

Regulation of railway freight and passenger rates is one of the Board's principal tasks. Except for certain statutory rates, it has power "to fix, determine and enforce just and reasonable rates, and to change and alter rates as changing conditions or cost of transportation may from time to time require"; it may disallow any tariff that it considers to be unjust or unreasonable or contrary to any provision of the Railway Act; it may prescribe other tolls in lieu of the tolls disallowed, or require the railway company to substitute a tariff satisfactory to the Board. Since the end of World War II there has been a succession of applications for authority to make general freight rate increases and general telephone rate increases.

A review of transport 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, including the following, were incorporated into the Railway Act by amendments made in 1951: the equalization of freight rates; the requirement that, when transcontinental competitive freight 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 railway 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 applied to reductions in freight rates between Eastern and Western Canada over the trackage referred to; and 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. Pursuant to the amendments, a uniform scale of mileage class rates has been prescribed by the Board and equalization of commodity rates is being proceeded with. The Board has also prescribed a uniform classification and system of accounts for railways and has approved a new freight classification.

Under the Transport Act, the Board entertains applications for licences for ships to transport goods or passengers for hire or reward between places in Canada on the Great Lakes and the Mackenzie and Yukon Rivers, except goods in bulk on waters other than the Mackenzie River. Before granting a licence the Board must be satisfied that public convenience and necessity require such transport. The Board also has regulative powers over tolls for such transport.

'Agreed charges' between shippers and carriers, authorized by the Transport Act, were also reviewed by the Hon. W. F. A. Turgeon in 1955 and his recommendations were implemented in amendments to that Act in 1955. Under the amendments, an agreement for an agreed charge shall be executed in tariff form and a duplicate original shall be filed with the Board within seven days after the making of the agreement; the agreed charge will take effect twenty days after the filing without necessity of the Board's approval of the charge. The Board continues to have power to fix a charge for a shipper who is unjustly discriminated against by an agreed charge and it also has power to vary or cancel an agreed charge referred to it by the Minister of Transport or the Governor in Council for investigation.

During the year 1961, a total of 3,156 applications were submitted to the Board under the provisions of the Railway Act, the Transport Act, the Maritimes Freight Rates Act, and other legislation under the Board's jurisdiction; 3,279 Orders and 11 General Orders were issued.

The Board, shortly after the interim freight rate increase of 17 p.c. was authorized in November 1958, required the railways to specify, before Apr. 10, 1959, the amount of supplementary relief sought. But before that date, the Government announced that no further general increases would be allowed for a period of one year pending the findings of a Royal Commission to be established to inquire into the railway rate structure and other matters affecting railway transportation. The Royal Commission was appointed May 13, 1959 with the Hon. C. P. McTague named as chairman (later succeeded by M. A.