

Manitoba government leaves Churchill residents in limbo after flood cuts rail link

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Last month, extensive spring floods damaged a 300-kilometer segment of the Hudson Bay Railroad between Gillam and Churchill, Manitoba. Located in the remote northern region of the province, Churchill, with a population of 900, relies on the railroad for essential supplies and passenger transport, as there is no road over the expanses of permafrost to the town.

In the month since the railroad was shut down, little to nothing has been done to restore service. Residents are experiencing skyrocketing prices for groceries, fuel, and other supplies, which must be flown in by air at up to 3-6 times the cost. At Churchill's Northern Store, run by the North West Company, broccoli is over \$8.75, and a package of Kraft Singles Cheese was \$17.89. The North West Company, which effectively has a monopoly on groceries and other retail services in Canada's northern and First Nations regions, says it will have to raise prices even further this week.

Travel for residents is also severely constrained. Residents of Churchill and the remote areas around it rely on Via Rail's thrice-weekly rail service to the town. Travel to Thompson, the regional hub of Northern Manitoba, is roughly \$120 roundtrip by train, but by air, it is over \$600. Travel to Winnipeg is over \$1,000 roundtrip by air. Via's service is suspended indefinitely, with the trainset stranded in Churchill.

The suspension of rail service is cutting into tourism earnings, as tourist travel to the town is limited to the expensive air flights. While other jobs have diminished, Churchill has experienced a growing tourist economy around beluga whale and polar bear watching, as well as the Northern Lights. In the peak season for whale sightings, that traffic has been reduced because of the Via service suspension.

This crisis has been met by a shocking level of official indifference and inaction from the Hudson Bay Railroad and the provincial and federal governments. A month

after the loss of ground transportation, the Department of Northern Affairs is stating that it is "exploring" the possibility of a food subsidy, and nothing has been done to help residents with transportation.

Denver-based Omnitrax owns the Hudson Bay Railroad, and it quickly publicized aerial photos of the railroad track damaged by flooding on May 23 that circulated within the media. It presented a timeline of four weeks to survey the damage and two additional weeks to report on the damage, while predicting that repairs would take until winter or spring, and demanding that the provincial and federal company contribute to the cost of repairs.

Last week, a starkly different view of the damage emerged. Motorcycle enthusiasts Steve Green and Richard Whittaker had begun a long planned trip from Denver to Churchill on June 9, and were told of the damage to the railroad on June 14 during a stop in The Pas, Manitoba. They decided to ride as far as they could along the damaged railroad tracks and document their condition.

Expecting to have to turn around, they found that water had receded and there were no major obstructions to their travel. Speaking to the CBC, Green noted that he is not an engineer, but having covered the route, none of the damage seemed beyond repair. He emailed photos of each damaged location to the town of Churchill, and the pair received a warm welcome when they arrived, as people were surprised by what seemed like good news, the lack of severe damage.

Yet no work has been done and Omnitrax still states it is surveying the damage, while the government says it is studying the options. CBC and other media outlets continue to use Omnitrax's flooded photos from May in every article, implying that the damage is much worse than it is. While the railroad is constructed partly over permafrost, which presents challenges, undoubtedly damage along a busier freight route would have been

fixed weeks ago. As for the government, when CP railroad workers struck in 2012 and 2015, it moved swiftly to put an end to it, rather than spending a month in silence.

Omnitrax's inaction is the second major blow the company has dealt to Churchill. The railroad to the city was completed in 1928 by the government-owned Canadian National Railway. Under the auspices of the Canadian Wheat Board, the railroad's purpose was to provide Canadian farmers in the Prairies with a port on the Arctic Sea--Churchill, which was closer by rail than shipping grain east to Montreal or elsewhere. Canadian National was privatized in 1995, and in 1997 it sold the route and the port of Churchill to Omnitrax.

Lofty claims were made by Omnitrax about the money it would pour into infrastructure so long as the government did the same. Repeatedly, the government put tens of millions into maintenance up front, while Omnitrax spent a fraction over the course of years. When the Canadian Wheat Board was disbanded in 2012, it offered a shipping discount to farmers for export at Churchill, Omnitrax replied by dramatically raising the rates and chasing away traffic. Then, last July, it closed the port of Churchill without warning, laying off 70 workers.

Omnitrax is one of several private "short line" operators in the US and Canada that buys up smaller routes from larger railroads and uses cheaper methods to turn a profit. Its operations in the United States are known for low pay, low maintenance, and high employee turnover. In the past, it has made the decision to sell a route for scrap value instead of operating it.

On the Churchill route, it is likely looking to get out without paying for the cost of repair to the line. On the one hand, it is demanding the government pay for repair. Separately, two different First Nations-affiliated companies are said to be possible buyers of the Churchill route and port for \$20 million, but nothing has yet been concluded.



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