

# The Origins of Taxicab Limitation in Vancouver City (or “Good Try Anyway, Stanley Anderson”)\*

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The subject of taxicab limitation has become a perennial issue in Vancouver city politics. Although the limitation of the number of taxicabs which may operate in the city is only one example of civic attempts to restrain free enterprise in the Vancouver marketplace, there is no other economic activity over which civic control has been so complete, so durable, and so manifestly contrary to the interests of the using public. Observers of the more recent spasms of controversy over the issue, perceiving that taxicab companies are well-organized, well-represented, and successful in defence of taxicab limitations, might plausibly conclude that limitations were imposed in the first place at the behest of the companies by a compliant city council careless of the interests of unorganized and unrepresented taxicab users. Such a conclusion would be only partially true, for limitation was not proposed in the first place by the companies. Moreover, the temptation to cast the companies in the villain's role must be approached with caution. To a large extent the Vancouver taxi companies have been, and remain, co-operatives composed of individual owner-drivers. The companies, then, should be seen more as alliances of independent small businessmen than as big business exploiting employees and public alike. Furthermore, despite its general, although not altogether consistent, desire to introduce taxicab limitation, the Vancouver city council played only an incidental role in bringing about the limitation.

As it happened, the actual imposition of limitation was, in a cruel paradox, triggered quite unintentionally by a solitary defender of the public interest named Stanley H. Anderson as he sought to *prevent* the imposition of limitations. Had Stanley Anderson not stepped forward it is quite possible that limitation would not have come about at all. Our purpose in unravelling the tangled web of events that led to taxicab limi-

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tation in Vancouver is simply to explain how such a consequential and undesirable public policy came about in the first place. How to end the policy is quite another matter — but we would be delighted if our efforts should prove helpful to some future and more successful Stanley Anderson.

In this country, as in the United States and Europe, those whose private business it is to convey the public were among the earliest to experience government regulation. Hackmen, in particular, were compelled by local authorities to keep a safe and clean vehicle, to serve all who sought conveyance, to await customers only at specified locations or “stands,” and often to charge an approved rate and to demonstrate sound moral character. Above all, in virtually every city, each hack had to be licensed by the local authority. The appearance of the automobile taxicab did not in itself result in any change in these circumstances. Eventually, however, a new regulatory concept emerged in cities of the United States.

The previous principle that cities would issue a licence to every qualified applicant was now modified by what is often called the “medallion requirement.” Under this requirement each taxicab required a medallion (which might be equivalent to a licence or might be a separate requirement) but — and this was the crucial point — only a limited number of medallions would be issued. Usually the number of medallions was fixed at the number awarded to qualified persons applying by a closing date. As the cities grew, the medallions themselves became an increasingly valuable commodity, for in most cases the medallions could be transferred by private transaction. Taxi users suffered. They had less service, because cabs were fewer and cabmen less competitive, and paid higher fares because cab owners had to recover the cost of the medallions and because the monopoly circumstance gave no incentive to charge minimum fares.<sup>1</sup>

By 1934 taxicab limitation, through the medallion requirement, had been imposed in the five American cities with populations greater than one million, and in about half of the cities with populations greater than 100,000.<sup>2</sup> In at least one major early instance, that of Chicago, the first proposal to limit taxicabs did not come from taxi owners but from the owners of rail and bus lines whose aim was to limit the activities of their

<sup>1</sup> M. E. Beesley, “The Regulation of Taxis,” *Economic Journal* (March 1973), pp. 150-72; Ross D. Eckert, “The Los Angeles Taxi Monopoly: An Economic Inquiry,” *Southern California Law Review* 43 (1970), pp. 407-53; Paul Verkuil, “The Economic Regulation of Taxicabs,” *Rutgers Law Review* 24 (1970), pp. 672-711; I. Kitch, M. Isaccson and D. Kasper, “The Regulation of Taxicabs in Chicago,” *The Journal of Law and Economics* (October 1971), pp. 285-350.

<sup>2</sup> Verkuil, *Rutgers Law Review*, p. 688.

taxi-operating competitors. In 1929, taxi owners opposed Chicago's first attempt to impose the medallion requirement, and were in part responsible for the measure's repeal in 1932. Before long, however, they recognized the benefits of limitation and supported its re-imposition in 1934.<sup>3</sup>

In Vancouver the first civic regulation of taxicabs specifically came in 1910, one year after automotive taxis appeared in the city.<sup>4</sup> In 1912 two separate bylaws were passed by council — one dealing with taxis, the other with taxi stands. Each bylaw was changed frequently during ensuing years, with more and more facets of the business coming under civic control. In 1934 the existing bylaws were revised and consolidated into one bylaw, but there was still no indication that limitations might be imposed in the city.<sup>5</sup> Lurking in the Vancouver charter, however, was a provision whose relevance to taxicab limitation went unnoticed. The new charter of 1921 had empowered the council to pass bylaws "for regulating and licensing . . . the owners and drivers of . . . cabs, carriages, omnibuses, automobiles, and other conveyances or vehicles used for hire."<sup>6</sup> Except for addition of the word "automobiles," the wording of the 1921 provision was virtually the same as that used in the first charter of 1886;<sup>7</sup> in particular, the phrase, "for regulating and licensing" remained exactly the same. But by 1921 the city was seeking to expand and clarify the meaning of the word "regulate." The 1921 charter included the terms "control" and "restrict" along with "regulate" in a number of its provisions. By this time the question had also arisen whether the power to license included the discretionary power to refuse a licence to an applicant.

Amendments to the charter after 1921 display a pronounced tendency to amplify the actual enabling phrases.<sup>8</sup> For example, a 1930 amendment

<sup>3</sup> Kitch, et al., *JLE*, pp. 316-21. These authors believe that the national scene was the "paramount factor" in the turnabout in Chicago between 1932 and 1934, for with the National Recovery Act decreeing "the desirability of limiting competition faced by industrial giants, then why should not the same thing be done for Chicago taximen?" *Ibid.*, p. 321.

<sup>4</sup> Vancouver *Daily Province*, 4 October 1909.

<sup>5</sup> Vancouver City Council, Bylaws 942 and 952 (1912), and 2296 (1934).

<sup>6</sup> SBC 1921 (2nd Sess.) c.55, s.163(131). The charter is the provincial statute which serves as the city's constitution. All other municipalities are governed by the *Municipal Act*. By and large the city controls the contents of the charter, since new charters (there have been four since 1886) are drafted by civic officials and since the legislature usually follows the city's advice in amending the charter.

<sup>7</sup> SBC 1886, c.32, s.142(73).

<sup>8</sup> The next charter, that of 1953, settled the matter by defining "regulating" itself to include "authorizing, controlling, limiting, inspecting, restricting, and prohibiting." SBC 1953, c.55, s.2.

gave power to pass bylaws “prohibiting or regulating, restricting, limiting, and controlling” posters and billboards.<sup>9</sup> Similarly, a 1933 amendment which was intended primarily to allow the city to define and classify the differing sorts of vehicles for hire, and to allow different regulations for the different sorts, included a revised enabling phrase: “For regulating, limiting, and licensing . . . the owners and drivers of . . . cabs, carriages, omnibuses, automobiles, and other conveyances or vehicles used for hire. . . .”<sup>10</sup> There is no evidence that the new wording was devised with the intention of limiting the number of taxicabs — the provision, in fact, refers to “owners and drivers” and not to limiting cabs or automobiles as such. Furthermore, as events of later years reveal, the city’s legal staff did not believe that the provision granted limitation power to the city.

By the mid-thirties there were numerous taxi owners in Vancouver, varying from one-car owners to large fleet owners. Three organizations existed: The United Taxicab Owners Association (UTOA), the Vancouver Taxicab Owners Association (VTOA), and the Commercial Vehicles Association (CVA). On the civic side the Police and Traffic Committee of council and council itself dealt often with taxi matters. Unauthorized but commonly used stands and traffic congestion and parking problems at designated taxi stands were a major cause of complaint and civic concern. In 1936 there were over 200 taxicabs licensed in Vancouver, while the population was some 253,000. The cab/population ratio was 1/1,248.<sup>11</sup> Acting on a request from the VTOA in April 1936, the council formed the “Taxi Control Board.” The board consisted of Inspector W. Lemon, officer in charge of the police department’s traffic detail, two other officials, and one representative of each of the taxi owners’ organizations.<sup>12</sup> Despite its name, the body had no formal powers. It was intended to induce owners and drivers to co-operate voluntarily to alleviate the problems associated with taxi stands.

By early July, the problems had not been solved, at least to the satisfaction of Inspector Lemon, who believed that downtown businesses were suffering because of the congestion and parking problems caused by the great number of stands. In an editorial the Vancouver *Sun* publicized

<sup>9</sup> SBC 1930, c.80, s.15.

<sup>10</sup> SBC 1933, c.79, s.7.

<sup>11</sup> Vancouver *Sun*, 18 November 1937, and Vancouver, City Clerk, *Municipal Yearbook 1937* (Vancouver: City Council, 1937), p. 47.

<sup>12</sup> *Sun*, 21 April 1936.

the inspector's views and endorsed limiting the number of stands. (It must have been evident, however, that limiting *stands* but not *cabs* would lead to even greater bottlenecks — and to a more volatile tension among drivers seeking access to the fewer spaces.) One month later the inspector told the Police and Traffic Committee that “small taxi outfits here are not making a living. . . . They are only cutting each other's throats. The time is coming when we will have to limit taxi licenses.”<sup>13</sup> It was likely that taxicab limitation was a possibility which owners, drivers and civic officials, aware of the American experience, would have discussed among themselves before this time; but as far as we are aware, it was Inspector Lemon who raised the possibility to the level of serious public discussion. It seems, however, that the inspector had not intended to do so specifically, for his comments were reported as being “incidental” to another matter being discussed.<sup>14</sup>

For the rest of 1937 only the VTAO made its position public. After some internal debate, the VTOA executive informed the Police and Traffic Committee that it was “absolutely opposed to the limitation of taxicab licences.”<sup>15</sup> Early in 1937 the city council had authorized the formation of a committee of civic officials, taxi owners and taxi drivers to review the limitation proposal. The whole committee does not appear to have been active, but in March 1937 three of its members — F. R. Holland of the Traffic Safety Council (an advisory body consisting of representatives of various public and private groups), Birt Showler of the Trades and Labour Council (whether Showler, who later became an alderman, genuinely represented the drivers or was appointed as generally representative of worker interests is not now clear) and William Brown of the CVA — submitted a limitation proposal to the city council. Under the proposal the maximum number of taxicabs allowed would be one for each 2,000 inhabitants of the city; a “taxicab board of control” would enforce the limitation and determine to whom licences would be granted.<sup>16</sup> Both the VTOA and the UTOA disagreed strongly with the proposal — which, if implemented, would have meant that no new licences would be issued until the city's population had expanded to 400,000, the point at which there would be more than 2,000 persons for each existing cab licence. The spokesman for the VTOA stated that the

<sup>13</sup> *Daily Province*, 11 August 1936.

<sup>14</sup> *Ibid.*

<sup>15</sup> Vancouver City Council, Police and Traffic Committee, *Minutes*, 9 October 1936.

<sup>16</sup> *Sun*, 17 March 1937.

proposal “couldn’t have been drafted any better if it was made up in the offices of the B.C. Electric.”<sup>17</sup>

The city’s legal department prepared a memorandum for the council on the proposal, which stated in part:

All bylaws having the effect of interfering with or restraining trade or commerce, preventing competition, creating monopolies and depriving persons engaged in traffic and industry from equal opportunities are void [that is, would be so declared by the courts]. . . . The right to carry on the business of a taxicab operator is a common law right and if the City Council desires to prohibit such operation the power to do so must be conferred by language clear and admitting of no doubt. It is very doubtful if the wording in the City Charter is in such clear and unmistakable language as to allow the Council to pass a bylaw which in effect would restrain trade and create a monopoly.<sup>18</sup>

The memorandum went on to argue that courts frowned upon monopolies, that the number of taxis should not be controlled any more than the number of gas stations, carpenters or plumbers, and that any undesirable conditions in the taxi industry could be dealt with under existing powers.<sup>19</sup> Presumably the memorandum was written by, or at the direction of, corporation counsel D. E. McTaggart.

The city council nevertheless accepted the limitation proposal, and applied to the legislature for a charter amendment to allow the council to pass the bylaws necessary to implement the proposal.<sup>20</sup> Charter amendments are handled by the legislature’s Private Bills Committee, which traditionally acts in a non-partisan manner (since virtually all private bills, by their very nature, involve matters of no concern to the parties as such) and which usually approves Vancouver’s requests for charter amendments. The committee held hearings on Vancouver’s request in November 1937. D. E. McTaggart argued that the city’s responsibility for ensuring safety on public streets entitled it to have the power to limit

<sup>17</sup> *Ibid.* While the B.C. Electric Company did operate mass transit facilities in the city, it also owned a taxi company — this company was one of those forming the UTOA.

<sup>18</sup> *Sun*, 29 September 1937. The memorandum was given to the *Sun* by the president of the VTOA, who stated it had been given to him by Alderman Fred Crone, a proponent of limitation.

<sup>19</sup> *Ibid.*

<sup>20</sup> It might be thought that the thrust of the city’s request was to obtain authorization to establish the proposed *board*, which was not mentioned in the charter. This was not the case, however, since the charter already gave to council the power to create whatever “departments or offices” it wished and assign them “such duties, instructions, and responsibilities . . . as it may deem necessary or expedient.” SBC 1921 (2nd sess.), c.55, ss.280-81.

the number of taxicabs operating on those streets. Committee chairman H. G. T. Perry (Liberal) was not persuaded: "It seems to me such a move would create a monopoly. Eventually some corporation will gain control of the business. You have not presented any case to the committee so far."<sup>21</sup> CCF members Harold Winch and Lyle Telford<sup>22</sup> opposed the proposal on the same grounds, while Conservative R. L. Maitland favoured the idea. Angelo Branca, representing the VTOA, argued against the proposal while the CVA president argued in favour. The UTOA made no submission.<sup>23</sup> The council now decided to drop its main proposal, but to request specific power to appoint an advisory board.<sup>24</sup> The committee approved this request and the legislature amended the charter to provide for the "Official Traffic Commission" to advise council concerning regulation of taxis and other commercial vehicles.<sup>25</sup> The commission was established in 1938, and in 1939 the council passed a new bylaw dealing with taxis and other commercial vehicles.<sup>26</sup> The bylaws ignored completely the question of taxicab limitation.

The Second World War brought a host of federal regulations affecting the transportation industry. In one of these, issued in 1942, the Transit Controller, Department of Munitions and Supply, prohibited the operation of any vehicle as a taxicab unless the vehicle had been used as such during 1941.<sup>27</sup> Taxicab limitation thus came to Vancouver in the first place quite without any civic or provincial action. The number of taxicabs in operation during 1941 had been approximately 215; the civic population in that year was 275,353 — the cab/population ratio at the time the limitation went into effect was thus approximately 1/1,285. In April 1945, as the war was coming to an end, the transit controller issued a new order exempting war veterans from the 1942 regulation providing they had been taxi owners or drivers before enlisting.<sup>28</sup> The VTOA, by this time claiming that it represented the owners of more than 90 percent

<sup>21</sup> *Daily Province*, 17 November 1937.

<sup>22</sup> Telford was mayor of Vancouver for the 1939-40 term.

<sup>23</sup> *Daily Province*, 18 November 1937.

<sup>24</sup> *Daily Province*, 18 and 22 November 1937.

<sup>25</sup> SBC 1937, c.82, s.17. The practice of amending the charter to provide specifically for something already provided for generally is a rather frequent occurrence in the history of charter amendment.

<sup>26</sup> Bylaw 2612.

<sup>27</sup> B.C., Public Utilities Commission, *Third Annual Report* (Victoria: King's Printer, 1943), p. 7.

<sup>28</sup> *Daily Province*, 3 April 1945.

of the city's cabs,<sup>29</sup> immediately saw the possibility that innocent veterans might be duped into acting as fronts for "racketeers." The city solicitor, A. E. Lord, was equally protective, stating: "We must see that returned men are not made a tool of such interests."<sup>30</sup> The Official Traffic Commission promptly struck a special committee to report upon the advisability of recommending to council that a charter amendment be sought empowering the council to continue taxicab limitation. The VTOA announced that it favoured such an amendment.<sup>31</sup>

No evidence was presented that criminal elements, organized or otherwise, were eyeing the taxi industry in Vancouver. Perhaps the temptation to undertake illegal activities such as bootlegging, procuring and burglary of premises left unoccupied by customers is greater for cabdrivers than for most other occupations (hence the common requirement that cabdrivers have no police record), but there is nothing to suggest that individual cabdrivers are more virtuous under limitation than under open entry. Moreover, if organized crime were seeking investment, limitation would make the taxi industry more attractive than otherwise, since profits would be greater. The linking of open-entry with crime was, and remains, a red herring.

The federal traffic controller's action on behalf of veterans began a year-long period which ended with a final resolution of the question. Many veterans applied for taxi licences. As before the war, applications went first to the Official Traffic Commission, whose recommendation council subsequently relied upon in deciding whether to grant a licence. In August 1945 the federal regulation of 1942 was cancelled, allowing anyone to apply for a taxi licence. Six months later the number of cab licences had increased to 283,<sup>32</sup> resulting in a cab/population ratio of 1/1,095.<sup>33</sup>

The VTOA remained fully alert to the perils facing new applicants. The association saw limitation as desirable not only as a means of keep-

<sup>29</sup> *Ibid.*, 1 December 1944; 22 January 1946.

<sup>30</sup> *Ibid.*, 6 April 1945. The position of city solicitor is second to that of corporation counsel in the city's legal department.

<sup>31</sup> *Ibid.*

<sup>32</sup> *Sun*, 14 February 1946.

<sup>33</sup> No census was conducted of the city's population in 1946. We have assumed the 1946 population was mid-way between that of 1941 and 1951 (that is, 310,000). The city's own contemporary estimate of civic population at the time was 331,500 (so probably council members believed the cab ratio was 1/1,171), but the city's postwar estimates appear to have been excessive. The estimate for 1951 was 385,500 while the Dominion census revealed only 344,833. Cf. Vancouver, City Clerk, *Municipal Yearbook 1948* (Vancouver: City Council, 1948), p. 54.



ing racketeers from controlling the business, but also as a means of preventing veterans from making unwise investments,<sup>34</sup> of inhibiting “illicit sidelines, such as bootlegging,”<sup>35</sup> and of forestalling “sabotage” and other violence within the taxi industry.<sup>36</sup> The VTOA even offered to bear half the city’s costs in seeking the charter amendment. Furthermore, the association attempted to make the point that it was not actually seeking “limitation” at all, but rather a means of ensuring that licences be issued according to the principle of “public convenience and necessity.”<sup>37</sup> The *Sun*, the *Daily Province* and the *News Herald* approved of limitation as a means of reducing downtown traffic congestion, providing that existing operators were not allowed any monopoly and that veterans were not denied entry.

The civic authorities, pressed by the VTOA and the newspapers, and facing a flood of new applicants, responded with committees. The OTC’s committee recommended seeking a limitation amendment to the charter. City council referred the matter to its own committee responsible for considering charter amendments. This committee recommended, in November, that no limitation amendment be sought, and council appeared ready to let the matter die. The VTOA responded with new appeals to both the OTC and to the council. The matter simmered over the Christmas period. In January 1946 the OTC recommended the issuing of 78 new licences. At this time the council set up a special committee to reconsider the issue.<sup>38</sup> Council postponed considering the 78 applications pending the committee’s report.

By mid-February the OTC had recommended the issuing of some 150 new licences (including the earlier 78), but council still awaited the special committee’s report. On Wednesday, February 13, a new actor entered the arena. Stanley H. Anderson, lawyer, representing several applicants whose licences remained unissued, threatened court action to halt the delay at City Hall. The delay, said Anderson, meant that council was in fact limiting licences — as council had no power to do.<sup>39</sup> On the following Monday the special committee recommended

<sup>34</sup> *Sun*, 1 October 1945.

<sup>35</sup> *Ibid.*, 30 November 1945.

<sup>36</sup> *Ibid.*, 22 January 1946.

<sup>37</sup> Vancouver, *News Herald*, 31 January 1946.

<sup>38</sup> Composed of three aldermen and the city solicitor, the license inspector and the police inspector in charge of traffic, it functioned as a subcommittee of the Fire, Police and Traffic Committee.

<sup>39</sup> *Sun*, 14 February 1946.

that the Private Bills Committee of the Legislative Assembly be requested to include in the City's Bill for Charter Amendments a clause which will give authority to the City to provide that in the issuance of licences for the operation of vehicles for hire the Council may consider public convenience and necessity in respect to the number of vehicles for hire. . . .<sup>40</sup>

The next day, in its regular Tuesday meeting, the council responded to the committee by accepting its recommendations and to Anderson by starting to process the backlog of licence applications. The VTOA objected, and continued to do so as more licences were issued in the next several weeks. One licence *not* issued was that applied for by Theodore Flint, who already owned one licence and who was applying for two more. Both the OTC and a council committee had recommended against any new licences for Mr. Flint. Stanley Anderson now stepped forward on behalf of Mr. Flint; on March 9 he filed suit in the provincial supreme court "for an Order Nisi that the City of Vancouver Council do show cause why a preemptory writ of mandamus should not issue directed to them commanding them forthwith to issue a licence to the said Theodore Flint."<sup>41</sup> The court hearing, before Mr. Justice Manson, began on March 13 and was adjourned to March 20 for decision.<sup>42</sup>

On March 19, in Victoria, the legislature's Private Bills Committee held public hearings on Vancouver's request. Corporation counsel McTaggart<sup>43</sup> argued that without limitation taxicabs would "get into a ramshackle condition and competition will get so keen that taxi drivers will engage in practices that are not proper."<sup>44</sup> Stanley Anderson, appearing on his own, asked the committee to deny the city's request. He said that larger established companies already had an easier time getting additional licences than did smaller new companies, and that council was seeking more and more control over the activities of its citizens, thus add-

<sup>40</sup> Fire, Police and Traffic Committee, *Minutes*, 18 February 1946. The committee used the "public convenience and necessity" clause suggested by the VTOA. But, as city solicitor Lord had said two weeks earlier, the issue was limitation — whatever the wording. *News Herald*, 31 January 1946.

<sup>41</sup> *Theodore Flint v. The City of Vancouver Council* [1946] S.C.B.C. 227. Manson, J.

<sup>42</sup> *Ibid.* Mr. Justice Manson was no stranger to either Vancouver civic politics or to the charter. In 1935, while an MLA and chairman of the Private Bills Committee, he had been responsible for devising and shepherding through the legislature the charter amendment compelling the council to hold a plebiscite on the ward issue. The plebiscite led to the abolition of wards. Earlier Manson had been Attorney General.

<sup>43</sup> He subsequently drafted the city's new charter of 1953 and after that became a city alderman.

<sup>44</sup> *Sun*, 20 March 1946.

ing municipal regulation to that already prevalent at the provincial and federal levels. Anderson believed that the only aspects which should be of concern to civic authorities were the safety of vehicles and the character of drivers. Anyone with a safe vehicle and a fit character should be allowed entry. In time the number of cabs would reach an optimum level on its own. Anderson also pointed out that under the *de facto* limitation which already existed taxi service in the city was excessively bad.<sup>45</sup> Harold Winch told the committee that it was “remarkable” that Vancouver should seek to limit “private initiative,” that similar regulation by the provincial Public Utilities Commission was not in the general interest, and that monopoly control would result if the city got its way.<sup>46</sup> Although there is no firm evidence of how the committee would have disposed of the issue, there is no report of any committee member indicating support for limitation. In light of the committee’s previous rejection of the proposal, it seems reasonable to conclude that the committee would once again turn down the proposal.

The issue was resolved the next day, not by the Private Bills Committee but as a result of Stanley Anderson’s initiative in going to court. Mr. Justice Manson decided that Theodore Flint had no case — because the city *did* have the power to limit the number of taxicabs. The amendment of 1933, in the judge’s view, even though it was “horribly drawn,” did indeed grant the limitation power.<sup>47</sup> That the amendment had been “horribly drawn” was a point on which Mr. Justice Manson could speak with authority, for he had himself been a member of the legislature’s Private Bills Committee in 1933 when it approved the wording which the judge now criticized.<sup>48</sup> Mr. Flint’s case was dismissed and Mr. Flint was required to pay to the city the costs it had incurred in the case. Both the city and the Private Bills Committee dropped the matter.<sup>49</sup>

The council used its new-found power in November 1946 when it enacted a bylaw restricting the number of taxicabs to one cab for each

<sup>45</sup> *Victoria Daily Times*, 19 March 1946.

<sup>46</sup> *Sun*, 20 March 1946.

<sup>47</sup> *Sun*, 21 March 1946.

<sup>48</sup> Cf. footnote 42 above. See also B.C. Legislature, *Journals . . . Session 1933*, pp. 3 and 5.

<sup>49</sup> The new charter of 1953 (drafted by McTaggart) unambiguously empowered the council to limit the number of taxis and to delegate this power (subject to appeal to the council) to a board appointed by the council. Eventually the Vehicles-for-Hire Board was created to administer the limitation. Cf. SBC 1953, c.55, s.317 (k,l,m).

1,000 persons in the civic population.<sup>50</sup> At this time, as has been mentioned, the actual ratio was in the area of 1/1,095 (although, as has been noted, the council may have believed it was closer to 1/1,171).<sup>51</sup> The council appears to have chosen the 1/1,000 ratio because it involved a convenient round number and because it was close to the existing ratio. Over the next three years, the council issued new licences to bring the number of cabs up to the 1/1,000 ratio and to keep the ratio in line with the growing population. In November 1949 the number of cabs was 355,<sup>52</sup> representing a ratio of almost exactly 1/1,000.<sup>53</sup>

One final scene, however, was still to be played. Birt Showler, who had played a part in pressing for limitation thirteen years earlier, had been elected as an alderman in December 1948. A trade union official and an east-side resident (at 2655 Turner Street), Showler did not fit the stereo-typical image of council members as west-side businessmen. Showler now pressed for further limitation. The VTOA, various independent taxi owners and the local union representing taxicab and bus drivers gave their support. In April 1950 the council revised the ratio to 1/1,600 — but provided that no existing licences would be withdrawn.<sup>54</sup> The taxi industry could rest secure, for in principle no new licences would be issued until the city's population reached 569,600. At the rate of absolute annual increase then occurring (6,948 each year), this point would be reached in 1984.<sup>55</sup>

Since 1950 no change of any consequence has occurred. While Robert Williams was alderman in the 1960s his criticism of the taxi monopoly led only to his being publicly dismissed as “nuts” by the president of the VTOA.<sup>56</sup> Alderman Harry Rankin, chairman of the Vehicles-For-Hire Board, proposed in the mid-seventies that 25 new non-transferable licences be issued — but only to the five companies then operating cabs in the city. The companies were opposed, but the board proceeded to authorize the new licences in April 1975.<sup>57</sup> The result of the ostensible

<sup>50</sup> *News Herald*, 26 November 1946.

<sup>51</sup> Cf. footnote no. 33 above.

<sup>52</sup> *Sun*, 14 November 1949.

<sup>53</sup> The 1951 census showed a population of 344,833; the city's own estimate for 1949 was 369,040.

<sup>54</sup> Bylaw 3182, 12 April 1950.

<sup>55</sup> As it turned out, however, the city's population reached some 426,000 in 1971 and then began to decline.

<sup>56</sup> *Sun*, 5 April 1966.

<sup>57</sup> *Ibid.*, 26 April 1975.

change in policy was revealing: the companies did not apply for the new licences.<sup>58</sup> Nevertheless, the dangling bait of the new licences did prove an unsettling factor within the industry — especially as the council at times appeared willing to consider granting the licences to individuals or companies not already in the business. The VTOA continued to warn that the issuing of new licences would supplant the existing state of virtue with one of violence and vice.<sup>59</sup> The city council again offered 25 new licences to the companies in October 1980. This time the companies bought all the new licences.

What have been the effects of taxicab limitation in Vancouver? In the first place, taxi fares are higher than they would otherwise need to be — in part because licence costs must be recovered in fares. Licence prices vary with the profitability of the company concerned. Individual prices have exceeded \$70,000; the 25 new 1980 licences sold for \$30,000 each. While such prices are themselves proof that the industry is profitable, there is no way for an outsider to obtain reliable cost and revenue information. In applying for new fare schedules the industry may be tempted to understate past costs and overestimate future costs in order to justify a higher percentage increase in fares. The operating costs which the VTOA reported in 1977 for the 1975 year were considerably less than the costs which the VTOA had reported in 1975 for that year.<sup>60</sup> Other lower mainland municipalities normally keep exactly in step with Vancouver's fare structure. During the last decade among larger cities in Ontario and western Canada only Calgary has had higher rates than Vancouver. Vancouver's rates appear to have generally exceeded those of the other cities by some 10 to 20 percent.<sup>61</sup>

A second, and more consequential, effect of limitation is evident in the quality of taxi service. Despatchers give priority to calls within the busier downtown core and to trips which will be more profitable. The rule forbidding drivers from responding to curbside hailing in the city perpetuates the ability to play favourites. This rule is incomprehensible to visitors from cities with open entry, in which drivers are usually *required*, if not on call, to respond to curbside hailings. At cabstands drivers may

<sup>58</sup> By 25 July 1975 only three of the new licences had been applied for. *Daily Province*, 25 July 1975.

<sup>59</sup> Cf. remarks of the president of the VTOA on CBC Radio program "Good Morning Radio," 7:45 a.m., 3 October 1979.

<sup>60</sup> Cf. Report of Vancouver Director of Finance to City Manager, 25 November 1977, on the subject "Taxi Fare Increase," p. 2.

<sup>61</sup> *Ibid.*, pp. 31-34.

ignore the first-come-first-served principle in order to select the trip most advantageous to them. The practice was especially well developed at the Vancouver International Airport until publicity compelled the federal authorities to take remedial action. Calls from the periphery of the city, unless a booking is made for a specific time well in advance, are not responded to until all more desirable calls have been dealt with.<sup>62</sup> Limitation of taxis thus results in limitations in service. These limitations have prevented taxis from becoming a major element in the city's public transportation system. Civic authorities seem content to let the present rule the future in this regard, for taxis have rarely, if ever, been looked upon as a possible major component in public transportation of the future. Quite possibly an adequate taxi system could provide advantages in terms of responsiveness, economy, flexibility and compatibility with other components of the transportation system.

That the taxi industry provides a good and secure income for those established in it is a third consequence of limitation. When questioned about the effects of delimitation, owners and drivers usually respond quickly and frankly that the prime effect would be the loss of income and security they would suffer. Whether the benefits to the taxi industry outweigh the costs borne by taxi users and by those who would use taxis were the limitations removed is not the subject of any real debate. The public debate which occurs from time to time is dominated by the VTOA, which now represents the owners of all taxis in the city. There is now no public expression of differing views within the industry, as there was when limitation was first proposed. There is no expression at all of views from the public. Limitation itself has precluded the presence of a substantial group of residents who rely on taxis as their regular transport and whose spokesmen might to some extent balance the voice of the VTOA at City Hall. Those who do use taxis — visitors, the disabled, those on expense accounts, and those temporarily without other means of transport — are a disparate lot without voice or presence at City Hall. The taxi industry thus enjoys a political monopoly through which it protects its economic monopoly.

If only Stanley Anderson had kept his mouth shut.

<sup>62</sup> As Tennant can testify from personal experience: a cab ordered by telephone at 6:30 p.m. on a weekday in April 1980 arrived at UBC at 8:45 p.m.