

MacPherson), and conducted hearings across Canada, receiving submissions from the railways and all interested parties. Volume I of its report was submitted in March 1961 and Volume II in December 1961; another volume will follow. (See also pp. 757-758.)

On July 8, 1959, Parliament passed the Freight Rates Reduction Act designed as a relief measure for shippers. The Act provided a fund of \$20,000,000 to permit a reduction in class and commodity rates (other than competitive rates) on Canadian railways for a period of one year to Aug. 1, 1960. In compliance with the Act, the Board of Transport Commissioners ordered the substitution of an increase of 10 p.c. for the permissive increase of 17 p.c. A further reduction, substituting an increase of 8 p.c. in lieu of 10 p.c., was ordered by the Board, effective May 1960. By two later amendments, the Freight Rates Reduction Act was extended first to Apr. 30, 1961 and then to Apr. 30, 1962. The authorized expenditure was raised from \$20,000,000 to \$35,000,000 and then to \$55,000,000. The reduced rates, as ordered by the Board in May 1960, have continued in effect. As at Feb. 12, 1962, and for the period Aug. 1, 1959 to Dec. 31, 1961, the Board had certified \$44,989,453 for payment to companies under authority of the Freight Rates Reduction Act.

On July 13, 1961, Parliament passed Appropriation Act No. 4-61 which included tenths of \$50,000,000 in respect of Vote No. 590 of the Supplementary Estimates for the year ended Mar. 31, 1962; the remainder was included in Appropriation Act No. 5-61, passed on Sept. 28, 1961. Vote No. 590 provided for "Interim payments, related to recommendations of the Royal Commission on Railway Problems pending its complete report, to Companies as defined in the Freight Rates Reduction Act of an aggregate amount in respect of the calendar year 1961 of \$50,000,000" It also provided that the Board determine the method of allocation, and that payment be made to such Companies as compensation for the maintenance of their rates on freight traffic at reduced levels as provided for in the Freight Rates Reduction Act. As of Feb. 12, 1962, payments totalling \$49,850,000 had been made under Board Orders, the remainder of the Vote to be allocated after the claims under the Freight Rates Reduction Act were received for the calendar year 1961.

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 is comprised of a Senior Adviser; a Legal Branch; an Operations Branch which includes the Traffic Division, Operations Analyst, Special Traffic Adviser, International Relations Division, and the Licensing and Inspection Division; an Economic and Accounting Branch which includes the Economics Division, Audit Division and Financial Analyst; and a Secretary's Branch which includes the Administrative Division. In addition, a small staff is located in Montreal to service the Senior Canadian Representative on the Council of the International Civil Aviation Organization.

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 and out of 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, consolidations, 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, 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. Financial and operating statistics are collected under authority of the Board's Regulations.