

Trends in transportation services

15.1

Because of Canada's size, geography and dependence on trade, freight transportation has always occupied a dominant role within the overall economic system and during the last decade has shown dramatic growth. This marked acceleration followed steady increases over the previous 30 years.

Total freight transportation measured by operating revenues of for-hire carriers increased from an estimated \$400 million in 1930 to an estimated \$7.4 billion in 1974. In freight transport the fastest growing segment was the for-hire trucking industry which increased its revenue from an estimated \$8 million in 1930 to an estimated \$3.1 billion in 1974.

The two traditional modes of transport, rail and water, increased their combined annual revenues from an estimated \$400 million in 1930 to an estimated \$3.3 billion in 1974. The new modes of transportation such as pipelines and air freight have been growing at a high annual rate during the last 20 to 25 years. They have not, however, reached the same degree of importance as the older conventional modes.

Notwithstanding the importance of the overall increase in revenues from all means of transport, an even more drastic change took place in the distribution of market shares held by the different modes of freight transport. The two traditional ones, rail and water, which enjoyed almost complete dominance in 1930, steadily decreased their combined share of the total transportation market from 98% in 1930 to 44% by 1974. Pipelines, which accounted for only one half of 1% of the market in 1950, increased their share of the total to 10% by 1974.

The Canadian for-hire trucking industry, which in 1930 represented only 2% of the market, increased its market share to 42% by 1974 and thus became the largest mode of freight transport, as measured by operating revenues. Summary statistics on the for-hire trucking industry are presented in Table 15.18.

Government promotion and regulation

15.1.1

The federal government plays a twofold role in developing transportation services. One is promotional, to ensure the growth and development of the kind of transportation appropriate to need; the other is regulatory and includes economic regulation of rates and services and the application of technical regulations to meet safety requirements. The building of canals from the time of Confederation to the construction of the St. Lawrence Seaway, underwriting railway development and branch-line extension, establishing Air Canada, investing in airports and aeronautical installations and building the Trans-Canada Highway fall within the first category.

The Department of Transport and the various Crown agencies reporting to Parliament through the Minister of Transport have jurisdiction over canals, harbours, shipping, civil aviation and interprovincial and international railways. Jurisdiction over for-hire extraprovincial and international highway transport also rests with the federal government but these powers are at present exercised by the provincial highway transport boards (with one exception) as provided for in the federal Motor Vehicle Transport Act of 1954 (RSC 1970, c.M-14).

On July 16, 1976 the Governor in Council exempted from the application of the Motor Vehicle Transport Act the Roadcruiser service operated by Canadian National Railways in Newfoundland. This bus service is now under the jurisdiction of the Motor Vehicle Transport Committee of the Canadian Transport Commission, and is subject to the provisions of Part III of the National Transportation Act (RSC 1970, c.N-17).