

(c) the procedure followed by way of Order in Council P.C. 1981-2171 in varying the Canadian Transport Commission's Orders and Decisions respecting Canada's passenger train services.

While the condition of passenger rail services in this country is of ongoing concern to all Canadian parliamentarians, the action of the Governor in Council in reducing, pursuant to Order in Council P.C. 1981-2171 which took effect on 15 November 1981,<sup>(1)</sup> the passenger rail routes and services provided by VIA by some 20%, provided the initial focus for the Committee's activities. That date came and went, and the reductions in service were implemented, but many underlying issues surrounding the decision, and indeed the whole issue of the provision of railway service to the travelling public in Canada remain outstanding. This Committee heard extensive testimony and received briefs on a wide range of issues related to the topic of passenger rail services. Many of these submissions commented on the above-mentioned decision by the Governor in Council. Various other significant issues also came to light in the course of these hearings that are, in the Committee's view, highly relevant in terms of the immediate and long-range viability, and indeed survivability, of passenger rail service in Canada.

The Report of the Committee will attempt to reflect many of these concerns and will indicate both in the substantive text and in the recommendations, constructive and practical suggestions to ensure that rail passenger services will continue to play an indispensable role in Canadian transportation.

The Committee is of the view that a modern and attractive railway passenger system can and should continue to play an important part in Canada's transportation future. A comfortable railway passenger system which is well utilized by the travelling public can provide an energy-efficient and cost-efficient method of inter-city travel. In the Committee's opinion, passenger rail service is an economical and prudent investment when compared to the very high cost of subsidies needed to underwrite the construction and maintenance of facilities for air and road transportation. Furthermore, the provision of a railway alternative can serve an important function in alleviating congestion on Canada's highways and in its airports, particularly during peak travel periods. The Committee also feels that the Canadian travelling public should be provided with a convenient choice of modes of travel.

This Committee believes that Canadian passenger rail service is undergoing a fundamental change. This process is generally gradual and does not normally cause much public or parliamentary outcry at least until a gap in the evolutionary movement needs filling. This is what occurred after July 27, 1981, when it was announced that \$100 million was needed to finance new equipment acquisitions, and that this money was to be found through eliminating about one-fifth of rail passenger services in Canada. This provoked a vigorous public protest.

The Committee regards this type of drastic service cut as an unfortunate ad hoc response that has detrimental long-term ramifications for the passenger rail system in Canada. The Committee believes that this sort of very important decision should not be made as a reflex reaction to a combination of circumstances that are foreseeable and should properly be the subject of well-reasoned, long-term planning.

<sup>(1)</sup> The text of the Order in Council and Route Schedules is reproduced in Appendix I to this report.