

Canada is the second largest country in the world, with an area recorded at 9 970 610 km² for land and freshwater; the greatest east-west distance is from Spear Island, Nfld. to the Yukon-Alaska border, 5 514 km. Throughout Canada's history, the implementation of efficient transportation systems has been continually hampered by topographic barriers: rough, rocky terrain between the Atlantic provinces and Quebec; vast stretches of rock, water and barren muskeg north of Lake Huron and Lake Superior, separating Eastern and Western Canada; and a rugged, mountainous range between the western provinces and the Pacific Coast.

In addition to this challenge is the task of linking a small population so widely dispersed over the country. This situation was presented to a newly-emerging nation, in 1867, when the proposal of Confederation was contingent on the provision of transportation facilities that would link the two coasts. Great distances separating Manitoba, Alberta, Saskatchewan and British Columbia from Canada coupled with the sparse smatterings of populations had made annexation by the United States a calculated possibility. At present, the problem persists in the designing of new transportation systems which will continue to serve the far-reaching corners of this country adequately, while overcoming geographical obstacles.

13.1 Transportation legislation

Government policies in the past followed a route of granting monies for construction of transportation systems — airports, seaports, railways and the Trans-Canada Highway. It protected emerging industries from competition, thereby allowing monopolies to be formed, while maintaining strong, regulatory control. These conditions still applied to a great extent when the first National Transportation Act was passed by Parliament in 1967. Since then, air traffic has tripled, trucking has flourished, water transportation has introduced faster, more sophisticated vessels, and railways are offering more specialized freight services.

In February 1985, the federal government reached an agreement with provincial governments on the reform of trucking regulations. This agreement became the basis for the new Motor Vehicle Transport Act, 1987. In July 1985, the government put forth its proposals for the new National Transportation Act; these proposals were passed in 1987, and came into effect January 1, 1988. The National Transportation Agency, created under the new legislation, acts as the federal government's mediator of the Canadian transportation industry. It replaces the Canadian Transport Commission. Providing guidance and direction in the application of the new Act is its prime responsibility.

The Acts support a safe national transportation system; the establishment of the most effective and efficient transportation systems, with facilities for travellers with disabilities; and the removal or modification of regulations in order to stimulate competition within the industry. This allows a high degree of innovation, thus giving transportation firms the opportunity to provide new and improved services to their customers.

The general intention of these Acts is to assist in making Canadian transportation more efficient and more cost-effective. By assisting Canadian industry to become more competitive, economic growth is encouraged in all regions of the country.

13.1.1 Air transport

The new National Transportation Act, in the field of commercial aviation, outlines changes in regulations dealing with market entry for domestic operations in Southern Canada, while maintaining the former regulatory environment in the North. Other major concerns covered by the Act are safety and the requirement of carriers to be covered by adequate insurance.

The trend toward deregulation of air services started in 1984 when government policy was revised to remove the distinction between national and regional carriers, permitting any carrier to apply for and operate on any route in the country. However, carriers were still required to demonstrate