

Does the north need the Northlander?

ANALYSIS: The Ontario Liberals killed the northern rail service five years ago. We look at the case for bringing it back

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Advocates for restoring Northlander train service say the Liberals have long exaggerated its cost (Stephen C. Host/CP)

When Kerry Desilets's friend died earlier this year, Desilets desperately wanted to attend the funeral in Toronto. Then she looked at her transportation options. Kapuskasing had passenger flights, but they were far too expensive. (The flights have since been cut.) She considered the government's Ontario Northland bus, but that would have required sitting for 13 hours or more with a colicky two-month-old baby. She could have driven, but there was no one to tend to her newborn. She missed the funeral.

Had the Northlander passenger train service from Toronto to Cochrane via North Bay still been running, Desilets says, she would have made it. On the train, she would have had room to change diapers and could have walked around with her restless little girl. But the Liberals killed the Northlander in 2012, citing a "no longer affordable" per-passenger subsidy in excess of \$400.

Desilets sees the cancellation as evidence that Queen's Park doesn't care about the north. She'll have that on her mind when she votes in 2018.

So will Eric Boutilier, the North Bay resident who started the Northlander advocacy group [All Aboard Northern Ontario](#). His group is highlighting stories of disabled people unable to use cramped buses to reach medical appointments in the south; post-secondary students unable to go home for the holidays; and small-town mayors struggling more than ever before to convince businesses to set up shop. What's especially infuriating, Boutilier says, is that northerners have no train service at a time when the province is spending billions to add trains in the Greater Toronto Area and may spend billions more on high-speed rail to London and Windsor.

With so much anger over the Northlander's cancellation, it's not surprising that the Progressive Conservatives and the New Democrats — who already hold all the seats along the route — have said they'll reinstate the train. But is it feasible to bring it back? Does it make sense in a province that's \$300 billion in debt?

Advocates for restoring train service say the Liberals have long exaggerated its cost. Consider the news release that announced the end of service: it stated that "government funding has increased from \$28 million annually in 2003-04 to \$103 million this year." What the release failed to clarify was that the Ontario Northland Transportation Commission also carried freight, operated a ferry, ran the still-operational passenger train from Cochrane to Moosonee, operated buses, and provided telecommunications. The Northlander was a relatively small part of that \$103 million. A 2013 [Auditor General's report](#) said it cost about \$16 million annually, \$2.5 million of which was derived from ticket sales and \$2.5 million from the federal government.

At the same time they cut the train, the Liberals claimed that selling or closing ONTC would save \$265.9 million over three years. But they failed to take into account things like the high severance costs that it would be forced to pay to unionized employees — in some cases full pay for 14 years. Auditor General Bonnie Lysyk said [in her 2013 report](#) that divesting from ONTC would actually *cost* taxpayers \$820 million. The government, she scolded, "did not clearly or fairly communicate the potential financial impact of the proposed divestiture."

In retrospect, it looks like Dalton McGuinty's Liberals may have used the closure of the Northlander as a way to show they were serious about tackling the deficit, even though the savings from it were likely much lower than they suggested.

The per-passenger subsidy also appears to have been lower than the \$400 figure they claimed. If you believe the numbers Lysyk used and divide the \$11 million that Ontario put in by the average annual ridership of 36,237, you get \$303.

That's not huge compared to the other long-distance rail lines. According to federally funded [Via Rail's 2016 annual report](#), the Toronto-Niagara route is subsidized at a rate of \$164 per trip, the Montreal-Halifax route at \$502, the Toronto-Vancouver route at \$434, the Montréal-Jonquière route at \$602, and the Montréal-Senneterre route at \$512.

It's also much lower than two First Nations-owned railways that are funded primarily by Transport Canada through the Remote Passenger Rail Program and Rail Passenger Stewardship and Support program. The Tshieutin Railway from Sept-Iles to Schefferville, in Quebec, got \$9.5 million in 2016 to carry 14,757 passengers — \$643 per trip. The Keewatin Railway Company from The Pas to Pukatawagan, in Manitoba, took 11,279 passengers and got \$1.7 million directly from the federal government, plus \$2.9 million from VIA — \$408 per rider.

Transport Canada says the Northlander doesn't qualify for "remote rail" funding because its communities "have highway access to the national transportation network." But communities served by Via and GO Transit are well-served by highways — and they get federal funds. Ontario, therefore, may be able to convince Ottawa to partner on bringing back northeastern Ontario rail.

That's what some are hoping happens in another part of the province's northeast. The Algoma Central Railway passenger service ran from Sault Ste. Marie to Hearst for 100 years, but CN shut it down in 2014 when Ottawa pulled its \$2.2 million in annual funding. The funding was reinstated months later and the train briefly began running again, but the new private operator soon shut down, ending service again.

Ottawa then claimed that the ACR no longer qualified for funding because people had access to roads. Linda Savory-Gordon calls that "bunkum." The only way into Savory-Gordon's camp on Achigan Lake north of Sault Ste. Marie now is on an ATV. She's working with the [Coalition of Algoma Passenger Trains](#), which wants to see that service returned, along with service from Sault Ste. Marie to North Bay, where the train could connect to a renewed Northlander.

Chief Jason Gauthier of the Missinabie Cree First Nation is also working on it. He envisions Ontario's first Indigenous-owned passenger service, called [Mask-wa Oo-ta-ban](#), which translates to "bear train." Gauthier says the train would provide his members with easier access to traditional territories from which they were historically displaced, while also creating economic opportunities.

But again, the train would rely heavily on federal and/or provincial funding. Ridership on the ACR averaged only 7,400 per year from 2005 to 2013, with \$2.2 million of its roughly \$2.5 million in revenue coming from Transport Canada — a subsidy of \$426 per trip. It's hard to see how it wouldn't need that subsidy again.

Savory-Gordon and Gauthier argue that the potential economic impact of passenger service, from Group of Seven-related tourism to easier access for people in the far north to Algoma University, should be enough to make the subsidy a worthwhile. Consultants hired by the City of Sault Ste. Marie [peg the potential indirect economic benefits](#) of the line at between \$38 million and \$48 million.

Ontario's Minister of Northern Development and Mines Michael Gravelle, meanwhile, says the Wynne government is "committed to ensuring that Northern residents, communities and industries benefit from viable transportation systems," but the Liberals won't commit to bringing the trains back.

"ONTC motor coach service accommodates every community that was previously served by the

Northlander train,” Gravelle says, adding that the government has just announced \$5.2 million for new buses and technology enhancements in northern Ontario, budgeted \$40 million over five years province-wide for transportation grants to First Nations and municipalities, and plans to spend \$54.1 million annually on the Northern Health Travel Grant Program, which helps residents in Northern Ontario who need to travel long distances to access medical care.

“The province will continue working with our Northern partners, including First Nations, to identify policy, program and investment opportunities for a modern and sustainable transportation system in Northern Ontario,” Gravelle said.

NDP MPP John Vanthof, who represents the riding of Timiskaming–Cochrane, and Vic Fedeli, the longtime PC MPP for Nipissing, both say they are committed to bringing the Northlander back, and suggest there may be ways to reduce costs. Both are open to potentially having less frequent service than the six days per week the Northlander previously had, and both would consider proposals that feed Northlander passengers into the GO Transit system. (GO’s Richmond Hill line heads to Union Station on the same track the Northlander would likely use.)

But they stress it would still need a large subsidy. Fedeli says the PCs are prepared to spend \$15 million per year on the Northlander and \$30 million on start-up costs. He goes so far as to call discussion of the size of the subsidy per passenger discriminatory. “Of course (the subsidy) would be higher in the north,” he says. “The length of track you need to get from point A to point B is horrendous.”

Vanthof, a farmer by trade, says bringing back the Northlander is about fairness, regardless of the subsidy. “You can’t expect the farms to produce and the mills to produce and the mines to produce and say to the people who work in those industries that we’re not going to provide the same services (as) in other parts of the province,” he says.

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