

Hon. Mr. Brooks: Before the honourable senator goes on, might I ask him what goods he would expect to be carried by commodity pipe lines?

Hon. Mr. Deschatelets: I am coming to this point, honourable senators. Part II has to do with commodity pipe lines falling under the jurisdiction of Parliament, which means transport through pipe line of commodities from one province to another, or others, or extending beyond the limits of one province. I may say here, that oil and gas moved by pipe lines will remain under the National Energy Board.

Hon. Mr. Brooks: They are not under commodity pipe lines?

Hon. Mr. Deschatelets: No, but I am coming to another detail. As I said, oil and gas moved by pipe lines will remain under the National Energy Board, but if the pipe lines carries a commodity other than gas and oil it will come under the jurisdiction of the new transport commission.

Special rules are provided for the regulation of "combined pipe lines," that is, pipe lines designed to move commodities using a medium of oil or gas. An example of a combined pipe line would be a pipe line for moving sulphur in oil.

Honourable senators, I think we should now look at Part III of the bill, which covers clauses 29 to 37 inclusive. Part III deal with the federal control of motor vehicle transport. As I explained earlier, so far as federal jurisdiction applies, this mode is regulated under the Motor Vehicle Transport Act, which authorizes provincial highway transport boards to regulate extra-provincial trucking operations within their own borders as if they were intra-provincial operations.

I stated before that it is intended that these provisions will not be brought into force until the matter has been thoroughly reviewed with provincial authorities; I have some reasons for that, but there is another reason. The constitutional validity of the Motor Vehicle Transport Act has been challenged in an appeal to the Supreme Court of Canada, and the possibility that this act will be declared *ultra vires* makes it, for this reason alone, essential for the federal Government to be prepared to step rapidly into this field.

Part IV of the bill covers clauses 36 to 37 inclusive. It provides for the transfer to the Minister of Public Works from the Board of Transport Commissioners of the powers of the

board with respect to the safety and construction of bridges that come under the jurisdiction of Parliament.

Honourable senators, we now come to the largest part of the bill, Part V, which deals with railways. This part of the bill is based broadly on the recommendations of the MacPherson Commission Report. It covers clauses 38 to 79, inclusive. Part V of the bill provides a new system for regulating the railway rates under conditions of growing competition, and for the assumption by the Government of Canada of burdens arising out of the maintenance of operation of branch lines and passenger services which lose money.

There are burdens which are imposed on the railways by law or custom. Some of these burdens date as far back as the building of the railway lines. The most important of these burdens in dollar terms is the burden of money-losing passenger services.

Under the rules established by the bill, if a railway wishes to discontinue a passenger service, it must first apply to the new commission.

The commission is directed to determine whether or not the service is losing money. If it is not losing money, there is no problem and the application will be dismissed. If it is losing money, the commission must decide whether the service should be discontinued according to a set of broad criteria which has been outlined with a view to safeguarding the public interest.

I must mention that under the provisions of the bill if any person wishes to present his views on the discontinuance of a service to the commission, it must hold hearings. If the commission, after reviewing the evidence, comes to the conclusion that the railway should continue a money-losing service, the railway may claim for the loss, and the commission may recommend that they be paid out of the Consolidated Revenue Fund.

Part V also has provisions dealing with the abandonment of money-losing branch lines, according to the same general principles as passenger train discontinuance, but because of their greater local importance in the Prairie Provinces especially, the procedure to be followed is spelled out in more detail. The commission can, where desirable, deal with abandonment applications on an area basis in order to avoid a piecemeal approach. The commission may make recommendations for