Coach Lines owned by Nova Scotia native, Fred Manning.

Between the beginning of the Royal Commission hearings in 1934 and the new Act in 1937, no hearings of the Board had been held. Thus, there was no regulation of entry into the industry, fares, or routes travelled. During this hiatus, K.C. Irving's Scotia Motor Transport Ltd., (SMT), had begun to provide some service in Nova Scotia and was continuing to do so when the new Motor Carrier Act was proclaimed in 1937. Scotia's main routes were Halifax-Truro, Truro-Moncton, and Truro-Sydney. The SMT application filed with the Board, included financial data as required by the new Act of 1938, showing an operating loss in 1937 over all of these routes (see Table 4). SMT argued nonetheless that they had pioneered the routes available for hire, operated over roads under construction at great expense, and that they had built up connections with existing carriers to operate coast to coast. Distribution of time tables is of importance to the tourist industry of the province, the SMT brief argued. A new operator could not match the timetable established by Irving by the start of the all important tourism season. "The routes between Sydney, Halifax, and the International Border have been regarded as one," said its brief, "and schedules designed to meet the convenience

of the travel to and from Nova Scotia.³⁶ Irving felt that SMT had experience in training bus operators and ticket agents, and that this should not be ignored when the Board made its decisions.

Unfortunately for Irving, Acadia Coach Lines, one of a number of companies owned by Nova Scotian entrepreneur, Fred C. Manning, applied to the Board for the same routes as Scotia Motor Transport. During the twenties, Manning had become convinced that Nova Scotia was going to become a tourist haven. In 1927, he formed a partnership with Dick Harris of Aylesford and built a canopied building, the first true service station in Nova Scotia. In addition to service stations, Manning opened Dodge and Desoto car franchises in Halifax, and Dodge and Ford franchises in Kentville. Manning's operations were extensive. Maritime Bus Corporation, an affiliate of the United Service Corporation, Manning's holding company, operated suburban transit in Kentville while Capital Transit operated in Fredericton and St. John's, Newfoundland. The Provincial Oil Company and Superline Oil Company (purchased by Fina in 1955) involved Manning in the petroleum industry, and Maritime Accessories, an automotive parts distribution company, supplied parts to Manning's other enterprises. So did his tire distributorship. In 1938, R.A. Joudrey, noted Nova Scotia industrialist, became a partner, and strengthened Manning's financial stature before the Board.

In considering the applications from Manning and Irving, the Board had to decide which applicant could give permanence of service. For this reason, the United Service Corporation, Manning's holding company, made the application

rather than Acadia Coach Lines. The Manning application thus showed a much stronger financial picture than Irving's Scotia Motor Transport, because SMT's application did not reflect any of the assets of the other Irving companies. Manning's United Service Corporation obtained the routes Halifax to New Brunswick border via Parrsboro (route 2), Amherst to New Glasgow via Sunrise Trail (route 6), and Halifax to Sydney, via Truro (route 2 & 4).³⁷ Manning's company did not receive the route Halifax to Yarmouth, however. That route was instead issued to Wagner Tours. A charter authority was also granted to Acadian Coach Lines, allowing it "to make casual charter trips originate in the area served by the aforesaid route hereunder described."³⁸

The Board's issuance of certificates under the revised Act created many lengthy routes which only large conglomerates could maintain. As a result, the industry began to change from one characterized by many small carriers to a few large coachlines with extensive holdings. These large companies provided service from Halifax to Amherst via Parrsboro; Halifax to Sydney via Truro/New Glasgow; Amherst to New Glasgow via the Sunrise Trail; Halifax to Yarmouth via the South Shore. Other smaller operators were granted certificates for more local services. Many of these were subsequently purchased by the United Service Corporation or its successor, Acadian Lines, a situation made possible by the Board's willingness to permit many small operators to disband service or to transfer their certificates to a stable financial entity.

Among those smaller operators to receive certificates was Fred Wiley

Nickerson, for the routes from Shelburne to Yarmouth via Clyde River, Wood's Harbour, Tusket, Yarmouth; a second route from Port Clyde to Yarmouth via Barrington, Barrington Passage, Wood's Harbour to Yarmouth; and from, Port Clyde to Yarmouth, via Clyde River, Barrington Passage, points in Cape Island and further, Baccaro to Shelburne and return. Other licenses included Charles A. Pender, licensed to operate Halifax to Sackville and Halifax to Johnson's Cabins, St. Margaret's Bay Road route; Michael D. Sullivan of Sydney who operated routes Sydney to Little Bras D'or Bridge, Sydney to Cheticamp via Margaree and also Sydney to Inverness via St. Peter's; Bernard L. MacKenzie who operated routes from Bridgewater to Halifax, and Halifax to Peggy's Cove; and Wagner Tours which operated a route from Bridgewater to Yarmouth and Halifax to Yarmouth. Table V details the certificate holders and their respective routes. With the exception of routes held by Bernard L. MacKenzie, all were later purchased by the United Service Corporation or Acadian Lines.

Acadian Lines quickly grew into the dominant bus company in Nova Scotia. By the end of 1938 it had acquired 4 new white coaches and operated an approved list of 12 vehicles seating from 11 to 26 passengers. Their Sydney route was expanded by fifteen miles but provided through service only to Glace Bay; Acadian was restricted from boarding passengers between Sydney and Glace Bay. This restriction, protected the interest of the local commuter operator, Cape Breton Tramway. Acadian also disbanded local service between Truro and Parrsboro and on the New Glasgow to Halifax route because of a lack of ridership. As George

Thompson, general manager of Acadian Lines during this period and later President of the company between 1955-1985, recalls: "It was not always easy. We were starving to death as a new business in the early days. The effects of the depression were still felt."³⁹

Many of the previous certificate holders or those operating illegally were not issued certificates. But the changes in local service required by certificates often caused difficulties. One complainant, for example, wrote that he couldn't travel from Shag Harbour to Yarmouth and return in the same day. The previous operator had provided this service but the new operator, with a longer trip, did not. "This complainant also mentioned that the fare was higher and the coach had the odour of fish."⁴⁰ Upon inquiry, the Board received an explanation from Fred Nickerson concerning the fish. It seems that a fisherman in Woods Harbour was leaving for the fishing grounds at night and had no one to ship his fish to Yarmouth the following morning. An accommodating driver loaded a few hundred pounds of dry pollock in the freight compartment. At the time, Nickerson stated, "it was almost odourless."⁴¹ Unfortunately, it was July and no matter how odourless, the passengers still smelt the fish. The complainant was not completely satisfied with the explanation. In a second letter to the Board he suggested "that lower fares should be provided by freight carrying vehicles and that the operator of any small service should be permitted to pick up on the main highway".⁴² The Board, however, felt that only one operator, Nickerson, should be permitted to pick up on the main highway. This operator charged higher rates because of increased

overhead and often used a larger vehicle because of the passenger loads and the length of the route.

In some circumstances, the Board was willing to grant multiple carriers certificates to operate over the same routes. This was the case in 1938 when Fred Nickerson, Everett Crowell, and Edmund and Adelbert D'Eon, all applied for a certificate to operate the same route. Nickerson had operated over the route for four years without a certificate. Crowell also operated over the same portion between Shag Harbour and Yarmouth, and the D'Eons between Pubnico Head and Yarmouth. The rates were between \$.01 and \$.02 per mile; one operator provided service three days a week, another, five days a week, and the third six. Crowell had operated since 1919, D'Eon since 1926, and Nickerson since 1934. None of the applicants had previously operated under a certificate of public convenience and necessity. The Board noted in its decision that "it is confusion worse confounded and ...[it] considers that one motor carrier could easily operate all the routes applied for the by the three herein."⁴³ The Board also considered "that it would be a hardship at the present time to pick out one or the other for a lone certificate which it thinks is all that the traffic will bear. It also feels that it would be unfair to eliminate any of them to the exclusion of the other."⁴⁴ Although the Board was committed in principle to one carrier over the same route, it was forced to submit at times to local realities.

It also had at times to respond to political pressure. Acadian Lines had been scheduled for a hearing early in 1939 and G.T. Purdy, MP for Colchester-

Hants wrote the Board complaining that Acadian had contacted the R.C.M.P. regarding Chester Johnson, the mail driver, who operated between Londonderry-Parrsboro and was carrying passengers in addition to the mails. Purdy noted that mail drivers had traditionally carried passengers and that the Acadian Lines schedule did not correspond to local needs. Acadian had been granted long distance routes in 1938. Mr. Johnson, the affected mail carrier, wrote both the Board and the Attorney General (to whom the Board reported), pointing out that for ten years he had provided daily service with a five passenger car and trailer. It was to the advantage of the travelling public that he carry the public to the trains because the bus company didn't go closer than 4½ miles to the Londonderry station. He also observed or stated that in the spring, with the roads in poor condition, only his light car was permitted to travel the roads. When conditions were extremely bad, he hitched his horses and sleigh and provided mail and public transport service. Johnson also mentioned that in 1937 no buses had operated from March 17 to May 1 and in 1938 none operated during the entire month of April. He even had picked up the local doctor when his vehicle had a mechanical problem and there was no other service available. Johnson appealed to the Board as a small operator who provided an essential public service. "I am a returned soldier," he wrote. "I spent two years in France and I am trying to make an honest living for my family, which I do not think ought to be interfered with by some inexperienced bus driver, who knows nothing about hardship or privations as we returned soldiers know it and went through and suffered it"⁴⁵ He was permitted

to carry passengers. Fortunately for Johnson the Motor Carrier Act was not clear on the legitimacy of mail carriers providing passenger service.

The Board thus remained flexible in interpreting the regulations, always responding to local conditions that didn't require the expense of a public hearing regarding route changes or disbandment. Alden Pulsifer of Ocean View Bus Service requested permission to change its regular Herring Cove service using the Purcell's Cove Road and the Sandwich Battery route. It informed the Board that spring thaw arrived and the company was forced to use 5 and 7 passenger cars instead of coaches. These cars, however, couldn't travel between the Pine Grove Hotel in Spryfield and Herring Cove because of road conditions. The Board permitted the change in route routinely by letter. This cordial relationship between the Board and carriers still exists today.

Another situation that demonstrates the responsiveness of the Board to local conditions involved operators along the Valley Route. Wagner Tours had grown steadily and by 1939 was a large and important operator. In 1939, Wagner operated routes between Yarmouth and Halifax twice daily and two trips daily between Yarmouth and Bridgewater. A connection was made in Bridgewater with MacKenzie Bus Lines Ltd. to Halifax. In December 1938, the certificate of Mrs. Marie Comeau's Weymouth-Yarmouth Bus Line was purchased by Wagner Tours. Mrs. Comeau was a small operator and had petitioned the Board in January of 1938 for an operating certificate. "She was granted a certificate to provide local service departing Weymouth 8:00 a.m. arriving Yarmouth 10:30; departing

Yarmouth 3:30 p.m. and arriving Weymouth 6:00 p.m. at a tariff of \$2.00. Her assets were a bus of \$1,900 seating 26 people and a beach wagon of \$1,500 seating 12 people."⁴⁶ Again, here was an operator of little means providing a return local service, something which the large carriers could not, and the Board had once more approved a certificate because public need and necessity had been shown.

Wagner Tours applied in June, 1939 to commence a daily trip from Halifax to Kentville, but predictably the Dominion Atlantic railway in an 11 page submission opposed the application.⁴⁷ The issues raised by the petition, however, were so fundamental and the decision arrived at by the Board would have such far reaching effects upon transportation - not only within the limits of the province but beyond - that the DAR felt they must "be dealt with in a broad way."⁴⁸ The railway submitted that rather than a mere request for a schedule change, the Board must treat the application on the basis that it is a new application for a certificate of 'public convenience and necessity.' The railway argued that "the public convenience and necessity is not the only convenience of the bus-using public alone, but also the public whether using the services of buses, rail or lorry."⁴⁹ The railroad further argued "that the bus service was not the only form of transportation existing in the area and that the application must satisfy the Board that the public convenience of the users of all transportation services in the area required the additional trip." The railway mentioned in its brief that it was responsible for all of its costs and the highways were subsidized by the

government. The opposition lawyers did not bring up the historical origins of the railway and the large and valuable land grants which it had received. Instead they pointed out that the railway provided tax revenue, made large capital expenditures, provided extensive employment, and contributed to the maintenance of the highway system. (The scheduled motorcoach industry of Nova Scotia would use the same argument in 1989 when a threat to their operation arose from unfair competition exercised by companies owned outside the Province.) Finally, the DAR noted that passenger rail service was down. "As a result of a loss of traffic to bus and lorry competition, as well as to privately owned and operated vehicles, the revenue of the railway company has steadily declined and for the past few years, has operated at a substantial loss."⁵⁰ The railway operated three through-trains daily in each direction with passenger compartments providing coach and buffet service. In addition, there were two daily return bus trips and local bus service provided by the Maritime Bus Corporation, an affiliate owned by Manning, (the owner of Acadian Lines). In 1989, one train and three bus trips operated between Halifax and Middleton. The Board refused the application of Wagner Tours, concluding that Wagner failed to prove public need and necessity in the application.

Road conditions continued to play havoc with scheduled service and influenced the Board's decisions. In January, 1939, George Thompson, the General Manager of Acadian Lines wrote the Board and requested permission to end their Halifax-Sydney service at Mulgrave. Acadian lines could not continue

from Port Hawkesbury to Sydney because of ice conditions. "Ice blocked the Strait of Canso, and the Department of Highways ferry was unable to operate. Under certificate #23 we are required to operate two return trips daily from Halifax to Glace Bay. We find ourselves now in the position of being unable to carry out this service due to the fact the highway is carried away".⁵¹ Acadian's certificate did not permit them to provide local service between Port Hawkesbury because Mike Sullivan held that particular certificate. This winter problem continued until the Canso Causeway was opened in 1955, but the Board permitted the company to abandon service for the duration of the winter without a formal hearing.

Illegal competition from private cars, registrations in 1930 now 45,120, also continued to plague the industry. George Thompson of Acadian Lines wrote the Board in June, 1940, complaining that a man by the name of Walter Mutch had placed an ad in the Sydney Post Record offering transportation by car to various points in Nova Scotia and New Brunswick. In theory, this was a violation of the Motor Carrier Act. In 1989 the Act would be changed to exempt a vehicle seating less than seven persons from the Act. The industry required all the revenue it could muster. As the war progressed and rationing became the norm, the motorcoach companies experienced passenger growth, and increased profitability. "Mike Sullivan, in 1939, generated \$34,804.95 in revenue and incurred expenses of \$34,013.75. This ratio between revenue and expenses was quite common in the industry. The results in 1940 were better; revenue of \$47,967.05 and expenses of \$44,456.25."⁵² Increased passenger loads created problems, however.

Responding to a complaint, Charles Pender wrote to the Board that "we provide extra buses whenever they are required. Drivers are instructed...by telephone for an extra. We have lost a lot of our drivers and other employees to the War...Now that the cold weather is here, it is very difficult to estimate the service required as many people who ordinarily use their own cars resort to the bus when they are unable to start and drive them. Overcrowding sometimes occurs today and often because of an excess of passengers who normally don't use the service."⁵³ The Board and the carriers worked together during these trying times.

In May of 1941, the Board approved the sale and transfer of Wagner Tours' certificate along with its 18 coaches to Acadian Lines. Acadian retained the Wagner Tours name, at this time, for its route operations. The larger companies were the only ones in a financial position to afford such a purchase. Albert Wagner of Wagner Tours became the regional manager of transit control for the Maritime Provinces, a federal position. His position was to oversee proper utilization of motorcoach equipment during the war effort. By this time, the federal government now became involved with regulation of the Nova Scotia motorcoach industry. Transit control became involved with the Nova Scotia industry by allocating equipment to specific routes. Transit control was required to grant final approval of any route changes, or additions or deletions to the service. Growth of military bases in Greenwood, Shelburne, Lockeport, Cornwallis, and Tusket, provided a reason for new routes which Wagner Tours initiated. In its 1941 Annual Report, the Board remarked that motorcoach operators were experiencing

increased growth "due in part to normal anticipated growth, but more especially to conditions resulting from the war...still more marked as a result of the regulations governing rationing of gasoline and rubber."⁵⁴

In 1942, the Federal Transit Control imposed new regulations on the motorcoach industry. Manufacture of buses in Canada and the United States stopped. In order to conserve equipment and rubber, and release buses for the transportation of workers in essential industries, the carrying of passengers beyond fifty miles by motorcoach was prohibited except for areas not serviced by the railways. Motorcoaches were to be used within a fifty mile radius and to carry both local people and those working for the war effort. It was expected that this traffic would further increase because private cars would cease to operate. These new Transit Control regulations became effective November 16, 1942. Also a Provincial Order in Council dated June 25, 1942 exempted a mail carrier from the requirement of a certificate to carry more than two passengers for hire if he operated over a route for which no certificate has been issued. The Board, in correspondence with the Minister of Highways, recommended this amendment as a war measure. Mail carriers wouldn't have to shoulder the expense of obtaining a certificate and the paperwork and costs which went along with the issuance of a certificate. This change would enable mail carriers to provide transportation to persons who couldn't operate their private vehicles because of rationing. By regulation, the mail carriers were now permitted to provide a service which had previously been considered of questionable legality. The federal government now

would have to approve all applications under the Motor Carrier Act of Nova Scotia for changes in a certificate. In addition to the above changes, the production or lack of production of coaches would have an effect on the industry in Nova Scotia. The indicated production of coaches in 1942 for North America "had been estimated at 12,000 and because of the war effort and a lack of materials for coaches only 3,000 were built." Canada received less than fifty percent of its requirements and these were allocated by Federal Transit Control.

The stage was now set for many of the problems experienced by carriers and the role the Board exercised in hearing the public complaints as well as the response by operators. Coach usage was increasing and the public, to a greater degree than before, required the flexibility coaches could offer.

In March, 1942, residents of Sackville petitioned the Board to provide bus service from Sackville to Bedford. The Department of Education wrote the Public Utility Board explaining that "a new school has been erected at Bedford to which pupils from surrounding communities are to be conveyed. Charles A. Pender...is applying to you for permission to extend the service of the bus...daily as far as Middle Sackville."⁵⁵ Transit control approved the new route effective September 3, 1942. "Transit control will approve the extensions [alteration] of existing facilities for the purpose of serving school children, provided no interference in the transportation of war workers is caused."⁵⁶ Again, this was a situation in which the operator and the regulatory bodies worked together for a common goal.

Industrial requirements and the needs of the travelling public permitted Mike

Sullivan of Sydney to turn a profit.⁵⁷ Mike Sullivan's health deteriorated in 1943, however, and he sold his company to the United Service Corporation. The United Service Corporation was one of the few companies which could afford to purchase his franchise. The Director's Report of the United Service Corporation for 1940 noted that "net profits for the year were \$147,269.44 after deduction of all charges including general depreciation on properties and equipment of \$84,717.83 and Dominion Income and Extra Profit Taxes of \$54,237.66. Dividends of \$40,804.30 were paid on the Preferred Shares of the Corporation in addition to dividends of \$16,500.00 to Preferred Shareholders of Super Service Stations Limited, a subsidiary company, leaving a balance of \$90,065.14. Net Working Capital was increased by \$59,904.49 now amounting to \$427,493.77 and your corporation has total assets of \$3,007,060.37. Acadian Lines profit before taxes from January to September was \$21,307.74."⁵⁸ The financial figures of the United Service Corporation are impressive considering that these are in 1940 dollars.

In March of 1944, Ocean View Bus Service was purchased by a division of the United Service Corporation. Ocean View provided service to Herring Cove, Purcell's Cove and Shad Bay, but as the war progressed, equipment and supplies had become increasingly scarce and it could not continue these routes. This was not surprising. The Board's report of January, 1944 highlighted a number of concerns of the industry.

The motor carriers have been embarrassed by the numbers demanding transportation...the gradual wearing out of the tires of private cars and the difficulty in receiving new tires, together with gasoline rationing, has resulted in the laying up of more private automobiles with an increased demand on the motor carriers. Operators are still faced with difficulty in receiving additional equipment...Every effort has been made to enable the motor carriers in this province to secure badly needed equipment...The carriers fear further difficulties in the wearing out of existing equipment, due to heavy overloading and the long delays in servicing parts or engines to replace units which have broken down...Trained mechanics have enlisted or are being called upon while others have left for more lucrative posts. The public has had to suffer inconvenience...but every effort has been made to use the equipment available to the best possible advantage. In some cases, it was necessary to provide that essential workers be guaranteed passage before other passengers accommodated.⁵⁹

The Board fully understood the problems of the industry and stated so publicly. The Board regulated in the public interest. The Board was concerned with the complaints of the public but at the same time attempted to balance the federal government's requirements. The government required transportation for those involved in the war effort (particularly industrial and shipyard workers) who required priority transportation. At the same time the Board was aware of the problems encountered by the carriers in obtaining tires and parts required to keep the buses operating.

In response to a complaint to the Board, Orville Pulsifer outlined the difficulties that his company, Ocean View, experienced because of the War. His buses were overcrowded even though all units were being used. The first trip for the bus used on the Melville Cove trip was earlier required to take dockyard workers from Spryfield to the shipyards as a war priority. The coach then returned for a second trip and was often held up by road conditions. "It may be of interest

that this company is and has been experiencing the most difficult conditions of highways and traffic that it ever has since its inception. There are still existing on Route 1, areas that are so narrow between the banks of ice on either side that it is impossible for two heavy vehicles to meet and pass. No one realizes more fully the necessity and importance of workers arriving at their place of employment...In these trying war time days this fact is brought home to us almost daily through our own employees not reporting for work."⁸⁰

In 1945, the United Service Corporation, the parent of Acadian Lines, purchased Pender Bus Service Limited. The war was drawing to a close and the motorcoach industry was beginning to feel increased hardships caused by the shortage of parts and increased operating costs. Pender Bus Service was operating at a loss at this time. It incurred expenses of \$92,875.08 and revenues of \$84,288.95 during the period August to December 31, 1944.

There was a definite transition from War to peacetime for all of those connected with the motorcoach industry. Federal Transit Control was abolished, and so was the federal government's control over the supply and distribution of coaches. Also, there was no longer the requirement for the Board to receive permission from Ottawa to put its decisions into effect. Passenger cars became available once again and this once again affected the number of passengers prepared to use buses.

The Board acknowledged the hardships of the industry by responding favourably to requests by operators to discontinue certain routes. Wagner Tours

requested and was permitted to delete the routes from Lockeport to Shelburne, Liverpool to Caledonia, and Middleton to Annapolis Royal portions of Trip 35 and 36. (These were return Halifax-Yarmouth trips). It is noteworthy that trip 35 and 36 still operate between Middleton and Halifax. George Thompson, General Manager of Wagner Tours wrote "that traffic in 1946 shows a marked decline from the traffic of 1945. This is due somewhat to the decreased traffic in special war services and also to decreased traffic in non wartime services."⁶¹ The Board often permitted the reduction of services without the necessity of a public hearing.

What was not mentioned in Thompson's letter, moreover, was that the Board and carriers often met informally to discuss the concerns of the industry from a request by either the operator or Board for such a meeting. This practice is still carried on today although perhaps on a lesser scale.

The Board was obviously concerned when carriers applied to cutback or eliminate route mileage. At the same time, the financial stability of carriers was important. Without such stability there was a danger that scheduled service would deteriorate. In its 1946 Annual Report the Board suggested that the public generally realized the difficulties of the bus operator in providing transportation. Now that the war was over, it would take some time for the difficulties facing the industry to be overcome. Industry could not switch overnight from a wartime to peacetime orientation. "The year 1946 has been one of the most critical the operators have had to face...the long delays in securing replacement often ties up a vehicle for months on end...it is now impossible for the larger operators to carry

parts and will only be used as the automotive industry gets into full production...deliveries of additional vehicles are set, as far away as 1948."⁶² Nevertheless, the Board issued an additional nineteen certificates in 1946 mostly for short routes. A total of eighty-nine carriers held certificates, including thirteen for school children, compared to the original thirty-one issued in 1938. Table VI and Map 2 includes the routes in operation at the end of 1946.

After the war, Acadian Lines continued to grow, with the Board's support. In 1947, the Board permitted the certificates of Fred Nickerson to be transferred to the United Service Corporation. In fact it had little choice in the matter, given the difficulties faced by the smaller operators. Ridership had dropped and only the large, well-financed companies, were able to continue. Acadian Lines appeared to be the company best suited to become the stable monopoly regulated by and watched over by the Board. The Board's Annual Report for 1947 stressed the hardships of smaller carriers. "There has been a falling off in the number of passengers carried by the motor carriers. This decline in the number of passengers has resulted in falling revenues. Coupled with a decline in revenues, the operators have been faced with sharply rising costs. It would appear that passenger traffic may decline to what it was in 1940 and 1941."⁶³ The Board's report for 1948 reiterated the problems facing the carriers. "The decline in passengers has continued and there is no certainty that it has at yet reached bottom. The costs of the operators are at their peak; revenues are declining. With swollen costs and falling revenues, operators have been faced with fly by night

competition which has been found difficult to control."⁸⁴ Once again, although regulations were in place, illegal operations continued to surface. Gasoline was cheap and plentiful, and automobiles were, once again, in production. Passenger car registrations in Nova Scotia now reached 50,198.

The Motor Carrier Act was not an easy Act to enforce. Illegal operators had to be charged by the Attorney General's department and there was very little which could be done to them. The Registrar of Motor Vehicles could revoke a vehicle registration upon conviction but a conviction was almost impossible due to the wording of the Act and the precedent existing with respect to mail carriers. Complaints involving illegal competition usually went nowhere. For example, George Thompson, a Director of Acadian Lines, complained to the Minister of Highways and the Board regarding a Mr. Chisholm of Louisbourg carrying passengers on a daily basis from Louisbourg to Sydney with a 1946 coach. The passengers' names were provided when the complaint was filed. No action was taken, however. Another complaint involved an operator picking passengers up on Bentinck Street across from the Sydney terminal. Additional evidence of these illegal carriers was mentioned in a hearing involving Cape Breton Bus and Train in December, 1951. Nothing was done to prosecute the offenders.

One result of the illegal operations was the disbandment of some scheduled services due to low passenger volumes and loss of revenue. Highland Lines discontinued service to the Edwardsville area of Sydney for this reason. The Cape Breton Tram Company, also faced increased costs and a fallen ridership. It was

permitted a rate increase by the Board in 1952. Although the town of Glace Bay objected that there was no public hearing, the Chairman of the Board replied that "I am satisfied there are good and sufficient grounds for the increase in fares and I feel...council will agree that the increases were reasonable and just."⁶⁵ In a similar vein, the Maritime Bus Corporation wrote the Board in June of 1952, that "we are certainly finding it most difficult to operate buses today due to the fact that costs have increased tremendously and our rates are lower today...than in 1935. We are witnessing considerable competition through taxes, trucks, and hitchhiking, it is becoming almost impossible to operate our small fleet at a profit."⁶⁶ It was against this backdrop that a strike involving Highland Lines, a suburban and line-run carrier, in Cape Breton, created new challenges for the Board and raised once again the question of the appropriate relationship of the state to the motorcoach industry.

CHAPTER III
THE HIGHLAND LINES STRIKE
AUGUST 19 - NOVEMBER 23, 1952

In the period 1930-1952, the emphasis of the Board changed from merely approving applications to regulating competition and rendering decisions that would protect service. In 1952, however, it was drawn for the first time into the field of labour relations. Highland Lines, a bus company owned by the United Service Corporation, went on strike August 19, 1952. The strike lasted until November 23, 1952. Aside from analyzing the nature of the dispute and the problems the strike created for the travelling public, this chapter addresses the role government played in mediating disputes. Although the provincial government appeared, on the surface, to assume a neutral stance, it worked to force an end to the dispute. "The Board, on the other hand, did not interfere in the dispute, not wanting to take the side of either the strikers or the company."⁶⁷

In 1937, the Angus L. Macdonald government passed the Trade Union Act which provided the first formal recognition of trade unions for workers under provincial law. The existing, federal legislation applied only to federal civil servants and federally regulated industries such as banking, aeronautics, and railways. There were differences in the new trade union act, however. The Nova Scotia Act "while declaring against discrimination and generally supporting organization and

collective bargaining, failed to provide administrative boards to certify the organization acceptable to the worker and consequently failed to enforce the law against non-recognition and other unfair practices.⁶⁸

On February 17, 1944, the federal government proclaimed Privy Council Order [PC1003] a temporary wartime measure which guaranteed labour the right to organize and bargain collectively, established procedures for certification and the compulsory recognition of trade unions. More importantly, "it provided for a permanent Board to determine the appropriate bargaining unit and to certify the representatives of the majority, with or without an election, with whom the employer must bargain."⁶⁹ The workers' choice of a union could not be dictated, bought, or unduly influenced by the union leadership. The purpose of PC1003 was to support collective bargaining where employees desired it. The Board enforced its orders and compulsory conciliation was required before a strike could take place. One of the most important clauses ensured that contracts signed would be legally enforceable, something not possible under the federal Industrial Disputes and Investigation Act (IDIA) of 1907. PC1003, a temporary wartime measure, was eventually replaced by the Industrial Relations and Disputes Investigation Act in September, 1948.

Labour relations boards in Canada, both at the federal and provincial levels, generally adhere to the principle of tri-partism; that is, they included representatives of capital, labour, and the state or general public. This creates an illusion of neutrality and equal treatment. But, as Kirby Abbott has noted "in attempting to

control the irreconcilable conflict between capital and labour, the state intervenes through law to maintain social order and stability and thus reproduces the existing inequality."⁷⁰ As tri-partism triumphed, the strike lost its effect as a means to resolve disputes and was replaced by certification as a means of recognition. The tripartite nature of the process and the institutionalization of union recognition and free collective bargaining were as Chief Justice Rand noted, "devised to adjust, towards an increased harmony, the interests of capital, labour, and the public in light of the shift in the balance of class forces that had taken place."⁷¹ Although the government did not say so, the legislation was not intended to undermine capital but to maintain capital's dominance. Labour was given recognition but not at capital's expense.

The strike of Highland Lines was the result of a union rejecting a tripartite conciliation board recommendation for settlement of a proposed labour agreement. Highland Lines, owned by Fred C. Manning, was part of a large, automotive and commercial empire, the United Service Corporation. Previously owned by Mike Sullivan, Highland Lines operated intercity motorcoaches which provided service over the main highways on Cape Breton Island and local service in the suburbs of Sydney.

The previous contract between Highland Lines and the Canadian Brotherhood of Railway and Other Transport Workers (CBRT) expired March 1, 1952. The CBRT represented the bus drivers and mechanics of Highland Lines. After prolonged conciliation, Judge Kenneth L. Crowell released his report during

the second week of August. The majority report signed by Crowell and George Thompson, a Director of Highland Lines, "recommended a wage increase of ten cents per hour. The company's claim that its wage rates were equal to or higher than those paid by similar bus services in the Maritimes was not refuted by the union." The minority report signed by union nominee, Henry Harm, Regional Director of the Canadian Congress of Labour (C.C.L.) stated that the company's wage program fell far below the general rate in the area, using the steel plant's labour rate of \$1.32½ an hour as a measure."⁷² Highland Lines were paying 95 cents an hour wage at the commencement of the strike. The union had originally requested an increase of 30 cents an hour and dropped that to 20 cents an hour in their presentation to the Crowell conciliation board in July. The Company had originally offered a ten cents per hour increase during negotiations, dropped the offer in early stages of the conciliation hearings and later renewed the ten cents per hour offer. Fred Nicoll, general representative of the C.B.R.T. declared that a strike date had been chosen because "it is use of our only weapon to protest against substandard wages."⁷³ Last minute talks during the morning of August 18 were not successful and the strike commenced at noon. In addition to the general public and students, workers "living in rural and urban areas who use the Highland Lines buses for transportation to and from work were denied their normal means of transit."⁷⁴ "It was estimated that 55,000 people in rural Cape Breton used the service."⁷⁵

Just as the Highland Line strike commenced, the workers at Dominion

Atlantic Steel Company refused a new contract offer. While wages were a problem, the main issue involved job evaluation. The dispute recalled the 1920s when mine management told the workers how they wished their jobs done and dictated the criteria used for measurement. Judge V.J. Pothier, conciliation board chairman for the DOSCO negotiations, considered it "very, very serious."⁷⁸ Given this unsettled labour environment, and the tough stance taken by management, the striking bus drivers and mechanics initially received the support of sympathetic labour unions. Fred Nichol of the C.B.R.T., visited Sydney and obtained the support of the United Mine Workers (U.M.W.) locals and the Federation of Labour. Ten locals of C.B.R.T. in Halifax pledged financial support.

The strike continued into September when the school term commenced. A large number of students depended on the Highland's bus service. "It was estimated that 55,000 people in rural Cape Breton depended on the service." On September 15 a large meeting was held by the Westmount Home and School Association. As a result of this meeting, the Cape Breton Federated Rural and Village School's executive decided to try and open discussions between the company and the union. J.P. Bell, Chief Executive Officer of the Nova Scotia Department of Labour, arrived in Sydney on September 24 for discussion with the union and management. Don Marks, President of the Federated Rural and Village Schools of Cape Breton, met with the Attorney General, M.A. Patterson, the local member, over the weekend and the Attorney General discussed events on his return to Halifax with A.H. MacKinnon, Q.C., the Labour Minister. The strike was

now a month old. Only with the school board pressure did the government begin to take an active interest in the strike.

In the meantime, Highland Lines agreed, for the first time since the strike began to meet with the union. At a public meeting held September 24, however, Marks made public a letter to Highland's George Thompson, and Thompson's reply. Marks was upset with Thompson's comments that the Federated Rural and Village Schools of Cape Breton "would be placing itself in a very awkward position in attempting to act as an arbitrator or mediator. It is difficult to see how any group or organization can be helpful in settling a labour dispute after the neutral channels of the Department of Labour, and a conciliator and a conciliation board have failed to solve the problem. The company's only major change in its position is that it is no longer willing to agree to the increase in wage rates being retroactive. Nor did Marks think it fair that Thompson mentioned that the proposed rates would be higher than wages paid in other Maritime centres."⁷⁷ The union compared the offer to wage rates in local industry while the company compared its offer to other bus companies providing the same type of service. At the meeting of September 24, various views were expressed, but most were unfavourable to the company. Gerald Brennan of the North Sydney Board of Trade believed that "the rates are an awful lot lower than those prevailing in the area."⁷⁸ Mayor Hartigan of Sydney Mines believed there "to be more bitterness in this case than is usual. It's certainly not the spirit of collective bargaining as we know it."⁷⁹ Councillor Alex Gillis of Sydney Mines, Vice President of the Prince

Mine Local of the UMW, added that "it's a proven fact that they are not paying a living wage. Our duty is to try to get somebody to force them to negotiate."⁸¹ Hartigan also felt that "there should be no increase in the fares unless it could be demonstrated that it was required. Councillor Forbes of North Sydney asked if action could be taken against the company if they refused to negotiate. The situation was daily growing more serious."⁸¹ The Cape Breton Communities Association, an offshoot of the Cape Breton Federated and Rural School Board headed by Don Marks, sent telegrams to Premier Angus L. MacDonald and J.A. Hanway, the Public Utilities Board Chairman, requesting that the franchise of Highland Lines be cancelled and that the government instruct the board to hold a hearing in Sydney. "Fifty thousand persons in industrial Cape Breton," it noted, "are affected by the tie-up."⁸²

After Dosco offered the steel workers an eight cent an hour increase, bringing wages to a minimum of \$1.40½ per hour, negotiations resumed in the Highland Line strike. On October 6, Nichol and Thompson resumed negotiations, with J.P. Bell of the Labour Department acting as a go-between. In an unrelated move, the Cape Breton Bus and Tram Company applied to the Public Utilities Board for a rate increase. That Company also faced increased wage demands from the C.B.R.T. The company had experienced an eighty-five per cent increase per passenger mile in costs while fares had only risen twenty-three per cent per passenger mile. Meanwhile, negotiations between the parties in the Highland Line dispute continued in Halifax at the Department of Labour offices.

The Cape Breton Communities Association continued to call for another meeting between government, labour, and Highland Lines and applied pressure to that end. On October 16, the Communities Association, for the second time, advocated cancellation of the Highland Lines franchise. Copies of the telegram were forwarded to the Premier, Angus L. MacDonald, the Labour Minister, and the Attorney General, stating that "it was unanimously decided to ask the Nova Scotia government to use all processes at its disposal to bring about an early solution to the present strike...Also decided that...our group will apply for immediate cancellation of the Highland Lines franchise."⁸³ This second public meeting was attended by representatives of the Towns of North Sydney, Sydney Mines, Louisbourg, North Sydney Board of Trade, Sydney Mines Board of Trade, UMA 26, Local 1064 United Steel Workers, Nova Scotia Federation of Labour, among others. This group represented a broad stratum of the population affected by the strike. Sid Oram, of the Nova Scotia Federation of Labour, understood that the union "is willing to cooperate but that the company's representative Mr. Thompson indicated there would be no compromise on any points whatsoever."⁸⁴ Unfortunately, at the conclusion of the October 17 meetings between Highland Lines and the Union, under government intervention, nothing was settled. The Communities Association learned that "several leading bus lines in Cape Breton are willing to take over the franchise."⁸⁵

It is interesting to note a conversation between the Attorney General, M.A. Patterson, and Don Marks of the School Board Association on October 29. The

Association requested that the Public Utility Board cancel the franchise of Highland Lines. Patterson suggested in turn that the drivers and mechanics man the buses until a settlement was reached. The original report had suggested that the workers return to work while the conciliator worked out final terms for a settlement. Marks replied, "Now, listen, do you really figure yourself there is no way of getting anything in between to satisfy both parties."⁸⁶ Patterson replied, "Do you know, we have been in session here with Thompson and also representatives of labour. I attended all meetings, and we did everything in our power to bring them together but it was impossible."⁸⁷ Marks reported that "so far as general feeling of the public is concerned, they consider that no honest effort is being made to bring about a conciliation."⁸⁸ "Just between ourselves," said Marks, "we were of the opinion that the feeling of the general public was strong enough and definite enough that they (union and management) would re-consider their position because it seemed such a little step for both sides to take in order to settle this."⁸⁹ Marks asked Patterson if there was a method in which the conciliation board could reconvene in Sydney without Thompson representing Highland Lines. Marks believed that "if there was a little more judgement used at all times, the strike would never have been."⁹⁰ This conversation was never reported in the press.

The Public Utility Board's response was contained in a telegram to the Association signed by Chairman J.A. Hanway, Q.C., advising that "Highland Lines is not a public utility" and if the franchise is cancelled, "the public would still be

without service."⁹¹ The Communities Association then requested a third meeting of the Board in Sydney, before November 1."

At a union meeting held in Sydney during the first weekend in November Fred Nichol discussed with members the proposal made by M.A. Patterson that an inquiry commission be struck with Judge V.J. Pothier as arbitrator.⁹² Over the same weekend, Highland Lines made another offer to the C.B.R.T. through Donald Marks. By using Marks, the company turned away from the government department set up to mediate disputes in favour of an association of outsiders. Perhaps Thompson felt that the association, representing the parties most affected by the dispute, would be able to convince labour to accept the proposal. The company offered "15 cents an hour effective November 1, an eight hour day for the garage workers and... no discrimination against the 37 employees of the union".⁹³ The last part of the offer was in response to a previous suggestion by Thompson that there would be a 25 percent reduction of staff. The union responded with an offer to drop all other demands if the 15 cents per hour was retroactive to March 1, 1952, but Highland Lines would not accept the proposal for the retroactive settlement. The local President, Strath MacLean, responded that "anything less than an honourable settlement would turn back the clock on labour management relations in the province. The union could not compromise further on its decision...the Brotherhood could not accept less than the 15 cents an hour retroactive from date of the walkout."⁹⁴ The union wanted an honourable settlement and sought to sign an agreement that allowed them to feel that they

had won a victory. MacLean apologized to the public but stated that "the union could not accept anything less than an honourable settlement." He also expressed appreciation to various groups which have endeavoured to bring about a "just settlement."⁹⁵

The Communities Association met November 6 and reviewed the strike and the attempts for settlement. The Committee looked forward to meeting with the Minister of Labour the next day and held out hope for a settlement. The committee felt that members should go back to work pending negotiation of the retroactive angle. They felt that "cooperation and consideration should be shown on all sides, in order to bring out as speedy a settlement as possible."⁹⁶ The committee also wanted it known that they were not trying to tell the tripartite body how to settle the strike. Instead, they "have continued their activities on behalf of the general public of the communities affected and are merely trying to give all help possible to the question of having the strike ended."⁹⁷ Hope for a settlement was dashed by the union's response to the meeting with the labour minister. The retroactive pay issue would be settled by a commission likely headed by Judge V.J. Pothier and the union refused to go back to work. A counter offer from the union was to settle the retroactive pay issue first and then vote on the offered wage package.

The Coordinating Committee of the Cape Breton Communities Association withdrew support of the strikers after the union refused to accept the last offer of 15 cents an hour increase and settlement of the retroactive issue by a commission.

The Committee publicly reviewed the activities it had undertaken during the strike. In particular, it mentioned that at the county court house meeting, "Mr. Thompson left the County Council chamber a different man than when he entered. He saw a determined, solid type of Cape Breton citizen ready to listen to reason, but, not for one moment ready to shirk responsibilities to their fellow man, or to the public in general."⁹⁸ At this meeting, the committee realized that the stalemate could not be broken and legal counsel would be therefore retained in an effort to cancel Highland Line's franchise by the P.U.B. As a result of this attempt to cancel the franchise, and the determination of the committee, a new offer of 15 cents per hour was achieved. The committee felt that after the meeting with the Minister of Labour, the company's offer of 15 cents per hour, and conciliation by Judge Pothier on the retroactive issue, a contract should have been signed. It also felt that "the committee succeeded where negotiators failed. We believe with Mr. Thompson that the crux of the whole matter is the high employment possibilities in the Sydney areas, men drawing strike benefits, working part or full time in the area and an apparent lack of faith and appreciation by the union in the work of this committee."⁹⁹

The Committee used the media to tell residents its position on the proposed settlement and why the committee considered it just. Another round of meetings held in Halifax, November 20 resulted in a settlement of the strike. The final terms were a 15 cent per hour increase and two months retroactive pay.

The public fared badly as a result of the Highland Lines strike. Arguing that

the increased salaries to be paid would further increase its loss position, the company applied for and received a rate increase late in 1952. This did not happen without complaint. W.D. Outhit, Vice Chairman of the Public Utility Board, received a letter sent the Board by Ralph Vaughan, Executive Assistant to the Premier. Vaughan informed Outhit that the Deputy Clerk of the Town of Sydney Mines had complained to the Premier that Highland Lines was permitted a rate increase without a public hearing. Political measure was now intruding into a field supposedly free from political influence. Outhit replied:

Changes are made in their rates, the Board satisfying itself on each occasion as to the carriers costs, his revenue and his net, and approving such rates as appear to be required for the continuance of the operation... When the carrier does apply for an increase, he must supply the Board with all the information the Board requires and in the great majority of cases no public hearing is held. Specifically, with regard to Highland Lines, bus drivers and garage employees were given an increase of 15 cents an hour, amounting to approximately \$15,000.00 a year. The company, of necessity, increased the wages of other employees similarly approximately another \$5,000.00. In 1951 Highland Lines operation resulted in a loss of approximately \$9,000.00 and the company was in no position to absorb another \$20,000.00.¹⁰⁰

In December of 1954, the Board permitted Highland Lines to disband the 100 mile route Port Hawkesbury Cheticamp because of falling ridership and heavy losses. In 1951 "the revenue received per bus mile was 27.16 cents and operating costs 32.25. 1952 revenues per bus mile was 29.49 cents and costs 36.63 and in 1953 revenue was 28.37 cents and costs 33.86."¹⁰¹ One year later, Highland Lines was permitted to abandon the Sydney-Baddeck-Margaree Forks-Inverness

route, a trip of 107 miles. The revenue per bus mile in 1952 was "27.67 cents, expenses 36.64 cents; 1953 revenue 27.27 cents, expenses 33.86 cents; 1954 revenue 23.16 cents, expenses 34.22 cents."¹⁰² The Board observed that it "ought not to require an operator to continue service on losing routes until the losses resulting therein reflect detrimentally in the entire operation. The need and convenience of the few must be balanced against the needs of the many and the continuance of a losing service must be weighed against the danger of the prejudice thereby created to the needs of the many."¹⁰³

The Highland Lines strike had occurred because management and labour could not agree on the majority conciliator's report. This report did not provide the union with the wage package it desired. In another analysis, the strike occurred in response to labour unrest, the high cost of living, and was the result of social controls imposed upon the union by the business community and government.

The 1950s was an era of labour unrest which could not be effectively contained within the legislative framework enshrined under these acts, each party to a dispute enjoyed an umpire in the form of a conciliation officer. Traditionally, management and labour had settled their differences by themselves, but now the conciliation officer, a professional, employed by the state, aided the parties to a dispute.

The Highland Lines strike illustrated the limits of the tripartite negotiation of labour disputes. The government imposed mediator was unable to obtain a settlement as a result of management's refusal to vary their offer and the union's

refusal to accept the majority conciliation board's proposal. The strike occurred in Cape Breton where strikers traditionally obtained moral and financial support from the community. The conciliation report, published so that reason would prevail, gave further strengths to the strikers and the community of 50,000 strikers affected. In this context, MacKenzie King's old adage that "the force of public opinion and reason would persuade them to settle"¹⁰⁴ did not apply and the strike continued.

The Communities Association, with Donald Marks as Chairman, however, succeeded where the conciliator failed. The state had lost the support of the community in the strike and the Communities Association, rather than the government, became the community representative in the process of tripartite negotiations. This Association represented the various sectors and classes in the community and had originally supported the strikers. Once the union refused Highland Lines' amended offer for a settlement, however, the Association withdrew support for the strikers. Thereafter, union solidarity held firm and various neighbouring unions continued to provide support for the strikers. An agreement was only signed after Harry Chappell, the National President of the C.B.R.T., took part in the negotiations and pressured the local union leadership to yield.

But what of the role of the Public Utility Board in the Highland Lines strike? In short, the Board took a "hands off" position arguing that intervention would not be in the interests of either of the concerned parties. In particular, it refused to call for a "show cause" hearing requiring Highland Lines to provide evidence why their

franchise should not be cancelled. Under the Motor Carrier Act, Section 19, the Board could "at any time or from time to time, amend or suspend any license or may, for cause, and after a hearing upon such notice as the Board may direct, cancel any license." The Board frequently quoted "public need and necessity" in the granting of a license; why then, did it not use the same test to suspend or call for a show cause hearing? For example, did the Board make any examination of the cost to the public of a proposed wage settlement? Highland Lines certainly knew the effect a wage settlement would have on its bottom line. Was the PUB hoping that the strike would be settled without its involvement? Perhaps the PUB failed to call for a "show cause" hearing, because its involvement would upset the tripartite nature of the conciliation process. In addition to labour, management, and the conciliator, there then would be a fourth body involved, one at arms length from the government. "In a confidential interview, I have learned that the PUB felt that action on its part would be seen as interference in the conciliation process. They were very concerned with the situation that so many of the public were without service but at the same time did not want to interfere with the tripartite process."¹⁰⁵

The rate increase and disbandment of the two routes in 1954 and 1955, was approved by the Board. However, despite "the hands off" position of the PUB, the situation righted itself. But not without a price...the community lost over 200 miles of scheduled service, relations between management and employees at Highland Lines were at a all time low and the company's financial position worsened.

CHAPTER IV
CONSOLIDATION AND GROWTH
1952 - 1985

This chapter covers the period 1952 -1985, one of significant transition and consolidation. During these years, the Public Utility Board permitted the companies to abandon many routes. Some operations were sold to other operators; in other cases when routes were abandoned, service was not replaced. Growth of the private car continued to undermine profitability and passenger rail service continued to be seen as a subsidized form of transport operated in direct competition with the scheduled motorcoach industry. Motorcoach operators could do little with regards operation of private cars, the Motor Carrier Act exempting vehicles carrying seven passengers or less from the Act. The VIA Rail situation was another matter. The Ontario Motorcoach Association and the Canadian Bus Association lobbied Ottawa extensively to either remove the subsidies provided VIA or disband any uneconomical routes.

As this period began, there were several applications for reduction and abandonment of service by passenger carriers. In 1954, Fleetlines suspended "Bay Road service from Halifax City limits to Johnson's" and "Bedford to Waverley on the Old Truro Highway." Highland Lines ended its service from "Port Hawkesbury to Cheticamp." Part of the reason for both lines suspending service was the competition from private cars. "Car registrations increased to 88,895 by

1953." The PUB's 1953 report stated that "with the private motor car freely purchasable on the market, the competition of the private motor cars took traffic from the carriers with the result that revenues did not keep pace with cost of the carriers."¹⁰⁶

The Board clearly understood the difficulties faced by the carriers and permitted route abandonment where justified. The Board considered the public needs in the smaller communities but at the same time did not wish to place a burden so heavy on the carriers that there was a danger of them proceeding to bankruptcy. Large companies as well as smaller companies were forced to abandon service. In 1954, with Board approval, Acadian Lines discontinued the Amherst to New Glasgow route over the Sunrise Trail. George Thompson of Acadian Lines presented an application for abandonment of this route citing increased operating costs and decreasing passenger revenue. In 1951, revenue from that route was 21.18 cents per mile with operating costs of 35.73 cents per mile. By 1953, "revenue had dropped to 16.99 cents per mile and operating costs had increased to 38.03 cents per mile. The company was projecting an \$18,000 loss for 1954 on the Sunrise Trail route alone." The PUB recognized the hardship the company was facing and after a public hearing under the Act permitted abandonment of the route. "To refuse to give relief under the circumstances could place the entire operation of the applicant in jeopardy."¹⁰⁷ In its 1954 Annual Report, the Board observed that "the trend downward in the number of passengers carried and the increasing costs of operation has continued during the years with

the result that the Board has become apprehensive of many of the motor carriers being able to continue much longer."¹⁰⁸ (See Table VIII for routes abandoned by carriers in 1954).

The Board did not grant all disbandment applications, however. For example, Acadian Line's applications to abandon "the Digby to Yarmouth and Lockeport to Yarmouth routes were refused." At a public hearing, a large number of people spoke against abandoning the service. Losses on these routes averaged twelve to fourteen cents a mile. The Board remained unconvinced that such important services should be abandoned. "The duty of the Board is primarily one of regulation within a limited field, a field in which public convenience and necessity is a matter of actual and considerable concern. The need and convenience of a few must be balanced against the need and convenience of the many. The services in question are established services which have become an important part of the transportation system in Western Nova Scotia...they have been continued because of the recognized need for such services."¹⁰⁹

In September, 1955, however, the Board did approve applications by Acadian Lines to disband service on these same two feeder routes to Yarmouth. In support of a new application, Acadian gathered passenger statistics which demonstrated limited use of the service and in light of this new evidence, the Board reversed its earlier decision. "The Board refused to agree to the request of the applicant in the earlier decision, but did indicate quite clearly that if the public does not use the service and the anticipation of the applicant becomes a reality,

it would be apparent that public necessity did not exist and there would be no public inconvenience to be served."¹¹⁰ Operating costs for the complete Acadian system was 37.68 cents per mile in 1954 and revenue from the Lockeport-Yarmouth return portion was 20.41 cents per mile and the Digby-Yarmouth return portion was similar. The total loss on two return trips was \$20,000 in 1954.

Gradual consolidation of ownership and cuts in service continued throughout the 1950s. In late December, 1955, Fred Manning sold the operating motorcoach subsidiaries of United Service Corporation (except for the Maritime Bus Corporation which provided local service in the Annapolis Valley) to George C. Thompson, Gordon H. Thompson, and Ralph A. Pepper. The subsidiaries were consolidated under one company, Acadian Lines. Acadian Lines consolidated Highland Lines, Fleetlines, and Wagner Tours under one license and the livery of all units was painted the familiar dark blue and white. (See Table X for the consolidated routes).

There were additional route abandonments in 1955, in addition to those of Acadian Lines. Scotia Bus Line Limited abandoned service between Chester and Kentville after nineteen years of service. After seven years of losses, Doran's Taxi of Windsor serving Windsor to Hantsport and Windsor to St. Croix discontinued service. Even Manning's remaining bus company, Maritime Bus Corporation, abandoned its routes in the Kentville area. (See Table XI).

One of the most important hearings which took place May 20, 1955, upheld power of the Nova Scotia Board "to regulate under the Motor Carrier Act and the

Motor Vehicle Transport Act, a federal statute."¹¹¹ (This Act and the Motor Vehicle Transport Act of 1987 would again become an issue in the 1980s when non-Nova Scotian carriers would attempt to remove charter revenues from Nova Scotian scheduled carriers, which was used to supplement the scheduled service). In 1948, the Nova Scotia Board issued a certificate of public convenience and necessity to Israel Winner of Lewiston, Maine to operate a bus service from the New Brunswick border into Nova Scotia. The service originally departed from Boston. "Winner was permitted to drop off passengers from outside Nova Scotia or pick up passengers in Nova Scotia going outside the Province."¹¹² The license was transferred several times until purchased by Canadian National Transportation, doing business as MacKenzie Thru Line. Winner, however, picked up and dropped off passengers within New Brunswick. The New Brunswick Supreme Court ruled that the New Brunswick Motor Carrier Board did have the right to place a restriction on Winner's license which prohibited picking up and dropping off of passengers in New Brunswick. However, Winner appealed to the Supreme Court of Canada, which in a 1951 majority decision, ruled that "a bus line consisting of the service of carriage along with the means of organization, may be an 'undertaking' within S92(10) (a) of the B.N.A. Act."¹¹³ In 1954, the Judicial Committee of the Privy Council ruled that "the Provincial Regulatory Boards had no jurisdiction over extra-provincial carriers who wished to operate within the province."¹¹⁴ The Privy Council ruled that "such regulation fell within the jurisdiction of the Parliament of Canada."¹¹⁵ The provincial regulatory agencies

thus lost power they previously exercised and this upset the accepted practice adopted by the Provincial Transport Boards. The Federal Motor Vehicle Transport Act was passed in response to the Privy Council decision coming into effect on August 1, 1954. The federal government did not have the infrastructure to administer the new Act and because of political pressure from the provinces it "delegated exercise of the federal jurisdiction over interprovincial transport to the various provincial regulatory bodies."¹¹⁶

The Nova Scotia Board issued a license under the Motor Vehicle Transport Act to MacKenzie Thru Lines which authorized it to travel and carry passengers within Nova Scotia. A passenger could be picked up in Nova Scotia but could not be dropped off in Nova Scotia."¹¹⁷ Similarly, the license permitted MacKenzie to bring tourists in from outside the Province but not interfere with the regularly scheduled passenger service revenues. "This Board is empowered to grant in its discretion, licenses to persons to operate an extra-provincial operation into or through the province, upon like terms and conditions and in like manner, as if the extra-provincial undertaking operated in the province were a local undertaking."¹¹⁸ Competing carriers had requested that the Board issue restrictions concerning the picking up and setting down of passengers within Nova Scotia by extra provincial carriers. MacKenzie argued, however, that the Board did not have the power to restrict a license. The Board, in its decision, noted in reference to the 1954 Nova Scotia Motor Carrier Act that "after a public hearing or without public hearing, as the case may be, the Board shall issue each certificate

as applied for, or refuse to issue the same, or issue each certificate for the partial exercise only of the privilege applied for. The Board may attach to the exercise of the rights granted by the certificate such terms and conditions as in the judgement of the Board, public convenience and necessity require."¹¹⁹

The Board clearly believed that it had the power to place restriction on the license. The Board held a concern that if not restricted, MacKenzie Thru Lines' license would create a hardship for Nova Scotian scheduled carriers. The Board further noted in its decision that the application "was a seasonal service designed to bring tourists into the Province, it operates when bus operators do 50% of their yearly business, and it operates over routes in competition with carriers required to operate on a year round basis."¹²⁰ The Board in its final summation, noted that many carriers were performing a public service with very little monetary return and any additional competition for these same passengers would hurt them financially. "The Board considers it inappropriate to further jeopardize the present travel services on the routes in the Province travelled by the applicant by an operation which exists for slightly over two months of the year. Public convenience and necessity will not be served by extending privileges merely on a seasonal basis."¹²¹ The Board was very clear in its reasons for placing restriction on the license. The main one was the poor economic condition of Nova Scotian scheduled carriers.

The Board felt the services of MacKenzie Thru Lines had been provided for a number of years and should be continued. It had become a part of the summer

transit service between the New England States and the Maritimes and back and was important to the tourist trade. This issue would resurface in the late 1980s when licenses were issued to outside applicants. (The Motor Carrier Act was subsequently revised in 1990 allowing the Board to examine very closely the impact that the granting or expansion of any license would have on scheduled service).

In its 1956 annual report, the Board continued to voice concern about erosion of service. In 1950 there were 58 certificates in force; this number had been reduced to 43 by 1956. The Board further stated that declining passenger loads and continually increasing operating costs were the main reasons for the breakdown in service. In addition, there were many more privately owned cars on the roads and the sharing of rides was commonplace. Registration of cars now numbered 111,141. Illegal competition by trucks also continued. Many canvas topped trucks were outfitted with benches and accepted paying passengers. This eroded the customer base of the scheduled carriers. The number of passengers available to the scheduled carriers, as customers, was rapidly declining. The Board noted in a Mackenzie Bus Line Limited hearing that "on one of its routes, the operating cost was 31 cents per mile and revenue 7 cents per mile."¹²² The Board permitted the discontinuance of service. It understood only too well the adverse affect losses could have on a company which could force it out of business.

As a result of the continued precarious finances of many carriers, the Board

permitted further abandonment and cutbacks of routes in 1957 and 1958. Some abandoned routes were consolidated with those of larger carriers. As a result of the Cape Breton Bus and Tram Company filing for bankruptcy, Acadian Lines picked up its suburban routes and added them to their existing routes. In addition, the Board approved rate increases for Acadian Lines and MacKenzie's in 1958 and granted a further increase to MacKenzie's in 1959. The Board permitted these increases in the hope that remaining carriers would not file for bankruptcy. The Board was fully aware of the carrier's financial condition because the filing of their financial statements was a requirement for rate changes.

In 1960, there was further route abandonment "including one between Halifax and Elderbank which had existed for thirty years."¹²³ The 1960 Annual Report of the Board noted that "the carriers continued to be plagued with passenger-carried operations by private passenger cars, pool cars, and unauthorized carriers."¹²⁴ Most companies required a pre-tax operating ratio of ninety per cent of expenses to revenue and few would be in this financial position. In 1961, Acadian Lines applied to abandon several suburban routes in the Sydney area and in support of its application supplied the Board with detailed financial information from 1956-1960."¹²⁵ The gap between expenses and revenue was closing and there were not sufficient funds for capital expenditure. The Board noted in a separate rate hearing decision, which was approved, that "it should also be borne in mind that the applicant will be obliged in the not too distant future to make large capital expenditures in replacement of equipment and terminal facilities.

Five new buses have been acquired at a cost of \$181,000."¹²⁶

In 1964, Acadian Lines applied for the abandonment of service between Parrsboro and Truro in the morning and a return evening trip. This application was approved. In 1966, Acadian applied for increased parcel express rates, the first adjustment since rates were approved January 1, 1941. Parcel express service originally was a charge for carrying small packages for clients in rural areas. However, with increased freight capacity on buses, and scheduled service from point to point, many more people were taking advantage of this means of shipping freight up to 76 pounds. Further scheduled service rate increases were approved, the previous adjustment having been made in 1961 as well as charter rates, the first adjustment since 1951. Costs were rising and the additional revenue generated would be used to purchase two additional coaches. Acadian Lines was operating with extremely narrow profit margins.¹²⁷ Acadian's earned surplus or retained earnings account "dropped from \$30,000.00 at the end of 1963 to \$6,700.00 at the end of 1965."¹²⁸

Although the Board paid close attention to finances of the Nova Scotia carriers, they were also aware of requirements of the tourist industry. Charter service revenue assisted the operations of scheduled service. Nevertheless, in 1964, the Board granted "a restricted license to the Bangor and Arrostock Railway Company (BAR) so they could commence charters at the Halifax International Airport, tour Nova Scotia, and return the passengers to the airport."¹²⁹ In this expanding charter field (provided for under the Motor Carrier Act), this was a signal

to the Nova Scotia carriers that perhaps their equipment should be upgraded because much of their equipment was older. Although not specifically mentioned in the decision, the reasons tourist operators such as Tauck Tours, one of the largest tour operators in the United States and in business since 1925, called for outside carriers to be licensed was that of lower rates and a better choice of equipment. The Board, in its decision on the BAR application "felt that the granting of the license will not - in this particular case - result in facilities in excess of requirements and that the issuance of the license would not have any adverse effect upon the existing transport services and would be in the public interest."¹³⁰ Acadian and MacKenzie's opposed the application. In 1965, Airport Transfer Limited, a local charter carrier since 1941, provided late model equipment to Tauck and was awarded a contract for the summer. In 1966, Airport Transfer purchased a new MCI MC5 coach as a requirement for retaining the Tauck contract.

Mackenzie Bus Line Limited was granted an extra-provincial license in 1965, which permitted it "to provide charter service for Horizon Tours. Horizon flew groups into the Halifax International Airport, toured the Maritimes, and terminated at the C.N.R. station in Moncton."¹³¹ Although MacKenzie provided charter service in Nova Scotia, under its Motor Carrier License, this license did not permit it to operate beyond Nova Scotia. In 1968, although opposed by both MacKenzie's and Acadian Lines, Trailways of Canada was granted a license to commence or terminate charters at the Halifax International Airport on behalf of Sun Tours.¹³² The tours would arrive by coach from outside the Province, tour

the province, and terminate at the airport or commence at the airport and terminate outside the Province. These licenses were granted because those companies, in opposition, did not prove that their issuance would hurt existing services and the Board felt justified in granting the applications. The charter market was slowly expanding in Nova Scotia and the scheduled operators depended mainly on the more profitable line -runs and parcel express service to assist more marginal line-runs. The charter service, at this point in time, did not assist the total operating situation to the extent it would in later years. The Board, however, with its knowledge of the industry, should have realized how much this charter revenue would be required to assist the financial situation of the scheduled service companies.

In 1970, an important hearing took place which would have a significant impact on private non-subsidized carriers such as Acadian Lines. The City of Halifax commenced a public transportation system in 1970. It then complained to the PUB that Acadian Lines was operating illegally by picking up and dropping off passengers within the Halifax City limits, which included the newly annexed, suburban areas. The City insisted that Acadian Lines should come under the Public Utility Act and not the Motor Carrier Act under which it operated since 1938. George Thompson believed that Acadian was carrying less than 10% of its total passenger fares from point to point in the City of Halifax including the newly annexed areas. Traditionally, carriers obtaining more than 10% of its revenue from point to point service within a city or town were regulated by the Public Utility

Act.¹³³ The Transit Corporation subpoenaed Acadian Lines for its complete financial data. Acadian refused to comply and the Board agreed that Acadian should only provide information on suburban Halifax service. Such information was readily available because the Board, acting under its regulatory power, required Acadian to keep track of all revenues and to take passenger origin and destination counts for its suburban operation in Halifax over a two week period. In addition, Acadian was ordered to provide the Board with statistics on total revenue from passengers originating and destined within the City limits and on revenue obtained from operations outside of the City limits. "Evidence showed that Acadian Lines was carrying in excess of ten per cent of its total ridership from point to point within the City limits, and that perhaps because of annexation of suburban areas it may have become a public utility under the Act but cannot and will not conclude that the revenue of Acadian from the operation of motor vehicles for the conveyance of passengers between points within the City exceeds ten per cent of the gross revenue of Acadian."¹³⁴

The Board was ambivalent with regards to Acadian Lines. The Board noted "that it is undesirable and uneconomic for the City that Acadian be permitted to continue to provide regular public passenger service within the city...but the Board has heard no evidence...justifying a decision that Acadian's Motor Carrier License be amended to prohibit the carriage of passengers between points within the City. The Board will dismiss the application of the City and recommend that legislation...will clarify the right of the City to provide public passenger service...and

will make provision for the determination and payment of reasonable compensation to a passenger public utility or motor carrier who suffers financial loss because of the exercise of such right by the City."¹³⁵ The Board, in 1969, issued the City a license under the Public Utility Act to provide a public transit service. Perhaps the Board should have foreseen the potential problem this granting of a license would create for both the City and Acadian. Annexation of the additional City lands did not take place overnight. The City lost its application to the Board. Acadian and the transit authority were both permitted to keep operating. In the longer term, however, Acadian could not compete with a subsidized service, and, in 1970, applied to disband the Halifax-Fairview, Halifax-Purcell's Cove, and Halifax-Leblen Park routes. These routes were only sixteen per cent of Acadian's total suburban service. Although the Board recommended compensation be paid to Acadian, it did not have enforcement power and Acadian Lines received no compensation for the loss of revenue it experienced.

As a result of the loss of these suburban routes, Acadian applied in late 1970 for a rate increase in its scheduled, charter, and parcel express tariffs. Acadian only generated a profit of \$692.00 in 1968 and \$2,144 on revenues of \$1,091,232 in 1969 and the company had not used the full depreciation permitted under the Income Tax Act.¹³⁶ The Board noted that "a reasonable profit must be made by the company in order to maintain a reasonable standard of service."¹³⁷ The Board permitted the increase as requested, fearing that Acadian without sufficient revenue would not be able to continue operating.

The Board was still unable to stop illegal operation of vehicles, especially cars, providing service without a license. Car registrations in 1970 were now 228,584 in Nova Scotia and additional scheduled service routes became uneconomical. MacKenzie Bus Line Limited was permitted to abandon service between Lockeport and the junction of Route 3 and 103. Mr. Benedict, a MacKenzie driver, stated under oath, that for "days and days we don't get any passengers. He drove into the town from route 103 and out again - 27 miles with no passengers...and such an experience was not uncommon. He agreed with the evidence of Mr. Parker that an unlicensed person from Lockeport was often observed on the highway, frequently with local passengers."¹³⁸ In late 1972, Acadian was once again before the Board, this time to abandon the route between Halifax-Herring Cove, which was now serviced by Halifax Transit, an expansion of service from Transit's original route structure. The Board also granted Acadian charter rates for the first of the new 47 passenger coaches purchased by the company.

In 1973, the Board permitted MacKenzie's to abandon service on route 333, the highway between French Village and Peggy's Cove. "The operating costs were 65 cents per mile and revenues 36 cents per mile. During a 20 day period, less than one person per day used the service. Many bus passengers were scooped by private automobile before the arrival of the bus."¹³⁹ The Board found it very difficult to police the use of private automobiles carrying passengers. In subsequent years, the provisions of the Motor Carrier Act would be amended to

exempt vehicles carrying seven passengers or less. By thus changing the Act, a source of revenue for the scheduled carriers was removed and provided to smaller vehicles.

In 1975, Acadian was permitted to operate a six hour and ten minute trip between Halifax and Sydney with only six stops. The trip was aimed at business travellers and the company supplied a desired service. Island Transit, from Charlottetown, was granted permission to operate an extra-provincial service between Charlottetown and New Glasgow over the Wood Island-Caribou ferry system, using the Acadian terminal at New Glasgow as its terminus. Passengers could leave Halifax at noon and arrive in Charlottetown by supertime. Island Transit proved "public need and necessity" and the Board approved the application. Acadian Lines permitted Island Transit the use of their terminal in New Glasgow and sold their tickets as did Island sell Acadian's tickets in Prince Edward Island.

In 1978, the Metropolitan Authority was established to coordinate municipal services including transit service throughout Halifax, Dartmouth, and Halifax County. The Authority applied to the Board and was permitted to provide service to the Bedford-Sackville area starting March 1, 1979. Acadian Lines, meanwhile, applied for and was given permission to abandon the Bedford-Sackville suburban service. The Board permitted the public sector to service areas which private industry had previously operated without subsidy. Once again, Acadian Lines lost a source of revenue and was not compensated.

Partly as a result of the loss of this business, Acadian Lines applied for, and was granted an increase in charter and parcel express rates. The company approached the Board for a further rate increase in passenger fares which became effective March 1, 1980. Bank rates were approaching twenty-three per cent and much of Acadian's debt was based on a floating interest rate with the bank. In addition, the costs of fuel, parts, and payroll had risen dramatically. In November of 1980, the company was again granted a one half cent per kilometre increase in passenger fares to take effect January 1, 1981. In August, the company once again appeared before the Board and as part of its application noted that fuel costs had increased ninety-eight per cent since 1977. The Board observed in its decision that "it is of the opinion that if the increase is not granted, then, there may very well be a reduction in bus service and also the bus service may deteriorate."¹⁴⁰ In 1982, Airport Transfer Limited, Zinck's Bus Company Limited, and Perry Rand Limited were permitted rate increases because of increasing costs, reduced ridership, and the operation of private cars.

In 1983, Acadian Lines purchased its first two new vehicles since 1978. This purchase was followed by the addition of two new vehicles each in 1984 and 1985. In 1985, SMT, the New Brunswick scheduled carrier, once again commenced a connecting service departing Amherst to Prince Edward Island via Cape Tormentine. Passengers could now travel to Prince Edward Island, in summer, from Halifax, using either the SMT service out of Amherst or the Island Transit out of New Glasgow.

In a late 1984 article in the Nova Scotian, George Thompson responded to the question "How do you give something up that's been such a major part of your life? Well, of course," Thompson replied, "the company will eventually be sold."

¹⁴¹ The company was sold to Brian Gillis and associates in June, 1985. George Thompson had been connected with what is now called Acadian Lines since 1936 and along with his brother Gordon and Ralph Pepper owned the company since 1955.

By 1985, the Board, under the Motor Carrier Act and regulations, had permitted the abandonment of many routes, the sale of many companies, and the consolidation of licenses so that a few large companies were providing scheduled service. Vans were transporting working people from the same areas as scheduled carriers and to common destinations. Many van services eroded the passenger levels of these carriers. The major carriers were primarily operating long distance service because of a lack of passengers using the local services. The Motor Carrier Act had been amended to permit vehicles carrying seven passengers or less exempt from the Act. In this context, only large, well financed companies were in a position to provide scheduled long distance service. Schedule service dropped from an operation by one hundred and two carriers in the 1940s to one by seven carriers in the mid 1980s. (See Tables VII, XXV and Maps 2 and 4).

After 1985 the difficulties of motorcoach operators continued. Now the major issue would be the prospect of underdevelopment of the Nova Scotia

scheduled and charter industry not by competition from within Nova Scotia, but from a well financed out-of- Province organization which wanted control of the Nova Scotia industry, particularly the charter portion. Irving owned SMT of New Brunswick, would once again renew its challenge to Nova Scotia carriers as it had in 1938.

CHAPTER V
CHALLENGES TO THE INDUSTRY

1985

Challenges facing the Nova Scotia scheduled carriers since 1985, and more particularly, since 1987, have been almost insurmountable. The Nova Scotia scheduled carriers encountered major problems with government, especially since the Board appeared to become deregulatory. The scheduled passenger industry has been in a very precarious position since the mid 1980s. Any attempt to address the needs of the industry, therefore, should begin from 1920 to the present. Great care should be exercised before any decisions which could have a detrimental effect on the industry in Nova Scotia are taken. In particular, scheduled service is in danger of being reduced unless the scheduled carriers are permitted to continue their charter operations without threat caused by outside carriers. For Nova Scotia's scheduled carriers, charter service revenues supplement those obtained from the scheduled passenger service and parcel express. By themselves, the latter are not enough to insure a break even position. Charter service operated by outside carriers, on the other hand, erodes the revenue base of scheduled carriers. What should be recognized is that this added charter revenue for Nova Scotian carriers permits them to operate uneconomical scheduled passenger service in marginal volume areas.

On June 17, 1985, Brian Gillis and Associates of Halifax, purchased Acadian

Lines. Although George Thompson, the President of Acadian Lines, had not publically offered the company for sale, "he had quietly and privately indicated that he might be willing to entertain an offer for its purchase."¹⁴² Thompson, together with his brother Gordon, and Ralph Pepper had owned the company since 1955. There had been many suitors, including SMT of New Brunswick, part of K.C. Irving's empire. Irving had been smarting since he had been refused a license to operate in Nova Scotia in 1938. Irving had operated two routes without certificates during the years 1934 and 1937. Thompson did not sell to the Irvings in 1985 because, as he said, "our basic intention was to sell to Nova Scotians and to sell to young people and that's what we did."¹⁴³ Brian Gillis and his associates were Nova Scotians and the entire investment capital was Nova Scotian.

Within two days of the sale, by Thompson to Gillis, "an application was made by SMT (Eastern) Limited for an amendment to their extra-provincial charter license,"¹⁴⁴ which would permit them to commence charters anywhere in Nova Scotia. Prior to this, SMT was permitted to commence charters in Amherst only to points outside of Nova Scotia. Acadian Lines, MacKenzie Bus Line Limited and Airport Transfer Limited all opposed the SMT application. "All three companies argued in their presentations to the public utility board that there were sufficient highway motorcoaches available for charter in Nova Scotia. Any erosion of charter revenues would affect the scheduled services provided by these companies."¹⁴⁵ The opposition referred to many "tests" as argued by their counsel. The tests were

the basis on which the Board would grant or deny an application. These "tests", part of Section 11 of the Motor Carrier Act, were discussed in the Board's decision.

- a. any objection to the application made by any person already providing transport facilities whether by highway, water, air, or rail, on the routes between the places which the applicant intends to serve, on the grounds that suitable facilities are, or, if the license were issued, would be in excess of requirements or on the grounds that any of the conditions of any other license held by the applicant have not been complied with.
- b. the general affect on other transport services, and any public interest that may be affected by the issue, the license or the granting of the approval.
- c. the quality and permanence of the service to be offered by the applicant and the fitness, willingness, and ability of the applicant to provide proper service.

The Board must be satisfied that there is a need for the service which the applicant proposes to provide.¹⁴⁶

The Board felt that "there had to be a genuine public need for a new charter carrier and not simply a desire on the part of potential users to shop around for a lower price."¹⁴⁷ The Board was mindful of tests formulated in the first hearing in 1923. In addition, SMT's financial picture was bleak. The company had lost \$14,266 in 1983, \$79,675 in 1984, and SMT further informed the Board that its projected losses for 1985 would be greater than those of 1984. The Board did not approve the application, noting that SMT had not proven "public need and necessity,"¹⁴⁸ and adhering in the process to the Motor Carrier Acts of 1923 and 1938. The Board fully understood the effect a loss in charter service revenue could have on the financial contribution these revenues extend to scheduled

service. In addition, the companies, in opposition to the application, noted in testimony that they had sufficient equipment available to meet supply requirements.

In late 1985, Acadian Lines introduced a new limited Friday night trip, between Halifax and Sydney, with a return trip on Sunday evening. Acadian was taking a gamble, increasing route mileage in a declining passenger marketplace. Prior to this addition, the last trip to Sydney departed Halifax in mid-afternoon and the existing evening trip terminated in Antigonish. Public demand for this new trip increased and Acadian later applied to the Board and received permission to operate it on a Sunday to Friday basis. This return trip departed both Halifax and Sydney at 6 p.m., arriving at their respective destinations shortly after midnight. Limited stops and light traffic conditions at this hour of the day, permitted the shortened travel time. Shippers of parcel express appreciated this late day departure for points east. The Board approved these requests to improve public service.

In 1986, the Board cancelled the license of Catherine Goo Goo who provided scheduled service on the Eskasoni Indian Reserve. Declining passenger numbers, increased use of the private car, increased operating costs forced the abandonment of routes. Once again, after carefully considering the information in the hearings to abandon service, the Board permitted the changes.

In 1986, Acadian Lines introduced the first new model MCI 102A3 coach into scheduled service. This coach model was six inches wider and all the increased width was in the passenger seats. The modern coach utilized overhead

storage racks, similar to an aircraft, as well as a more fuel efficient engine. This coach cost \$249,000. Nova Scotia operators were continuing as in the past, to upgrade with the latest in equipment and technology to operate the scheduled service.

In 1987, the Board approved rate increases in scheduled, charter and parcel express services. Expenses had further increased while ridership continued to decline. Faced with these difficulties, the only options left to the company were either to reduce the number of routes or request a rate increase of the P.U.B. Acadian required the rate adjustment so that it could continue to provide a high quality service to the travelling public. Once again, the private car was depleting the passenger numbers from the coaches. Registration for automobiles had now reached 347,332.¹⁴⁹ Passenger volumes, in North America, dropped eight per cent in 1986 and Acadian experienced a decline in keeping with continental figures. This trend continued into 1987 and further route abandonments resulted. Cyril N. Pike, operating North and South Bus Line Ltd., which provided service on the Prospect Road was cancelled after a hearing. Passenger numbers had declined and the route could not operate on a break even basis.

In 1987 SMT (Eastern) Limited bought out Pictou County Bus Services Limited, which had provided school bus and local public transit service in the Pictou-Stellarton area. In addition, Pictou operated charter services using school bus type vehicles. When purchased by SMT, Pictou's charter authority, because it was derived from an old license, was not restricted with respect to the type of

vehicle used for the provided service. The charter license for groups departing from Cape Breton was not restricted, except that Pictou County could not provide one way charters to another jurisdiction. Charters, except tour groups, could make round trip movements from mainland Nova Scotia. The older charter licenses did not have equipment restrictions attached to the operating authority as was the case with more recent licenses. During the previous two decades, applicants for charter authorities were usually restricted to school bus type vehicles with high-back non reclining seats. These vehicles could be purchased for about \$70,000 - \$80,000 compared to \$250,000 for a highway coach. The highway coach operators normally opposed charter applications unless equipment restrictions were placed on the license. The scheduled operators used charter revenues to help subsidize uneconomical scheduled service routes. Scheduled service and parcel express revenues were not enough to provide a break even position in most companies. The scheduled carriers also emphasized that there were sufficient highway coaches available for charter. Applicants would then have to prove "public need and necessity" before a license would be issued.

After the purchase by SMT, Pictou County Bus Services added eight highway type coaches to its license. These coaches were owned by various Irving Companies and leased to SMT and Pictou Services. The terms of the lease required Pictou to pay lease rates only when the coaches were actually operated. A serious question emerged. How could these units be added to Pictou County's license? When Pictou County applied to the Board for eight motor carrier plates,

an administrative error was made and the eight plates were issued. No one knows why the application was not checked thoroughly when it would have been noticed that these eight coaches were not a type of vehicle already on the license. Airport Transfer Limited, MacKenzie Bus Line Limited, and Acadian Lines criticized the Board for issuing the plates, but only privately and not through the media. The opponents presented two main arguments to the Board. In the first place, Pictou Services traditionally operated school bus type units and the new plates were issued for highway coaches. In addition, operators usually only applied to increase fleet size by one or two units a year. (See Tables XIII, XIV, XV.) Tables XIII-XV illustrate the gradual change in the charter and scheduled service fleets. The eight additional units added to Pictou County's license increased the available charter fleet in Nova Scotia by 20%, whereas "tourism had only increased in Nova Scotia by 3% in 1986."¹⁵⁰ Any charter business lost by the Nova Scotia scheduled operators would limit the amount of revenue used to support the scheduled service operated by these companies.

In October 1987, Pictou County Bus Services applied to the Board to add a further forty-one units to their license. If permission were granted, the total availability of charter coaches in Nova Scotia would increase 125%. In the face of opposition to Pictou County's application, the Board scheduled a public hearing on Pictou County's application. Pictou County appealed the Board's decision to the Supreme Court "arguing the Board had not jurisdiction to convene a public hearing."¹⁵¹ The Supreme Court, in a decision rendered December 23, 1987,

ruled that the Board, pursuant to Section of the Motor Carrier Act, had jurisdiction to call a public hearing. Unhappy with the Trial Division decision, Pictou County Bus Services appealed to the Appeals Division - an appeal later withdrawn.

While waiting for a decision, Pictou County Bus Services Limited and SMT (Eastern) Limited, applied to the Board seeking approval of charter rates for the highway coaches on the respective licenses. (See Table XVI). The requested rates were lower - in some cases much lower - than those of the existing scheduled carriers charter rates. Acadian's, MacKenzie's, and Airport's charter service rates and classification were consistent with those throughout most of Canada and the United States. The three scheduled carriers offered charter rates for thirty-nine, forty-one, and forty-seven passenger coaches. The year of manufacture or model number did not determine the rate, only the seating capacity. SMT and Pictou County applied for different rates for their forty-seven passenger coaches based on the model. Their opponents argued that the total cost of operating an older coach was about the same as a new coach. Although maintenance costs rise as a coach ages, new coaches involve higher finance charges and depreciation rates. The three highway coach operators opposed the Pictou Services rate application arguing that the proposed rates were predatory and unrealistic based on a normal operating cost of a charter motorcoach operation. (See Table XVIII.) In addition, the companies felt that a particular low rate would be quoted for a certain model of forty-seven passenger coach and a new model forty-seven passenger coach substituted at a lower tariff rate, in effect discounting the tariff. Doug Parker of

Mackenzie Bus argued "their rate of \$525 a day is for an MC-9; ours is \$575, and an MC-9 is comparable to a SETRA. What can you say as to the proposed rate with regard the SETRA's at \$550 per day?"¹⁵² Carl Heggelin of Airport Transfer observed that "their yearly utilization (ATC) is around 53%. I also determined that our utilization varied...and actually we had what would be considered a peak season which ran from the 1st of June to mid October and during the peak season, our utilization was 89%, and that our utilization...what we would consider the off season was 38%."¹⁵³ Clearly, the Nova Scotia carriers had excess vehicles and availability. Pictou Services' low rates, the opponents argued, would remove their existing charter customer base. Without these charter revenues, the scheduled carriers would not be able to support the money losing scheduled services which each operated. In 1987, SMT purchased 13 new units: three Champion thirty passenger buses; five SETRA highway coaches and five MCI 102A3 highway coaches at a cost of approximately \$3.6 million. Part of the Irving group of companies, believed to have assets of over \$5 billion, SMT was subsidized by the more profitable Irving companies. Mr. Donald Campbell, manager of SMT, confirmed the analysis (See Table XVII). SMT registered a loss of \$52,859 in 1983, \$600,269 in 1985, and \$433,334 in 1986. In addition, it showed a loss in charter service using the proposed rates. (See Tables XVIII & XIX). In the end, however, the Board approved the charter rates as applied for by SMT and Pictou County.

In late 1987, Acadian Lines applied for and received a temporary authority

for an additional trip to depart Yarmouth early in the morning, arriving in Halifax during the noon hour. The trip would then depart Halifax at supertime and make the return trip to Yarmouth. The company was attempting to increase ridership with this trip and competed with VIA Rail's trip at approximately the same time. Loads in the morning trip were light and although the evening trip carried higher passenger volumes, passengers between Halifax and Middleton were displaced from the local service which operated at the same time. The temporary authority elapsed and the service was discontinued because of low passenger volumes for both new trips.

During 1988, Airport Transfer Limited had a rate application approved for airport service, while Acadian Lines was refused a rate application and in a subsequent application was permitted only one half of the requested increase.¹⁵⁴ Also, during 1988, the Board permitted abandonment of service in the license issued to Hansel McEvoy. This operation, known as Mt. Cabot Bus Service, provided a daily scheduled return service, on the Cabot Trail, between Bay St. Lawrence and Sydney. Mt. Cabot had operated for more than 20 years. Increased operating costs and a decline in passenger numbers made the service uneconomical. There was no longer a "public need and necessity" for the service. Unfortunately, each time service is reduced there remains an element of the public who do not have access to the private car and lose their ability to travel or have to hire taxis at a much higher rate.

The most heated argument by proponents of regulation took place in 1988.

So much interest on the regulation issue had not been seen since the Royal Commission hearings of 1936 and the subsequent enacting of the Motor Carrier Act of 1938. Public carriers, both from Nova Scotia and outside the Province, and politicians took part in the deliberations. It has already been mentioned that Pictou County Bus Services had motor carrier plates on eight highway coaches and that the Board could hold a hearing to decide if additional units could be placed on the license. The Nova Scotia scheduled carriers, as well as other interests, felt that the Board had failed the industry and the public. The carriers approached the Provincial Government with a recommendation that the Motor Carrier Act be amended to reflect the concerns of scheduled service. The main concern was that Pictou County Bus Services should not have additional highway units on their charter license. At this time, once a license was issued, freight operators did not have to prove public need and necessity for the number of units to be licensed: the freight operators lobbied strenuously against the changes and the Bill to change the Motor carrier Act did not go beyond first reading in the House of Assembly.

As a concession to the scheduled carriers, however, the Government introduced Bill 118, "An Act to Provide for a Moratorium on Additional Highway Coaches".¹⁵⁵ Pictou County Bus Services Limited, the three main scheduled carriers, the press, the public, and the politicians had a field day with the Bill.

In introducing the Bill, Attorney General Terry Donahoe, spoke about the importance of the entire passenger industry in Nova Scotia. There had been

rumours of VIA Rail cuts and he addressed the legislature in the following manner:

We are engaged in debate about the potential closure of rail lines and the like, and the highway road carriers in this Province...some of them at least, run highway bus passenger transport business and some of them again have two elements to that industry. The final element is the scheduled route arrangement whereby small communities in Nova Scotia are served...small communities are provided an inter-urban, inter-village...scheduled bus route. The passenger transportation system is vitally important to the province as a whole. The relationship between the regularly scheduled bus routes as they now exist and have existed in this province and the charter tours industry and the growth in that industry we think are vitally important.

The essence here is for us to put a hold on the industry...to ensure that there is a legislative and regulatory regime in place which will protect all elements of the industry, but more importantly to ensure there is protection for the regularly scheduled bus route service in communities in Nova Scotia so desperately requiring that kind of service.¹⁵⁸

The Act would allow companies to substitute new equipment for old but not increase the fleet size. If an urgent need was proved, a ninety day temporary authority to operate additional units could be approved by the PUB, subject to the Governor in Council's approval. The Board, when dealing with temporary authorities, was to require a second approval, that of Cabinet. Thus, under the Moratorium Act, the Board would lose some of the decision making power.

James Barkhouse, the Liberal member for the South Shore, spoke in favour of the bill and its requirement, although many felt the Board already had sufficient power to deal with the situation of the eight plates on the Pictou coaches. Barkhouse's concern was that the DAR (Dominion Atlantic Railway) would close the Annapolis Valley rail line and only motorcoaches would be left to service the Annapolis Valley. "I have great concerns over the future of a deregulated industry in which only buses may not be able to survive in a time of economic difficulties.

The most serious concern is that the PUB is not using the regulatory authority that is given to it, which is the Act under the Motor Carrier Act."¹⁵⁷ Barkhouse indicated that in an era of deregulation the Board perhaps required some direction from government. Vince MacLean, the Liberal opposition leader, spoke against the Bill, "It is bad legislation," he argued, "because it takes away the authority of the Public Utility Board."¹⁵⁸ MacLean felt that the countersigning of the temporary authorities by Cabinet was reducing the Board's authority. He further mentioned that tour companies (outside of the Maritimes) were against the Bill. The tour companies wanted as much competition as possible so that they could receive the lowest rates.

William Gillis, Liberal member for Antigonish, also spoke against the Bill and the power of the Board to regulate under the Motor Carrier Act. "They would not allow a company to register a lot of buses, a company would not have an interest in serving the transportation needs of the people."¹⁵⁹ Yet, this is exactly what the Board had done in issuing the eight sets of plates to Pictou Services for highway coaches, increasing charter availability artificially by twenty percent.

Guy Brown, Liberal member for Cumberland, raised concerns regarding the Bill and its effect on tourism. "We have to be totally involved with this Bill and know exactly what we are doing because what we do here today and tomorrow and over the next few days...will have a bearing on tourist development in the years ahead."¹⁶⁰ "We are definitely going to support the Bill to go to the Law Amendment Committee...I have no hesitation in saying that we support the

principle of what the government is trying to do and we recognize a need for having the regulation put in place. One cannot help being a little bit cynical and I was just looking at the time that the Bill was introduced and it was twelve o'clock on Monday evening the 16th, that the government...introduces a very serious piece of legislation, at midnight when it should have been introduced weeks ago."¹⁶¹

John Holm, of the N.D.P., discussed the effect federal government deregulation caused certain industries and the importance of the cross-subsidization of charter revenues to support scheduled service.

The most lucrative area in the bus industry...the charter service. It is because they (charters) are more lucrative than Nova Scotia bus companies are able to provide some of the unprofitable short line bus services. I think that we have to make sure that there is a level playing field and they cannot use their muscle (SMT) to eliminate competition. If they are able to take over and to monopolize and to control the charter service, either the other companies will go out of business altogether, or they will be applying to and have no choice...a business in order to stay in business had to break even. I am not aware of any dollars being subsidized to keep the Nova Scotian bus system in operation...So as the cream of the crop are being drained off, the charter from Nova Scotia industries...the Nova Scotia businesses are going to become less profitable...the first area they are going to cut is the service. If (deregulation) that is to be followed in Nova Scotia with relation to the bus industry would be very harmful to Nova Scotia.¹⁶²

Although as upset about the late introduction of the Bill as was Guy Brown, Holm saw its virtue. "What the Bill is doing is putting everybody on a level playing field. It does not matter who you are, SMT, Acadian Lines, MacKenzie,...no new highway coaches can be obtained until the whole industry is looked at and [this Act] will protect and make viable for the future this very important service for Nova Scotia."¹⁶³ Alexa McDonough, the NDP leader, commented about the lateness

[in the legislative session] of the introduction and the quickness with which the Government wished the Bill passed. "It is our obligation as members of the Legislative Assembly to be fully conversant with the pros and cons and the implications of passing a bill such as this."¹⁶⁴ Still, like Holm, she supported the Bill.

When the Bill was introduced, Donahoe promised a study to review the Nova Scotian motorcoach industry. Donahoe emphasized the importance of scheduled service to thousands of Nova Scotians. He noted that Pictou County Bus Services, which was essentially inactive, had been purchased by SMT and without a hearing was issued plates. "So through inadvertence or perhaps, more fairly, without any hearing, without any reference to the commissioners at the Board of Public Utilities, eight new licenses came on the market, and they are charter bus licenses."¹⁶⁵ The bus industry study would involve discussion with tour operators, coach operators, government, the Public Utility Board, and consumers to ensure that further developments would take into consideration the concerns of each group. The Attorney General summarized the problem. The Board had acted through misadventure and there was really nothing that could be done about the issuance of the plates. The Supreme Court ruled that the Board had the power to hold hearings before any additional plates were issued to any carrier although they were not absolutely required to hold a hearing. The Bill was proclaimed effective as of May 1, 1988, to expire July 31, 1989 enforcing the moratorium on licensing additional coaches. All parties supported the Bill,

approving a moratorium on licenses issued until the matter could be settled. The Board lost some of its power which it exercised under the Motor Carrier Act. However, the Board would still maintain its independence from government. As J.S. Drury, the Chairman, noted, "government can tell us to do anything they like through legislation but on a case by case basis they can't."¹⁸⁸ Thus, the Government promised a study which would answer the concerns of all parties involved in the industry and at the same time limited additional units being plated.

Even given its poor financial condition, SMT purchased a further five motorcoaches at an approximate value of \$1.6 million early in 1989. This was in addition to the ten purchased in 1988 for \$3.0 million and the thirteen purchased in 1987 for \$3.6 million. SMT's coach purchases were in excess of \$8 million over a period of less than three years despite the company's loss position as outlined in Table XIX. Thus, the threat to the Nova Scotia motorcoach industry became more evident. In addition to this new equipment, the Board approved much lower charter rates which the Nova Scotia companies believed and attempted to prove were predatory. The lower rates approved for SMT and Pictou Services would remove charter revenue from the Nova Scotia carriers.

Acadian Lines endured a seven and one half week strike in the spring of 1989. The legislature was in session and there was political grandstanding by some members who were not aware of all the facts regarding the strike. Some members of the legislature observed that the union reported that one of the company's senior negotiators was away on vacation. In fact, Jim Gillis, was

attending a travel marketing convention and was soliciting business for the company. At the same time, Guy Brown, requested the government to repeal the Moratorium Act. Tom McInnes, now Attorney General as a result of a cabinet shuffle replied that "the previous Attorney General stated at the time on behalf of the government that there would be a study into the entire matter of bussing, passenger, charter, and so on. I am hoping it will be concluded in the not too distant future, although in honesty, it is just getting underway."¹⁶⁷ Brown was not mollified and further chastised the government for providing Acadian Lines with a monopoly. "That is the reason we have it [the strike] and the company will not come to the bargaining table and negotiate in good faith with the labour movement in this Province and try to settle."¹⁶⁸ Brown was later visited by representatives of Acadian Lines who presented their side of the case, believing that Acadian had negotiated in good faith from the beginning. The 1989 strike was similar to the Highland Line Strike in the 1950s. Wages were the main issue and the PUB did not interfere in the strike by calling for a "show cause hearing". From early on in the strike a provincial conciliator worked with both parties to no avail. Some time after the break off of talks, the government appointed an outside arbitrator, lawyer Bruce Outhouse who obtained a tentative agreement within twenty four hours of commencing negotiations. The government nor the PUB interfered with the strike at Acadian Lines. In this sense, nothing had changed in labour matters since 1952.

The motorcoach industry study was not completed by the end of the 1989

legislative session. The Highway Coach Moratorium Act was extended for a further one year period or for such time as the Governor in Council wished. The clause requiring the Governor in Council to countersign all temporary authorities was repealed. The Board reverted to the former role of the sole decision maker with regards to the issuance of temporary authorities. Thus, by June of 1989, the government was reduced to awaiting completion of the motorcoach study.

In late May and June, 1989, Pictou Services applied to the PUB to amend its charter license.¹⁶⁹ Pictou Services' motor carrier license permitted it to provide unrestricted charter service throughout all of Nova Scotia. Its extra-provincial license (out of province) permitted it to offer return charter trips outside of the province for cadets, clubs, and certain groups, but organized tour groups only from Cape Breton. Because of restrictions to its license, Pictou Services could not offer its services to the many tour operators flying into Halifax who wished to operate a Maritime tour. There were other licensed Nova Scotia carriers who could provide this service, however. In the two previous summers, Pictou Services had "tacked" or joined their operating authority with that of SMT using Amherst as the connector point for the tour groups travelling beyond Nova Scotia. When providing service to tour groups departing Nova Scotia, Pictou Services would drop the tour group in Amherst or Pictou ferry terminal at either a coffee break or meal stop and SMT, licensed to pick up charters, including tour groups, would then take over the charter and continue as the carrier for the remainder of the trip. Because SMT was licensed to drop or terminate a charter anywhere in

Nova Scotia - whether it had originated in Amherst or outside of the Province - it did not need to make the same connection on the return trip. In the early spring of 1989, the Board advised Pictou Services and SMT that it did not consider the tacking of licenses legal. The intent of the Federal Motor Vehicle Transport Act was being circumvented. That Act was designed so that carriers departing a province would have to be licensed under the federal Act and Pictou Services was "tacking or abutting" their license and SMT's because Pictou Services did not possess the authority as applied for in their application under the Motor Vehicle Transport Act. Pictou Services was applying for authority to transport tour groups out of the Province from mainland Nova Scotia and for permission to commence one way trips. SMT called "eight expert witnesses from the troubled industry to support its application and its opponents Acadian Lines Limited, MacKenzie Bus Line Limited, and Airport Transfer Limited six."¹⁷⁰ Pictou Services main argument was the desire of tour operators to enjoy the latest equipment, with the many features available. Pictou Services leased SMT equipment was all within two years old; twenty four highway coaches had been purchased at a cost of \$8.2 million over a three year period. In support of their application, the company also stressed its attendance at various trade shows and marketing efforts over a two year period.

The parties opposing the application emphasized their operating philosophy of consistently purchasing some new equipment each year and gradually replacing the older coaches. (See Tables XIII, XIV, XV). No company, they suggested,

particularly one in a loss position, could afford to purchase equipment unless it had assets such as their Irving-owned associated companies. Furthermore, the companies in opposition, especially Airport, for many years advertised and marketed their services and capabilities through trade shows. SMT attending many trade shows over a two year period was a catch up attempt to attract charter business. Airport Transfer had attended some of the trade shows as far back as 1980, and continued to do so. The opposing carriers also suggested that the drivers, cleanliness, and quality of a coach were more important than the make or year of the motorcoach. The opposing carriers also convinced the Board that they had lost a large number of charters to Pictou Services through reduced rates in the marketplace and the "abutting" or "tacking" of licenses. In addition, the cross subsidization of charter revenue to support the scheduled passenger service, a fundamental component of the industry's revenue, was once more pointed out to the Board. The opposition also noted that when Pictou Services, applied for and was granted an extra-provincial license in 1969, Pictou County had not been granted the right to transport one way trips or tour groups as part of their license because of opposition from Airport Transfer Limited. Pictou County also admitted that it expected to keep their units 10 years, so it would not always operate a totally new fleet.

In its decision, the Board considered the factors or tests of Section II of the Motor Carrier Act as noted in the 1985 SMT decision. The Board was required to consider opposition to the proposed service by carriers presently licensed, the

public interest to be affected by the application, the quality and permanence of the service, and is there a genuine public need for the service and not simply a desire on the part of potential users for lower rates.¹⁷¹

In denying the application, the Board applied the same reasoning it had in the first application by L.M. Bell in 1923. The interpretation of "public need and necessity" had not changed greatly since the first application before the Board.¹⁷²

In June, 1989, Pictou Services and SMT applied to the PUB for charter rate increases and deletions of certain equipment types from their list of approved vehicles on file with the Board. No longer would there be price differentials by model of coach nor would the rates be extremely low. These were the very things which the Nova Scotia carriers objected to at the original rate hearing in 1987 when they attempted to prove that the two companies' rates were predatory. The rates applied for were greater than those charged by Nova Scotian operators. Furthermore, Pictou Services now applied for only one 47 passenger coach charter rate. The Board approved the rate application. This rate increase removed some of the threat of over-competition in the industry. This was true even in the charter field; but Pictou Services still operated their eight coaches within Nova Scotia.

Mackenzie Bus Line Limited was permitted an increase in passenger fares 10% effective July 1, 1989 and a further increase of 7% granted effective January 1, 1990 as well as increases in parcel express and charter rates. In the fall of 1989, SMT applied to the New Brunswick Motor Carrier Board "to eliminate route

mileage, reduce service from the secondary roads to the main ones, and eliminate direct service to many communities."¹⁷³ The hearings commenced September 22, adjourned to an in-camera session October 10, and completed October 30th. A decision was rendered October 31, 1989.

SMT engaged a management consultant to assist in reorganizing the company. As previously noted in Table XIX, SMT had suffered losses for a number of years. "Commencing in the 80s, the line run operations have been in a position of losing money," read a decision of the New Brunswick Motor Carrier Board. "These losses have been increasing since 1985 and at a hearing held in May of this year, projected line run operations for the year 1989, even with the granted fare increase were projected to have a \$600,000 loss. On the 19th of October, the projections made by the company for losses were increased by SMT for line run operations to \$800,000 for the year 1989."¹⁷⁴ J.K. Irving also discussed the possible abandonment of the complete SMT system.

We are going to try...we would like to implement the plan (consultant's recommendations) and correct the problem. If we can't rectify the plan, then you know we shouldn't be in the bus business because the losses that this company's had now for a few years are not good and it's serious... Things are changing. It's not easy but if we're going to have a bus service in the province and if we're to operate it, then we are going... to have to make a profit on it or we can't continue with the losses that we've got. It's just that we have to make some changes...but if we can't bring it around then we have to look very seriously at what we should do with the company.¹⁷⁵

SMT attempted to supplement its scheduled passenger service losses with revenue obtained from charters previously operated by Nova Scotia carriers. SMT wanted to assist its money-losing scheduled passenger service in New Brunswick

with charter revenues obtained in Nova Scotia. There was little charter business available in New Brunswick. Irving explained:

we were going into Nova Scotia a few years ago...most of the flights coming in for charter business into the maritimes go to Halifax International Airport and we were...a lot of the people said that they had to get picked up in Halifax airport so we bought a company down there to operate it with the idea that we would be in the charter business, we would pick up the passengers at the Halifax airport...and we bought some busses for that purposes.¹⁷⁶

Needless to say, the majority of charters which would be picked up by SMT or its affiliated company, Pictou Services, would not be new tourist business. Irving mentioned the old adage that tourists would bring a lot of revenue to New Brunswick and that it would be good business for the Maritimes. But SMT was bringing little new business to the Maritimes. Most of their business was taken at the expense of Nova Scotia motorcoaches operators. Irving continued with the theme of tourism. "I think it was April whenever it was or May starting up in the season and a lot of that (Nova Scotia charter business) we had to give up and we had to cancel out. It was very unsatisfactory. A lot of that revenue was to come back through New Brunswick...and without having access to the Halifax airport, the charter business...it limits the scope of charter business in the Maritimes...and we think it limits the tourist business in New Brunswick because without the ability to bring these people back to New Brunswick and Prince Edward Island, it's denying the province tourist business and for the viability of the bus business in New Brunswick, we need access to that airport in Halifax."¹⁷⁷

Irving neglected to mention to the Board that the Nova Scotia charter

carriers were permitted to transport tours, picked up at Halifax International Airport, throughout New Brunswick and Prince Edward Island. There was no shortage of highway motorcoaches available for charter. Indeed, the P.U.B. had refused Pictou Services application for an extension to their license in June because the Nova Scotia carriers had proven that equipment was available. Tour operators, not carriers, decided the itinerary for their groups. Any shortfall in the tourism industry, as alluded to by Irving, was from a lack of promotion by the respective province, not motorcoach availability. Once again, SMT raised the tourism issue as a red herring to obscure their real objective of removing the sources of charter revenue from the Nova Scotia carriers. If Pictou Services were permitted to operate extra-provincial charters at discounted rates commencing at the Halifax airport, the Nova Scotia carriers would lose this revenue and undermine the necessary cross-subsidization of regular scheduled service.

The federal government, meanwhile, began to comment publicly on the large deficits accumulated by VIA Rail each year. VIA continued to operate in the red and the government sought to reduce overall expenditures, including VIA subsidies. VIA cuts appeared an easy method to obtain deficit reduction. Route abandonment would be fairly easy because many VIA routes were served by motorcoach. Once Ottawa hinted that routes would be cut, however, an immediate vociferous public outcry ensued. Needless to say, the outcry emanated from a much larger percentage of the population than was actually using their service.

To silence opposition to VIA cuts, a Standing Committee was appointed by the federal government. This Committee held public hearings throughout Canada receiving submissions from various groups and individuals, including the Canadian Bus Association (CBA). For several years the CBA had argued that VIA's passenger fares were close to or the same as the tariffs charged by the bus companies and were unfair competition to the bus industry. "Until VIA is responsible for cost recovery from fares to the same extent as the bus industry, VIA will continue to provide unfair competition and the bus industry opposed the continuation of the situation."¹⁷⁸ The CBA brief stated the example of the Halifax-Yarmouth route serviced by both VIA and Acadian Lines. The two served thirty common points. VIA served another seven communities not served by Acadian Lines; and Acadian had fifty-two stops not served by VIA. VIA operated fourteen weekly trips between Halifax and Yarmouth while Acadian Lines made twenty-eight plus an additional fourteen between Halifax and Middleton. Acadian Lines, like most bus operators, operated without a subsidy. The CBA submission stated that "except for a very small number of remote services, there is not a transportation need to subsidize rail passenger service. In most cases, a wide range of adequate, lower cost alternatives are available to the public."¹⁷⁹ The CBA brief mentioned that successive governments supported the provision of uneconomical rail passenger service on grounds of social objectives and national unity (ie. rail would link the country). The National Policy of 1879 had indicated the importance to Confederation of a coast to coast railway including passenger

service. Many citizens and politicians reminded the government of the promise of Confederation. In addition, many seniors preferred passenger rail service because they could sleep on the train or get up and walk around when they wished to do so. The CBA argued that "subsidized fares have an adverse effect on private bus operators on competitive routes and result in insufficient returns for the bus industry to invest in product and service improvements."¹⁸⁰ The CBA further noted that the federal government subsidy to VIA was "11.1 cents per passenger kilometre."¹⁸¹ Turning to environmental concerns regarding exhaust emissions from motorcoaches, the CBA produced evidence "that a LRC (Light Rail Car) - Dayliner - was only marginally more efficient than the motorcoach on a seat/kilometre basis."¹⁸² The table was completed when the standard seating for highway coaches was forty-seven passengers and a vehicle forty feet in length. Prevost, a Quebec motorcoach manufacturer now offers a sixty foot motorcoach seating seventy-six passengers, which should narrow the gap in fuel cost per seat/kilometre compared to the LRC.

The CBA concluded "that VIA's subsidies should be cut except for certain isolated areas allowing trains and buses to compete on a level playing field."¹⁸³ The CBA wanted VIA regulated by realistic tariffs not political policy. VIA's fares should fully cover their operating costs. The CBA wanted VIA's predatory or discounted non-cost-recovery pricing eliminated. This concern over predatory pricing, of course, had also been on the minds of Nova Scotia scheduled carriers when they attempted to prove that Pictou Service's charter rates were not

established on a cost recovery basis.

Ottawa announced VIA cutbacks effective January 1990 and disbanded the House of Commons Standing Committee on Transport before its report could be made public, accepting the submissions of various groups and concluding that the government would no longer subsidize uneconomical rail routes which compounded the federal deficit. VIA was to retain the Transcontinental route but many of the feeder routes were to be abandoned. In Nova Scotia, the Yarmouth-Halifax and Sydney-Truro routes were eliminated. Transcontinental service between Halifax-Montreal and beyond remained. The PUB approved Acadian Lines' application to amend the Yarmouth-Halifax and Sydney-Halifax routes to afford connections with VIA's transcontinental service. Acadian commenced a new limited service from Yarmouth which connected with the 1 p.m. VIA departure from Halifax. This permitted passengers from beyond Middleton to meet the VIA departure, a service not previously available. The return evening coach trip now permitted those morning arrivals in Halifax to shop or attend medical appointments and return the same day to points west of Middleton. Bruce MacKinnon, the Halifax Herald cartoonist, suggested that Acadian Lines now had a license to print money. Unfortunately, nothing was further from the truth. Acadian applied to the Board to continue the new limited service between Yarmouth and Halifax and remove a local service not carrying sufficient passengers. Surplus capacity existed in the Acadian system. What the public did not know was that the federal government supplied the motorcoach carriers across Canada with VIA's passenger

counts on each discontinued route and the boarding and disembarkment figures. VIA carried only approximately thirty-three per cent of the passenger volume which Acadian carried and there was excess capacity in the Acadian system. However, passenger volumes continued to decrease in the motorcoach scheduled service. Acadian Lines presented figures to a PUB hearing in July 1990, showing that its complete passenger volume between February and July 1990 was down four per cent from the same period in 1988. Acadian Lines was hardly as well off as Bruce MacKinnon had suggested. While the federal government permitted the demise of VIA in Nova Scotia, Acadian Lines did not increase route mileage and carried fewer passengers than before the VIA cutbacks.

The bus industry study originally promised in 1988 by Attorney General Donahoe and his successor Tom McInnes, was released in early January, 1990. The study had been awarded to a consortium of three companies: Fenco Shawinigan Engineering; DPA Group Inc.; and Fiander-Good Associates Ltd. The wide-ranging report canvassed the opinions of the Department of Tourism, the Public Utility Board, motor carriers, tour operators, and others with an interest in the industry. The terms of reference had been "to present opinions that are designed to assist the Province in determining the optimum degree and kind of regulation needed to provide a satisfactory level of charter motorcoach service without impairing existing passenger service."¹⁸⁴

The study reaffirmed that regulation helped to ensure that unprofitable and break-even routes would be continued and cross-subsidized by other routes, by

parcel express, and by charter services. At the same time, however, charter service played an important role in the tourism industry of Nova Scotia. Anything which impacted adversely on this service such as high charter fees, the limited availability of equipment, or poor quality coaches, would be unattractive to a provincial government or to tour operators. The main objective of the Attorney General's study was to decide if the operation of a profitable charter service was required to subsidize the scheduled passenger service. If this was so, moreover, was there a continuing obligation to subsidize the scheduled service?

The report discussed several options open to the government and, in keeping with the principle of cross subsidization, recommended that charter services continue to be seen as a source of revenue that would offset losses on unprofitable routes. The report stated that "the two forms of service, passenger, and charter, are closely linked and there is some symbiosis of combining the two under one operator. By ensuring a certain combination of charter service with passenger service, the Nova Scotia bus industry can be operated at the least cost to the Province while avoiding the loss of competitive edge in the charter service to the tourism sector."¹⁸⁵ The study also called upon the PUB "to exercise its judgements on safety, passenger fares, passenger routes, and quality of service, the quality of bus available for the charter market"¹⁸⁶ and other items more fully described in Table XXI. The study concluded "that the moratorium or some form of control over entry into the charter service market in Nova Scotia is essential. Without such controls, the passenger service sector will be adversely

affected."¹⁸⁷

The Province acted on the study results. The Attorney-General introduced Motor Carrier Act amendments in the 1990 legislative session and the amendments were proclaimed July 24, 1990. The major changes were the addition of clause 13(ca) "in the case of an application in respect of a public passenger license, the impact the issue of the license or the granting of the approval would have on regular route public passenger service; (d) any other matter that, in the opinion of the Board, is relevant or material to the application."¹⁸⁸ A new Section 27A was also inserted in the Act which stated "the Board may, on its own motion, and shall, when requested by the Governor-in-Council, hold a public hearing on any matter which in the opinion of the Board or the Governor-in-Council, as the case may be, is necessary to better carry out the intent and purpose of the Act."¹⁸⁹

Essentially, the study vindicated the Nova Scotia scheduled carriers. It agreed with their position on the cross-subsidization issue and recognized the threat posed to the industry by outside carriers. The changes to the Motor Carrier Act placed increased emphasis on scheduled service. The new Act, under clause 27A, now permitted government to request a Board hearing under the Act on any matter which was in the public's interest. There would now be no question regarding the power of the Board to call a hearing as there had been when Pictou Services and SMT challenged the Board's authority to call a hearing over the issuance of additional plates. Also, with the addition of Section 27A, Cabinet could now direct the Board, on an individual issue, to call for a public hearing on any

matter which concerned the government and came under the Act. The government, wished continued legislation of the motor carrier industry, similar to this same requirement after the Royal Commission Report of 1936. The changes to the Motor Carrier Act mandated that the Board take into consideration the effect any charter application or change in license would have on scheduled service.

The subsidy and cross-subsidization of scheduled passenger service was an important issue in the late 1980s. In September, 1990 Acadian Lines President, W. Brian Gillis, in a presentation to the federal Royal Commission on National Passenger Transportation argued that, "the economic regulation of the bus industry in Canada has in fact impacted the manner in which the industry and hence the product is delivered to the travelling public."¹⁹⁰ Profitable charter and scheduled service runs have subsidized operations to some extent within every operating company in the bus industry. Revenues from bus parcel express also assist in this cross subsidization of unprofitable routes. Provincial regulatory bodies, i.e. Public Utility Boards, have been established to ensure that within the regulated environment, the appropriate service is maintained."¹⁹¹

The CBA's presentation to the same Royal Commission stated that "bus transportation is understandably the least costly form of intercity transportation with the greatest potential to adapt the efficiency requirements. We have been understandably concerned about past practices of subsidizing higher cost modes of travel with the resultant lower fares resulting from our competition (Rail)."¹⁹² Bus deregulation in the United States provided a good example of what could

happen in Canada. The Bus Regulatory Reform Act of 1982 liberalized entry into the U.S. system. "In its first year under the BRRA, the bus industry announced termination or reductions of service in 2,154 communities. Over 1,045 communities lost service and had no alternative intercity transportation. By late 1986, 4,515 communities had lost bus service. Small towns suffered the most. There were over 3,432 small towns under 10,000 population which lost service between 1982 and 1986. Individuals in the lowest income groups, people living in rural areas, and the young and elderly rely more disproportionately upon buses than they do any other mode of transportation,"¹⁹³ and were the obvious victims of deregulation. The CBA's brief recommended that Canada avoid the serious problems deregulation had caused in the United States. "In order to preserve the vision of a superior, equitable transportation environment, it is essential that rural Canada does not lose its only remaining form of public transportation. To retain this, the currently regulatory environment must be sustained while avoiding wasteful government subsidy."¹⁹⁴

CONCLUSION

This thesis has been concerned with the development of the motorcoach industry and the role of the state in regulating transportation in Nova Scotia.

The Public Utility Act was signed into law in 1909, and the Board of Commissioners of Public Utilities established the same year. This Act set up the regulatory infrastructure which would regulate public utilities, many of these utilities operating tram and streetcar services. In the 1920s the Motor Carrier Act was passed and this Act was designed to regulate the transportation of passengers and freight by highway vehicles similar to the Public Utility Act which was designed to regulate utilities, many whom operated rail services. The Public Utility Board was deliberately set up apart from government so that there would not be political interference with the Board's operations.

The erosion of passengers available to use scheduled service has dropped considerably due to the growth in numbers of the private car. In 1923 there were 16,104 passenger cars registered in Nova Scotia. In 1989 this number had grown to 365,061. The financial requirements for purchasing coaches has increased greatly. In 1938 a coach cost \$8,500; in 1941, \$12,000; in 1983, \$211,000; and in 1990, \$335,000. No longer may a small bus operator make a profit in scheduled service. Very few operators exist and each year more go out of business. Over the years, many bus routes have been abandoned. At the same time, however, many small communities in Nova Scotia are serviced by motorcoach operators

who operate these routes at a loss. Acadian Lines, the largest scheduled carrier in Nova Scotia, operates many non-profitable routes. This system of cross-subsidization of scheduled service by charter revenues exists because the PUB has been directed to take this factor into consideration when an application is presented to the Board.

The 1936 Royal Commission Report set the stage for the present regulatory system. The Angus L. MacDonald Liberal government set the ground rules, empowering the Public Utility Board to regulate motorcoaches under the new Motor Carrier Act of 1937. Over time, government, the Board, and the operators peacefully coexisted. But, in 1987, that changed with Pictou Services' application for plates. The other bus companies felt the Board neglected them in permitting the eight highway coaches of Pictou Services to be licensed. As the then Attorney General stated: "it was by inadvertence...that the plates were issued."¹⁹⁵ Perhaps as a method of removing pressure from themselves, the government commissioned an independent study of the motorcoach industry in Nova Scotia. The report, emphasizing the importance of cross-subsidization, found favour with the bus operators and owners. The Motor Carrier Act amendments of 1990 sent a clear signal to the Board setting out the approach the Board was to take in the future on the cross-subsidization issue. The Conservative government of John Buchanan continued a commitment to the regulatory system that had initially been put in place by MacDonald's liberal government in 1937. Then, and now, there was a recognition that a deregulated industry would lead to cut-throat competition

and the abandonment of scheduled service on unprofitable routes.

Many critics might fault this author's views because of his own involvement in the industry, but the conclusions echo those of studies completed outside Nova Scotia on the effects of deregulation. A recent American study has reported that "the number of communities receiving bus service declined 33 per cent a year from 1975-1982. After the Bus Deregulation Act, there was an average decline of 92 per cent from 1982-1983 and 11.4 per cent from 1983-1984."¹⁹⁶ In addition, "profits continue to elude major carriers and smaller carriers have not emerged to pick up service in small towns."¹⁹⁷ In addition to cutbacks in service is the worsening financial situation of carriers. As Jeremy Kahn has noted:

deregulation of charter and tour operations...has resulted in overcapacity, leading to severe price competition, resulting in a diminution of overall carrier profits. This, coupled with ever increasing costs of operation, including the staggering cost of the newest intercity motorcoaches, increased cost of labour, including benefits, and other operating costs, including fuel and taxes, has resulted in mere economic survival being a major issue...Many carriers were faced with a close-to-being-unbearable squeeze on their profits. In many instances, only new entrants, highly leveraged, and barely able to make lease payments on expensive coaches enter the charter market and provide fierce competition, anxious only in the short run to meet their lease payment obligations.¹⁹⁸

Similar trends are observable in Britain which deregulated its motor carrier industry in the mid 1980s. "The greatest effect has been on local service or what we would call transit type service compared to the long haul market, said one report.

Concern has been expressed as to whether the deregulated areas are truly competitive and are there predatory rates. Predatory practices have not disappeared. Freeing entry has increased rather than reduced the need for deregulatory reform. Prices have not reduced since deregulation and the incumbent in the system has been strong enough to maintain the existing prices in the face of new competition. The oligopoly analysis is present. Deregulation appears to be bringing about reductions in the cost of all operators...Prolonged periods of unsuitable swamping and a number of dubious competitive practice, have resulted.¹⁹⁹

The British transit and long haul scheduled services were previously operated by government with built in inefficiencies. In addition, with deregulation, many unions agreed to make contract changes which lowered labour costs, something the unions in North American would not do.

The Provincial government, in 1990, directed the Public Utility Board to consider the importance of scheduled service. One can, at least, take heart that a policy of government regulation, so necessary to the continued survival of the industry, had been maintained in the face of cries for the deregulation of transportation services.

However, there have been drastic changes in the Nova Scotian government's position on deregulation since 1990. In May 1991, the Council of Maritime Premiers released a study titled "Challenge and Opportunity" a discussion paper on Maritime Economic Integration. Of particular concern to Nova Scotia bus operators are suggestions that

Should the federal government not de-regulate out-of-province trucking by 1993, the Maritime provinces will establish a Maritime motor carrier board to regulate both intra-provincial and out-of-province trucking. This Maritime board could consist of representatives from the three provincial utility boards acting together under a single legislative mandate;... the Maritime provinces pass uniform legislation to regulate scheduled and charter bus services through a Maritime motor carrier board.²⁰⁰

Although published as a discussion paper, some aspects of the report appear to have been concluded already. The report further states that, "the ultimate objective of the Maritime governments is to eliminate all regulation for trucks and buses except what is required."²⁰¹ The Nova Scotia government appears to be selling a well-operated non subsidized industry for cut throat competition and a requirement for subsidized routes or no public service. The Motor Carrier Act in Nova Scotia requires the proving of "public need and necessity" before a license is issued. New Brunswick and Prince Edward Island are using the reverse onus provision which grants a license to an applicant unless an objector proves the application is against the public good. In 1989, as previously noted, J.K. Irving, under oath, testified that SMT required access to the Halifax International Airport to supplement scheduled service in New Brunswick. SMT would lose in excess of \$800,000 in scheduled service that year. If charter privileges or scheduled service authority is given to an out of Province company, what is going to subsidize the scheduled passenger service in Nova Scotia? Many Nova Scotian politicians appear to have been blinded by those promoting deregulation.

The federal government's draft report of the Royal Commission On National Passenger Transportation "The Scheduled Intercity Scheduled Bus Industry" notes that "Greyhound suggested that further deregulation would be a mistake since existing regulations and policies have permitted an orderly expansion of sound, safe, and efficient bus operations. If the regulatory environment were altered so that Greyhound lost exclusive operating rights on its more lucrative routes, it would

be forced to reduce or eliminate many services on non profitable routes."²⁰²

The report further mentioned that "the bus is also the only public mode of transport linking hundreds of communities and rural areas...with minor exceptions, the bus industry is privately owned and generally operates without subsidy."²⁰³

The Peat, Marwick, Stevenson and Kellogg report prepared for the Royal Commission clearly supports the view that regulation has worked in Canada and permits carriers to meet the socio-economic objectives of regulation. "This is reflected in the position papers submitted to the Royal Commission as well as in our survey of five carriers. The implication is that the benefits enjoyed by the carriers as a result of regulation continue to outweigh the regulatory costs imposed by the hearing process in this country. Deregulation would, according to our survey, endure certain carriers to discontinue a number of marginally profitable services on their networks."²⁰⁴

Scheduled passenger service in Nova Scotia is not financially healthy. Cross-subsidization permits the continuance of scheduled passenger service to many communities which might otherwise enjoy the benefits of this mode of transportation. The subsidization of uneconomical routes, however, may only continue as long as passengers are using the total system and motorcoach companies use parcel express and charter revenues to offset these losses. Scheduled carriers still suffer from the certificates issued to Pictou Services in 1987. Private cars compete strongly with the scheduled service. Ridership decreases may require abandonment of some additional scheduled service in the

Province.

Nova Scotia enjoys one of the best operated systems of scheduled service in Canada and the rates, for scheduled service, of Acadian Lines and MacKenzie Bus Line Limited are the lowest per passenger kilometre east of Manitoba. The Nova Scotia carriers are providing this service at no expense to the taxpayer and it is not worth losing the system because of a contemporary fascination with notions of global competitiveness. Enough analysis has been done to prove that regulation works in the transportation industry.

This thesis proves Nova Scotians enjoy a sound scheduled transportation system as a result of effective regulation by the Public Utility Board. The emergence of Acadian Lines as a major provincial carrier, has been well documented and is the result of entrepreneurship and the Board agreeing to many mergers and route consolidations.

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GLOSSARY

BUS

In the past, "bus" was interchangeable with coach. However, bus is usually referred to as the vehicle commonly known as a school bus. This is based on the type of construction, and normally, this type of vehicle does not have baggage capacity.

Today's cost of each unit would be \$50,000 plus Goods and Services Tax and Provincial Hospital Tax.

CHARTER SERVICE

A service provided whereas an individual or group have exclusive availability of a coach.

EXTRA PROVINCIAL LICENSE

The operating authority issued under the Motor Vehicle Transportation Act. The Board of Commissioners of Public Utilities (Board, PUB) issues this Federal license on the same terms and conditions as it issues one under the Provincial Motor Carrier Act. This license permits operations extra-provincial or from one province to another or a state.

LINE RUN, SCHEDULED SERVICE

Transportation provided to individuals wishing to travel from point A to B using a motorcoach operating on a schedule approved by the PUB.

MOTORCOACH

A vehicle used to provide scheduled and charter service. This vehicle is constructed differently than a school bus and normally contains storage capability underneath the vehicle. A motorcoach costs approximately \$315,000 plus Goods and Services Tax and Provincial Hospital Tax.

MOTOR CARRIER ACT

A Provincial Document: The latest document was dated 1990. In addition to the Act, there are regulations by which the Act is administered. The Act is passed by the Legislature; the regulations, by Order-in-Council.

MOTOR CARRIER CERTIFICATE

The actual certificate which accompanies a plate which is attached to a vehicle signifying that it is licensed under the Motor Carrier Act or Motor Vehicle Transportation Act.

MOTOR CARRIER LICENSE

The operating authority issued under the Motor Carrier Act. It used to be called Certificates until the wording was changed during the 1960s. This license permits operation intra-provincial or within a province.

MOTOR VEHICLE TRANSPORTATION ACT

A Federal Act which regulates both bus and trucking between Provinces. The first Act was passed by parliament in 1954 and the most recent was in 1987.

PARCEL EXPRESS

Freight carrier by motorcoaches operating on a schedule. This is an important source of revenue for the carriers.

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Allan Green - March 1990.

Paul Leger - various dates

W.D. Outhit - June 25, 1990.

George C. Thompson - 1988

Gordon H. Thompson - various dates 1990, 1991.

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TABLE I

MOTOR CARRIER ACT 1923

Certificates were issued to the following:

Lawrence M. Bell - Route, Dartmouth to Imperoyal and Dartmouth to Eastern Passage; No. of busses approved, 2; date of certificate, June 1, 1923.

Joseph J. Purcell - Route, Halifax to Bedford; No. of busses approved, 3; date of certificate, June 1, 1923.

Charles A. Pender - Route, Bedford to Sackville; No. of busses approved, 4; date of certificate, July 13, 1923.

George M. Robinson - Route, Halifax to French Village Station; No. of busses approved, 1; date of certificate, June 12, 1923.

Parker Berry - Route, Armdale to Memorial Tower, Jollimore Village; No. of busses approved, 1; date of certificate, June 12, 1923.

Dartmouth Garage & Bus Co., Ltd. - Route, Dartmouth to Imperoyal; No. of busses approved, 2; date of certificate, July 24, 1923.

Colchester-Cumberland Bus Co., Ltd. - Route, Tatamagouche to Truro; No. of busses approved, 1; date of certificate July 24, 1923.

Colchester-Cumberland Bus Co. Ltd. - Route, Truro to Stewart's; No. of busses approved, 2; date of certificate, October 19, 1923.

Richmond Bus Co., Ltd., Halifax - Route, Corner Kaye and Gottingen Streets along Gottingen Street to Duffus Street; No. of busses approved, 2; date of certificate, October 19, 1923.

Thomas E. Hutchinson - Routes, Wolfville to Kentville and Kentville to Kingsport; No. of busses approved, 2; date of certificate, December 15, 1923.

The following certificates were, on application, cancelled:

Parker Berry, June 25, 1923

Joseph J. Purcell, July 13, 1923.

George M. Robinson, July 20, 1923

TABLE II
SCHEDULE "J"
MOTOR CARRIER ACT 1927

Certificates of public convenience and necessity issued to the following:

Certificate Number	Name of Certificate Holder	Route
1	L.M. Bell, Limited	Dartmouth to Imperoyal x
2	Joseph J. Purcell	Halifax to Bedford x
3	Charles A. Pender	Halifax to Bedford & Sackville
4	George C. Jackson	Halifax to Bedford x
5	G.M. Robinson	Halifax to French Village x
6	Parker Berry	Head of North West Arm to Flemming Park x
7	Dartmouth Garage & Bus Co. Ltd.	Dartmouth to Imperoyal x
8	Colchester-Cumberland Bus Co. Ltd.	Truro to Parrsboro
9	Colchester-Cumberland Bus Co. Ltd.	Truro to Pugwash
10	Colchester-Cumberland Bus Co. Ltd.	Truro to Stewart's
11	Richmond Bus Co. Ltd.	In City of Halifax
12	T.E. Hutchinson	Wolfville to Kentville
13	Oswald Dauphinee	Halifax to Hackett's Cove
14	R.T. McCully	Amherst to Parrsboro x
15	Charles Mahar	French Village to Hackett's Cove x

Certificate Number	Name of Certificate Holder	Route
16	Nova Scotia Motor Transit Ltd.	Shubenacadie to Sheet Harbour x
17	F.V. Anthony	Windsor to Hantsport
18	Harold R. DesBarres	Canso to Hazel Hill
19	Thomas E. Fillmore	Parrsboro to Advocate Harbour
20	Nova Scotia Motor Transit Ltd.	Halifax to Yarmouth
21	Colchester-Cumberland Bus Co. Ltd.	Parrsboro to New Glasgow
22	Frank Peart	Guysboro to Monastery
23	William McDougall	Canso to Guysboro
24	James C. Rowlings	Halifax to Sheet Harbour
25	Charles A. Pender	Halifax to Asburn Club

x THESE CERTIFICATES WERE, ON APPLICATION, CANCELLED

TABLE III
SCHEDULE "I"
CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY
IN EFFECT DECEMBER 31, 1930

No.		
1.	L.M. Bell Limited	Dartmouth to Imperoyal
3.	Charles A. Pender	Halifax to Bedford and Sackville
12.	T.E. Hutchinson	Wolfville to Kentville
19.	Thomas E. Filmore	Amherst to Advocate Harbour
24.	James C. Rowlings	Halifax to Moser River
27.	Sydney Bus Co. Ltd.	Sydney to New Waterford
28.	Joseph C. Cash (Freight)	Sydney to New Waterford
29.	Alex G. Trabouisee	Glace Bay to New Waterford
32.	Joseph C. Cash (Freight)	Sydney to Little Bras d'Or
33.	Liverpool Bus Co., Ltd.	Liverpool to Milton and Liverpool to Brooklyn
34.	Michael D. Sullivan	Sydney to Little Bras d'Or

TABLE IV

P.U.B. APPLICATIONS 1938

IN THE MATTER of applications to the Board of Commissioners of Public Utilities of the Province of Nova Scotia under the motor Carrier Act for certificates permitting the following petitioners to operate public vehicles for the transportation of passengers over public highways between the following points:		
Maritime Bus Corporation	Kentville, NS	Halifax-New Brunswick Border
Scotia Motor Transport		Halifax-Yarmouth-Route 3 Truro-New Glasgow Halifax-New Brunswick Border, Truro-Sydney
Gordon L. Beaton	Sydney, NS	Halifax-Bridgewater
M.D. Sullivan	Sydney, NS	Sydney-Little Brad d'Or
Ballett Ensor	Clyde River, NS	Shelburne-Yarmouth
Fred W. Nickerson	Woods Harbour, NS	Shelburne-Yarmouth
Wagners Tours, Registered		Halifax-Yarmouth All points in Nova Scotia
Adelbert L. D'Eon	Middle West Pubnico, NS	Yarmouth-Lower West Pubnico
Coastal Coach Lines Ltd.	Yarmouth, NS	Halifax-Yarmouth, Route 3
Ellard B. Irving	Pictou, NS	Halifax-Pictou New Glasgow-Amherst
Bernard L. McKenzie	Bridgewater, NS	Halifax-Bridgewater
United Service Corporation	Halifax, NS	Halifax-Yarmouth Route 3 Halifax-Truro-Sydney Halifax-Amherst

TABLE V
SCOTIA MOTOR TRANSPORT LIMITED

1937
REVENUE + EXPENSES

Month	Truro Halifax	Truro Moncton	Truro Sydney	Sunrise Trail	Totals
January	357.36	824.85	---	---	
February	384.26	828.89	---	---	
March	267.88	801.80	---	---	
April	29.31	63.75	---	---	
May	1049.06	1671.66	693.89	---	
June	1189.72	2904.33	1560.66	---	
July	3063.39	3357.31	4950.95	---	
August	3407.69	4693.80	6146.04	676.30	
September	2813.71	2588.23	5841.90	356.31	
October	3026.72	1826.07	4469.07	316.03	
November	1620.26	1277.82	2848.62	69.46	
December	1735.22	1035.54	2015.61	---	
	\$ 19052.60	\$ 21874.05	\$ 28526.74	\$ 1418.10	\$ 70,871.49
EXPENSES (apportioned on a per mile basis)					
\$ 23,059.22	\$ 28,923.18	\$ 36,520.26	\$ 4,320.44	\$ 92,823.20	
LOSS					
\$ 4,006.62	\$ 7,049.13	\$ 7,993.52	\$ 2,902.44	\$ 21,951.71	

ANALYSIS OF OPERATING EXPENSES FOR 1937 (calculated on a per mile basis)	
Transportation	\$ 58,967.47
Traffic Promotion	1,947.55
Maintenance	20,395.17
Administration	11,523.01
	\$ 92,833.199

TABLE VI

SCHEDULE "J"
"MOTOR CARRIER ACT"

**LIST OF CERTIFICATES OF PUBLIC CONVENIENCE AND
NECESSITY ISSUED DURING YEAR 1938**

Certificate Number	Name of holder of certificate	Head Office Address	Route
1	Bell's Busses, Limited	Dartmouth	Dartmouth to Imperoyal
2	Waverley Bus Co. Ltd.	Dartmouth	Dartmouth to Waverley
3	Charles A. Pender Ltd.	Halifax	Halifax to Sackville Halifax to Johnson's Cabins, St. Margaret's Bay Road
4	Eastern Shore Bus Co.	Sheet Harbour	Halifax to Sherbrooke
5	Norman Dares	Elderbanks	Middle Musquodoboit to Halifax, via Gay's River
6	Ocean View Bus Service	18 South Clifton St., Halifax	Halifax to Purcell's Cove. Halifax to Herring Cove, via Spryfield
7	Fred Wiley Nickerson	Wood's Harbour	Shelburne to Yarmouth
8	Doran's Taxi Ltd.	Windsor	Windsor to Hantsport. Windsor to St. Croix Windsor to Walton.
9	Maritime Bus Corp'n Ltd.	Kentville	Wolfville to Kentville Aylesford to Kentville.
10	Sydney Bus Company	134 Charlotte St. Sydney	Sydney to New Waterford
11	Guy Morehouse	Digby	Digby to East Route
12	Duncan Welsford McPherson, Malcolm Dan Ferguson & Edward O'Neill	Florence, Cape Breton	North Sydney to Cape North & Dingwall
13	Michael D. Sullivan	Sydney	Sydney to Little Bras d'Or Bridge. Sydney to Cheticamp, via Margaree. Sydney to Inverness, via St. Peters
14	Bernard L. MacKenzie	Bridgewater	Bridgewater to Halifax

Certificate Number	Name of Holder of Certificate	Head Office Address	Route
15	Thomas E. Fillmore	Advocate Harbour	Advocate Harbour to Amherst
* 16	George W. Frizzel	Dartmouth	Dartmouth to Montague Mines
** 17	Ernest Samuel Purcell	Halifax	Halifax to Peggy's Cove
18	J.A. Edmund LeBlanc	Wedgeport	Lower Wedgeport to Yarmouth
19	National Transportation Ltd.	Moncton	Amherst to New Brunswick Border
20	Edward Donald Gordon	Sydney	Sydney to St. Peter's Arichat to St. Peter's
21	Wagner Tours Ltd	Yarmouth	Bridgewater to Yarmouth Halifax to Yarmouth
22	Michael A. Musial	River Ryan, Cape Breton	New Waterford to Glace Bay
23	United Service Corp'n Ltd.	Halifax	Halifax to Glace Bay Halifax to New Brunswick border via Parrsboro Amherst to New Glasgow via Sunrise Trail
*** 24	Marie Marthe Comeau	Little Brook	Weymouth to Yarmouth
25	Robert John Melanson	Joggins	Joggins to New Brunswick border
26	Adelbert L.D'Eon & John E. D'Eon	West Pubnico	Lower West Pubnico to Yarmouth
27	Everett Whitfield Crowell	Shag Harbour	Shag Harbour to Yarmouth
28	MacKenzie Coach Lines, Inc.	Sydney	New Brunswick border to Glace Bay
29	Ira Hale Covey	Blandford	Blandford to Halifax
30	Susan I. Gould	Elmsvale	Elmsvale to Truro, via Stewiacke Valley
31	Roland M. Myers	Cook's Cove, Guysboro County	Canso to Monastery, via Guysboro and Boylston

NOTE *

- * - Exempted under section 7 of regulations
- ** - Transferred to Benard L. MacKenzie
- *** - Transferred to Wagner Tours, Ltd.

TABLE VII
SCHEDULE "C"
"MOTOR CARRIER ACT"
 1946

LIST OF CERTIFICATES OF PUBLIC CONVENIENCE AND
 NECESSITY UNDER MOTOR CARRIER ACT

Certificate Number	Name of Holder of Certificate	Head Office Address	Route
1	Bell Busses Ltd.	205 Portland Street, Dartmouth, NS	Dartmouth Ferry to Quigley's Corner Dartmouth Ferry to Port Wallis
3	Fleetlines Limited	690 Robie Street, Halifax, NS	From bus station at Grafton Park, Halifax (a) via Kempt Road to Oland's Corner at Sackville, (b) Via the Arm Bridge to Rockingham, (c) via the Arm Bridge to Johnson's Cabins on the St. Margaret's Bay Road (d) via the Arm Bridge to Goodwood School on the Prospect Road, thence to Shad Bay; (e) via Melville Cove and Jollimore Village to Purcell's Cove (f) to Spryfield (g) via Spryfield to Herring Cove
4	Eastern Shore Bus Company	Sheet Harbour, Halifax Co., NS	Halifax to Sherbrooke; Pleasant Point to Head of Jeddore, via Ostrea Lake and West Jeddore; East Jeddore to Oyster Pond
5	Norman Andrew Dares	Elderbank, Halifax Co., NS	Elderbank to Halifax, via Middle Musquodoboit and Milford; Middle Musquodoboit, via Dean, Brookfield to Truro.
7	Fred Wiley Nickerson	Woods Harbour, NS	Shelburne to Yarmouth, Port Clyde, Port LaTour and Baccaro, Baccaro to Shelburne, via Port Saxon and Gunning Cove; Lockport to Shelburne.
8	Doran's Taxi Limited	Windsor, NS	Windsor to Hantsport; Windsor to St Croix; Windsor to Walton
9	Maritime Bus Corporation Ltd.	Kentville, NS	Wolfville to Kentville; Aylsford to Kentville, via Berwick; Wolfville to Canning
10	Sydney Bus Company Ltd.	209 Charlotte St. Sydney, NS	Sydney to New Waterford, New Waterford to New Victoria, via Scotchtown

Certificate Number	Name of Holder of Certificate	Head Office Address	Route
11	Guy E. Morehouse	Digby, NS	Digby to East Ferry
12	Duncan Weisford McPherson, Malcolm Dan Ferguson and Edward O'Neill	102 George St., Sydney, NS	Sydney to Cape North and Pleasant Bay; Dingwall to Bay St. Lawrence
13	Mike Sullivan Bus Service, Ltd	100 Sackville St. Halifax, NS	Sydney to Little Bras d'Or Bridge; Sydney to Cheticamp, via Baddeck and Margaree; Port Hawkesbury-Inverness-Cheticamp; Sydney to Point Edward, via Westmount and Edwardsville; Louisburg to Sydney
14	Bernard Linton MacKenzie	Bridgewater, NS	Bridgewater to Halifax; Bridgewater to Mahone Bay, via Lunenburg; Halifax to Peggy's Cove, via French Village Station; Bridgewater to New Germany
18	Percy LeBlanc	Wedgeport, NS	Lower Wedgeport to Yarmouth
20	Edward Donald Gordon	26 South Bertrick St., Sydney, NS	Sydney to Arichat, via St. Peter's; Petit de Grat to MacIntyre Lake, via West Arichat
21A	Wagner Tours Ltd.	100 Sackville St., Halifax, NS	Bridgewater to Yarmouth; Halifax to Yarmouth via Annapolis Royal; Liverpool to Annapolis Royal
22	Bertha L. Musial	River Ryan, Cape Breton	New Waterford to Glace Bay
23	United Service Corporation Ltd.	100 Sackville St. Halifax, NS	Halifax to Glace Bay; Halifax to New Brunswick Border via Parrsboro; Amherst to New Glasgow, via Springhill and Oxford, and Sunrise Trail.
26	Adelbert L. D'Eon and John E. D'Eon	West Pubnico, NS	Lower West Pubnico to Yarmouth
28	MacKenzie Coach Lines Inc.	Sydney, NS	New Brunswick Border to Glace Bay via Parrsboro and Truro; via Springhill, Oxford and Short Line; Truro to Halifax
29	Ira Hale Covey	Blandford, NS	Blandford to Halifax

Certificate Number	Name of Holder of Certificate	Head Office Address	Route
31	Chedabucto Transport Co. Ltd.	Guysboro, NS	Canso to Monastery, via Guysboro and Boylston; Guysboro via Roman Valley and St. Andrew's to Antigonish.
35	Lawrence Mood	Kemptville, NS	Kemptville to Yarmouth
37	Frank King	20 Johnston St., Sydney, NS	Sydney to Little Narrows, via Grand Narrows; Sydney to Christmas Island, via East Bay and Eskasoni; Sydney to Stirling.
38	Alexander L. McIntosh	Antigonish, NS	Coddies Harbour to Antigonish
40	Nello A. Tornade	Donkin, NS	Donkin to Glace Bay
42	Hub Coach Lines Limited	Truro, NS	Debert to Truro; Truro, via College Road, Fast Court Road, the Main Highway, Cross Roads, to Valley
43	Cape Breton Bus & Tram Company Ltd.	Sydney, NS	Sydney to Glace Bay
44	Airport Transfer Company	81 Popular St.	Nova Scotian Hotel, Halifax to Dartmouth by way of the Dartmouth ferry; thence to the Dominion Government Airport, Eastern Passage, Halifax County
46	Trefry's Bus & Transportation Limited	Yarmouth, NS	Yarmouth to Arcadia
48	Ellard Burns Irving	Pictou, NS	Pictou to PEI Ferry, Caribou. Pictou to New Glasgow
49	Lawrence C. Messenger	Clark's Harbour, NS	Clark's Harbor to Stoney Island, via Newellton and Centreville (General Public). Clark's Harbor to South Side and to the Hawk (School Children)
50	Perley W. Wright (School bus)	Parrsboro, NS	To and from Wharton to the Parrsboro Schools' to and from the Crossroads School to Parrsboro also to the Prospect School
51	Douglas L. James	LaHave, NS	Crescent Beach to Bridgewater
53	Shore Transportation Ltd.	Shelburne, NS	Shelburne to Lower Sandy Point
54	Frank J. Mombourquette	L'Ardoise West, NS	St. Peter's to Lower L'Ardoise and Little Harbour; St. Peter's to French Cove

Certificate Number	Name of Holder of Certificate	Head Office Address	Route
55	J.W. MacFarlane (School Bus)	Baddeck, NS	Baddeck to Englishtown
57	Robert W. Slocum	Joggins, NS	Joggins to Amherst
58	Lawrence H. Durling (School Bus)	Bridgetown, NS	Bridgetown to West Paradise, Carleton Corner, Paradise School, Inglewood
59	Oscar Louis Pettipas	Birch Grove, NS	Birch Grove to Glace Bay
60	Michael MacDonald	Port Morien, NS	Port Morien to Glace Bay
61	Norman Bethuen (School Bus)	Baddeck, NS	Baddeck, Hunter's Mountain, Middle River, Upper Middle River, West Middle River, Nyanza, Inlet.
63	Bruce W. Macdonald	Sherbrooke, NS	Sherbrooke to Antigonish via Stillwater, Melrose, Aspen, South Lachaber, Lochaber, North Lochaber, Glen Alpine, Glen Road, Purl Brook and Salt Spring.
65	Pictou County Electric Co. Ltd.	Stellarton, NS	Thorburn to New Glasgow; New Glasgow to Westville.
66	Arnold Mills (School Bus)	Joggins, NS	Rigged Reef to Joggins
67	Joseph Hector MacNeil (School Bus)	Johnstow, NS	Johnstown to Big Pond; Johnstown to Soldier's Cove
70	Hartford T. Long	Liverpool, NS	Brooklyn, Liverpool and Milton; Liverpool to Bridgewater, via Greenfield and Chelsea; Liverpool and return, via Western Head; Liverpool, via West Berlin and Port Medway, to Charleston
73	Marsden G. Anthony	Kennetcook, NS	Kennetcook to Truro, via Noel, Mattland and Shubenacadie
74	Moses Roberts	Sydney Mines, NS	Port Aconi to Sydney Mines
75	Angus A. McDonald	Scotch Lake, NS	Scotch Lake to North Sydney, via Little Brad d'Or
77	David Robertson	Sydney Mines, NS	Sydney Mines to Alder Point, via Florence, Florence Colliery, Little Pond and Brad d'Or.

Certificate Number	Name of Holder of Certificate	Head Office Address	Route
78	Fred T. Boyd (School Bus)	Windsor, NS	Windsor to Falmouth
79	Gaius S. Bollivar	Broad Cove, NS	Vogler's Cove to Bridgewater, via Italy Cross; Broad Cove to Liverpool, via Vogler's Cove
80	Levi MacDonald (School Bus)	Enfield, NS	Enfield to E.H. Home's.
81	John J. Chisholm (School Bus)	Glen Road, NS	From Glen Road along Antigonish-Sherbrooke Highway to West River Consolidated School
82	Donald W. Zinck	Antigonish, NS	Antigonish to Pomquet; Antigonish to Ballantyne's Cove; Antigonish to Lismore
83	Wilbert J. Henderson (School Bus)	Seafoam, NS	Seafoam to Pictou
84	Augustine VanSnick	Advocate Harbour, NS	Advocate Harbour to Amnerst via Parrsboro, Southampton, Maccan
86	Peter L. Muise	East Quinan, NS	East Quinan to Yarmouth
87	Scott C. MacKeen and Edison Wilbur Sutherland	Aspen, NS	Sherbrooke to New Glasgow, via Aspen
88	Theodore R. Hennigar	Chester Basin, NS	Chester to Kentville, via New Ross
89	John Henry Campbell	Kinsac, NS	Kinsac to Halifax
90	Alex C. Scherban	Tatamagouche, NS	Tatamagouche to Truro
92	Trustees of Judique Consolidated High School (School Bus)	Judique, NS	Cregnish to Harbour View
93	H. E. Finley (Seasonal)	Springhill, NS	Springhill to Heather Beach
94	Riverport Bus Service Ltd.	Riverport, NS	Lunenburg to Bridgewater via Lower Rose Bay, and Riverport

Certificate Number	Name Holder of Certificate	Head Office Address	Route
95	Alfred Wolfe	Grand Desert, NS	Seaforth, Grand Desert, West Chezzetcook to Dartmouth
96	Walter Mannette	West Chezzetcook, NS	West Chezzetcook to Dartmouth
97	Regis Wolfe	Grand Desert, NS	Grand Desert to Dartmouth
98	Charles K. Thurlow	Caledonia, NS	Caledonia, via South Brookfield, Colton, Baker's Settlement to Bridgewater; Caledonia to Bridgewater via Brass Corner; Caledonia to Liverpool; Devonshire to Caledonia
99	Lloyd Blackford	Freeport, NS	Tiverton to Freeport
100	Harold S. Wood	Centre Rawdon, NS	Upper Rawdon to Windsor
101	Francis John Power	Mulgrave, NS	Mulgrave to Boylston
102	Baddeck Transportation Company	Baddeck, NS	Orangedale to Baddeck thence via Englishtown, Tarbot, Sts. Ann's to Baddeck
103	Frank H. Beazley (School Bus)	White's Lake, NS	White's Lake to Prospect
104	D.H. MacLennan (School Bus)	Big Bras d'Or, NS	Boulardarie East to Big Bras d'Or School
105	Harold Riordan	Port Wade, Annapolis Co., NS	Victoria Beach to Annapolis Royal

TABLE VIII

SCHEDULE "C"
MOTOR CARRIER ACT
1954

**LIST OF CERTIFICATES OF PUBLIC CONVENIENCE AND
NECESSITY UNDER MOTOR CARRIER ACT**

Certificate Number	Name and Address of Holder of Certificate	Route
3	Fleetlines Limited 100 Sackville Street Halifax, NS	Halifax to Sackville (Junction Lucasville Road) from Terminal 102 Dresden Row, via Sackville Street, Bell Road, Robie Street, Kempt Road and Highway No. 1; Halifax to Herring Cove from Terminal 102 Dresden Row, via Sackville Street, Bell Road, Quinpool Road, Armdale, Spryfield, Herring Cove Road, Halifax to Fairview, from Terminal 102 Dresden Row, via Sackville Street, Bell Road, Quinpool Road, Dutch Village Road; Halifax to Purcell's Cove, from Terminal 102 Dresden Row, via Sackville Street, Bell Road, Quinpool Road and Armdale, Purcell's Cove Road.
4	Pender's Bus Co. Ltd. 680 Robie Street Halifax, NS	Halifax to Sherbrooke
5	Norma Andrew Dares Elderbanks, Halifax Co., NS	Elderbanks to Halifax, via Middle Musquodoboit and Milford; (Upper Musquodoboit, via Dean, to Truro - suspended).
8	Doran's Taxi Limited Windsor, Hants Co., NS	Windsor to Hantsport, Windsor to St. Croix
9	Maritime Bus Corp. Ltd. Kentville, Kings Co., NS	Kentville to Wolfville, Aylesford to Kentville, via Berwick, Wolfville to Canning
10	Cape Breton Bus and Tram Co. Ltd., Sydney, Cape Breton Co., NS	Sydney to New Waterford, New Waterford to New Victoria via Scotchtown, Sydney to Little Narrows via Grand Narrows; Sydney to Christmas Island via East Bay, Eskasoni, Sydney to Sterling
11	Paul Truman Morehouse Digby, NS	Digby to East Ferry
12	Gilbert W. Cooke, doing business as Mount Cabot and National Park Bus, RR#1, North Sydney, Cape Breton Co., NS	Sydney to Dingwall via North Sydney, Sydney Mines, Florence, Little Brad d'Or, Big Bras d'Or Ferry, Ross Ferry, South Haven, St. Anne's North River, etc.
13	Highland Lines Ltd. 100 Sackville St., Halifax, NS	A. Sydney-Sydney Mines (Highway 5) B. Sydney-Naval Base (end of present pavement); via Westmount C. Intertown Service (North Sydney-Sydney Mines) D. Sydney-West Louisburg (Highway 22) E. Sydney-Inverness via Baddeck and Margaree Forks (Highways 5 and 19)

Certificate Number	Name and Address of Holder of Certificate	Route
14	Canada Permanent Trust Company and Hilda Mary MacKenzie, Executors and Trustees of the Estate of Bernard Linton MacKenzie, Deceased Bridgewater, Lunenburg Co., NS	Bridgewater to Halifax; Bridgewater to Mahone Bay, via Lunenburg; Halifax to Peggy's Cove, via French Village Station; Bridgewater to Riverport; Riverport to Kingsburg; Riverport to Lunenburg; New Germany to Middleton.
18	Percy LeBlanc Wedgeport, Yarmouth Co., NS	Lower Wedgeport to Yarmouth
20	Edward Donald Gordon, Gordon's Bus Service, Sydney, NS	Sydney to Arichat
21A	Acadian Lines Limited, 100 Sackville Street, Halifax, NS	A. Halifax-Yarmouth via Annapolis Valley (Highway 1) B. Bridgewater-Yarmouth (Highway 3)
22	Mrs. Bertha L. Musial River Ryan, Cape Breton Co., NS	New Waterford to Glace Bay
23	United Service Corp. Ltd. 100 Sackville Street, Halifax, NS	Halifax-Glace Bay via Truro, Westville, Stellarton and Sydney (Highways 2 and 4); Halifax-New Brunswick Border via Truro, Parrsboro and Amherst (Highway 2); Sightseeing within the City of Halifax over a route of approximately 20 miles
26	Adelbert L. D'Eon West Pubnico, Yarmouth Co., NS	Lower West Pubnico to Yarmouth
31	Estate of Kenneth E. Lumsden Canso, Guysboro Co., NS	Canso to Antigonish, via Guysboro and Boylston
38	Sears and MacIntosh Antigonish, NS	Coddies Harbour to Antigonish
40	Nello A. Tomada Donkin, Cape Breton Co., NS	Donkin to Glace Bay
44	Airport Transfer Company 81 Poplar Street, Halifax, NS	Nova Scotian Hotel; Halifax to Dartmouth by way of the Dartmouth Ferry thence to the Dominion Government Airport, Eastern Passage, Halifax County
48	Ellard B. Irving Pictou, NS	Pictou to PEI Ferry, Caribou; Pictou to New Glasgow; Pictou Landing Wharf to New Glasgow
49	Lawrence C. Messenger Newellton, Shelburne Co., NS	Clark's Harbour to Stoney Island via Newellton and Centreville (General Public); Clark's Harbour to Centreville; Clark's Harbour to South Side; Clark's Harbour to the Hawk (School children given priority. General public carried when space available)
54	Frank J. Mombourquette L'Ardoise West, Richmond Co., NS	St. Peter's to Lower L'Ardoise and Little Harbour to Gracerville; St. Peter's to French Cove

Certificate Number	Name and Address of Holder of Certificate	Route
57	Robert W. Stocum Joggins Cumberland Co., NS	Joggins to Amherst
59	Oscar Louis Pettipas and Gustave Pettipas Birch Grove Cape Breton, NS	Birch Grove to Glace Bay
60	Michael MacDonald Port Morien Cape Breton Co., NS	Port Morien to Glace Bay
63	Reginal H. MacKinlay and D.D. MacMillan Sherbrooke Guysboro Co., NS	Sherbrooke to Antigonish, via Stillwater, Melrose, North Lockaber, Glen Alpine, Glen Road, Puri Brook and Saltsprings.
73	Marsden G. Anthony Kennetcook Hants Co., NS	Kennetcook to Truro, via Noel, Maitland and Shubenacadie
77	Davod Rpbertsprn Florence Cape Breton Co., NS	Sydney Mines to Alder Point, via Florence, Florence Cocliery, Little Pond and Brad d'Or.
84	Augustine VanSnick River Hebert Cumberland Co., NS	Advocate Harbour to Amherst, via Parrsboro, Southampton and Maccan.
86	Peter L. Muise East Quinan Yarmouth Co., NS	East Quinan to Yarmouth
88	Scotian Bus Line Limited Box 672, Armdale, Halifax Co., NS	Chester to Kentville, via New Ross
90	Carl Manley O'Neill Tatamagouche, Colchester Co., NS	Tatamagouche to Truro via Route No 11; Tatamagouche to Truro via Brule and Earltown
96	Walter Mannette West Chezzetcook, Halifax Co., NS	West Chezzetcook to Dartmouth
99	Lloyd Blackford Freeport, Digby Co., NS	Tiverton to Freeport
101	Francis John Power Mulgrave, Guysboro Co., NS	Mulgrave to Boylston
109	Arthur Peter Muise Sluice Point, Yarmouth Co., NS	Surette, Sluice Point, Amirauff's Hill, Hubbard Point, Tusket to Yarmouth

Certificate Number	Name and Address of Holder of Certificate	Route
119	Walter V. Scott Caledonia, Queens Co., NS	Caledonia to Liverpool
122	Main-a-Dieu Bus Lines Bateston, Cape Breton Co., NS	Louisbourg to Sydney, via Main-a-dieu, Mira Gut and Home Road and Main Highway
123	Canadian National Transportation Limited, d.b.a. MacKenzie Thur Line, Moncton, NB	(a) New Brunswick Border to Glace Bay, via Route No. 4, Wentworth Valley and Truro; (b) New Brunswick Border to Glace Bay, via route No. 2, Painsboro and Truro; (c) New Brunswick Border to Glace Bay, via Route No. 6, Pugwash, Wallace, Pictou and New Glasgow; (d) Truro to Halifax
142	Charles Foster Cox Debert, Colchester Co., NS	Truro to Debert, via Highway No. 2 to Debert Military Road, thence along said Military Road to Debert.
173	Wilfred Aucoin Cheticamp, Inverness Co., NS	Margaree Forks to Cheticamp
222	Curtis C. Harris Digby, NS	Digby to H.M.C.S. Cornwallis
258	Thomas A. Welsh Halchet Lake, Halifax Co., NS	City of Halifax to White's Lake, Halifax Co.
268	Joseph George Aucoin Cheticamp, Inverness Co., NS	Petit Etang, Belle Marche, Plateau to Cheticamp
274	Margaree Steamship Company Ltd., Sydney, Cape Breton Co., NS	Petit-de-Grat, Arichat, West Arichat, Louisdale, MacIntyre's Lake
275	Orval Mason Merigomish, Pictou Co., NS	Bailey's Brook via Ardness, Lismore Short Road, Sutherland's River to New Glasgow
276	John Graham Turner Middleton, Annapolis Co., NS	Middleton, Wilmot, Kingston and RCAF Station at Greenwood

TABLE IX

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
ROUTES ABANDONED 1954

During the year for these reasons the following carriers have been permitted to abandon their operations:

- (1) Murray D. Corning, who operated from Kemptville to Yarmouth
- (2) Galus S. Bolivar, who ran from Broad Cove to Bridgewater and Liverpool
- (3) Ira H. Covey, operated from Blandford to Halifax
- (4) Harold Riordan, operated from Annapolis Royal to Port Wade
- (5) Fleetlines Limited was obliged to suspend service to St. Margaret's Bay Road to Johnson's and from Bedford to Waverley on the Halifax to Truro Highway
- (6) Highland Lines Limited, which relinquished the operation from Port Hawkesbury to Cheticamp
- (7) Acadian Lines were permitted to discontinue the run from Amherst to New Glasgow over the Sunrise Trail

TABLE X

P.U.B. ANNUAL REPORT 1955
AMALGAMATED LICENCE ACADIAN LINES LIMITED

- (a) Halifax-New Brunswick border, via Truro, Parrsboro and Amherst (Highway 2)
- (b) Halifax-Glace Bay, via Truro, Westville, Stellarton and Sydney (Highway 2 and 4)
- (c) Halifax-Yarmouth, via Annapolis Valley (Highway 1)
- (d) Bridgewater-Yarmouth (Highway 3)
- (e) Halifax-Sackville (junction of Lucasville Road) (highway)
- (f) Halifax-Herring Cove, via Armdale, Spryfield and Herring Cove Road
- (g) Halifax-Fairview, via Armdale and Dutch Village Road
- (h) Halifax-Purcell's Cove, via Armdale and Purcell's Cove Road
- (i) Sydney-Sydney Mines (Highway 5)
- (j) Sydney-Naval Base, via Westmount
- (k) Sydney-Louisbourg (Highway 22)
- (l) Intertown (North Sydney-Sydney Mines)
- (m) (sight-seeing within the city of Halifax)

TABLE XI

P.U.B. ANNUAL REPORT 1955
LICENCE AND SERVICES CANCELLEDCertificates Cancelled

No. 8 - Doran's Taxi Limited - Discontinuance of service between Windsor-Hantsport and Windsor-St. Croix, and for the cancellation of said Certificate No. 8

No. 9 - Maritime Bus Company Limited - Discontinuance of service between Kentville-Wolfville and Aylesford-Kentville, via Berwick and for the cancellation of said Certificate No. 9.

No. 88 - Scotian Bus Line Limited - Discontinuance of service between Chester-Kentville, via New Ross, and for the cancellation of said Certificate No. 88

No. 258 - Thomas A. Welsh - Discontinuance of service between Halifax and the Brookside Road on the Prospect Road, and for the cancellation of said Certificate No. 258

No. 275 - Orval Mason - Discontinuance of service between Bailey's Brook and New Glasgow, and for the cancellation of said Certificate No. 275.

Discontinuance of Service on Certain Routes

Acadian Lines Limited - Discontinuance of service on the routes Digby-Yarmouth and Lockeport-Yarmouth under Certificate No. 21A.

Highland Lines Limited - Discontinuance of service on the route Sydney-Inverness, via Baddeck and Margaree Forks under Certificate No. 13

TABLE XII

**P. U. B. ANNUAL REPORT 1956
LICENCES AND SERVICES CANCELLED, CERTIFICATES TRANSFERRED**

Other carriers' routes were effected and the annual report is further quoted:

No 90 - Carl Manley O'Neill - Discontinuance of service between Tatamagouche and Truro, and for the cancellation of Certificate No 90.

No. 276 - John Graham Turner - Discontinuance of service between Middleton and Greenwood and for the cancellation of Certificate No. 276.

No MC-278 - Hugh Kenneth Harris - Discontinuance of service between Wolfville and Kentville, and the cancellation of Certificate No. MC-278.

Discontinuance of Service on Certain Routes

Cape Breton Bus and Tram Company Limited - Discontinuance of service on the routes Sydney to Little Narrows via Grand Narrows and Sydney to Sterling.

MacKenzie Bus Line Limited - Discontinuance of service on the route Petite Riviere to Bridgewater

Lawrence C. Messenger - Discontinuance of service on the route Clark's Harbour to Stoney Island, via Newellton and Centreville (General Public).

Certificates Transferred

No 14 - Canada Permanent Trust Company and Hilda Mary MacKenzie, Executors and Trustees of the Estate of Bernard Linton MacKenzie, Deceased, to James I. MacLaren; and from James I. MacLaren to MacKenzie Bus Line Limited.

No 44 - Airport Transfer Company to Airport Transfer Company Ltd.

No 77 - David Robertson to Allan James MacLean

No 173 - Wilfred Aucoin to Helier Merry and Alexander M. Fraser

No MC 281 - Digdon Motors Limited to F.W. Digdon & Sons Limited

TABLE XIII
AIRPORT TRANSFER LIMITED
SUMMARY OF VEHICLE LICENSE CHANGES

	Addition	Deletion	Net Change
1. 1971	1		1+
2. 1972	1		1+
3. 1973	1		1+
4. 1974			0
5. 1975	1		1+
6. 1976	2		2+
7. 1977			0
8. 1978	3		3+
9. 1979	1	1	0
10. 1980	1		1+
11. 1981	2	1	1+
12. 1982	2		2+
13. 1983	2	2	0
14. 1984	2		2+
15. 1985	1		1+
16. 1986	2	4	2-
		NET INCREASE	14

This list does not include the addition of non-highway transit coaches used almost exclusively for the airport run and Louisbourg regular services.

For vehicles added to the license prior to 1970, these were generally purchased new and added to the license in the same year in which they were manufactured.

TABLE XIV
ACADIAN LINES
SUMMARY OF VEHICLE LICENSE CHANGES

(Review of Schedules "E")

Year	Total # Licensed Vehicles	Net Change	Total Change
1. 1970	26		
2. 1971	29	3+	
3. 1972	26	3-	
4. 1973	27	1+	
5. 1974	29	2+	
6. 1975	31	2+	
7. 1976	31	0	
8. 1977	33	2+	
9. 1978	35	2+	
10. 1979	32	3-	
11. 1980	32	0	
12. 1981	32	0	
13. 1982	32	0	
14. 1983	34	2+	
15. 1984	36	2+	
16. 1985	35	1-	
17. 1986	37	2+	

TABLE XV

**MACKENZIE BUS LINE LIMITED
SUMMARY OF VEHICLE LICENSE CHANGES**

(Review of Schedules "E")

	# of Vehicles Added	# of Vehicles deleted	Total # Licensed Vehicles	Net Change	Revised Page
1959			11	0	Original
1960	1	0	12	+1	1st, 2nd, 3rd
1961			12	0	4th, 5th
1962					
1963	1	1	12	0	6th, 7th
1964		1	11	-1	8th
1965	1	0	12	+1	9th
1966	1	0	13	+1	10th
1967	1	1	13	0	11th, 12th
1968	1	0	14	+1	13th, 14th
1969	0	1	13	-1	15th
1970	0	1	12	-1	16th
1971					
1972	2	3	11	-1	19th

	# of vehicles added	# of vehicles deleted	Total # Licensed Vehicles	Net Change	Revised Page
1973	1	0	12	+1	20th
1974					
1975					
1976	3	4	11	-1	22nd
1977	1	1	11	0	23rd, 24th
1978	1	1	11	+1	25th, 26th
1979	2	2	11	0	27th, 28th
1980	0	0	11	0	29th
1981		0	11	0	30th
1982	1	0	12	+1	31st
1983	0	0	12	0	32nd
1984	2	1	13	+1	33rd, 34th
1985	1	1	13	0	35th, 36th, 37th
1986	0	0	13	0	38th
	14			6+	

The 17th, 18th, and 21st revisions are missing

TABLE XVI
COMPARATIVE CHARTER RATES
1987

Company	#Pass	Daily Rate
Acadian Lines Ltd.	47	585
Airport Transfer Ltd.	47	590
Canada Coach Lines	47 M-T 47 F-S	665* 695*
Gray Coach	47 M-T F Sat Sun	525 735 630 775
Greyhound	43/47	600
Pictou County	Setra (deluxe) MCI (deluxe) MC-9 GM + MC-7 Champion	550 550 525 475 300
Overnight is an extra charge		
*The rate assumes 225 m/day. charges are \$415/day plus 2.50 per mile for 125 M.		
**The rate assumes 225m/day. charges are \$445/day plus 2.50 per mile over 125M.		

TABLE XVII

**SMT EASTERN LIMITED
1988 OPERATING PLAN
RECALCULATED COST PER MILE**

	MC-7	MC-9	MC-10	Setra	Champion
Cost per mile - per SMT operation Plan	\$ 1.65	\$ 2.16	\$ 1.99	\$ 2.09	\$ 1.34
ADD:					
Financial depreciation adjustment	.04	.14	.42	.35	.06
Increase in transportation expenses	.03	.34	.34	.34	.34
Recalculated cost per mile	\$ <u>2.03</u>	\$ <u>2.64</u>	\$ <u>2.75</u>	\$ <u>2.78</u>	\$ <u>1.74</u>
Cost per day	<u>\$456.75</u>	<u>\$ 594.00</u>	<u>\$ 618.75</u>	<u>\$ 625.50</u>	<u>\$391.50</u>
<p>ASSUMPTIONS:</p> <ol style="list-style-type: none"> 1. Financial depreciation was not included in calculation of cost per mile on the schedule submitted to the Board. Per mile is calculated by dividing by number of miles per year by bus type. 2. Increase in transportation estimated on Schedule I (\$1,190,000) divided by total number of miles per year (3,490,000). 3. Cost per day is calculated by multiplying cost per mile by 225 miles per day as submitted in the SMT Eastern Limited 1988 Operating Plan for charter service. 					

TABLE XVIII

**RECALCULATED COST OF LEASED EQUIPMENT MILE -
LEASE TO PICTOU COUNTY BUS SERVICES LIMITED**

	MC-7	MC-9	MC-10	Setra	Champion
Recalculated cost per mile	\$ 2.03	\$ 2.64	\$ 2.75	\$ 2.78	\$1.74
Deduct:					
Drivers' wages	.60	.60	.60	.60	.60
Fuel	<u>.23</u>	<u>.31</u>	<u>.23</u>	<u>.23</u>	<u>.14</u>
Restated cost per mile - lease to Pictou County	\$ <u>1.20</u>	\$ <u>1.73</u>	\$ <u>1.92</u>	\$ <u>1.95</u>	\$ <u>1.00</u>
Cost per day	\$ 270	\$ 389	\$ 432	\$ 439	\$ 225
Lease rate	<u>300</u>	<u>325</u>	\$ <u>375</u>	\$ <u>375</u>	\$ <u>140</u>
Profit (loss) per day	\$ <u>30</u>	\$ <u>(64)</u>	\$ <u>(57)</u>	\$ <u>(64)</u>	\$ <u>(85)</u>
ASSUMPTIONS: <ol style="list-style-type: none"> 1. Recalculated cost per mile is as calculated on Schedule III 2. The costs related to drivers' wages and fuel should not be included in SMT's recalculated cost since these would be Pictou's expenses. 3. Cost per day is cost per mile multiplied by 225 miles per day. 					

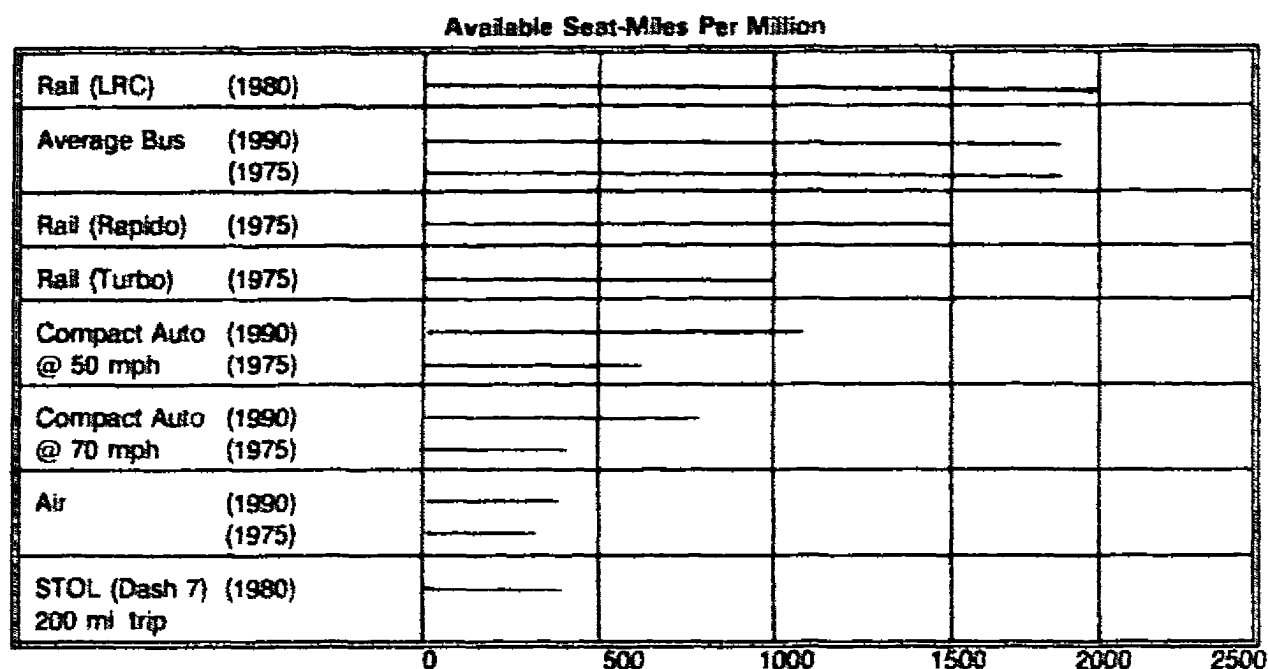
TABLE XIX
SMT EASTERN LIMITED
RESTATED 1988 OPERATING PLAN

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	1983		1984		1985		1986		8 Months to August 1987		Restated 1988			
	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	Difference	1988 Operating Plan
Revenue	100.0	\$6,037,438	100.0	\$6,603,614	100.0	\$6,491,000	100.0	\$8,815,620	100.0	\$4,500,248	100.0	\$8,566,000	\$	\$8,566,000
Expenses:														
Transportation	58.6	3,535,098	59.7	3,939,823	59.4	3,864,399	56.4	3,843,104	57.1	2,570,261	56.4	4,831,000	1,190,000	3,641,000
Maintenance	22.8	1,376,696	20.5	1,355,241	18.6	1,209,024	17.9	1,219,035	20.8	936,379	17.4	1,492,000	-	1,492,000
General and Administrative	14.2	859,873	14.2	938,368	19.7	1,281,101	22.1	1,505,685	13.6	613,495	14.8	1,266,000	-	1,266,000
	95.6	5,771,667	94.4	6,233,232	97.7	6,344,524	96.4	6,567,824	91.5	4,120,135	88.6	7,589,000	1,190,000	6,399,000
		265,771		370,382		146,576		247,796		380,113		977,000	1,190,000	2,167,000
Interest and Exchange		78,641		243,983		221,881		225,634		109,221		452,000	-	452,000
		187,130		126,369		(75,305)		22,162		270,892		525,000	1,190,000	1,715,000
Depreciation		239,989		291,172		524,964		455,495		342,441		960,000	-	960,000
Income (loss) before other income and income taxes		\$(52,859)		\$(164,773)		\$(600,269)		\$(433,334)		\$(71,549)		\$(435,000)	\$1,190,000	\$ 755,000

TABLE XX

MODES AND ENERGY CONSUMPTION
Relative Efficiency of Different Modes of
Inter-city Passenger Travel



Available Seat-Miles

- NOTES:**
- o All estimates made in 1975
 - o The inter city bus is not expected to improve significantly in fuel economy, hence the 1990 energy efficiency is unchanged from that in 1975.
 - o The compact automobile is taken to have four seats. The values shown are reduced by 75 per cent when the driver carries no additional passengers, as is frequently the case.
 - o Air refers to short-haul flights by the national carriers
 - o STOL = Short Take Off and Landing aircraft

SOURCE: Adapted from Transport Canada, *Technology and Productivity in Passengers Transportation* (Montreal, 1975).

Reproduced in Brooks, David, B., *Zero Energy Growth for Canada*, Toronto: 1981, McClelland and Stewart, p. 131.

TABLE XXI
BUS INDUSTRY STUDY
SUMMARY

From this short review, it is apparent that some version of strategy (a) applied by means of controlling the number of buses and licenses could be acceptable. The essential mechanisms are in place in the form of the Public Utilities Board (PUB). However, in regulating the industry, the PUB must take into account the concerns of tourism as well as those of passengers service users.

The PUB should be called upon to exercise its judgement on the following issues.

- ▶ Safety
- ▶ Passenger fares
- ▶ Passenger routes and quality of service
- ▶ Parcels transportation - only in so far as it may impact the quality of passenger service. (Carriers should be allowed to compete freely in the parcels carriage market, i.e. no control over rates for parcel.)
- ▶ The quality of bus to be available for charter service
- ▶ The number of buses licensed to operate for charter
- ▶ The expeditious issuing of temporary licenses to cater to peak demands for charter buses
- ▶ It should control rates in Nova Scotia for Charter Service during the tourist season, and
- ▶ It should give opportunities to bus operators to compete for charter business during the off season

In exercising its mandate, the PUB should be made aware of the needs of the public, the operators, and the tourist industry. Therefore, it is recommended that both the Department of Transportation and Communications and the Department of Tourism and Culture should be represented or have some input into the PUB's decision making process.

The solution provides for a general continuation of the existing system which has evolved, and which was operating successfully until 1987. It, therefore, means that the bus companies will be familiar with the format of regulation. From the study team's investigations, it has been made aware of the operator's concerns for speedy decisions so that they can plan effectively, and deal with the critical cash flow problems associated with the industry. It is recommended that a thirty day turn-around time between the hearing and the decision release be an understood requirement of the PUB.

Conclusions - Two fundamental issues have been investigated:

- (1) Is the Charter Service required to subsidize the route haul service as in today's situation?
- (2) Does the Charter Service have a continuing obligation to subsidize route haul?

The answer to Issue #1 is unequivocally YES. The two forms of service - Passenger and Charter are closely linked and there is some symbiosis of combining the two under one operator.

TABLE XXII

**CANADIAN BUS ASSOCIATION SUBMISSION TO THE ROYAL
COMMISSION ON NATIONAL PASSENGER TRANSPORTATION, OCTOBER 1990**

EXECUTIVE SUMMARY

The intercity bus industry has an important role to play in the passenger transportation system of Canada. The Canadian Bus Association has presented a balance of fact, analysis and views which we believe should assist the Royal Commission in arriving at correct recommendations.

In essence, our brief has concluded the following:

- The bus industry will no doubt be Canada's single most "enabling and strategic agent" in ensuring that tourism becomes the number one industry in Canada.
- The multi-modal, inter-modal dream will be a reality in the 1990s and beyond with bus transportation a pivotal element in the new, efficient, transport world.
- Intercity bus transportation is the most environmentally friendly mode.
- Modal selection will always be driven by the time/cost trade-off and therefore increasing costs will naturally favour the bus mode.
- In order to preserve the vision of a superior equitable transportation environment, it is essential that rural Canada does not lose its only remaining form of public transportation. To retain this, the current regulatory environment must be sustained while avoiding wasteful government subsidy.

The Canadian Bus Association urges the Commission to bring forth recommendations that will pave the way for ground rules that are applied fairly to all participants. The current uneven subsidy environment with respect to Canadian passenger travel results in unfair competition on many domestic travel routes. Until other modes (e.g. passenger rail) are responsible for cost recovery from fares to the same extent as the bus industry, unfair competition will be a continuing fact of life in Canadian passenger transportation. This, in turn, ultimately harms the choice available to customers.

The Canadian Bus Association had supported previous federal budgetary measures to reduce subsidies such as those applied to VIA Rail. However, recent tariffs and pricing policies afforded the rail passenger mode continue the historical trend of dumping excess capacity into the intercity travel markets without regard to the principles of fair competition. It is not realistic in the cost-conscious 1990s to continue the trend of supporting a mode (VIA Rail) where regular fares only recover some 20% to 40% of total costs depending upon the route in question. The inescapable fact remains that if the current VIA Rail subsidy were turned over to the intercity bus industry, all current VIA Rail and all current intercity bus passengers could be transported for free.

There are other forms of passenger travel that must be given the opportunity to reach their full competitive potential. We suggest that the Canadian intercity bus industry - with its inherent environmental and social advantages - be promoted as a strategic mode for the 1990s.

TABLE XXIII

ACADIAN LINES LIMITED SALES & PROFIT

YEAR	SALES	PROFIT
1942	368,886	28,860
1953	359,965	20,962
1960	1,058,808	2,738
1967	1,000,000	25,338
1968		547
1971		705
1972		26,147
1975		90,603
1976		116,193
1978		110,074
1979	3,032,000	59,259
1981		35,526
1982		116,772
1983		159,367
1984	5,534,699	169,013

TABLE XXIV

N. S. PUBLIC PASSENGER SERVICES OPERATED IN 1975

Name of Operator	Route	Remarks	Urban or Non
1 Zinck's Bus	Halifax-Sherbrooke		Non
2 MacKenzie Bus	Halifax-Bridgewater		Non
3 MacKenzie Bus	Bridgewater-Yarmouth		Non
4 MacKenzie Bus	Halifax-French Village Station		Non
5 Acadian Lines	Halifax-Sydney		Non
6 Acadian Lines	Halifax-Amherst		Non
7 Acadian Lines	Halifax-Yarmouth		Non
8 Acadian Lines	Halifax-Sackville		Urban
9 Jerry McLennon Bus	Truro-Halifax		Non
10 DTS Buses Ltd	Dartmouth Environs	Permission to abandon	Urban
11 Halifax Transit Corporation	Halifax Environs	DTS link on bridge	Urban
12 Dartmouth Ferry	Dartmouth-Halifax	DTS link	Urban
13 Airport Transfer	Halifax-Dartmouth-Airport		Urban
14 Peter Bianchini	Reserve-Dominion-Bridgeport	Sundays only	Non
15 J.R. Fitzgerald	Sydney-Dingwall		Non
16 R.R. MacPherson	Cheticamp-Sydney		Non
17 N.S. Kennedy & A. Fraser	Inverness-Port Hawkesbury		Non
18 C&M Coach Lines	New Waterford-Sydney	service abandoned 1975	Urban
19 Allen Buses	Sydney-Sydney Mines		Urban

20	Allen Buses	Sydney-Edwardsville		Urban
21	Highland Bus	Sydney-Louisbourg	abandoned 11/75	Non
22	Highland Bus	Sydney-Archat		Non
23	Glace Bay Bus	Glace Bay environs		Urban
24	Glace Bay Bus	Glace Bay-Sydney		Urban
25	Glace Bay Bus	Glace Bay-New Waterford		Urban
26	Sydney & Whitney Pier Bus Service	Sydney environs		Urban
27	Briand's Cabs	Sydney-Airport		Urban
28	Carl MacEachern	Joggins-Amherst	No longer operational	Urban
29	P.J. Thibodeau	Weymouth-Yarmouth		Non
30	Pictou County	New Glasgow environs		Urban
31	Canadian National	Sunneybrae-Trenton	Regulated by CTC in lieu of abandoned rail service	Non
32	Canadian National	Truro-Caribou	Regulated by CTC. replaces abandoned rail service	Non
33	Motor Mart Ltd	Yarmouth-Airport		Non

TABLE XXV

Scheduled Service 1985

Acadian Lines Limited

Halifax-Yarmouth via Annapolis Valley
Halifax-Amherst via Wentworth Valley
Halifax-Amherst via Parrsboro
Halifax-Sydney via Baddeck
Halifax-Sydney via St. Peters

MacKenzie Bus Line Limited

Halifax-Yarmouth via South Shore

Kennedy Fraser

Port Hawkesbury-Inverness

Al's Vans and Cabs

Canso-Antigonish

Zinck's Bus Co. Ltd.

Sherbrooke-Halifax

Mount Cabot

Sydney-Neil's Harbour

Transoverland

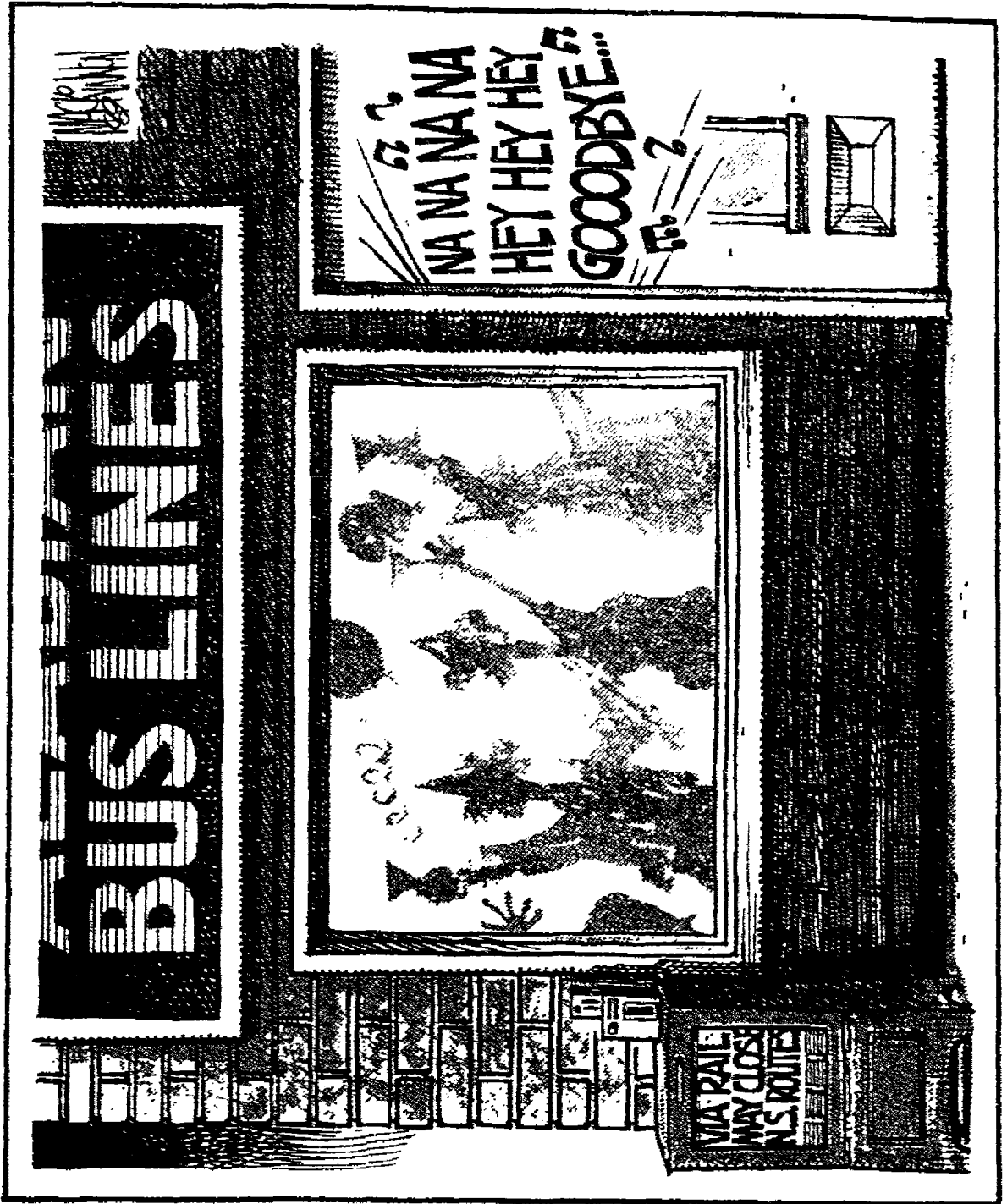
Cheticamp-Sydney via Inverness

TABLE XXVIA
VIA COST RECOVERY ANALYSIS

Train Service: Halifax Yarmouth	1985	1986	1987
<u>Statistics</u>	(000)		
Passengers	69	54	47
Passenger Miles	8,058	6,366	5,459
Seat Miles	19,903	17,657	16,452
Train Miles	158	157	153
Car Miles	279	247	234
<u>Revenues</u>	(000)	(000)	(000)
Service Revenues	945	789	680
Transp &	86	78	66
Accomm	<u>36</u>	<u>0</u>	<u>0</u>
OBS			
Other (Tour, Mail, Bag)			
<u>Sub Total</u>	1,068	867	746
Station Revenues	<u>0</u>	<u>0</u>	<u>0</u>
<u>Total Revenues</u>	1,068	867	746
<u>Avoidable Costs</u>	(000)	(000)	(000)
Transportation	1,035	1,106	1,039
Equipment Maintenance	714	643	794
Customer Services			
On Train	142	149	150
Off Train	87	123	111
Marketing & Sales	33	14	12
Station Property	71	124	125
<u>Other</u>	<u>3</u>	<u>0</u>	<u>0</u>
<u>Total Avoidable Costs</u>	2,085	2,159	2,231
<u>Shortfall</u>	(1,017)	(1,292)	(1,485)
<u>Recovery Ratios</u>	51.2%	40.2%	33.4%

TABLE XXVIB
VIA COST RECOVERY ANALYSIS

TRAIN SERVICE: Halifax-Truro- Sydney	1985	1986	1987
<u>Statistics</u>			
Passengers	170	151	102
Passenger Miles	20,377	18,918	17,289
Seat Miles	49,627	48,421	43,864
Train Miles	362	357	334
Car Miles	716	707	642
<u>Revenues</u>	(000)	(000)	(000)
Service Revenues			
Transp. & Accom.	1,870	1,904	1,673
OBS	236	209	176
Other (Tour, Mail, Bag)	<u>78</u>	<u>24</u>	<u>26</u>
Sub Total	2,184	2,137	1,875
Station Revenues	<u>0</u>	<u>4</u>	<u>12</u>
<u>Total Revenues</u>	2,184	2,141	1,887
<u>Avoidable Costs</u>	(000)	(000)	(000)
Transportation	2,590	2,680	2,932
Equipment	1,335	1,718	1,647
Maintenance			
Customer Services			
On Train	392	388	331
Off Train	722	686	702
Marketing & Sales	435	33	34
Station Property	719	606	322
Other	<u>89</u>	<u>12</u>	<u>0</u>
<u>Total Avoidable Costs</u>	6,290	6,122	5,969
Shortfall	(4,106)	(3,981)	(4,083)
Recovery Ratios	34.7%	35.0%	31.6%



MAPS OF NOVA SCOTIA MOTOR COACH ROUTES

Map I	1938
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Map II	1946
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Map III	1963
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Map IV	1988
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