

CANADIAN FEDERAL GOVERNMENT'S ROLE IN TRANSPORTATION PLANNING AND URBAN GOODS MOVEMENT

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The joint Memorandum of Understanding signed earlier this year by the U. S. Secretary of Transportation and by the Canadian Minister of Transport specifically mentioned collaboration in the field of urban research as one area where a joint approach would be to our mutual advantage. During the time that the Memorandum of Understanding was being discussed by our two governments, a number of very positive steps were being taken in Canada to change the structure of the federal government's role with respect to transportation so that in the future it can be more responsive to the changing national need. During the course of these deliberations, a number of visits were made to Washington to take advantage of the experience that our counterparts in the U. S. Department of Transportation had gained in trying to restructure federal responsibilities. I thought that it might, therefore, be relevant to try to describe the thrust of Canada's planning for urban goods movement within the broader framework of our approach to transport in general.

The National Transportation Act that received Royal Assent in 1967 was the outcome of a long period of review and reflection during which an attempt had been made to resolve this basic question of how important transport is to Canada. The result of that period of review was a general acceptance of the fact that transport is by no means an end in itself but is in fact a mechanism that when properly used can stimulate the growth of the country. Therefore, in its opening preamble, the National Transportation Act defines as a principal objective for future Canadian policy the attainment of an economic, efficient, and adequate transportation system in which all modes of transport play their proper role.

At the national level, two major steps have been taken to try to implement this objective. The first step that followed soon after the passing of the Act was the establishment of the Canadian Transport Commission as a focus for all federal regulatory agencies in the transport sector. The work of the Commission has already demonstrated that expertise and perspective developed with respect to one mode of transport can efficiently be applied to problems that arise in other modes of transport and that research work is frequently relevant to transport per se rather than simply to one particular mode.

But it would be misleading to try to pretend that within the short period of 3 years that have passed since the Commission was established all the problems faced in unifying the regulatory machinery have been resolved. It would, perhaps, be more appropriate to say that we have made most progress in the rail, air, and marine modes and in multimodal research. With respect to motor vehicle regulation, major assessments of alternative ways of regulating intraprovincial trucking have been completed; and, in the field of commodity pipelines, we are confident that the regulatory machinery can keep pace with the development of a mode.

The second major step since 1967 has been a reexamination of the management of the federal government's responsibilities in national transportation. A simple examination of Canadian transport shows that the government has far more than regulatory

control at its disposal. For example, for practically all modes of transport, the operation of terminal and way facilities is a governmental responsibility, although highways are a provincial rather than a federal responsibility.

So far as rail and air are concerned, the federal government is involved through its crown corporations in the operation of the vehicle as well as in the operation of terminal and way; and, by the adroit use of its capital investment and subsidy policies, the government is in a position to influence the rate of development or decay of existing and new forms of transportation.

This management review has led to the suggestion that the most appropriate way of implementing Canada's transportation policy at the federal level is to try to steer the government's responsibilities in transport toward cost recovery, to look for recovery not only from the direct user but also from other beneficiaries, and, hence, through a program of user and beneficiary cost analysis, to try to make an appropriate allocation to all those sectors of the economy that benefit from the transportation services provided. This concept has led to the reorganization of the Minister of Transport's portfolio, and I thought it might be helpful if I were to indicate how the revised structure of the portfolio differs from the one within which we were working previously.

To do this, I would like to remind you that in Canada transport consumes 20 percent of the gross domestic product that amounts to some \$12 billion per year. About 55 percent of this is in the private sector, just under 25 percent in the public sector, and just over 20 percent in industry. The automobile together with other forms of road transport, i. e., the bus and the truck, consume just over 50 percent of the expenditures. I believe that about 25 percent of the research budget is spent in the urban sector.

The total number of employees in the federal government is of the order of 460,000. Of these, 123,000 support the activities of the agencies and crown corporations that make up the Minister of Transport's portfolio, but only a relatively small number, i. e., about 17,000, are directly employed within the Department of Transport. Thus, within the departmental structure that we have operated for many years, the Minister has had direct support from his deputy for a small number of his responsibilities, but the crown corporations that make up the bulk of the expenditures and the work force have been the direct responsibility of the Minister without assistance.

It was, therefore, decided that it would be more logical to restructure the portfolio. This so-called ministry system allows the deputy to function as a deputy to the Minister for all facets of the portfolio and identifies a number of administrations that are responsible for the operation of terminal and way facilities in exactly the same manner as the crown corporations take responsibility for the operations of vehicles. With this revised ministry system, the deputy minister is supported by a small ministry staff who provide specialist support primarily with respect to financial control over all aspects of the portfolio and with respect to policy and strategic planning, both of which are essential in trying to chart the future development of the federal government's involvement in transportation.

There are 4 principal objectives that we are trying to achieve. The first objective is that, as a ministry, we can achieve overall coordination with respect to the federal involvement in transportation and, at the same time, we can show that we are responsive to changes in that role. Our second objective is to provide operational systems that provide the service required of the various modes and are also profitable, not necessarily in the absolute dollar sense but in terms of true economic and social benefit to the country. Our third objective is regulatory, and it is to provide an objective mechanism of control to ensure that in the public and private sectors we achieve the correct degree of balance now and in the future. Our final objective is to stimulate the continued development of transportation; for transport to continue to fulfill its mission in Canada, an appropriate mechanism for promoting new concepts and for encouraging innovation must be made available. In the ministry concept this mechanism is the Transportation Development Agency.

The 4 agencies within the ministry family that have specific responsibility in the urban field are the Surface Transportation Administration, the Transportation Development Agency, the Policy, Planning and Major Projects Group within the central ministry staff, and the Canadian Transport Commission (CTC).

As I mentioned earlier, the 1967 National Transportation Act provides in Part III for regulation of interprovincial motor carriers. When Part III is implemented, the CTC will be taking over a responsibility that is currently administered by the provinces, but the provinces will retain responsibility for intra urban activities so far as can be foreseen at the moment. The Surface Transportation Administration, through its Railway and Highway Branch, is responsible for the administration of those operational aspects of highway planning that are currently a federal responsibility, in particular the Trans-Canada Highway. The Transportation Development Agency coordinates the ministry's research programs from the point of view of undertaking assessment and research studies that ultimately could lead to changes in operational procedures or changes in the technology used in urban transport. It is also responsible for research into subsidy issues, particularly of an intermodal nature. The Policy, Planning and Major Projects Group within the central ministry staff has a policy monitoring function and also has a responsibility with respect to strategic planning. Because it seems difficult to divorce the urban transport problem from those associated with regional transport in Canada, both the policy and strategic planning aspects are associated under the general topic of urban and regional transport.

I would now like to try to describe the role of the federal government in Canadian urban transportation. The activities of the federal government in the urban field are constrained by the Constitution because urban affairs are primarily a provincial responsibility. In fact, the federal government has only limited jurisdiction in Canadian cities. In addition, because most metropolitan transport problems are associated with roads and highways, which are also within provincial jurisdiction, there was for a long time a tacit assumption that urban transport was of little or no interest at the federal level.

But during the 1967 Federal-Provincial Conference on Housing and Urban Development, the then-Minister of Transport suggested that an attempt should be made to undertake coordinated research in urban transportation and to develop a focus for trying out promising new concepts and techniques. This proposal was accepted by the provinces who indicated that they felt that there was a need for coordination at the federal level, particularly in those areas where urban transport problems cut across jurisdictional responsibilities as, for example, happens with many railway and airport access problems.

On the basis of that agreement, the Minister of Transport has felt free to encourage the support of a number of research studies in the urban field, and emphasis has also been placed on coordination within the 3 levels of government and with industry in an attempt to assist in the policy and planning process. There are a number of different coordinating committees within Canada as well as international committees that allow us to maintain a close relationship with our colleagues in the United States and within the Organisation for Economic Co-operation and Development.

So far as the federal presence itself is concerned, airports, harbors, and railways as well as the Trans-Canada Highway are all a federal responsibility and all impinge on the urban scene. It is, therefore, necessary to coordinate a wide range of interests such as the Department of Regional Economic Expansion, the Department of Public Works, the Central Mortgage and Housing Corporation, and, of course, the portfolio of the Minister of Transport.

In addition, at the start of the current session of Parliament, the Speech from the Throne gave an indication of another thrust that the present government will wish to pursue. The Speech highlighted the increasing pressures of urban living, forecast that by the end of this century some 80 percent of the population of Canada may well be resident in a few large cities, and suggested that this introduces a large number of additional problems that, if solved, will require an ever-increasing share of the nation's financial resources and that, if not solved, will in the government's judgment result in an unacceptable drain on the nation's human resources.

The government, therefore, indicated that it proposes to focus the development of its urban policies under the direction of a new Minister of State for Urban Affairs and Housing, one of whose principal functions will be to foster coordination of the activities of all levels of government and, at the federal level, to act as a coordinating body for

all federal programs that in some way affect the city and the urban system. This new thrust is, of course, at the formulative stage, and transport will plainly be an important element; but some of the activities that we have been able to implement during the last 3 years should be of immediate relevance to the work of the Minister of State for Urban Affairs.

I have already mentioned the coordination work that is now well established in the Ministry of Transport, and I would like to conclude with a brief reference to our research work.

The Ministry recognizes that equal importance must be given to the movement of goods and to the movement of people, and a number of consultant contracts and seminar programs have had the former as their principal objective. One of the more important consultant contracts we have sponsored is the so-called urban transport efficiency study that attempts to assess some of the benefits that might accrue on a national level if there was an increased investment and perhaps even governmental involvement in city commodity flow activities. I will not say more about this work because it is the subject of another paper presented at the conference and published in this Special Report.

Similarly, a number of practical studies are being undertaken by the Canadian Trucking Association in association with Smith Transport in Montreal, Toronto, Calgary, and Vancouver. This work is also reviewed in another paper.

One element of our activity that perhaps will not emerge from the Canadian material presented at this conference is the importance we attach to encouraging university research groups to work in the field and to encouraging post-graduate students to take an interest in urban transport problems. We have established within the Ministry of Transport a small number of university centers of excellence that have as their major goals stimulation of both teaching and research in transport. With respect to urban problems, I must mention the University of British Columbia, the Universities of Toronto and York who have established a joint center, and the University of Waterloo.

So far as post-graduate research is concerned, of the 33 transport fellowships that are active in the current academic year, 10 have a direct relevance to urban problems. In addition to transport fellowships, I should also mention that 20 of the 125 fellowships granted by Central Mortgage and Housing Corporation are on transport subjects or have a significant transport involvement.

So far as the immediate future is concerned, at the federal level we intend to increase our support of work in the universities and, through our Transportation Development Agency, we have identified 4 areas—airport access, urban freight, demand-responsive bus systems, and transit control systems—as being topics for early consideration.

Finally, we have just announced that in collaboration with the province of Manitoba and metropolitan Winnipeg we will sponsor a railway nationalization study in the Winnipeg area that will attempt to delineate some of the problems involved in rationalizing the impact of Canadian Pacific and Canadian National Railways on Winnipeg. Because Winnipeg is a major interchange city (I once heard it described as the Canadian Chicago), the tentative solutions to these problems will undoubtedly involve proposals as to how alternative modes of transport can cope with freight and raw materials movement in the city.

These then are some of the areas of interest where we expect the level of activity to increase. We also firmly believe that to extract maximum value from an increased level of activity we urgently need access and collaboration with complementary work being sponsored in the United States.