

the Bonaventure and Gaspe 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. During the past decade there has been a succession of applications for authority to make general freight rate increases and general telephone rate increases.

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 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).

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. Pending the results of this inquiry, the enactment of the Freight Rates Reduction Act, 1959 and later amendments gave some relief to shippers by providing the finances necessary to permit the reduction of freight rates and the payment of compensation to the railways for maintenance of their rates on freight traffic at the reduced levels (see 1963-64 Year Book, pp. 752-753). Legislation based on the findings of the MacPherson Royal Commission was before the House of Commons when it adjourned in December 1964.

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 Economics 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 serve 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