

(d) transportation is recognized as a key to regional economic development and commercial viability of transportation links is balanced with regional economic development objectives in order that the potential economic strengths of each region may be realized.

In spite of this, the Committee believes that it would be less than responsible if it were to advocate government intervention before a qualified private railway operator was given the opportunity to provide continuing service -- let alone before the line was a candidate for abandonment. The Committee is of the opinion that reliance on s. 3(1)(d) at this time, before every avenue has been exhausted, is premature and not conducive to success under existing legislation.

RECOMMENDATIONS

The Committee's Order of Reference called for it to inquire into and report upon the decision of Canadian National Railways to sell the main railway line between Truro and Sydney, Nova Scotia. In doing so, the Committee heard a great many concerns expressed by the witnesses and, as well, arrived at a number of conclusions. Paramount among these is the opinion that the intractable position taken by the Government of Nova Scotia only adds to the uncertainty for a region of the country deeply concerned about its future. It was also clear to the Committee that pervading the entire hearing process was the importance of preserving service on this rail line. To this end, the Committee recommends:

1. **That the Government of Nova Scotia should urgently reconsider its present position and make every effort to ensure that a private shortline operator would be successful. The Committee has examined the performance of shortline operators in both the United States and Canada and is persuaded that a private operator has a better chance of success than a line that continued to be operated by CN.**
2. **That, notwithstanding the refusal of the Government of Nova Scotia to issue a shortline operator an operating permit, it is in the best interests of those most concerned with the continuation of the service that CN proceed with its efforts to sell the line to the most qualified bidder. Lengthy delays in consummating a sale may result in a situation where traffic on the line has declined to the point where a successful shortline operation may no longer be possible. The Committee further recommends that the sale agreement should require that the railway right-of-way must continue to be maintained and that the land involved in the sale must not be used for non-railway purposes.**
3. **That if the sale of this line should be aborted or if the operation of the line by a private owner should fail in the future, for whatever reason, the Government of Canada must ensure continuation of service. The Committee is of the opinion that a clear case has been made that the economic future of the region is dependent upon the continued operation of the line.**