

international traffic. My only comment is to suggest that any proposals for federal regulation of highway carriers should be made with due regard to these facts, as well as to the constitutional position.

The recital of these facts gives an historical outline of how our national transportation policy has evolved. It has been a practical policy from the beginning, and like all practical policies it must be subject to more or less continuous review as conditions change. It is for that very reason the Federal Government appointed a Royal Commission on Transportation in the last days of 1948.

The Commission made a comprehensive report in February of 1951, recommending among other things a programme of equalization of railway rates from coast to coast. Parliament amended the Railway Act in the fall of 1951 to facilitate such a programme. The first step towards implementation was a subsequent order of the Board of Transport Commissioners requiring equalization of the class rates by January 1, 1954. The Commission also recommended recapitalization of the Canadian National Railways, and appropriate legislation was enacted at the 1952 session.

Another recommendation of the Commission was that one strong control authority should be constituted by the Federal Government to apply a planned policy for the co-ordination and regulation of transportation. At present there are three bodies each responsible in an assigned sphere: the Board of Transport Commissioners, the Air Transport Board, and the Canadian Maritime Commission. The Government as yet has reached no decision as to whether this recommendation is to be implemented. Here I should just like to make it clear that the word "co-ordination" is not intended to imply some magic formula by which all transportation difficulties can be ended and all transportation agencies made profitable without any painful adjustments. A greater degree of co-ordination and integration of services does offer some solid advantages, whether under one authority or several, but they are not as spectacular as that.

I think that this review has shown pretty clearly that each method of transport has a role of its own to play, and that all can be combined to serve us in harmony. No new means of transport has eclipsed an old means. Rather, each as it arose has redefined the role of the others.

Wherever suitable water transportation is available it remains unparalleled for cheap bulk movements. One need only look at the great volume of iron ore, coal, limestone, grain, petroleum, pulp-wood and other cargoes carried on our inland waters to be reassured on this point.

Railway transportation is equally vital to the Canadian economy today. It is the one and only means of moving much of our basic production in large areas, and it serves a diversified traffic from coast to coast. It is still playing its part in the development of new areas.