

Scarcely less important than transportation from the social and economic viewpoints, is the development of communications in a country so vast and with population centres so scattered. The Post Office has been a great factor in promoting solidarity among the people and this same objective is being further aided by radio. Telegraphs and telephones have done much to lessen distances and make for closer relationships—the rural telephone being of particular social and economic benefit in country districts. The press, 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.—GOVERNMENT CONTROL OVER AGENCIES OF TRANSPORTATION AND COMMUNICATION

Section 1.—Government Control Over Agencies of Transportation*

Carriers by rail, road, water and air are, or should be, inter-related parts of an integral whole where each agency has its place in the efficient provision of necessary transportation. The Federal Department of Transport was organized on Nov. 2, 1936, under authority of c. 34 of the Statutes of 1936, to unify in one Department the control and supervision of railways, canals, harbours, marine and shipping, civil aviation, radio and meteorology.

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. For this reason there has been a strong tendency toward consolidation and amalgamation over the past half century. The outstanding example of these consolidations in Canada in recent years 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.

Such control may bring with it elements of monopoly and possible over-charge, and it has been deemed advisable in Canada, as in other countries, to set up authorities to control the rates to be charged and other conditions under which services to the public are to be rendered by common carriers. This control, so far as the railways under charter or within the jurisdiction of the Federal Government are concerned, is now in the hands of the Board of Transport Commissioners. From time to time the regulatory authority of the Commission has been extended to a limited extent to other utilities (see under "Air Transport Board", pp. 729-730).

Besides the Board of Transport Commissioners, there exist, in several of the provinces, bodies that 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 are the Ontario Department of Municipal Affairs (formerly the Railway and Municipal Board of Ontario, estab-

* This material has been compiled in co-operation with the Board of Transport Commissioners, the Air Transport Board and the Department of Transport.