

rates and charges resulting from monopoly conditions in the industry and the safety of transportation facilities and operating practices, yet the railways have been so involved in the public interest that their regulation has been extended to become the most comprehensive of any industry in Canada.

In the meantime conditions in the transportation industry have been drastically altered by the increasing competition arising from the advance of highway transportation. Unlike the competition that existed between railways in early stages of their development, today's competition shows little indication of starting a trend toward consolidation and a return to semi-monopolistic conditions within the industry. Because so many shippers now provide their own transportation, it is evident that a large part of the present competition between common carriers will become a permanent feature of the transportation industry.

It is not surprising that regulations, which under monopoly conditions were not onerous to the railways or were purely nominal in their effect, are now alleged to have become increasingly restrictive and hampering under highly competitive conditions. Regulatory authorities are therefore faced with the problem of piecemeal revision of their regulations—retaining those where railway monopoly or near-monopoly conditions still make them necessary in the public interest, and relaxing those where competition can be relied on to protect the public in order to enable the railways to meet this competition more effectively. The emphasis has shifted from the regulation of monopoly to maintaining a balance between the several competing modes of transport. Indicative of this trend is the amendment to the Transport Act passed in 1955, which extends the freedom of the railways to make the contract rates with shippers known as agreed charges.

On Nov. 2, 1936 the amalgamation of the Department of Railways and Canals and the Department of Marine, together with the Civil Aviation Branch of the Department of National Defence to form the new Department of Transport brought under one control railways, canals, harbours, marine and shipping, civil aviation, radio and meteorology.

Road and highway development is mainly under provincial or municipal control or supervision. According to the Judgment of the Judicial Committee of the Privy Council dated Feb. 22, 1954 jurisdiction over interprovincial and international highway transport rests with the Federal Government. Federal and provincial representatives conferred in Ottawa in April 1954 on means of implementing that decision and on June 26, 1954 the Motor Vehicle Transport Act was passed by the Federal Parliament giving to all provinces, at their option, the authority to apply to interprovincial and international highway transport the same regulations respecting certificates of public convenience and necessity and rates as they apply to undertakings operating entirely within the province. This Act has since been proclaimed in seven provinces.

Under the Transport Act 1938 the Board of Railway Commissioners became the Board of Transport Commissioners and the Board, in addition to its authority over railways, was given power to regulate certain aspects of water transportation on the Great Lakes and on the Mackenzie and Yukon Rivers.

The Royal Commission on Transportation, in its Report to Parliament in 1951, recommended the more complete co-ordination of transport agencies by the creation of a single Board to take over the functions then discharged by the Board of Transport Commissioners, the Air Transport Board and the Canadian Maritime Commission. No action has been taken by Parliament on this recommendation.

The Board of Transport Commissioners for Canada.—The situation that led to the introduction of railway regulation by Commission in Canada, and other information relating to the organization, procedure, judgments, etc., of the Board of Transport Commissioners is dealt with in the 1940 Year Book, pp. 633-635.

The powers of the Board with regard to rail transport cover almost all aspects of railway activities including corporate organization, location, construction and operation of lines, rates and charges. The railways under the Board's jurisdiction include those operating interprovincially, the Canadian portions of United States lines and those incorporated under federal charter. In addition the Board assumes jurisdiction over any railway which,