

Under the Railway Act its jurisdiction is, stated generally, in respect of construction, maintenance and operation of railways that are subject to the legislative authority of the Parliament of Canada, including matters of engineering, location of lines, crossings and crossing protection, safety of train operation, operating rules, investigation of accidents, accommodation for traffic and facilities for service, abandonment of operation, freight and passenger rates, and uniformity of railway accounting. The Board also has certain jurisdiction over telephones and telegraphs, including regulation of the telephone tolls of The Bell Telephone Company of Canada, the British Columbia Telephone Company, the Bonaventure and Gaspé Telephone Company and the Yellowknife Telephone Company, over tolls for express traffic and tolls for the use of international bridges and tunnels.

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 were incorporated into the Railway Act by amendments made in 1951 (see 1962 Year Book, p. 760).

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.

A Royal Commission was appointed May 13, 1959 with the Hon. C. P. McTague named as chairman (later succeeded by M. A. MacPherson) to inquire into the railway rate structure and other matters affecting transportation. Its findings were published in three volumes, which appeared between March 1961 and July 1962.

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. authorized in November 1958 but suspended pending the findings of the Royal Commission. A further reduction, substituting an increase of 8 p.c. in lieu of 10 p.c. was ordered effective May 1960; these reduced rates have continued in effect. Later amendments extended the Freight Rates Reduction Act to Apr. 30, 1961 and then to Apr. 30, 1962 and the authorized expenditure was raised from \$20,000,000 to \$35,000,000 and then to \$55,000,000. In respect of the year 1961, interim payments related to recommendations of the Royal Commission pending its complete report were authorized by Parliament to the amount of \$50,000,000 to compensate the railway companies for maintenance of their rates on freight traffic at the reduced levels.

The Freight Rates Reduction Act was not extended beyond Apr. 30, 1962, but authority for payments in respect of reduced freight rates between that date and Mar. 31, 1963 was