The Canadian Taxi Wars, 1925–1950

Donald F. Davis

Article abstract

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Résumé
Entre 1925 et 1950, il y a eu dans la plupart des grandes villes canadiennes une guerre des taxis qui a fait s’effon­ drer à la fois les tarifs et les revenus des chauffeurs. À l’origine de ces guer­ res : la facilité à entrer dans l’indus­ trie. À la fin des années vingt en effet, les propriétaires de véhicules s’aperçurent que pour faire des profits, ils n’étaient pas obligés d’acheter une concession, de possé­ der un véhicule construit selon des normes spéciales, de s’équiper d’un central téléphonique et d’un taximètre. Les plus vieilles compagnies qui avaient investi dans ces équipements ont réussi en 1950 à persuader les grandes villes canadiennes — y compris Winnipeg et Vancouver, les deux dont il est ici question — d’appliquer l’actuelle ré­ glementation. L’imposition de tarifs uniformes, de taximè­ tres, de salaires minimums, d’assurance-responsabilité ainsi que de quotas limitant l’accès à l’industrie (par le système des licences) ont réussi à mettre fin aux guer­ res du taxi. Si l’industrie a ensuite fonctionné de façon moins chaotique et plus éthique, le nouveau régime en a toutefois réduit la souplesse et l’a, par le fait même, ren­ due moins utile pour le déplacement des masses urbaines.

Why are Canadian taxis so expensive? Why do they spend so much time standing empty? Wouldn’t they make more money if they stayed busier, scurrying about like the yellow cabs of New York? Why do they almost always have taximeters? Why don’t cabs have a one-fare policy like public transit in most Canadian cities? Or, if this question seems too far-fetched, why don’t they charge by the zone, as does mass transit in the larger metropolitan areas? These questions have probably occurred at least once to every Canadian. That does not mean that Canadians have spent much time or effort thinking about their answers, for generally Canadians have taken taxicabs for granted. Cabs have rarely generated the public controversy and politicking that railways, trams and buses regularly have. Whereas mass transit issues often preoccupied newspapers for weeks in the first half of the twentieth century, taxis rarely rated more than a mention on the back pages. Nor have historians had much to say. There was a grand exception to this rule of neglect — a phe­ nomenon that propelled taxis into the headlines: a taxi war. Virtually every Canadian city had one sometime between 1925 and 1950, with their greatest incidence and severity coming in the early 1930s. A second, smaller peak came immediately after the Second World War. During a taxi war, as fares plummeted and “cut-rate cabs” swarmed, long-established operators feared for their survival. They lobbied government for regulatory relief. When fares descended to the price of a street car ride, tram companies warned darkly of service cutbacks, indeed of total shutdown, unless they, too, received protection. Suddenly taxis were the talk of the town, an obsession of editorials, municipal councilors and provincial officials. From these local taxi wars emerged the collective Canadian decision to limit the number of taxicabs and to end their price competition. For the rest of the twentieth century, neither the Canadian taxi nor its regulatory regime changed significantly. Thus, to understand the role of taxicabs in Canadian cities since the mid-1920s, it is necessary to investigate the taxi wars of 1925–1950 — their origins, their battles, and the regulatory settlements that ended them.

While every major city had a taxi war, and while this essay draws on the story of a dozen of them, the primary focus here is on the taxi wars in Vancouver and Winnipeg. The reason for this choice is straightforward: Their records are unusually rich. Winnipeg is a rare, possibly unique instance where the files of the Council committee with taxi oversight survived. Moreover, it was one of the few cities in the 1930s to have had a government commission investigate its taxi trade. As for Vancouver, its municipal records have huge gaps, but these can be partially filled by those of the B.C. Electric Railway. The latter has provided us, thanks to its ownership of Gray Cabs, the rare oppor­ tunity to read the internal memoranda of a taxicab operator.

This essay consists of four parts: first, an explanation of the origins of the taxi wars; second, a look at their impact on public order and on the life in the motor cab industry. Both of these sections have drawn their information from as many cities as possible, so as to create a composite picture. Besides, even the records of Winnipeg and Vancouver do not shed light on every aspect of the taxi trade in this era. The third and fourth parts of the essay examine the course of the taxi wars in the two Western cities. The conclusion emphasizes that the Great Depression played an incidental role in the taxi wars after 1925, as these were rooted in a revolution in the industry’s capital cost structure. It was the motorization of Canada, rather than its immiseration that generated the taxi wars. They broke out in both prosperity and depression. Indeed, they became well-nigh unavoidable once taxicab operators, regulators and passen­ gers accepted the use of low-priced cars for hack work.

The Revolution in Costs
A dramatic reduction in capital costs triggered Canada’s taxi wars after 1925. Until then, capital costs had been forbiddingly
The Canadian Taxi Wars, 1925–1950

high, for entrants into the motor cab industry generally had invested in large, expensive vehicles, in taximeters, in telephone dispatch networks, in garages, and in hotel or railway concessions. These expenditures seem to have been not so much mandated by local governments as expected by their clientele, which was then mainly composed of business travellers, the socioeconomic elite, and government officials. Canadians as a whole did not take cabs, both because of their high price (a cab ride of one mile in 1919 cost between 60 cents and a dollar at a time when streetcars charged five or six cents) and because most urban folk — outside of Toronto, Vancouver and Montreal at any rate — still lived within walking distance of their usual destinations. Consequently, cabs were an elite, luxury service. Since demand varied markedly by season (thanks to the Canadian custom of putting their automobiles in dead storage in winter), the most coveted business came from business travellers, for they provided steady work for cab company employees. Hence the major outfits paid for strategically located cabstands: e.g., outside the main door of the Canadian National or Canadian Pacific railway depots or one of the elite hotels like the McLaren in Winnipeg. These private concessions were expensive: Terminal City Motor and Taxi Company claimed it was paying $300 a month for a hotel stand in Vancouver in 1915. In Quebec City, the Chateau Frontenac collected a telephone fee in 1919 cost between 60 cents and a dollar at a time when streetcars charged five or six cents) and because most urban folk — outside of Toronto, Vancouver and Montreal at any rate — still lived within walking distance of their usual destinations. Consequently, cabs were an elite, luxury service. Since demand varied markedly by season (thanks to the Canadian custom of putting their automobiles in dead storage in winter), the most coveted business came from business travellers, for they provided steady work for cab company employees. Hence the major outfits paid for strategically located cabstands: e.g., outside the main door of the Canadian National or Canadian Pacific railway depots or one of the elite hotels like the McLaren in Winnipeg. These private concessions were expensive: Terminal City Motor and Taxi Company claimed it was paying $300 a month for a hotel stand in Vancouver in 1915. In Quebec City, the Chateau Frontenac collected 15 percent of “all revenue” ($9,966 in 1930) earned by the taxis and omnibuses of Quebec Cartage and Transfer. Even at these prices, hotel and railway concessions were highly coveted, and could be sold by the companies that held them. For example, Brewster Transport Company received $5400 in 1931 for its concession at the Palliser Hotel in Calgary. These transfer fees further added to the fixed cost of doing business.

A telephone dispatch system was a third, seemingly necessary expense. Some cities (for example, Edmonton in 1923) insisted that cab companies own “a permanent place of business supplied with telephone service,” but even where not officially required, telephony had become pervasive. In Hamilton, said one city controller, “most business [was] being done by telephone” by 1924. In Toronto, De Luxe Taxicabs, reportedly the nation’s largest fleet in January 1926 with 175 metered cabs, owed two-thirds of its trips to telephoned requests, and only one-third to cabstands. By then big operations like De Luxe had attached telephones or “call boxes” to strategically located poles or walls where drivers waited for assignment. De Luxe had 75 such “call stations.” Even small outfits saw the economic rationale of distributing their cabs around town to improve response times and to reduce deadheading (unpaid mileage), and by the mid-1920s it was common to pay cafés, restaurants, and gasoline filling stations to allow cab drivers to use their telephones to converse with their dispatcher.

The motor cab dispatched usually was a specialty vehicle, larger and more expensive than most cars on the road. The vehicle thus constituted a fourth major capital cost. If built-for-the-purpose, it normally came from the United States, from Checker, Paramount or Yellow Cab. The Canadian price of such vehicles in the 1920s is unknown, but in 1932 — after considerable deflation — a “real” slabbered car with a sliding glass partition between passenger and driver, a single seat in the driver’s compartment (to provide convenient space for hand luggage), and interior lighting controlled by the passenger (to assure personal privacy and safety) cost about $3000 (before duty) or about twice the price of a mass-produced sedan. Yet the traditional patrons of motor cabs — the socioeconomic elite and business travellers — preferred specially-built cabs or, at a minimum, an extensively modified, seven-passenger sedan.

A taximeter added further to the capital costs. The dominant taxi firms believed that their patrons wanted cabs to be equipped with taximeters. These protected customers from the sorts of petty fraud and outright extortion that the zone system or driver calculations from an odometer readily permitted. If sealed and inspected periodically by the authorities, taximeters not only assured a more honest count, they also permitted the taxi client to see the tab mount. There was no need, moreover, for passengers to know the idiosyncratic zone boundaries observed by each cab company in the 1920s or to get into disputes with dishonest drivers over them. Meters were even more popular with taxi owners, both because they imposed, as one Winnipeg cab company said, “a check on the driver,” keeping him honest, and also because the best taximeters provided a printed receipt and calculated the daily mileage, paid and dead, thus simplifying the bookkeeping of the larger fleets. Yet taximeters were expensive even in the depths of the Depression, as generally they had to be imported from France or the United States. In the early 1930s, the deluxe models fancied by the fleets cost $400–$450 to purchase and more than $150 a year to lease. A basic taximeter sold for $125 to $195.

In the mid-1920s, taxi companies anticipated that these five in vestments in cabstands, transfer fees, central dispatching, taximeters and built-for-the-purpose vehicles would keep the bar of entry into their industry sufficiently high to allow it to evolve into an oligopoly where companies would compete on the basis of service rather than on price. With that expectation, even street railways bought into the industry: In 1925 the British Columbia Electric Railway acquired the Yellow Cab franchise for Vancouver; in 1929, Quebec Railway, Light & Power, that of Quebec City.

Yet the cost structure of the industry was already shifting toward increased competition — towards a taxi war. It turned out that many of the capital investments of the 1920s had been extravagant, their rationale confounded by the reality of the streets. Taximeters, for a start, repelled as many customers as they attracted. Moore’s Taxi, the largest Winnipeg cab company to operate without them in 1930, told regulators then, “The meter is not popular with passengers. It advertises the car as a public conveyance, and it registers thirty cents before the journey commences — reminding one of the cover charge at an expensive hotel.” While the taxi industry’s wealthier patrons did not mind these cover charges (for they reduced competition for
cabs from the hoi polloi), or else scarcely noticed an extra dime on the meter when their driver "accidentally" took a roundabout route, poorer Canadians budgeted so tightly that they often preferred the precision of a zone fare. If they knew exactly where to wait for a cab, and which drivers to trust, then they could be assured not only that they could afford to pay to get to the train station, but also to buy a ticket when they got there. Moore's lawyer explained in November 1931: "The general run of taxi patrons ... naturally prefer to know beforehand what a trip is going to cost, which is impossible when meters are used." This opinion was by no means unanimous: wealthier Canadians considered meters inherently more just, since everyone paid precisely the same fare for a measured mile. As frequent travellers, they were well aware that they could be victimized by oddly configured zone maps in unfamiliar cities. Even so, there were enough Canadians who favoured zone- and flat-fare cabs that ever-increasing numbers of cabs in the late 1920s dispensed with the cost of installing taximeters.8

Most of these zone fares were ostensibly illegal, for city bylaws normally specified that fares should be charged either by the measured mile or by the hour. Yet Canadian municipalities and police departments neglected in the late 1920s to enforce not only these regulations, but also those regarding their standards for vehicle type, size and safety. In this laissez-faire era, municipalities were losing their zest for regulation, and sometimes even their recollection of it. Hence the minimum fares imposed on automobiles-for-hire in Vancouver, Winnipeg and Hamilton in 1918–1926 in order to suppress the hailed-ride jitney were for gotten in less than a decade. One of the more surreal moments of Winnipeg's taxi war came in January 1933 when the city solicitor had to get out the city bylaws to prove to a sceptical meeting of aldermen and taxi operators that the flat fare being discussed would violate the jitney bylaw passed just fifteen years before. The mayor noted, "Apparently no one was aware of the point."9

Regulatory laxness made it cheaper to enter and to succeed in the taxi business, as did the emergence of a new category of customers. The "old-line" cab companies, those with the expensive investments and high fares to protect, derided these customers as "street car riders," who should have stuck to mass public transit. In other words, people of their class were supposed to be too poor to hire an automobile for their exclusive use. Yet real wages were rising in the 1920s, and increased numbers of Canadians felt they could afford the occasional cab ride. Moreover, as the automobile rearranged urban space, as cities sprawled, and as suburbs sprang up well past the last tram stop, increased numbers of Canadians felt they had to take the occasional cab ride. There were times when a walk of a mile or so to public transit was unacceptable. Of course, these "street car riders" tended to choose their cab for its economical price rather than for its luxurious appointments or safety features.10

With local authorities failing to enforce their vehicle regulations — those requiring, for example, that cabs seat seven — cabbies in the late 1920s began driving standard, five-passenger automobiles. These stock models meanwhile were becoming easier to purchase thanks to a lower tariff on automotive imports in 1926, easier financing, and more generous offers on trade-ins from auto dealers to meet their sales quotas in those years (1924, 1927, and 1929) when Canadian demand for new cars slackened. Dealers got rid of some of their overstock by selling even expensive, metered cabs for as little as $95 down (in Toronto) in October 1928. By 1929, and for the next nine years, a reconditioned two-year-old Ford could be purchased with a dealer's warranty for $300, while older cars went for $75 to $150 "as is."11

The cost revolution of the late 1920s also extended to cabsstands. Owner-operators found they could avoid the expense of

Figure 1: This ad was placed by Winnipeg's most successful taxi operator of the 1930s and 1940s, George Moore. His fleet of unmarked "plain cars" allowed his customers the fantasy of travelling in private limousines.
a private hotel or railway concession by parking nearby on the public streets. The budget-conscious would find them. While municipal governments tried to limit the number of these street stands in order to improve traffic circulation, regulations were not strictly enforced. Besides, cab companies were often allowed to park a vehicle on the street in front of their office or garage, and they took care to locate these near railway stations and the correspondence points in the tramway network. As municipalities rarely, if ever before the Second World War, charged rent for these street stands, it was possible for the owners of a single cab to scratch out a living by operating from one.12

Taxi brokers (or booking offices) were the final element in the cost revolution. Although the country's most powerful brokerage, the Diamond Taxicab Association of Montreal, had its roots in the 1922 decision of seven independents to share a switchboard, most of the others dated from the 1928–1931 period. A broker was, according to Toronto's Advisory Committee on Taxicabs, "any person conducting a business or accepting calls for cabs other than his own and those of his employer." Brokers did not necessarily have a cab license or any experience in the trade. All they had to do was to provide groups of cab owners with such services as corporate advertising, a garage, a central switchboard, and in Montreal, access to exclusive cabstands. They might also provide drivers with a used cab, to be paid off in monthly installments (of just $2.00 a month in Hamilton in 1934). Only the rare broker — they included Star Cabs in Vancouver and Moore's Taxis in Winnipeg — actually owned any vehicles. The importance of the brokerages varied markedly from one city to the next, but they definitely dominated the Montreal scene in the 1930s and played an important role in driving down costs and fares in Toronto, Ottawa, Hamilton, Winnipeg and Vancouver as well. All five of these cities passed bylaws between 1932 and 1935 to restrict the number of brokers by requiring them to be licensed cab owners with adequate garage facilities, and to be the bona fide owner of all the cabs they licensed.13

As the cost of taking up taxi work plummeted, the number of cabs soared. From 1924 to 1929, their number more than doubled in the cities of Winnipeg and Toronto (to 414 and 1313 respectively). The city of Montreal by 1926 had 1,464 licensed taxis, almost twice as many as it would need in 1940. As cabs proliferated, fares fell. Those with the highest costs went to the wall. Everywhere the metered fleets of the "old-line" companies faltered. The four metered taxi companies of Saint John, N.B. had disappeared by January 1930. Vancouver's cab fleets were reported in 1929 to be reconsidering the "vogue ... for higher priced and more luxurious cars for taxi work" and look-
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Figure 3: A subsidiary of the B.C. Electric Railway operated a fleet of Yellow cabs in Vancouver in the late 1920s. It was one of two Canadian tram companies to enter the taxi business that decade.

ing into using cheaper Fords. By mid-1930, Montreal was down to one metered cab company, the De Luxe system, and Winnipeg’s sixty-four metered survivors added up to just 15 percent of that city’s cab fleet. Meanwhile, the number of metered cabs in Toronto fell from 220 in 1927 to 54 in 1932. The slaughter of the metered cab fleets in the late 1920s was a sign that the era of the taxi wars had begun.\(^\text{14}\)

Another portent was the appearance in May 1927 in the vicinity of Montreal and Quebec City of suburban taxis that operated like jitneys, that is as hailed-ride vehicles running routes in direct competition to the local bus company. In Windsor, Ontario the taxi war had reached its most destructive stage by May 1929, as cabs, behaving like common carriers, cruised along the street railway routes offering to carry up to five passengers to any destination in the city for a shared fare of 25 cents. The timing suggests that Canada’s taxi wars should not be blamed on the Great Depression, for they were well under way before the Wall Street crash. The story was similar in the United States, where the editor of Taxi Weekly counted 138 cities with cut-rate cabs in August 1929. Hence, it should be recognized that Canada’s taxis wars had their ultimate origin in a capital-cost revolution that began in the mid-1920s.\(^\text{15}\)

Yet it was the revolution in labour costs that made the taxi wars so destructive. Taxi wages inevitably collapsed with the economy in the early 1930s. Normal demand for the taxi industry’s services plummeted after October 1929, as explained by Gray Cab, a B.C. Electric subsidiary in Vancouver: “The decrease in [our] earnings is due to the general decline in the tourist travel caused by unemployment and worldwide conditions. In the past, tourists formed a large source of revenue to the buses, cabs and limousines. The partial closing down of many industries has also had a detrimental effect on general business and on earnings.” The company might also have mentioned the drop-off in demand for limousines for ceremonial occasions (elopement was cheaper) and theatre parties, as well as the fact that many taxi rides were a self-indulgence to be foregone in tough times. It is impossible to know how much normal demand for taxis shrank, for there seem not even to have been “guesstimates” at the time. However, it is likely that the demand for traditional taxi services fell off by a third, given that Canada’s national income and urban transit ridership fell by 34 and 30 percent, respectively, between 1929 and 1933.\(^\text{16}\)

A drastic reduction in the size of the country’s taxi fleet was clearly needed to stabilize prices at the new, lower level of demand. In the province of Quebec, the number of taxis duly declined by 44 percent in the five years after their 1928 peak, with around six hundred Montreal bankruptcies in 1930 alone; thanks to this contraction, fares held up better in Montreal than in most Canadian cities until a 1933 rate war. Elsewhere, the number of taxis in the early 1930s either remained at a record high level (Winnipeg and Toronto both had more cabs in 1931 than in 1927) or soared upward. Hamilton’s taxi fleet actually tripled between 1929 and 1933, even as the steel city experienced a calamitous decline in industrial employment. With Canadian unemployment rising in these years from five to 27 percent, the taxi industry was clearly defying the national trend. That should come as no surprise: Driving a cab always has been a haven for the unemployed.\(^\text{17}\)
The 1930s Taxi Wars
The combination of hard times and minimal entry barriers produced an oversupply of taxis and drivers in most, if not all, Canadian cities: by 1931–1934 they had relentlessly competed cab fares downward to their lowest level in Canadian history. As shown by the table below, the drop charge (or flag pull) had fallen to twenty-five cents or less in most of the large cities. Nor did the tariff mount very quickly as mileage accumulated. At the height of the taxi wars in 1931–1934, it cost only twenty-five cents to go almost anywhere within the city limits of Hamilton, Ottawa, Quebec, Windsor, Ont. and Saint John, N.B., 40 cents in Trois-Rivières, and 60 cents in Winnipeg. In Montreal and Victoria, a two-mile trip cost 40 cents; in Vancouver, no more than 45 cents. These sorts of fares, moreover, were sufficient to hire exclusive use of the cab. Those willing to share the ride, and fortunate enough to live along an arterial route close to the business district, could get home for a nickel or a dime in Vancouver, Winnipeg, Ottawa and Hamilton — in other words, for the price of a streetcar ride.18

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<th>City</th>
<th>Year</th>
<th>Initial drop charge (in cents)</th>
<th>City</th>
<th>Year</th>
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<td>Winnipeg</td>
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Vancouver's discount cabs focused on frequent, short-haul "jitney service" between downtown and the West End, a prime residential district, two to three miles away. Fierce competition had by March 1932 produced a fifteen-cent flat fare for these runs, or as little as three cents each for those who rearranged to travel as a group. These cut-rate cabs did little cruising; rather they took telephone calls from brokers, who provided them with regular business from commuters, who would assemble at an apartment or office building to be picked up each day. Discount tickets encouraged repeat business. Those who found two friends to share their commute travelled for less than the price of a tram ticket. These deals applied, however, only to the West End; cut-rate cabs tended to overcharge for other destinations.20

Winnipeg's cut-rate cabs, like Vancouver's, charged by the zone, focussed on short trips, and mainly attended to telephone calls. Also, like those serving the West End, they allowed clients to share the ride and split the fare — in this case forty cents in 1932 — for most city destinations north of the Assiniboine, west of the Red, and south of the Canadian Pacific mainline. Some of the cabs were undoubtedly operating "as jitneys, picking up groups of people every morning and taking them downtown for five or six cents apiece," as an alderman alleged in January 1934. Thus, in many respects, Winnipeg's taxi scene resembled that of Vancouver's, as might be expected given their comparable populations and rank in the urban hierarchy at the time. However, Winnipeg differed in one vital respect: Most of its cut-rate cabs were controlled, and probably owned, by a single entrepreneur, George Moore. He appears to have owned 150 cabs in the Fall of 1931, employed 200 drivers, and provided booking services for another 60 cab owner-drivers, all of whom waited for trips at his company's three stations and twenty call boxes. Moore had a big operation: In January 1933, he claimed to have "upwards of $150,000 invested in equipment."21

Whatever their operating procedures, cut-rate taxis in every city produced miserably inadequate incomes for drivers. Although there were companies that guaranteed a minimum salary, by the end of the 1920s most drivers were paid on a commission basis, typically 25 percent of their receipts. It is difficult to know how much the average driver took home in commissions, for income estimates always had an agenda behind them. However, it would appear that $9–$10 a week was the normal range of commissions for drivers of cut-rate cabs in 1931–1936. Tips were extra. Toronto data for 1931 suggest that tips normally ranged between one third and one half of earned commissions (as one might expect a priori for drivers keeping 25 percent of the receipts). Zone cab drivers, who served Toronto's most penny-pinching clientele, averaged $3.74 a week in tips in 1931 on wages of $9.70. Hence, it seems reasonable to assume that Canadian taxi drivers received an average tip of ten percent, and that their incomes in 1931–1936 normally ranged between $12 and $14 a week. By all accounts, the owner of a single cab took home the same net income — $13.50 they calculated in Montreal in 1934 — as the drivers received in wages. By contrast, a tram conductor with four years seniority took home $28 on average. The conductor also worked a shorter work week.22

As with wages, it is difficult to sort through the claims and counter-claims to ascertain the average work day and week of cab operators during the taxi wars of the 1930s. Everyone agreed they worked at least six days a week. But how many hours each day? Seventy-seven drivers in Winnipeg told the province's public utility board in 1931 that they averaged more than sixty-six hours a week. They may have been exaggerating, however, since they were lobbying for a meter law. The most scientific study — that of Toronto's advisory committee in 1931 — calculated an average work day of 12.6 hours for 6.33 days per week for Toronto's zone cabs. Driver trip sheets for Vancouver's cab brokers, confidentially supplied to the B.C. Electric Railway in July 1933, similarly showed a twelve-hour norm. Of course, many drivers ended up working double shifts to pay off exceptional charges (e.g., for an accident), to replace an ailing driver, or because their employer required them to...
take their turn on the graveyard shift. In Eastview, Ontario (now Vanier) this shift in 1936 paid so little in commission — a dollar or so — that drivers had no option but to drive during the day-
time as well, for an uninterrupted thirty-hour "work day." These
conditions — seventy-two to eighty hours a week for twelve or
fourteen dollars — were the norm. Many failed to make even
these low standards, even by driving sixteen or eighteen hours a
day. In several cities, including Vancouver and Winnipeg, many
full-time cabbies depended on civic relief.I

Cab operators, independent owners as well as hired drivers,
had to scramble to earn their subsistence. Some worked split
shifts so that they could look for odd jobs between the morning
and evening rush hours; others gave up their rooms, living and
eating in their cab. Some, as Winnipeg's chief constable com-
plained, hung out near beer parlours and the "cheaper restau-
rants" spending their time "soliciting and suggesting to half
intoxicated persons and girls of loose morals, that they hire the
cab to go some place for more liquor, or for an immoral pur-
pose." Other operators paid touts to drum up business for them,
or they badgered people waiting at a tram stop, or they lied to
travellers about the schedule of trains and steamships. In Van-
couver, enterprising drivers even hired comely stenographers
and beauticians to ride "as passengers" with them around the
city to give males — and unintentionally, some females — an ex-
tra incentive to "share" the cost of a cab ride.2

Chiselling was probably the most common response of drivers
(and cab owners) to low wages. The practice flourished every-
where the zone fare did, for it enabled drivers to overcharge
their customers by misrepresenting the number of zones en-
tered, and then to keep the extra fare for themselves. This prac-
tice was known as "knocking down." Drivers often defended it on
the grounds that they themselves were victims of the "upping
system," whereby employers, suspecting that the passenger
had gone through more zones than the driver was admitting,
would impose an extra charge on the driver to make up the un-
declared "revenue." To protect themselves, drivers not only
sped — to allay their employer's suspicions about the length of
their journeys — but they also overcharged passengers. As the
phrase "knocking down" implies, zoning systems also permitted
drivers to make private deals with passengers, lowering the fare
they owed in exchange for a tip.3

Zone fares encouraged speeding, as drivers strove either to im-
prove their own chances or to reduce those of the employer to
chisel. Even had everyone been totally honest, zone and flat
fares inevitably led to speeding since they naturally encouraged
cabbies to race to and from their destinations. Neither dawdling
nor circuitous routing increased their take, as it did for metered
cabs. Although taximeters normally ticked off a charge for stop-
page time, making traffic congestion more the passenger's prob-
lem than the driver's, those driving zone- and fixed-fare cabs
got out their watches to charge for delays only when these en-
tailed waiting at the client's own request.

In the early 1930s — the heyday of the zone- and flat-fare cab
— taxi speeding became such a problem, producing so many acci-
dents, that proprietors found it difficult to find or to afford in-
surance, especially public liability insurance (for personal inju-
ries) that commonsense or the law required them to purchase.
Toronto's Advisory Committee on Taxicabs determined in 1932
that insurers had set a "practically prohibitive" rate of $310 for
public liability and property damage for taxicabs "with the object
of keeping away this type of business, as they frankly admit they
do not want it at any price." In Montreal, premiums for a Dia-
mind cab almost doubled (to $245) between 1927 and 1933. In
the prairie provinces, the Insurance Underwriters Association
was recommending in 1931 that collision premiums for taxicabs
be twice those for private passenger cars, and that full coverage
should cost $239. At this rate, a cab charging a flat rate of 50
cents required 1.3 fares a day just to pay for full insurance. Inevi-
tably cabbies did without insurance: by 1930–32, less than half
the cabs of Toronto, Ottawa, Winnipeg, Hamilton and Vancou-
er carried public liability insurance.4

It was obviously an advantage not to have insurance in a taxi
war fought mainly on the basis of price. It also helped to exploit
labour, or to encourage self-employed drivers to work past ex-
haustion. It did not help, on the other hand, to have scruples
about the sorts of people or packages conveyed. Obeying the
speed laws might be economically fatal. Indeed, the most sensi-
ble strategy of all may simply have been to ignore all the laws,
even the one requiring a business license. Certainly there were
hundreds, probably thousands of Canadians doing a cab busi-
ness in the 1930s without a legal permit.5

As the taxi wars intensified and cut-rate cabs proliferated, those
losing the battle in the streets begged for regulatory protection.
Leading the chorus for "reform" were the corporate fleets and the
other "old-line" operators who had invested in hotel conces-
sions, taximeters and built-for-the-purpose cabs. They needed
higher fares to survive. Independent owner-drivers wavered, but
often joined the regulatory coalition. So, too, did automobile as-
 sociations and police departments anxious to reduce the interfer-
ence of cabstands and taxi cruising with traffic flow. Police
chiefs also accused the cut-throat competition of fostering boot-
legging and prostitution. Transit companies meanwhile de-
manded proscriptive regulation: cabs that attempted to compete
with them on price were clearly violating their franchises, for
they had been promised a local transport monopoly. Moreover,
they contended that taxis were a public utility best operated as a
single, metropolitan system, indeed as a unified corporation.

The regulatory weapons these groups used to suppress the cut-
rate cab and thus to end the taxi wars of the early 1930s varied
remarkably little from city to city: those who wished to constrain
competition almost invariably sought a uniform fare; sealed,
mandatory taximeters; tougher vehicle standards; restrictions on
entry into the industry, either through a per capita quota or the
requirement to prove the "convenience and necessity" of addi-
tional service; minimum wage and maximum hour require-
ments for drivers; and compulsory personal liability insurance. As a package, these regulations raised the cost of owning a taxi-cab, thereby driving out marginal operators, while reducing competition sufficiently to permit both increased fares and wages. Despite the uniformity of weapons, the taxi wars were fought differently in each community. To appreciate local diversity, let us now look more closely at the taxi wars in Winnipeg and Vancouver, and the regulatory process that terminated them.

**Winnipeg’s Taxi Wars**

Winnipeg’s taxi war was fought so bitterly that not even the city’s regulatory authority over the cab trade survived it. In an astounding display of fecklessness the city council literally proved itself incapable of controlling the cut-rate cabs; and the provincial government eventually, and reluctantly, had to resolve the crisis itself. Winnipeg’s story is a convoluted one: it requires a thorough knowledge of the relevant bylaws. The first is bylaw 9750. Passed by council in 1918 to placate the electric railway, it prohibited jitneys, while at the same time authorized, “Taxicabs doing a recognized and regular taxicab business at a rate of fare of Twenty-five (25) Cents or more per passenger.” Bylaw 11703 further regulated taxicab fares, prescribing in 1925 a tariff of forty cents for the first half mile and ten cents for each additional quarter mile or part thereof. In theory, these ordinances should have immunized Winnipeg against the cut-rate cab, but “little attention” was paid to them, as the street railway remarked, and by 1929–1930 fare-cutting had become so threatening to old-line operators like Black and White Taxi-cab and Diamond Taxi that they petitioned the provincial legislature and the Winnipeg city council for protection.\(^{26}\)

Inasmuch as they themselves had “no definite program” to propose, being themselves sorely divided, and because they did not include the city’s principal operator, George Moore, the petitioners got no response from city council, and only a half-hearted one from the provincial government. On April 30, 1931, the latter amended the *Highway Traffic Act* (enacted the previous year), to make taxis a public utility, hence regulated and controlled by the province’s Municipal and Public Utility Board. Presumably, the Board itself had asked for such powers, for it had received a report from transport consultants Wilson, Bunnell, & Borgstrom on March 4 recommending that taxicabs “should be treated as common carriers and made subject” to the Board’s jurisdiction. The provincial government undercut its statute, however, by delaying its proclamation until after the utility board had investigated and reported on conditions in the Winnipeg trade, presumably with a view to getting local input before drawing up any regulations.\(^{29}\)

Its report on October 26, 1931 made eight recommendations, including the enforcement of “uniform rates . . . based on the measure mile” with meterization eventually required, compulsory public liability insurance, and restriction on entry into the industry to a “convenience and necessity” basis. Who would devise and enforce these regulations? Not the board, if it could avoid it. Indeed, it recommended against proclaiming the *Highway Traffic Act*, as amended, declaring it “inadequate” and requiring “revision and amplification to be made fully effective.” The board said it was “hesitant about becoming the recipient of powers heretofore held by municipal bodies [in every Canadian province], especially when the division of responsibilities is not clear.” To ensure that the provincial cabinet would heed this advice, the board added that “the proper carrying out of the Act must entail the addition of inspectors, and an accountant” to its staff. In 1931, the provincial government was looking for ways to cut, not increase spending, and the report of the utility board guaranteed that the 1931 amendments to the *Highway Act* were never proclaimed. In explaining its reluctance to involve itself further in Winnipeg’s taxi war, the board alluded to the potential unpopularity of regulation and its lack of “means” for “giving reasons for its actions to the public.” In other words, the board was admitting it was not trusted: It had lost much of its credibility by arguing the street railway’s case for a better deal from the city.\(^{30}\)

Although the provincial board’s subsequent reports (1932–1935) helped to build the case for regulating taxicabs as a public utility, the old-line companies after October 1931 looked primarily to Winnipeg’s municipal government for relief, which they appeared to secure with bylaw 14272 passed by council on December 30, 1931. The companies had asked for regulations that promised to improve their competitive position vis-à-vis the zone cabs while improving their own relations with their employees — namely compulsory meterization, a minimum fare, as well as the regulation of drivers’ wages and hours. Vocal support for the bylaw came from operators of metered cabs, including independents, from the Winnipeg Electric, the Dominion Department of Labor (anxious to prevent a street railway strike), the Winnipeg Trades and Labor Council, and from a driver’s association led by Ernest W. Harrison.\(^{31}\)

Opposition to regulatory reform came from George Moore and other cut-rate operators, who said there would be lay-offs if higher fares chased away their clients. Three hundred and seventeen of their drivers reportedly endorsed a petition opposing regulation of their wages and hours. According to labour organizers, Moore’s drivers had signed under duress: “Moore is putting out a petition among his drivers and telling them that if they wish to sign it they may, but that if they do not sign it they have not any job [sic].” Given the deep divisions within Winnipeg’s cab trade, and especially the no-holds-barred opposition from Moore, a thoroughly divided city council understandably attempted to attempt a compromise: Bylaw 14272 imposed compulsory liability insurance (which most companies, including Moore’s, had endorsed on a questionnaire) and a minimum fare, chargeable either by zone or by meter; and finally a sixty-hour maximum week for drivers.\(^{32}\)

The old-line companies rejected the compromise: Arthur Henderson (Diamond) and Lorne Bucknam (Black and White) immediately sought a court order to declare the bylaw *ultra vires*, on the grounds of its “uncertainty, unreasonableableness and discrimination” and its reliance on city charter powers repealed or superseded by the Highway Act of 1930 (which was in force). This challenge certainly surprised council, as it should the careful
reader, for these companies hitherto had encouraged the city to pass these regulations — but only as a package deal. They refused to obey the minimum fare and maximum hours regulations, for example, until assured that every one of their competitors had similar labour costs and taximeters, thus eliminating both the incentive and the means for cheating on rates. On February 9, 1932, Justice Dysart in the Court of King’s Bench ruled that Winnipeg did not have the necessary authority from the provincial government to impose either a minimum fare or a maximum work week on the taxi industry. His decision took a narrow, conservative view of municipal regulatory powers; thus, the long-established power to regulate the “taxicab business” did not extend to regulating the “weekly labor of drivers”; moreover, that, “The imposition of compulsory minimum fares is not necessary for the effective control of the taxicab business, and so is not conferred by implication upon the City, …” Justice Dysart also ruled that a “dual system of fares” was inherently discriminatory and unjust.

Everyone appealed his decision: the city, to regain what it considered its rightful powers; Henderson and Bucknam, to overturn Dysart’s ruling upholding the bylaw so far as it required cab owners to take out public liability insurance. On May 10, 1932 the Court of Appeal reversed Dysart, as it held that the city indeed had the power to fix fares and to limit the hours and labour of drivers, but not, at the time the bylaw was passed, to require insurance. Since then amendments to the Highway Traffic Act had bestowed the necessary authority, and the city solicitor, in reporting on the court’s ruling, advised city council to enact a new bylaw to cover “the whole field.”

The city responded with bylaw 14378 in July 1932. It once again established a minimum fare, but adjusted it downward in a vain attempt to placate George Moore. To assuage the drivers’ concerns that higher fares would cost them customers, hence income, the Council adopted the proposal of Ernest Harrison, now secretary of the newly chartered Manitoba Transportation Employee’s Association, that drivers receive a minimum wage of $18 for a 60-hour week. The new fare was, however, a dead letter from the start. Even the old-line operators charged less than the mandatory minimum, sparking a formal protest in September 1932 from the Winnipeg Electric. Three months later, W. J. Major, the Attorney-General of Manitoba, wrote the city solicitor that time was running out for council to write a workable bylaw. He advised the health committee to seek the help of the Municipal and Public Utility Board in drafting a bylaw “incorporating the plan outlined by [him]” at a meeting with committee members in October. Drivers were also complaining: ninety-one of them in December signed a petition stating that the $18 minimum wage “only has the effect of throwing numbers of your petitioners out of employment.” They thought it “preferable to work for a smaller wage, than get no work at all.”

When council passed yet another bylaw, number 14418, on January 4, 1933, raising fares to 50-70-90 cents for the first three zones, George Moore in a flurry of newspaper advertisements accused council of already having cost the jobs of forty of his drivers through its earlier bylaws, and of now forcing a further fifty-four onto relief. He accused council of being gullied by “meter manufacturers” and by the old-line companies, who advocated regulation solely “for the purpose of preventing the small man getting a foothold in the business, …” He called for “a flat rate of 45¢ anywhere in the city.” On January 9, “An Appeal to the Riding Public of Winnipeg” by a Moore’s driver, announced that fifty-four drivers had indeed been dismissed because “vested authority is trying to do its best to put the ratepayers to added expense in putting [the drivers] on relief.” More than five thousand people signed the drivers’ petition asking for repeal of bylaw 14418. Moore’s Service Taxi Company and others not only refused to charge the new fares; they also refused to take out licenses, operating as “prowlers” instead. The mayor responded by holding a series of meetings with cab owners, including Moore, to revise the bylaw.

Mayor Webb’s hand had been forced: George Moore had persuaded the public that the new rates were too high; and the consequent fall in ridership had been “almost unbelievable.” According to one cab company. At his pivotal January 25th meeting with the owners, he found the “question of rates” to be the “centre of the whole problem”: after “hours and hours of discussion … and many heated arguments,” the owners voted on each fare type. “However it seemed that other than Moore’s no-one was very much in favor of the zone system,” Webb continued, “because of the lack of control [by employers] and it was voted down.” All but George Moore then voted for the “mileage system or measured distance,” although the meeting concluded that Winnipeg was not yet ready for mandatory meterization since “there had been a great deal of propaganda” that had “created in the minds of the public that metered taxicabs mean high rates, …” The decision against meters was an exceptional victory for Moore’s at these meetings, for Diamond’s position usually prevailed; Moore’s quest for market share had simply made the firm too many enemies. One taxi owner described the regulatory process since 1931 as a struggle between the two companies, Winnipeg’s largest fleets, for mastery: “At these meetings it is almost always The Diamond and Moore’s Taxi talking all the time about the grievances they have against one another.” He accused them of both trying to put the other out of business, but, “In the meantime, they are putting all of us out of business.”

The bylaw produced by this in-fighting was number 14487, passed on February 28, 1933. It regulated drivers’ working conditions (the minimum wage being $15 for a 48-hour week), required $5000 of public liability insurance, banned solicitation, and established a minimum tariff of 25 cents for up to four passengers for the first half mile and 5 cents for each additional half mile. Legally, the zone fare was dead in Winnipeg. Or was it? Taxi operators paid little heed to this bylaw, as the lack of meters and standardized accounting made it difficult to enforce. Moreover, only a handful of companies were, alleged Ernest Harrison, “paying wages as stipulated in the bylaw;” employers preferred the more motivating commission system. Two major companies interpreted the law to cover only time spent taking calls. Their drivers waited for calls on their own time.
There were dozens of arrests. City council became unnerved at the prospect of so many family heads losing their licenses and their livelihoods; and in June 1933 it amended the bylaw to give itself the power to restore the licenses upon payment of a dollar, thus depriving itself of its best weapon for enforcement. An appalled James Walmsley of Black and White Taxi-cabs spoke for many residents when he asserted that the existing "Bylaw, if rigidly enforced, is perfectly workable, and to change it again and yet again is not only a sign of weakness, but it inures to the benefit of those Companies who are ... seeking ... to evade its principles." Arthur Henderson of Diamond claimed he knew the reason why the city council had for three years been "dallying with the taxicab business": he alleged on August 16 that "anyone for a few hundred dollars could get any bylaw passed by council." The old-line companies, despairing of getting a usable bylaw out of council, now asked it to surrender its regulatory responsibility over taxicabs to the provincial utility board, as the Attorney-General urged.39

Price-cutting worsened over the next six months as jitneys appeared. Fed up, twenty-six cab companies on February 6, 1934 asked for mandated taximeters. With uncustomary alacrity, the council a week later enacted bylaw 14552 making meters mandatory as of June 1, 1934. Although effective elsewhere in ending rate wars, Winnipeg's meter bylaw had little immediate effect, in part because kind-hearted magistrates were unwilling to impose more than a token fine on operators too poor to install one. Several companies still refused to pay the required minimum wage, silencing driver protests with menaces of unemployment. More alarming yet, in October 1934 the Court of Appeal ruled that Winnipeg lacked the power to fix the minimum wage for drivers working for a company with headquarters outside the city, since they were presumably non-residents. In a February 1935 ruling, the court further affirmed in the Candaele case that Winnipeg could not require a St. Boniface cab driver to have a Winnipeg license in order to carry Winnipeg passengers to the St. Boniface hospital. The court held that a taxi business was licensable only in the municipality in which it located its headquarters. It was up to the provincial legislature to clarify by amending its statutes, the court said, whether a cab company needed a license from every town in which it operated.40

The Candaele decision, coming as it did after years of municipal regulatory farce, finally impelled provincial action. In March 1935, the Attorney-General proposed that either the public utility board or a new provincially appointed body regulate the cabs of Greater Winnipeg. Although city council at first refused to co-operate, the government enacted the Taxicab Act in early April, and proclaimed it on May 15. The Act created a Taxicab Board composed of the public utility board, Winnipeg's chief of police, and a member of its city council, and empowered it to license and regulate taxi owners and drivers, including their wages, hours, insurance, and fares. The board thereafter restricted cab numbers on a "public convenience and necessity" basis, although it did not introduce a maximum quota until December 1946. To ensure labour's support for the legislation, it specifically denied the new board the power to lower the existing minimum wage. To neutralize Winnipeg's city council, the Act preserved most of the specifics of bylaw 14487 and preserved the city's right to charge taxicab owners an annual license fee. On May 20, 1935, the city council reluctantly named the chairman of its health committee to the Taxicab Board, and the taxi war in Winnipeg dissipated into minor skirmishes. There had been one huge war victim: municipal autonomy. Of the several contributing causes to this debacle, the most important in retrospect appears to have been the refusal of George Moore to co-operate. It was difficult for city officials to believe they had an industry consensus for regulatory reform, when the most important firm in it refused to abide by it.41

Winnipeg experienced, as did many other Canadian cities, a second, less destructive taxi war immediately after the Second World War. Once again, the cab war did not originate in economic privation. Indeed, rarely had the prospects for profit from taxi work looked better. In May 1942, Canadian taxis had come under Transit Control, which thereafter deliberately shrank their number in order to conserve gasoline and tires. Furthermore, taxi drivers, judged to be non-essential workers, were conscripted in large numbers. As intended, the number of cabs fell nationally from 15,000 in 1939 to 9,600 in 1944. Greater Winnipeg followed the trend: by 1944 it had only 266 cabs. Meanwhile, automobile production ended in 1942, and existing private cars were subjected to even tougher rationing of gas and tires than were cabs. Public transit vehicles were in short supply and obnoxiously crowded. Shared-riding was legal once again in several cities, including Winnipeg and Vancouver, with the cab allowed to collect more than one fare per trip. Inevitably, wartime cabs made out like bandits.42

Between 1944 and 1946, returned soldiers clamored to get back into the industry, to get part of this action. Both Transit Control and the municipalities found it well-nigh impossible morally, and politically, to refuse to license men who had spent years in uniform, and whose last peace-time occupation had been driving a hack. Typically, there were five or six applicants for every cab license that became available — almost all from war veterans — and regulators reluctantly had to set aside the quotas they had established during the 1930s. In Winnipeg, the Taxicab Board since 1935 had limited the number of cabs to one per thousand residents of Greater Winnipeg. In September 1945, it began increasing the number of licenses to handle the flood of applications it had received from veterans; by 1946, two-thirds of Winnipeg's taxi operators were ex-servicemen. Between 1944 and 1947, the number of cabs rose by 60 percent, and still several hundred veterans had yet to obtain the license they coveted.43

Winnipeg cab companies, complaining of excessive competition, and of a return to the low incomes, long hours, and traffic problems of the 1930s, demanded a new quota. In Winnipeg, as elsewhere, the cab owners were much better organized and more united than they had been during the Depression, for Dominion Transit Control had in each city (with Montreal a notable exception) induced cab owners to pool their resources, with one or
two switchboards handling all their calls. Moreover, Transit Con-
trol had pressured cab operators in each city to create an um-
rella organization able to represent their common interests in
dealing with the traffic committees. The Greater Winnipeg Taxi-
cab Owners’ Association emerged, able to speak for most of the
licensed owners — 95 percent of them, it claimed in 1956 —
and it was able in December 1946 to get a quota re-established,
this time at 400 cabs (or one for every 801 people). For the next
three decades the absolute number was frozen, no longer grow-
ing with the population. By 1956, the city clearly needed more
than 400 cabs, for licenses had attained a street value of
$8000-$9000 each. By then, the taxi wars had become a fading
memory. The dreams of the early 1920s had been realized.

There were now sizeable capital barriers to entry into the indus-
try, not only the artificial ones raised by the quota and other
regulations, but also the technological one created by the arrival
in November 1947 of radio cabs. George Moore introduced
these to Winnipeg, proving yet again that he could lead the
pack, whatever the rules of the game, whether they be those of
a taxi war or its cartel settlement.”44

Vancouver’s Taxi Wars

Vancouver had no counterpart of George Moore. Indeed, its
dominant taxi outfit championed regulation even in the 1930s.
This was Gray Cabs, owned by B.C. Motor Transportation Lim-
ited (BCMT), owned in its turn by B.C. Electric Railways. Ironi-
cally, the apparent power of this combine may have inhibited its
efforts prior to 1932, and again in 1937, to obtain regulatory re-
form. Ivor Neil, BCMT’s general superintendent, explained in
March 1933: “At this time, considerable controversy and bad
feeling existed between the taxicab operators, and Gray Cabs
were classed as having the monopoly. We endeavoured to cre-
ate a better feeling with other operators, and assured them of
our willingness to cooperate in all matters affecting the taxicab
industry to place it in an healthy condition.” These feelers were
offset, however, by the combine’s simultaneous efforts to ex-
clude non-metered cabs from public stands, and by the decision
of Frank Barnes, founder and still the key manager of BCMT, to
tackle the cut-rate competition head-on, with cheaper, smaller
vehicles and reduced tariffs. Inevitably, other cab companies
saw Gray Cabs as more threat than ally. As of June 1932, they
were still keeping their distance from the combine, as the name of
their trade association revealed: the Independent Taxi Opera-
tors. They were independent, in this instance, not from corpo-
rate capital, but from the BCMT. They reportedly told BCMT’s
Ivor Neil that they chose their name “to protect [against] their be-
ing classed as the monopoly.” Their mercurial manager, Nor-
man Lee Glozer of Royal Blue Cabs, had been himself
managing cut-rate cabs, but by mid-1932 seems to have de-
cided that his associates needed less competition and higher
fares.45

The taxi organization’s name metamorphosed in 1933 into the
Independent Taxicab Owners’ Association, which clarified the
fact that it did not speak for drivers. The association in Septem-
ber said it “consist[ed] of the Vancouver Taxicab Owners’ Asso-
ciation and numerous independent taxicab operators repre-
senting companies and individual operators. ...” These associa-
tions spoke for about two-fifths of the city’s licensed cabs. Since
Glozer administered all of them, whatever their moniker, it would
appear that the primary reason for the appearance in 1933 of
something called the “Vancouver Taxicab Owners’ Association”
was to create a name more congenial to Gray Cabs and BCMT.
According to Neil, BCMT had been thinking of getting out of the
unprofitable taxi industry entirely, but was approached by the own-
ers’ association, which invited them to join, so that the association
could “avail themselves of our knowledge ... and any pressure that
we [might] be able to bring to bear to place [the taxi] industry in a
more healthy condition.”46

The new link-up reflected not only the emergence of a common foe — booking offices running fifteen-cent cabs — but also of a
change in BCMT strategy. It had aggressively competed under
Barnes, but he was purged in late 1931, and under T. C. Bosley,
BCMT attempted instead to raise fares by laying up twenty-five
of its Gray cabs. With this retrenchment, BCMT no longer
looked like a monopoly on the rise. It was just another belea-
guered operator. By March 1933, it, the taxi association, the city
administration, and the B.C. Electric were closely working to-
gether to push a bill through the provincial legislature amending
the city charter to empower Vancouver to fix fares and limit entry
into the cab industry.47

In the autumn, there were several public meetings between taxi
operators and city officials to discuss the pending bylaw. At
these meetings, Star Cabs and the taxi brokers accused the asso-
ciation of seeking a monopoly; but their arguments fell flat
once the opposition had to admit, as BCMT’s Bosley put it, that
they were “exploiting labour.” The local trades and labour coun-
cil sided with the taxi association, getting a 48-hour work week
for drivers as reward. Bylaw 2296, passed in December 1933,
“mainly embodied,” said the Independent Taxicab Owners Asso-
ciation, the proposals it had been advocating. Hence the bylaw
made taximeters and public liability insurance mandatory, and
required brokers to be a licensed “vehicle-for-hire owner.” Yet
the association did not procure all that it had sought: the mini-
um fare was set too high for its liking (apparently to please
Gray Cab, which had the highest costs in the industry) and coun-
cil ignored pleas to restrict the number of licenses, possibly be-
cause councillors were unnerved by talk of monopoly.48

The following April 30th, city council lowered the minimum rate
to 45 cents for the first mile, the fare that had been requested by
the Vancouver Taxicab Owners’ Association and enthusiastically
endorsed by BCMT. Several operators still considered the tar-
fiff too high for them to attract a profitable business, and they
challenged the bylaw on the streets, with fifteen-cent cabs, and
in the courts, where they had the backing of the Motorists Pro-
ective Association. Even so, magistrates repeatedly upheld the
taxi bylaw, and by December 1934, the cut-rate operators were
reduced to ruses: Roy Graham, “one of the originators of the
15c Taxi Racket in Vancouver” (as Bosley described him)
opened another booking office called the Mammoth Recreation
Society. For twenty-five cents a month, members could attend its dances, use its clubrooms, eat at its subsidized lunch counter, and, not incidentally, get car rides at cost, twenty-four hours a day. The taxicabs owners’ association successfully prosecuted them in January 1935 for violating bylaw 2296.49

With the fifteen-cent cabs suppressed, Vancouver taxi proprietors split into three factions: the Vancouver Taxicab Owners Association (VTOA), the United Taxicab Owners Association, and the Commercial Motor Vehicle Owners’ Association. BCMU belonged to the latter, comprised (according to Bosley) of “the larger operators in the city of Vancouver.” As its name indicated, this organization was concerned also with bus and truck competition, as well as with rural taxis, apparently more of a concern for BCMU and the electric railway than the urban sort by the mid-1930s. Judging from its records, the B.C. Electric, having obtained what it most wanted for both the rail and cab divisions (a high minimum fare), lost interest in urban taxi regulation. However, the Vancouver Taxicab Owners’ Association, now representing the interests of small proprietors, wanted more order at the public stands — of little importance to Gray Cab, with its private concessions. In April 1936, the VTOA persuaded city council to create the Taxicab Control Board; despite its name, it could only recommend ways for cabbies to co-operate in the use of the stands.50

In January 1937, United Taxicab Operators made their bid to restructure Vancouver’s taxi trade. This association spoke for the old-line companies. Its business manager, Norman Lee Glozer, had, when the industry split, cast his lot with those he called the “bigger operators,” and was bent on reducing competition against them. This association’s animosity towards the small owners was best revealed by its request in July 1937 that council eliminate all street stands, save those in front of existing “company offices” equipped with “proper telephone connections and all other essentials appertaining to service to the public. . . .” Its bid for monopoly was, however, most manifest in its January letter to council asking for a cab quota to be imposed, for subsequent licenses only to be awarded to those who could prove to council or to a control board that “public convenience and necessity” warranted additional service, and finally that “if additional licenses [were] to be granted” then “present licensees” should have “priority right of obtaining such licenses in preference to other applicants. . . .” City council appointed a special committee to meet with the taxi associations, the Greater Vancouver Traffic Safety Council, and the Trades and Labour Council, sounding out their views, while obtaining information on taxi limitation elsewhere.51 At the meeting of January 19, the committee found that:

... All Organizations excepting the Vancouver Taxicab Owners’ Association were in agreement with the general principle of control in the taxicab industry; the last named Association strongly suggesting that the limitation of taxicabs be left entirely to the industry itself.52

This meeting appointed a sub-committee of three: Birt Showler of the labour council; R. R. Holland of the safety council; and William Brown of the Commercial Motor Vehicle Owners’ Association. The latter alone “represented” the interests of a very divided taxi industry. The subcommittee’s bylaw proposal in March “couldn’t have been drafted any better,” said a member of the VTOA, “if it was made up in the offices of the B.C. Electric.” In fact, it basically reprised the original request from United Operators. City council, approving the proposal in September, next sought the necessary authority from the provincial government to enact a bylaw imposing quota and “public convenience and necessity” regulations. This request, however, died in the legislature’s private bills committee owing to opposition from the VTOA and Liberal and CCF concerns that the bylaw would eventually create a monopoly controlled by a single corporation. And which corporation might that be? The answer is obvious. Possibly the bill might have gone through had B.C. Electric never been in the cab business. Instead, the legislature merely authorized Vancouver to rename and make more official its advisory committee on taxicabs.53

Vancouver’s taxicab companies eventually got their coveted bylaw imposing limitations on entry, indeed a per capita quota, in late 1946. As Emmett Sinnott and Paul Tennant have already discussed the postwar manoeuvring in detail, it suffices here to note that the local taxi industry was once again united; the VTOA then claimed “that it represented more than 90 percent of the city’s cabs.” This unity had its origins in wartime pooling arrangements: All but a “few operators” used the central dispatch office opened in June 1943. The VTOA wanted the city to continue the wartime limitations on cab numbers, with subsequent licenses being issued according to the principle of “public convenience and necessity.” At first, the city attempted to restrict entry simply by slowing down the license approval process. When this stratagem was challenged in the courts, the municipal corporation learned that it had the power to limit the number of cabs thanks to the 1933 amendments to its charter. It used this power in November 1946 to enact a bylaw restricting the number of cabs at one per 1,000 people. In 1950, the quota was toughened, and for the next thirty years Vancouver’s cab fleet did not expand with the burgeoning population. By 1980, cab licenses had a street value of $30,000 each.54

Conclusion

We began by asking why Canadian taxis are expensive? Why do they spend so much time standing empty? Why do they have taximeters in the larger cities? Or, to put it more negatively, why do cities the size of Winnipeg and Vancouver not have zone cabs or single-fare systems? The answers lie in regulations enacted to end the taxi wars of 1925-1950. Taxis are expensive because governments deliberately ended the free market in cab services. They deliberately drove up costs by making sure that operators carried adequate insurance and paid a living wage for a reasonable work week. Most Canadians in the 1930s applauded regulators for imposing these extra costs, for as the Ottawa Journal contended in 1936, “No one has any right to ex-

pect a taxi ride … at a price that does not permit of decent wages and working conditions for those engaged in providing it.” Regulators proceeded on the assumption that Canadians still believed in the ancient credo that everything has its just price, it being unethical to pay too little for a product or service as to demand too much for it. Hence, they accepted both the imposition of a standard, uniform fare and of the taximeters needed to enforce it.\footnote{Exceptions include Emmett Sinnott and Paul Tennant, “The Origins of Taxicab Limitation in Vancouver City (or ‘Good Try. Anyway, Stanley Anderson’),” B. C. Studies 49(Spring 1981), 40–53; Donald F. Davis, “The Origins of Modern Taxicab Regulation in Canada,” Proceedings of the Annual Conference of the Administrative Sciences Association of Canada, Business History Division, Vol. 18, No. 2 (1997), 1–11; Edward Sutton, “Halifax Cabdrivers 1939–1945,” Nova Scotia Historical Review 12, no. 2(1992), 66–73; Elise Corbet, Light Service Vehicles Used in Alberta Prior to 1955,” Background Paper 14, Reynolds-Alberta Museum, March 1984; Benoît-Marie Papillon, The Taxi Industry and Its Regulation in Canada, Working Paper No. 30, Economic Council of Canada (March 1982); and Kimberly Berry, “The Last Cowboy: The Community and Culture of Halifax Taxi Drivers,” paper presented to History Department, Dalhousie University, April 1995. I would like to thank Kimberly Berry (University of Ottawa) and Norm Beattie (Red River Community College) for their help with this essay.}

Yet Canadians in the 1925–50 period did not fully appreciate the extent to which the new regulations were heaping costs onto the taxi industry. The fare regime instituted in cities like Winnipeg and Vancouver was simply too rigid to be cost-effective. For example, it did not allow cab companies to offer coupons or discounts to ensure steady, predictable volume. Also, they could no longer vary their fares to stimulate demand and to reduce dead-heading, for example, by charging less for trips going against the commuter flow. Though not the case in Greater Winnipeg, they often had to return empty from the suburbs, forbidden to pick up passengers outside their own municipality. Moreover, they were not allowed to act like jitneys, running routes, even at rush hour. The congestion of the peak has always imposed extra costs on taxis, costs best alleviated by operating as shared-ride vehicles. By draining off some of the excess passengers at rush-hour, the jitney cabs would also have allowed municipal transit companies to get by with fewer drivers and vehicles, thus cutting their costs as well. The fare regimes created in the 1925–1950 period have been a straitjacket for the taxi industry. Its costs artificially elevated, its service has been needlessly expensive. Not surprisingly, taxi operators have ended up with long waits for passengers willing and able to pay their fee.

Who imposed these added costs? Municipal and provincial governments obviously. But who stood behind them? Who success­fully defined the public interest as reduced competition and opportunity, as higher costs and prices? It is tempting to say the “street railways,” for they were a looming presence in every transport debate of the 1925–1950 era. Yet their influence can be exaggerated, for city councils and other regulators generally looked to the cab industry to suggest the rules for its own governance. Within that industry, the group with the most to gain from strict regulation, and hence its primary advocate, were the old-line taxi companies, the companies whose high overhead was proving a fatal handicap in the street battles of the taxi wars. They simply could not get their own costs and prices low enough. Hence they had to find a way to raise those of their competitors. They won the taxi wars — and Canadian cities possibly lost them — when the old-line cab companies shifted the battle terrain out of the streets and into the halls of government.\footnote{1. Exceptions include Emmett Sinnott and Paul Tennant, “The Origins of Taxicab Limitation in Vancouver City (or ‘Good Try. Anyway, Stanley Anderson’),” B. C. Studies 49(Spring 1981), 40–53; Donald F. Davis, “The Origins of Modern Taxicab Regulation in Canada,” Proceedings of the Annual Conference of the Administrative Sciences Association of Canada, Business History Division, Vol. 18, No. 2 (1997), 1–11; Edward Sutton, “Halifax Cabdrivers 1939–1945,” Nova Scotia Historical Review 12, no. 2(1992), 66–73; Elise Corbet, Light Service Vehicles Used in Alberta Prior to 1955,” Background Paper 14, Reynolds-Alberta Museum, March 1984; Benoît-Marie Papillon, The Taxi Industry and Its Regulation in Canada, Working Paper No. 30, Economic Council of Canada (March 1982); and Kimberly Berry, “The Last Cowboy: The Community and Culture of Halifax Taxi Drivers,” paper presented to History Department, Dalhousie University, April 1995. I would like to thank Kimberly Berry (University of Ottawa) and Norm Beattie (Red River Community College) for their help with this essay.}

Notes

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12. RACT, 17, 104; BCEP, Memo from I. W. Neil to E. Rogers, March 29, 1933; BTTC, June 1930, 37; Edmonton Bylaw No. 42, 1924; "A Bylaw to assign stands for Motor Vehicles kept for passengers," July 2, 1924; Calgary Bylaw 2494. "Being a Bylaw to Regulate Street Traffic in the City of Calgary," December 28, 1926, Section 31. Winnipeg, an exception to the rule, had only four legal street stands. WCA, File 1–5130, Chris Newton, Chief Constable, to M. Peterson, City Clerk, March 23, 1932.


17. Annuaire statistique de Québec 1940 (Québec: Imprimeur de sa majesté le roi, 1940), 369; Commission Schubert, Rapport, 10; J. C. Lessard, Transportation in Canada, report prepared for the Royal Commission on Canada’s Economic Prospects, November 1956, 17; RACT, August 1934, 353.


21. Winnipe Free Press, January 17, 1934; COH, File 1061(5), Joint Council of Industry and Commission Re Dispute Between Winnipeg Electric Co. and its Employees, Exhibit #7, Supplemental Brief of Winnipeg Electric Company," September 1, 1932; File 1061(4) Mayor Ralph Webb, Memorandum regarding proceedings at conference between taxicab owners and myself," January 25, 1933; File 1061, A. T. Hawley to Special Committee on Taxi Regulations, Nov. 5, 1931; "Questionnaire Re Cars," WCA, File 1–5130, Committee on Public Improvements, Chief Constable Chris Newton to M. Peterson, May 4, 1934; File 5, P. S. Schubert, Committee on Finance, letter, A. A. Moffat to J. Preudhomme, Oct. 7, 1933; Winnipe Free Press, January 8, 1931, January 9, 1933. The number of drivers seems low, but may be explained by the testimony of Moore's drivers that they worked as many as 16 hours a day, perhaps leaving insufficient opportunity for a second shift on some cars.
28. By-law 9750, “A By-law of the City of Winnipeg to abolish Jitneys,” April 29, 1918; TGW, 3, 11; Don Aiken, “Halt a cab, and pay a ‘jitney’,” Winnipeg Real Estate News, April 2, 1993, 3; Supplemental Brief of WEC.

29. Wilson, Bunnell, & Borgstrom, Limited, COH, File 1061(2), Memorandum Re Taxi Men from R. M,, Dec. 12, 1931; Ernest, COH, File 1061(2), “Questionnaire Re Cars,” letters, Frank Scruton, Crescent Mo­

30. April 29, 1933; Special Street Railway Com­


32. COH, File 1061(2), Memorandum Re Taxi Men from R. M., Dec. 12, 1931; Ernest Harrison to Chairman, Sub-Committee on cab legislation, Dec. 15, 1931; File 1061(1), Ernest W. Harrison to Mayor and Council, Dec. 23, 1931; Petition, individual Taxi Owners, Jan. 9, 1932 against meters; City Council Minutes, Dec. 21, 1931, #1711.

33. COH, File 1061(3) City Clerk M. Peterson to City Solicitor J. Preudhomme, Jan. 14, 1932; Preudhomme to Peterson, Feb. 12, 1932; File 1061(2) “Questionnaire Re Cars.”

34. CRMW, March 1932, 144; WCA, City Council Minutes, May 10, 1932, #552; City Solicitor Preudhomme to City Clerk M. Peterson, May 10, 1932; Supplemental Brief of WEC.

35. COH, File 1061(3), E. W. Harrison to Chairman, Sub-Committee on Taxi By-Laws, May 30, 1932; Harrison to Ald. W. B. Simpson, Chairman, Health & License Committee, May 21, 1932, Black and White Taxi Co. Ltd. to City License and Health Committee, May 18, 1932; George F. Richards to License Committee, June 9, 1932; W. J. Major to Jules Preudhomme, Dec. 8, 1932; Petition, the undersigned of taxicab owners and drivers, City Council Minutes, Dec. 21, 1932, #1711.

36. Winnipeg Free Press, Jan. 7, 9, 1933; COH, File 1061(4) Syd Shaw et al. to Magn­

37. COH, File 1061(4) Isaacs & Isaacs to Magnus Peterson, January 25, 1933; Mayor Ralph Webb, Memorandum regarding proceedings at conference between taxi owners and myself, January 25, 1933; Meeting, Sub-Committee on Taxi­

38. Supplemental Brief of WEC. Commission Re Dispute Between Winnipeg Electric; Winnipeg Free Press, Jan. 9, 1933; COH, File 1061(4) J. C. Walmsey to City Health Committee, April 5, 1933; E. W. Harrison to Mayor and Council, April 10, 1933.

39. COH, File 1061(4) letter, J. C. Walmsey to Mayor and Council, June 26, August 14, 1933; Winnipeg Free Press, August 17, 1933; WCA, City Council Minutes, Au­

40. WCA, City Council Minutes, February 13, 1934. #201; COH, File 1061(5) Min­


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51. BCEP, ibid.; City of Vancouver Archives, Dept. of Legal Services, 112-E-4, Box 17 “Taxicabs” (henceforth VDLS), Ald. Fred Crone to Corporation Counsel D. E. McTaggart, July 22, 1937; N. Lee Glozer to Fred Howlett, July 10, 1937; Brief of the United Taxicab Operators Association drafted January 22, 1937.

52. VDLS, Interim Report, Special Committee on Taxicab Licenses, January 19, 1937; letters, City Solicitor Lord, March 31, 1937 to Chicago, Seattle, and Toronto.


