

desirable object is now being further aided by the radio, while telegraphs and telephones have done much to annihilate distance—the rural telephone, in particular, having been of great social and economic benefit in country districts. The press, again, assisted by cheap telegraph and cable rates and by low second-class mail rates to all parts of the country, has been helpful in developing national sentiment. These means of communication are dealt with in Parts VI, VII, VIII, and IX.

## PART I.—GOVERNMENTAL CONTROL OVER AGENCIES OF TRANSPORTATION AND COMMUNICATION.

Problems of transportation, because they are of such vital importance in the economic life of Canada, occupy a large part of the time and thought of our Parliaments and public men. With the modern development of new forms, it is becoming increasingly important to realize that the several agencies of transportation—carriers by rail, road, water, and air—are, or should be, inter-related parts of an integral whole. Each agency has its place in the efficient provision of necessary transportation in Canada. The problem, therefore, is to adjust the conditions under which each of these agencies operates so that the resulting movement of passengers and freight may be accomplished with the maximum of economic efficiency, that is, at the least possible cost commensurate with desired convenience. The recognition of this growing necessity for viewing the problems of transportation and related communications as parts of a co-ordinated whole is indicated by the organization of the Dominion Department of Transport. This Department was organized on Nov. 2, 1936, under authority of c. 34, 1936, unifying in one Department the control and supervision of railways, canals, harbours, marine and shipping, civil aviation, and radio. The Meteorological Service is also under the Department of Transport.

Private enterprises engaged in the transportation and communications 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 communications 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 Company and the Canadian National Railways.

However, since such control brings with it elements of monopoly and possible overcharge which are distasteful to the public, it has been deemed advisable in Canada, as in other countries, 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 eventually, so far as the railways within the jurisdiction of the Dominion Government were concerned, was placed in the hands of the Board of Railway Commissioners, now the Board of Transport Commissioners. From time to time the regulatory authority of the Commission was extended to a limited extent to other utilities. A brief summary of the history and functions of this body follows.

Besides the Board of Transport 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