

by Act of Parliament, has been declared to be for the general advantage of Canada. In practice this means that, apart from provincially owned railways in Ontario and British Columbia, all railways in Canada are under the Board's authority.

Once constituted the Board became the logical body to be entrusted with the regulation of other transportation and communication agencies. The list has grown steadily and now includes express companies, telegraph companies, telephone companies, other than those provincially or municipally controlled, international bridges and tunnels, inland shipping and pipelines. Regulation of traffic of water carriers on the Great Lakes-St. Lawrence system is limited to package freight and thus excludes the important bulk traffic in grain, coal and ore.

A review of transportation regulation was undertaken by the Royal Commission on Transportation, under the chairmanship of the Hon. W. F. A. Turgeon, which held extensive hearings in 1949-50 and issued its Report in 1951. (See 1952-53 Year Book, p. 741.) Certain of its recommendations have been incorporated into amendments to the Railway Act including: the equalization of freight rates between all regions of Canada, affecting chiefly the class and commodity mileage rates; the requirement that, when transcontinental competitive rates are published, the corresponding rates to intermediate points shall not be more than one-third greater than the former; the payment by the Government of Canada of the cost of maintaining the so-called 'bridge' lines of the transcontinental systems in Ontario (between Sudbury, Capreol and Cochrane and between Port Arthur and Armstrong), up to the amount of \$7,000,000 annually, the amounts so received by the railways to be offset by certain reductions in rates between eastern and western Canada; the requirement of a uniform classification of accounts to be prescribed by the Board of Transport Commissioners for the Canadian Pacific Railway and the Canadian National Railways; and the simplification of the capital structure of the Canadian National Railways involving the replacement of Government-held debt by preferred stock. Pursuant to the amendments a uniform scale of mileage loss rates has been prescribed and hearings have been held *re* equalization of commodity rates. Agreed charges were also reviewed by the Hon. W. F. A. Turgeon in 1955 and his recommendations were implemented in amendments to the Transport Act in 1955.

Certain other recommendations of the Commission have been put into effect, or are being studied with a view to putting them into effect at an early date without any legislative amendments. These include the establishment of a uniform carload mixing rule and a general revision of the freight classification.

**The Air Transport Board.**—The Air Transport Board was established in September 1944 by amendment to the Aeronautics Act. Subsequent amendments to the Act were made in 1945, 1950 and 1952. The Board has three members including the Chairman, and the staff comprises an Executive Director's Branch including Legal, International Relations, and Traffic Divisions, and a Secretary's Branch including Administrative, Licensing, and Inspection and Enforcement Divisions.

The Board is responsible for the economic regulation of commercial air services in Canada and is also required to advise the Minister of Transport in the exercise of his duties and powers in all matters relating to civil aviation. The regulatory function relates to Canadian air services within Canada and abroad and to foreign air services operating into Canada. It involves the licensing of all such services and the subsequent regulation of the licensees in respect of their economic operation and the provision of service to the public. As provided by the Act, the Board issues Regulations, approved by the Governor in Council, dealing with the classification of air carriers and commercial air services, applications for licences to operate commercial air services, accounts, records and reports, ownership, transfers, consolidation, mergers and leases of commercial air services, traffic tolls and tariffs, and other related matters. Detailed regulatory instructions are issued by the Board in the form of General Orders, published in the *Canada Gazette*, relating to all air services or groups of air services; Board Orders relating to individual air services; and Rules and Circulars for general guidance and information.