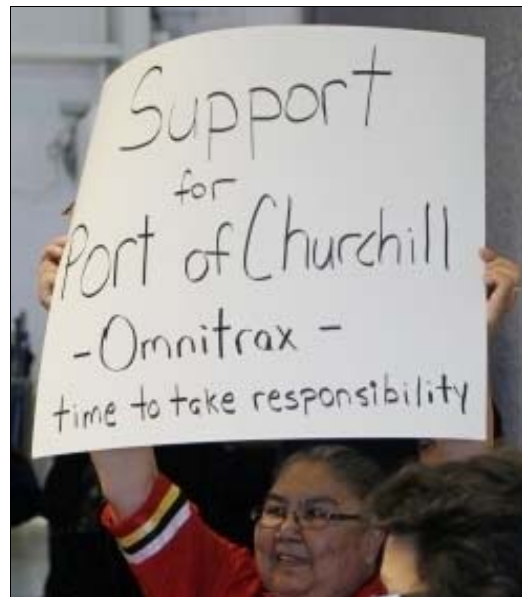


July 20, 2017

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Demonstration in Winnipeg, September 21, 2016, against Omnitrac's closure of Port of Churchill.

U.S. railway company Omnitrac arrogantly announced its refusal to repair the damaged railway line connecting the municipalities of Gilliam and Churchill for which it is responsible. The line serving the Port of Churchill is indispensable for the people of Northern Manitoba.[1]

The railway line deemed the private property of Omnitrac was damaged by spring flooding and closed indefinitely on June 9. The company also owns the Port of Churchill, which it closed in the summer of 2016, citing a decline in grain transportation.

Omnitrac held a press conference on July 16, led by its chief commercial officer Peter Touesnard. Also in attendance was a railway expert from the consulting firm AECOM Canada, which had been hired to assess damages to the rail line and the amount of value and time required to repair it.

The flooding and damage took place in May and no repairs, not even partial, have started. In his technical briefing, the AECOM representative said repairs would take two months with work beginning in September. The value needed in work-time and transferred-value would be anywhere from \$20 million to \$60 million.



Commenting on the technical briefing, Omnitrax's Peter Touesnard declared his private company is a commercial enterprise accountable to its owners in the U.S. It cannot justify investing any money in repairs. Touesnard attempted to portray his ownership group and company executives as both heroes and victims for having tried but failed to make money from what he describes as, "an essential service" and "public utility" that "is not commercially viable."

What the U.S. oligarchs really are saying is that the pooled resources of the state should pay the rich to run the rail line both as an "essential public utility not commercially viable" and as a "commercially viable private enterprise" using subsidies from the state or through a public-private-partnership (P3). The state treasury should guarantee the highest possible return for the private enterprise and assume all risks such as damage from heavy spring rains or competition from other oligarchs that harm the business. In this way, the essential public utility would be maintained and the oligarchs would pocket a guaranteed return.[2]

The essential aspect of a public utility such as a rail line or the very real necessity of jobs is used to justify P3s and other pay-the-rich schemes. The people of Northern Manitoba need their rail line and port, and the U.S. oligarchs have come to be their saviours as long as the people recognize that Omnitrax is a private enterprise that needs to be "commercially viable" and is responsible to render a profit to its U.S. owners.

The key aspect covered up is that accepting the oligarchs into the lives of Canadians deprives the people of the power to determine and control those affairs that affect their lives such as a rail line, an essential public utility, bank, local manufacturing or any enterprise for that matter within the basic sectors of the economy. The oligarchs become the main block to solving problems, from making the entire economy viable not just a select part and opening a path forward.



What was the thinking of those in control of Omnitrax when they bought the rail line in Northern Manitoba in 1997? They knew at the time that the rail line was an essential service, a public utility serving a small population and port open just half the year at most. Was it commercially viable at that time and not now or are those just empty words to justify a self-serving agenda and practice?

The population is small in the north and other companies were competing at the time to take freight away from the Port of Churchill with schemes to wreck the Canadian Wheat Board (CWB). It is the only land means for the transportation of basic necessities into the north as well as grain and other products for onward transport through the port, and for hauling commodities south such as locally cut timber not to speak of the importance of people simply being able to move around from town to town in this remote area, in particular to travel to Churchill for supplies and health care and other services.

The original public utility in control of the line to Churchill, the Canadian National Railway (CNR), has long been privatized and has since divested itself of the rail line to Churchill by forming the Hudson Bay Railway Company and selling it in 1997. The oligarchs at Omnitrax also knew that as the only land transportation line to the north they could charge high user fees. Grain farmers in both Manitoba and Saskatchewan preferred the Port of Churchill for overseas shipping as it was

substantially cheaper than other options and the CWB guaranteed payment and freight. Besides, as an essential service and public utility the state would have to intervene if the situation turned sour, as it did with the wrecking of the CWB, and now with the damage from the spring floods.



Omnitrax determined the rail line and port were commercially viable enterprises in 1997. However, the Harper Conservative government wrecking of the CWB in 2012 drastically reduced the transportation of grain by rail to the Port of Churchill, and the forestry crisis and closure of the northern mill also negatively affected the rail line. Against this backdrop of inter-monopoly competition and fighting, according to Omnitrax, the railway line and port have lost their "commercial viability," and now finally with the spring floods and damage have once again become an essential service and vital public utility "not commercially viable" and in need of a P3 or

state subsidies.

So how do the people in the north, the Indigenous Nations and others who have settled there, extricate themselves from this mess, solve the problems that confront them and build a future for themselves, which includes holding the rulers to account?

Competing oligarchs have wrecked the CWB against the wishes of grain farmers. Oligarchs have closed the northern forestry mill. Their Port of Churchill has been closed and now their rail line is in a state of disrepair. The people are deprived of the control, power and resources they need to deal with the situation.

Usually when oligarchs are faced with a problem such as Omnitrax, they demand money from the state, declare bankruptcy of one part of their empire or shut down and run away. The federal and Manitoba governments appear to be most concerned with finding a way out for Omnitrax and allow it to abdicate its responsibilities and not be held accountable, especially its owners in the United States.



The media report that a spokesperson for Transport Minister Marc Garneau issued an email

statement following the Omnitrax press briefing saying:

"Omnitrax has an obligation to repair and maintain its line and maintain service to residents, and we expect Omnitrax to meet its obligations. If Omnitrax fails to meet its obligations, our Government will have to examine what are the next steps and alternatives to ensure residents can get the food and supplies they need."

The Manitoba government issued an email statement through its Minister of Infrastructure saying:

"Today's technical briefing provided by Omnitrax was clearly inadequate [and has left] many unanswered and hypothetical questions. What was made clear today by senior Omnitrax officials is that they are not prepared to repair, maintain or operate the rail line. It appears that they intend to abandon the line. If so then it is their obligation to the people of Churchill and indeed Manitobans to communicate their abandonment decision to the federal government."

These mealy-mouthed statements are not acceptable. They skirt the main issue of repairing the rail line immediately and holding those in power and control to account, which includes Omnitrax and both levels of government. The state privatized the CNR and the Port of Churchill and destroyed the CWB. Obviously Omnitrax expects state money or it will simply abandon the rail line and port through bankruptcy or simply by walking away. The federal and provincial governments must not hand over any more money to Omnitrax but instead immediately seize the initiative by taking control of the rail line and port in cooperation with the Indigenous Nations and others in the region and make the necessary repairs.

Omnitrax is one company within the U.S. consortium called the Broe Group with headquarters in Denver, Colorado. The consortium has more than enough resources to make the repairs to its rail line in Northern Manitoba. Governments have the option to force Omnitrax to do so using their police powers. The social responsibility for making the repairs is an aspect of ownership of a public utility. If Omnitrax refuses and declares local bankruptcy or runs away, governments should pursue its assets in the United States while at the same time taking control of the situation by immediately making the necessary repairs and ensuring the rail line and port serve the economy and people and not the financial oligarchy and its narrow private interests.



A coalition of Indigenous Nations and various municipalities in the region have already presented various options that would make the railway line and port viable enterprises. Financial reparations from Omnitrax would become seed money to have the projects see the light of day. At any rate, a solution to this problem that holds those in the ruling elite to account and is satisfactory to the people affected must be found immediately.

Note

1. See "Churchill, Manitoba Left Stranded: Residents and Neighbouring Communities Demand Immediate Assistance and Change of Ownership Model for Their Port and Railway," *Workers' Forum*, June 19, 2017.

2. All big business now operates either openly as a P3 or receives subsidies or other state-organized

assistance to make them "commercially viable." Not a week goes by without an announcement of a pay-the-rich handout to the oligarchs to make their private enterprises viable whether they are the big banks or auto or forestry monopolies. The Trudeau Liberal government has even organized an infrastructure bank as a billion dollar state-organized anchor to guarantee the private investments of the oligarchs in infrastructure projects countrywide. All the basic sectors of the economy are now P3s or some other variation of state-organized pay-the-rich schemes. The class privilege of the rich and the domination of their empires are maintained with the direct assistance of the state and its treasury and police powers, and by keeping the people deprived of power to build the new.

(Photos: WF, PSAC, M. Spence)



Compensation Is a Right for All Workers Killed, Injured or Made Sick at Work

General Electric Workers Demand Compensation for Years of Exposure to Toxins



Over 120 former General Electric workers took part in a public meeting organized by the Occupational and Environmental Health Coalition Peterborough (OEHC-P) on July 12. The former workers at the GE plant in Peterborough Ontario spoke eloquently of what they and their spouses have endured from years of exposure to deadly toxins.

The workers were exposed from 1945 to 2000 to over 3,000 toxins, including 40 that are carcinogens. The workers were immersed barehanded up to their elbows in chemicals such as asbestos, arsenic, vinyl chloride, beryllium, formaldehyde, trichloroethylene, PCBs, uranium, lead, and many others. Workers used chemical-soaked rags to clean equipment and cut asbestos boards without proper respiratory equipment. The list of dangerous and abusive practices is endless.

During those years, General Electric was one of the main employers in Peterborough. The workforce at the plant reached as high as 5,000 while today the number has fallen to only 200. The plant has produced from small to massive electric motors and generators, appliances, and small and large electrical components for urban utilities. It also had a nuclear facility that produced nuclear fuel bundles for CANDU nuclear reactors.

The plight of these workers has now been documented in a detailed report that was published in May by an Advisory Committee made up of two occupational health and safety researchers assisted

by GE retirees.[1] The report was sponsored by UNIFOR, which represents 31 of these workers. The report exposes the conditions the workers endured and reinforces their demand for automatic compensation for all GE workers who suffered through these years.

"These GE workers have suffered horrific and often terminal diseases at a disproportionate rate, yet approximately half of the compensation claims filed have been rejected, abandoned or withdrawn due to what was deemed to be insufficient proof," said Joel Carr, Unifor national representative.

Speakers at the meeting pointed out that over the past 13 years, GE workers in Peterborough have filed 660 applications for compensation with the Workplace Safety and Insurance Board (WSIB) but only 280 workers have received any compensation. Three hundred and forty applications were denied, withdrawn or given up. Claims were denied under the hoax that a lack of scientific proof exists linking their illness to toxic exposure.



Sue James speaks at Ontario Injured Workers' Day 2017, as part of a large contingent of workers from the Peterborough GE plant who participated in the day's events.



Workers reject their unjust treatment with contempt. Their collective experience of exposure to multiple toxins and occupational disease including cancers is more than enough proof that their plight is work-related. They are asking for automatic compensation for all those who were part of the GE workforce in Peterborough during those years and are now suffering illnesses in numbers and severity far greater than average Canadians. What else could be the cause but their common exposure to dangerous toxins?

The GE retirees emphasized at the meeting that they are not satisfied with the words of sympathy from Ontario Labour Minister Kevin Flynn and the local MPP. They demand deeds, as is their right. This is especially the case at this time because so many of them are now old and very sick. They want their dignity as workers upheld, which requires their claims to be recognized and their suffering compensated.

A victory for the GE retirees would be of great assistance to all workers who are being denied their right to compensation and face the silence of the Ontario government and the WSIB when they make their claims for compensation. According to the researchers, over 6,000 deaths occur annually in Ontario related to exposure to toxins at work. However, the government and WSIB do not relate these deaths back to their cause at the workplace. The long latency period for many cancers and other diseases to develop explains in part this problem but the main obstacle to recognizing the source of the disease, the researchers explain, is the onerous burden of proof the government and compensation system unjustly place on workers.

Note

1. *The Report of the Advisory Committee on Retrospective Exposure Profiling of the Production Processes at the General Electric Production Facility in Peterborough, Ontario 1945-2000*, available [here](#).



Government-Sanctioned Theft of What Belongs to Workers and Others by Right!

Sears Canada Files for CCAA Bankruptcy Protection

Using the government-sanctioned *Companies' Creditors Arrangement Act* (CCAA), the U.S. oligarchs in control of Sears Canada have unleashed a broad attack on their active and retired employees. Seventeen thousand Sears Canada workers, hundreds of laid-off workers currently receiving severance payments, and 16,000 retirees and their dependents are under attack from this government-sanctioned theft of what belongs to them by right.

Using the police powers of the CCAA, Sears Canada announced without warning on June 22, the immediate firing of 2,900 workers. The company informed the fired workers throughout the country that any contractual or legal obligations for severance pay would not be honoured and that severance pay now going to previously fired workers would cease immediately. First to be let go, 300 workers at the Toronto head office of the company were ordered to appear at locations other than their workplace where they were summarily fired. Sears representatives told them not to go to their workplaces, as any personal belongings would be sent to them. Others will be fired as stores close.



In a press release on July 6, Sears broadened its attacks on the working class announcing the cessation of other promised payments. The measures are contained within a court-enforced CCAA budget prepared by the CCAA Debtor-In-Possession (DIP). Two secured creditors of Sears Canada, The Wells Fargo Capital Finance Corporation and GACP Finance Co. are the administrative agents of the \$450 million DIP Financing. Both secured creditors are said to have significant connections with ESL Investments controlled by the U.S. billionaire oligarch Edward Lampert. ESL Investments is the principal owner of both Sears Canada and its U.S. counterpart Sears Holdings Corp., with thousands of stores in the U.S. known mostly as Sears and Kmart. ESL Investments seized ownership and control of Sears/Kmart while it was under U.S. Chapter 11 bankruptcy protection in 2003. Chapter 11 is similar to Canada's government-sanctioned CCAA theft of what belongs to workers and others by right.

The July 6 Sears Canada press release states, "Cash constraints at the Sears Canada Group have resulted in challenges for a number of valued stakeholders, including associates (employees) whose positions were recently eliminated or will be eliminated when a number of Sears Canada locations (59) across the country close, retirees, suppliers and landlords.

"The Company ... is not able to make payments to certain stakeholders; payments it would normally

make if it were not cash constrained and operating under the protection of the CCAA.... The DIP Financing requires that the Sears Canada Group comply with a budget, which does not provide for the payments listed below.

"Special payments towards the defined benefit component of the Sears Registered Retirement Plan ... Post-Retirement Health and Dental Benefits ... (and) Post-Retirement Life Insurance Premiums." These payments will cease at the end of September.



The Sears Canada annual economic report for 2016 states that the defined-benefit pension plan is underfunded by \$308.6 million in relation to its pension benefit obligations, its registered pension plans are in a \$110.3 million deficit, the post-retirement health and welfare trust covering promised medical and dental benefits and life insurance premiums is underfunded by \$196 million, and the nonregistered supplemental pension plan has a \$2.3 million shortfall.

Sears Holdings Corp. in the U.S. reports a pension shortfall of U.S.\$1.6 billion and millions more in underfunded promises and social obligations to its U.S. workers and retirees. The company in the U.S. has not yet filed for another Chapter 11

bankruptcy.

The CCAA government-sanctioned theft not only negatively affects active workers and retirees but also many others who hold accounts payable from Sears Canada for contracted work or goods delivered before June 22. According to CCAA court documents, payments are suspended to 775 contractors and approximately 3,300 domestic and international suppliers of merchandise. This represents a severe blow to those involved and the economy.

CCAA is a state police measure to victimize the working class, defend the class privilege of the very rich and serve the narrow private interests of select oligarchs. CCAA is available only to a company demanding bankruptcy protection with debts exceeding \$5 million. CCAA ensures the assets of a protected company go to secured creditors at the expense of the working class and others. The recurring use of CCAA to allow big companies to evade their social obligations to working people and further damage the economy underscores the necessity for a new pro-social direction for the economy that recognizes and upholds the rights of working people and ensures security in their lives and stability in the economy.

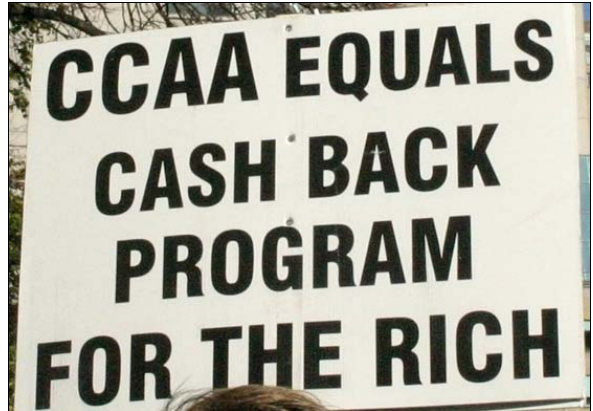


Sears Canada's Unilateral Changes to Terms of Employment

Sears Canada is using bankruptcy protection of the *Companies' Creditors Arrangement Act* (CCAA) to evade its legally obligated social responsibilities for employee pensions, post-employment benefits, and severance pay. Sears Canada retirees have long worried about this possibility. In a 2013 letter to the company's chief executive officer, the *Sears Canada Retiree Group* representing some

of the 17,000 retirees pointed with concern to the pension plan deficit of \$198.8 million as of January 2012, and a shortfall of \$252.7 million in the health and welfare trust. The defined-benefit pension plan deficit has since grown to \$308.6 million along with a \$110.3 million deficit in the registered pension plans.

The retirees' letter took issue with the company not making contributions to the defined benefit portion of the plan for a period of time and its 2009 announcement to stop funding the health and welfare trust and instead divert those funds to pay current wages and for other use. The letter also criticized an extraordinary cash dividend paid to shareholders of the company.



Sears Canada workers, similar to most retail workers, do not have an independent defence organization to fight collectively for their rights.

The company has taken advantage of this lack of organized collective resistance to worsen employees' terms of employment. Since the economic crisis of 2008, the company has dictated negative changes to the employees' pension plans, post-employment benefits and other terms of employment.

According to *Benefits Canada* the Sears Canada pension plan is now a hybrid defined benefit and defined contribution arrangement. The company unilaterally discontinued contributions towards defined benefits in 2008. It also abruptly ended retiree benefits for all employees not enrolled as of the end of 2008 and introduced a defined contribution savings plan. The unilateral actions continued in 2013, when the company further changed the pension plan to eliminate a benefit for employees who voluntarily resign prior to the age of retirement. The company has now unleashed a broad attack using the state police powers of the CCAA.

(With files from Benefits Canada)



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