

cumstances of great difficulty and under conditions which now demand the most careful consideration of Parliament.

When the Board of Railway Commissioners was first established, the railways, as already pointed out, exercised a virtual monopoly in the field of transport. The competition from inland waterways was negligible, the automobile was a novelty, and the aeroplane not yet a practical reality. But the railways no longer enjoy that monopoly. Rapid development of the internal combustion engine and its application to trucks and buses as well as automobiles, and the consequent demand for motor highways, plus the intensified competition for traffic due to the depression, have brought the highways of the country very prominently into the transportation picture. It is unnecessary for me to remind honourable members of the effect of truck and bus competition upon railway revenues.

The construction of the Welland Ship Canal has also had a marked effect upon Canadian transport in that it has permitted entrance to Lake Ontario and Upper St. Lawrence waters of the larger type of Great Lake carriers which formerly made their terminals at Lake Erie ports. This has had the effect of releasing from the bulk grain trade the smaller vessels formerly operating between the Lake Erie ports and Montreal, and these boats in turn have cut into the package freight traffic at one time enjoyed by the railways but at the present time competed for by the railways, the highways and the waterways, under conditions as to regulation and non-regulation which it is the object of the proposed Bill to deal with, so far as the jurisdiction of the Dominion Parliament may extend.

In recent years there have been great advances in aerial transport, and the present rapid development of Canada's northern mining fields has been largely due to the adaptation of the aeroplane to commercial purposes. Heretofore this form of transport has been largely confined to fields not served by any of the older methods of transportation, but the development of flying has now reached the stage where transcontinental services are about to be established on regular schedules, and in that way the aeroplane becomes an active competitor in a field heretofore regarded as the peculiar province of the railways.

It is of course recognized that each of the four agencies of transport referred to—the railways, the highways, the waterways and the airways—have their own particular field of usefulness, and neither the railways nor Parliament would desire to hamper in any way

the development of any competing service in any legitimate direction. What is complained of, and what the Bill before us is intended to remedy if possible, is the unfair competitive situation which has come about by reason of the fact that heretofore only the railways have been subjected to the jurisdiction of this Parliament, as represented by the Board of Railway Commissioners, and the time has now arrived when we must reconsider the position and decide whether we shall continue the close measure of supervision and regulation as enforced upon the railways, and not applied to the other competing forms of transport, or whether we shall, as far as it may be legally possible to do so, exercise a general measure of regulatory supervision over all transport agencies alike.

The extent to which the railways are subject to control and regulation under the Dominion Railway Act will possibly be a matter of surprise to the average citizen. The Board exercises a definite measure of control over the setting up of railway companies, which must be in strict conformity with the provisions of the Act, and also over the agreements for the sale, lease or amalgamation of railways, the interchange of traffic, running rights, and the operation of insolvent companies. It also exercises certain powers over the construction of railways authorized by Parliament, and their location, and no railway may be opened for traffic except by leave of the Board after inspection by its officers.

The operation of the railways, their equipment, and the speed of trains, even the use of the whistle, are all subject to the regulations of the Board, and the precautions for the protection of the public are also subject to its direction.

But the aspect of the regulative authority of the Board of Railway Commissioners bearing more particularly upon the matter before us is that with respect to traffic, tolls and tariffs, and the power vested in the Board by the Railway Act to fix, determine and enforce just and reasonable rates, also to change and alter rates as changing conditions or cost of transportation may from time to time require. The Board must also see to it that there shall not be unjust discrimination or unreasonable preference practised against shippers, consignees, or localities. It is provided that all freight tariffs shall be filed with and be subject to the approval of the Board before they can become effective, and the Board is at all times prepared to receive and consider complaints for the public with respect to the same.

Hon. Mr. DANDURAND.