

functions of the Board of Railway Commissioners. The subsequent parts deal in order with steam railways, electric railways, express companies, roads, motor vehicles, air navigation, canals, shipping, telegraphs, telephones and the Post Office.

PART I.—GOVERNMENT CONTROL OVER AGENCIES OF TRANSPORTATION AND COMMUNICATION.

Private enterprises engaged in the transportation and communication business in Canada have, in the past 50 years, shown the same tendency toward consolidation and amalgamation which has been evident elsewhere throughout the civilized world. The basic reason for such consolidation and amalgamation has been the fact that the business of transportation and communication is, generally speaking, a "natural monopoly", *i.e.*, a type of enterprise in which service can be more efficiently and economically rendered to the public where one or a few concerns control a particular type of service throughout the country. The outstanding example of these consolidations in Canada in our time is the concentration of control of the railways of the country in the hands of the Canadian Pacific Railway and the Canadian National Railway Companies.

However, since such control brings with it an element of monopoly and possible overcharge which is distasteful to the public, it has in Canada, as in other countries, been deemed advisable to set up authorities controlling the rates to be charged and the other conditions on which services to the public are to be rendered by common carriers. This control, so far as railways within the jurisdiction of the Dominion Government are concerned, has been placed in the hands of the Board of Railway Commissioners, whose authority has been extended to cover various other means of transportation and communication. A brief summary of the history and functions of this body follows on pp. 530-31.

Besides the Board of Railway Commissioners, dealing with the larger public utilities coming under the jurisdiction of the Dominion Government, there exist, in several of the provinces, bodies which undertake among their duties the supervision and control of local public utilities operating under the jurisdiction of the provinces, and the regulation of their rates for service. Among these is the Railway and Municipal Board of Ontario, established in 1906, which controls the construction, operation and maintenance of railways and the approving of their rates and their rules and regulations affecting the public. Similarly, in Quebec, a Commission of Public Utilities was established in 1909 and was given superintendence over all Quebec corporations, other than municipalities, "that own, operate, manage or control any system, works, plant or equipment for the conveyance of telegraph or telephone messages or for the conveyance of travellers or goods over a railway, street railway or tramway, or for the production, transmission, delivery or furnishing of heat, light or power, either directly or indirectly to or for the public". In Nova Scotia there is a Board of Commissioners of Public Utilities and in Manitoba a Public Utilities Commission with similar functions, while in the three westernmost provinces these same duties are performed by provincial Departments of Railways.

Due to changing conditions and increasing complexities in the transportation field, the Dominion Government appointed in 1931 a Royal Commission to inquire into the whole problem of transportation in Canada, particularly in relation to railways and shipping and communication facilities, having regard to present conditions and the probable future development of the country. (See p. 534.)