

Again without expressing an opinion as to the legal propriety of the use of section 64 in the manner employed by the government, the Committee expresses its deep concern about the possibility of the creation of, in its view, an entirely undesirable precedent for possible further passenger rail cutbacks. Indeed, the Minister of Transport has on several occasions indicated that the actions of last November might not be the last of that nature should situations arise in the future which, in the view of the government, would call for similar action. The Committee is concerned that successive route reductions which bypass the CTC and do not consult the people affected by these route discontinuances could ultimately reduce the passenger rail service network in most parts of Canada to a very limited secondary role. In other words, through the use of section 64, the government could effectively eliminate passenger rail service as it is now known and seek to concentrate its railway resources in one or two geographical regions such as the often-mentioned Quebec-Windsor corridor. The Committee notes that two Canadian provinces are already without passenger rail services: Prince Edward Island and Newfoundland.

The Committee is of the view that this is a trend which is not in the best interests of the people of Canada and that the successive use of Cabinet initiative without reference to the Canadian Transport Commission's Railway Transport Committee would effectively deprive the travelling public of a forum in which to state their side of the case for the maintenance of any particular routes, or indeed an entire network.

**2. The Committee recommends that any future decisions on passenger rail service reorganization or rationalization that involve route or service cancellations, abandonments or reductions be preceded by open and representative public hearings so that all parties concerned will have an opportunity to state their views. Furthermore, such hearings should not come to be regarded as mere formalities, but rather should be seen as an integral and indispensable part of the decision-making process. Consequently, the Committee also recommends that s. 64(1) of the *National Transportation Act* be amended, or its application be restricted by amendments to other sections of the Act to ensure it will not be used to make major reductions in passenger service without proper recourse to the Canadian Transport Commission or to Parliament.**

(ii) Residual Obligations of the Existing Operating Railway Companies

Railways have played a primary role in the economic, social and political development of Canada. The Committee believes that this essential role of railways continues today. In simpler times, many railway companies provided passenger services to Canadians on a commercial basis. Through the years, these small railway companies were absorbed by the two giants of the railway industry in Canada today, Canadian Pacific Limited (CP Rail) and Canadian National Railway (CN Rail). Some of these smaller railways were acquired by outright purchase by the larger companies. Still more disappeared through a process of amalgamation and very long-term leasing whereby the current operating railways took over the entire route network and equipment of the smaller companies. These old railway mergers and reorganizations were the subject of federal and provincial enabling legislation. Most of this activity is well recorded in the old statutes, the majority dating back to before the turn of the century.