

Heart of the Continent? *The CentrePort Canada Act* and the Future of Manitoba

M I C H A E L S I L I C Z

I. INTRODUCTION

There was a time, not so long ago, when Winnipeg was considered to be a central hub of international trade and commerce. At the turn of the twentieth century, it was expected that Winnipeg would rival both Toronto and Montreal as the largest city in Canada. Winnipeg was a major player in the pre-World War I global network of commerce, was home to a booming commodities market, and was even nicknamed “the Chicago of the north.” One hundred years ago, people from all over the world flocked to Winnipeg to better their lives.

Today the story is different. Winnipeg is no longer a key player in the globalized system of trade. The simple reality is that Winnipeg has failed to live up to its historic potential.

This disappointing state of affairs may be coming to an end, however, thanks to Bill 47. *The CentrePort Canada Act*¹ is a laudable initiative that aims to make Winnipeg a key player in global trade once again. By designating 80 square kilometres of Manitoba a “free trade zone” and the creation of a private corporation to promote business development, the CentrePort initiative looks to capitalize on Winnipeg’s geographic advantage as the centre of North America. Should the *Act* be successful, Winnipeg may live up to its new namesake as the heart of the continent.

This paper analyzes Bill 47, *The CentrePort Canada Act*, in its entirety. It begins with a general summary of the bill, and then places the legislation in historical context. With this general background understanding of Bill 47, the paper delves into extensive and thorough detail about the passage and enactment of Bill 47 through the process of the Legislative Assembly of

¹ Bill 47, *The CentrePort Canada Act*, 2nd Sess, 39th Leg, Manitoba, 2008 (assented to 9 October 2008), SM 2008, c 45 [*Act* or Bill 47 or bill].

Manitoba. Finally, the paper ends with a discussion on the merits of the *Act*, as well as the reaction of the media to the *Act*.

II. SUMMARY OF THE *ACT*

Bill 47, *The CentrePort Canada Act*, is a broad piece of legislation aimed at attracting commercial and infrastructure development to Manitoba by designating Winnipeg an “inland port.”² *The CentrePort Canada Act* establishes a private sector corporation charged with attracting commercial development to the province, and sets aside 20 000 acres of land (approximately 80 square kilometres) located by the James Richardson International Airport to serve as a site for future intermodal development.³ Noting that “Manitoba is centrally located in Canada and North America where east-west and north-south transportation gateways and trade corridors intersect”,⁴ *The CentrePort Canada Act* looks to capitalize on one of Manitoba’s most potent comparative advantages—our position as the heart of the continent. The purpose of *The CentrePort Canada Act* is to turn Winnipeg into a successful inland port by making the city the central hub of intermodal trade and commerce in North America.

The CentrePort Canada Act creates a corporation, CentrePort Canada Inc., a non-share capital private corporation.⁵ It is important to note that CentrePort Canada Inc. is not a Crown corporation,⁶ and the *Act* specifically exempts it from Manitoba’s *The Corporations Act*.⁷ However, the corporation is still considered a person under the law, with the general powers to raise credit and own property,⁸ although it does not have the authority to tax.⁹ Further, Bill 47 sets out three mandates for the corporation to accomplish: to facilitate the long-term development and operation of the inland port, to facilitate and encourage investment in the inland port, and to promote the inland port.¹⁰

² *Ibid.*

³ *Ibid.*

⁴ *Ibid.*

⁵ *Act, supra* note 1, s 2(1).

⁶ *Act, supra* note 1, s 2(3).

⁷ *The Corporations Act*, CCSM c C225. The CentrePort corporation is excluded from this legislation as a result of s 2(2) of the *Act, supra* note 1.

⁸ *Act, supra* note 1, s 4.

⁹ Manitoba, Legislative Assembly, *Debates and Proceedings (Hansard)*, 39th Leg, 2nd Sess, vol LX No 67B (11 September 2008) at 3132 [*Debates* (11 September 2008)].

¹⁰ *Act, supra* note 1.

In terms of structure and organization, the CentrePort corporation has three months from the date of Royal Assent to choose an initial board of nine to eleven directors,¹¹ who are then allowed to choose up to four more directors. The initial directors are selected from a committee of business and government leaders.¹² Directors are allowed to sit on the board for three years and can run for up to three terms.¹³ The initial directors are required to create bylaws and committees, elect more directors, and most important of all, come up with a business plan to attract intermodal investment in Winnipeg to make it a successful inland port.¹⁴ Ultimately, the corporation is to become financially self-sustaining.¹⁵

The 20 000 acres of land reserved for the inland port by the James Richardson International Airport will be developed “to serve as a transportation, trade, manufacturing, distribution, warehousing and logistics centre.”¹⁶ This land is to serve in conjunction with the 24/7 operation of the airport in order to foster trade and commerce. The land itself is shared between the City of Winnipeg and the Rural Municipality (“RM”) of Rosser, and will be located northeast of the airport.¹⁷ The site will likely become the home of companies specializing in intermodal and international trade across the continent. The physical location of the land can be seen on the figure on page 111.

Finally, there is the issue of funding. First, to fund this initiative, public money will be “raised” through tax increment financing.¹⁸ This form of revenue generation is used mainly by municipalities “...to promote economic development by earmarking property tax revenue from increases in assessed values”¹⁹ within the development zone. Further, by designating this area of land as an inland port, Winnipeg has opened itself up to a vast increase in federal funding. Additional sources of revenue will affect the CentrePort development strategy, including previously announced initiatives like the \$85 million provincial-federal funding to improve the highway from Winnipeg to the

¹¹ *Ibid.*, s 6.

¹² *Ibid.*, ss 9–10(2).

¹³ *Ibid.*, s 11.

¹⁴ *Ibid.*, ss 15–16, 18(2).

¹⁵ *Ibid.*, s 18(3).

¹⁶ Government of Manitoba, News Release, “Province introduces legislation which would create inland port corporation” (10 September 2008), online: Government of Manitoba <<http://news.gov.mb.ca>> [Government of Manitoba News Release].

¹⁷ *Ibid.*

¹⁸ *Debates* (11 September 2008), *supra* note 9.

¹⁹ Richard Dye & David Merriman, “Tax Increment Financing: A Tool for Local Economic Development” *Land Lines* 18:1 (January 2006) 1.

Emerson border crossing, \$68 million for the twinning of Inkster Boulevard, and \$68 million in upgrades to the Hudson Bay railway line to Churchill.²⁰ Finally, the Government of Canada's Asia-Pacific Gateway and Corridor Initiative²¹ has served as an underlying impetus to implementing a plan to gain federal infrastructure funding.²²

The CentrePort initiative received a further boost in the 2009 federal budget. In mid-April 2009, Prime Minister Stephen Harper announced \$212 million dollars in federal funding to finance CentrePort Canada Way, a cornerstone of the CentrePort initiative soon to become Canada's newest expressway.²³ According to Prime Minister Harper, the CentrePort plan

...is about building on Winnipeg's place at the heart of the continent [and] coming together during a period of extraordinary global economic uncertainty to transform a crisis into an opportunity.²⁴

The provincial government made a contribution equal the level of federal funding, as well as another \$9.2 million to obtain the 20 000 acres of land.²⁵ In October 2009, the provincial and federal governments announced an additional \$3.5 million in joint funding for CentrePort.²⁶ The first funding announcement was a major step forward for the CentrePort initiative, taking Bill 47 from a dream to a concrete reality in under a single year. The next page contains an image of the CentrePort site and how it will look upon completion of these developments.²⁷

²⁰ Government of Manitoba News Release, *supra* note 16.

²¹ "Background", online: Canada's Asia-Pacific Gateway and Corridor Initiative <<http://www.gateway-corridor.com/background>>.

²² Additional insight in this area was gained through a discussion with Dr. Barry Prentice, former Director of the Transport Institute (1996–2005) and Professor of Supply Chain Management, I.H. Asper School of Business, University of Manitoba [Prentice].

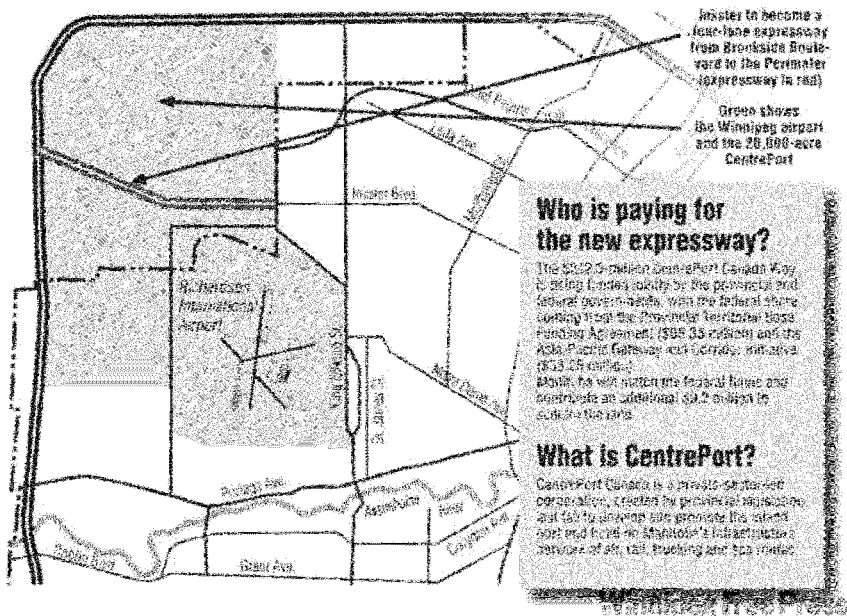
²³ Slated for completion in August 2012, CentrePort Canada Way will be a four-lane expressway stretching ten kilometres to connect Inkster to the Perimeter Highway. See Carol Sanders, "Expressway for CentrePort", *Winnipeg Free Press* (15 April 2009) B1; Martin Cash, "First CentrePort seeds sprout", *Winnipeg Free Press* (16 October 2010) B4.

²⁴ *Ibid.*

²⁵ Sanders, *supra* note 23.

²⁶ "Federal and Manitoba governments announce \$3.5 million for CentrePort", *Canadian Press* (9 October 2009); Geoff Kirbyson, "Province, feds give CentrePort \$3.5M", *Winnipeg Free Press* (9 October 2009) A5.

²⁷ Sanders, *supra* note 23.



Thus, *The CentrePort Canada Act* looks to ambitiously place Winnipeg on the map as the trade centre of North America. It seeks to take one of Winnipeg's few comparative advantages, namely its geographic centrality in North America, and exploit it by harnessing the power of government to attract commercial development. It is an exciting piece of legislation that, if successful, could potentially boost Manitoba from "have not" to "have" status in only a matter of a few decades. But where did the idea for CentrePort come from, and why has it only become an issue so recently? With this short summary of *The CentrePort Canada Act* in mind, it is now possible to explore the origins of the *Act* and its background.

III. ORIGINS OF THE ACT

A. History of Manitoba

The origins of *The CentrePort Canada Act* go far back in time, and require a brief summary of the history of Manitoba. CentrePort owes its origins to the history of Canada's economic development through the country's reliance on staples as a base for economic development, dependant upon the nation-state to

undertake such processes.²⁸ *The CentrePort Canada Act* is an attempt to reclaim a comparative advantage that Winnipeg lost long ago, but now has the chance to regain due to the potent geographical changes that will occur over the course of the twenty-first century.

Manitoba entered confederation in 1870, following the Red River Rebellion.²⁹ Winnipeg incorporated as a city shortly thereafter, on 8 November 1873,³⁰ with only 1 869 residents.³¹ Over the next 50 years, Winnipeg became a boom town and centre of international trade, especially following the completion of the Central Pacific Railway to British Columbia in 1885.³² Winnipeg was essentially the centre of commerce in North America and, alongside Chicago, was a central hub of distribution within North America. By 1891 Winnipeg's population had reached 25 000; and by 1921, 179 000,³³ meaning that Winnipeg's population had increased nearly 10 000 per cent in under 50 years. Acting as the centre of commerce of Canada, with important commodity exchanges operating from downtown, Winnipeg was the third largest city in the country and showed no signs of slowing down.³⁴ What then happened to prevent Manitoba from reaching its expected potential?

Manitoba boomed under favourable geographical conditions of trade and busted under the same conditions almost as fast. The decline of Winnipeg is directly related to the American completion of the Panama Canal in 1914. After rough-riding their way to Panamanian land, the United States created an artificial port that allowed ocean vessels to go through the centre of North America, ending the need to transport goods over land.³⁵ Manitoba had thus become obsolete commercially with the opening of the Panama Canal.

B. Previous Projects

While the main purpose of *The CentrePort Canada Act* is to restore Manitoba's status as a vital hub of international trade, all previous attempts to do so have failed outright. Specifically, the land around the Winnipeg International Airport

²⁸ Michael Howlett, Alex Netherton & M Ramesh, *The Political Economy of Canada: An Introduction* (Ontario: Oxford University Press, 1999).

²⁹ Alan Artibise, *Winnipeg: A Social History of Urban Growth 1874-1914* (Montreal: McGill-Queen's University Press, 1975) at 10.

³⁰ *Ibid* at 18.

³¹ *Ibid* at 130.

³² *Ibid* at 79.

³³ *Ibid* at 130.

³⁴ Michael Hart, *A Trading Nation* (Vancouver: UBC Press, 2002) at 93.

³⁵ David Goldfield et al, *The American Journey: A History of the United States*, 2d ed (Upper Saddle River: Prentice Hall, 2002) at 430-432.

has previously been designated as an industrial park through past City of Winnipeg initiatives³⁶ and through the failed attempts of the WinnPort project.³⁷ Further, in the mid-1990s, engineering work was undertaken to plan Winnipeg's infrastructure to service the general area where the CentrePort initiative is set to operate.³⁸ Plans to develop this land fell through, however, due to funding issues when all levels of government failed to reach an agreement regarding the allocation of funding responsibility for the massive undertaking.³⁹ As a result, the plan stalled and failed. The previous failure of the WinnPort Logistics Ltd., coupled with the inability of different levels of government to cooperate on splitting the costs of development, does not bode well for the *Act's* current initiatives.

Another impetus to creating *The CentrePort Canada Act* is competition from other provinces. Saskatchewan and Alberta are also pursuing inland port legislation.⁴⁰ While the other provinces lack the centrality of Winnipeg and a port like Churchill, Saskatchewan has the tri-city area of Regina, Saskatoon, and Moose Jaw to draw on, while Alberta has a booming economy and large population base.⁴¹ In order to compete for federal funding, Manitoba must have an inland port of its own.

Ultimately, Bill 47 looks to focus on an increasing advantage Manitoba has in trade.⁴² Winnipeg is also a vital centre of North American rail trade.⁴³ Thus, the history of Winnipeg and Manitoba, coupled with the competition from other provinces, form the background of why the *Act* has become law in Manitoba.

³⁶ Prentice, *supra* note 22. As noted in the city's policy planning document, *Winnipeg TransPlan 2020*, and *Winnipeg TransPlan 2010*, the previous planning policy document, the area surrounding the airport is designated the Airport Vicinity Protection Area through Policy No 2C-08. This area can be seen on Plate A of *Winnipeg TransPlan 2020*, online: City of Winnipeg <http://www.winnipeg.ca/cao/pdfs/plan_2020_map_platea.pdf>.

³⁷ The WinnPort project attempted to link Manitoba and China by air freight, but failed when no third-party air cargo carriers signed on. See Geoff Kirbyson, "Top 10 Losers", *Winnipeg Free Press* (7 May 2007) A6.

³⁸ Prentice, *supra* note 22. This included road, water, and sewage infrastructure.

³⁹ *Ibid.* The RM of Rosser, the City of Winnipeg, the Province of Manitoba, and the Government of Canada did not reach an agreement.

⁴⁰ Manitoba, Legislative Assembly, *Debates and Proceedings (Hansard)*, 39th Leg, 2nd Sess, vol LX No 72 (22 September 2008) at 3366 [*Debates* (22 September 2008)].

⁴¹ *Ibid.*

⁴² For example, Canada Post and Standard Aero have all moved their bases of operation to Winnipeg. See Government of Manitoba News Release, *supra* note 16.

⁴³ *Debates* (22 September 2008), *supra* note 40 at 3366. From the east comes the Canadian National Railway, the west the Canadian Pacific Railway, OmniTRAX from the north in Churchill, and from the south, the American train company Burlington Northern-Santa Fe.

IV. PASSAGE OF BILL 47 THROUGH THE LEGISLATIVE ASSEMBLY

The passage of Bill 47 through the Legislative Assembly of Manitoba occurred swiftly. The bill received Royal Assent on 9 October 2008, only 29 days after its first reading. What follows is an examination of Bill 47, *The CentrePort Canada Act*, through the legislative process of Manitoba.

A. First Reading

Bill 47, *The CentrePort Canada Act*, was introduced during the second session of the Thirty-Ninth Legislature of Manitoba. The first reading of the bill occurred with little fanfare on 10 September 2008. It was read by the Honourable Ron Lemieux, Minister of Infrastructure and Transportation, and seconded by the Honourable Andrew Swan, Minister of Competitiveness, Training and Trade. Minister Lemieux also noted the specific cooperation between the government and private business leaders in bringing Bill 47 to the floor.⁴⁴ The House adopted the motion without any objections.

B. Second Reading

The second reading of Bill 47 occurred on 11 September 2008. Again, Minister Lemieux spoke to the bill, seconded by Minister Swan, to be referred to a committee of the House. Minister Lemieux went on record and noted some of the more pertinent features of the proposed bill. He made it clear that his vision of an “inland port” included “new infrastructure that connects and integrates our inter-modal transportation system—planes, trains, trucks, ships—from the Port of Churchill to the Emerson border to the Pacific gateway.”⁴⁵ The minister also noted that the project will be paid for through tax increment financing. Minister Lemieux finished on a poetic note: “In our history, we were once known as the gateway to western Canada. We believe with this legislation and our initiative on the inland port, we will be the gateway to the world and the gateway to North America.”⁴⁶

Before any debate could take place on the bill, however, Mr. Gerald Hawranik, Progressive Conservative (“PC”) MLA for Lac du Bonnet, moved to have the debate on Bill 47 adjourned. The motion was seconded by a fellow PC, Mr. Larry Maguire, representing Arthur-Virden. Bill 47 was thus adjourned, and debate on it resumed a week and a half later.

⁴⁴ Manitoba, Legislative Assembly, *Debates and Proceedings (Hansard)*, 39th Leg, 2nd Sess, vol LX No 66 (10 September 2008) at 3059 (Hon Ron Lemieux).

⁴⁵ *Debates* (11 September 2008), *supra* note 9 at 3132.

⁴⁶ *Ibid* at 3133.

1. Summary of the Debate on Second Reading

On 22 September 2008, debate resumed on Bill 47. Nine members of the Legislative Assembly stood up and spoke to Bill 47. Seven of the speakers were PC MLAs, while the other two speakers, Mr. Kevin Lamoureux and the Honourable Jon Gerrard, represented the entirety of the elected representatives of the provincial Liberal party. Not a single NDP MLA stood on record to speak to the bill, despite many excellent points and critiques raised by the other members of the House. Even Minister Lemieux, who originally introduced Bill 47, did not speak to it during the second reading, much to the chagrin of the Official Opposition. Put bluntly, the PCs offered almost no resistance to *The CentrePort Canada Act*, which may be explained by their support of previous plans to make Winnipeg a trade hub as per the WinnPort initiative that was initiated under the previous Filmon government.⁴⁷

There was only one issue of tension that arose during the debate of the second reading. Originally, the RM of Rosser, where much of the 20 000 acres of land are located, was not given a say in the selection of the first board of directors. During the debate stage, it was made clear that the RM of Rosser would be given such a vote in the final version of the bill.⁴⁸ An interesting point to also note is how many MLAs continually referenced that Saskatchewan is now a “have” province under equalization, while Manitoba is not.⁴⁹ This seems to be a recurring issue of shame for many opposition politicians.

Another area of tension that arose, although solely for political reasons, was the discussion of a “free trade zone” versus a “foreign trade zone” that is to be established over the 20 000 acres of land.⁵⁰ The name of the trade zone is not simply semantics as suggested, since the NDP insisted on a “foreign trade zone,” while the PCs argue for a “free trade zone.”⁵¹ The PCs lambasted the NDP for their ideological stance against free trade,⁵² which is why the NDP referred to the area as a “foreign trade zone.”

Semantics aside, both terms refer to an area of land where no domestic taxes would apply to foreign goods until they reach their respective destination.⁵³ Further, federal regulations, including quotas and tariffs, would not apply in such

⁴⁷ Prentice, *supra* note 22.

⁴⁸ *Debates* (22 September 2008), *supra* note 40 at 3365.

⁴⁹ *Ibid* at 3368, 3371, 3373, 3375, 3377, 3380.

⁵⁰ *Ibid* at 3379.

⁵¹ *Ibid.*

⁵² *Ibid.*

⁵³ E Kwan Choi & James C Hartigan, eds, *Handbook of International Trade*, vol 2 (Oxford: Blackwell, 2004) at 257. In addition, this refers to both municipal, provincial, and federal taxes.

a zone.⁵⁴ This has the potential to foster a tremendous amount of investment in and around Winnipeg, as it would allow goods to travel through the port tax-free. It may also result in the establishment of a manufacturing sector that could add value to raw materials tax-free. Such an area could also create countless jobs for Manitobans in the manufacturing industry.

Ultimately, the name of the trade zone should be irrelevant, so long as it functions as a zone where foreign goods are exempt from domestic tax. However, said programs have had little success in Canada when compared to American free trade zones, a simple reality that seems lost to the Government of Canada. Thus, while America does have true “free trade zones,” Canada is stuck with what are called “foreign trade zones.” This initiative therefore desperately requires federal legislation to make it a reality, legislation which does not appear to be on the agenda of the federal government at this time. Currently, no free trade zones exist anywhere in Canada, and should one be implemented in Winnipeg, it would be a first for Canada and a tremendous opportunity for Manitoba. Until import-export and custom regulations are better harmonized as per American free trade zones, however, the CentrePort initiative may be plagued with many of the bureaucratic hurdles that have prevented any Canadian cities from capitalizing on better trade rules and regulations. This is something that needs to be addressed should CentrePort Canada truly desire to succeed as an international trade hub.⁵⁵

What is odd, however, is that not a single member of the Legislative Assembly of Manitoba was actually against passing Bill 47 into law. Rather, they were simply critiquing it, or using the opportunity to question the NDP on other matters unrelated to CentrePort. All members, however, agreed that expedient passage of the bill was necessary and that the bill itself was in the best interests of the province. In fact, almost every MLA went on to note just how important this legislation will be for Manitoba, suggesting this is the province’s ticket to go from “have not” to “have” status within the Confederation.⁵⁶ With that in mind, it is now possible to examine the second reading debate on the bill.

2. Debate on Second Reading

Mr. Larry Maguire, PC MLA for Arthur-Virden, was the first to speak to the bill.⁵⁷ After noting many of the positive advantages it could bring to Manitoba in general, he stated that the inland port would create about 750 jobs immediately, and could end up creating 2 600 long terms jobs with an expected annual

⁵⁴ *Ibid.*

⁵⁵ Prentice, *supra* note 22.

⁵⁶ *Debates* (22 September 2008), *supra* note 40 at 3368, 3370.

⁵⁷ *Ibid* at 3363.

economic output of nearly \$400 million.⁵⁸ Emphasizing that time was of the essence, Mr. Maguire argued that Bill 47 should move forward as fast as possible to allow the appointment of the inaugural board of directors, who could then begin to develop the actual business plan for the corporation.⁵⁹ After lambasting the Doer government for having the highest personal tax rates west of Québec, as well as for the existence of a detrimental payroll tax for business, Mr. Maguire concluded that "...we support the opportunity to have a CentrePort and an inland port in Manitoba to make sure that in the future [our] children and our grandchildren will have opportunities to work here in Manitoba and that Manitoba has the opportunity to become much more self-reliant than it is today and have the opportunity to become a have province."⁶⁰

Mr. Blaine Pedersen, PC MLA for Carman, was the next to speak to Bill 47. Much like Mr. Maguire, he, too, supported the initiative without much dissent. Mr. Pedersen alluded to history, pointing out that "...CentrePort Canada will establish—or will reestablish, I should say—Manitoba as a global transportation hub."⁶¹ Mr. Pedersen continued on, saying "this project has a potential, really, to put Manitoba back on the map," and echoed the sentiments of the previous speaker, asking "are we there for business?"⁶² After a few disparaging remarks about the NDP government's disposition to favouring labour unions over private enterprise, Mr. Pedersen made some critical observations as to what needs to be done in addition to the passage of Bill 47 to truly make the proposed inland port successful. He suggested that highway bypasses around heavily populated areas are needed, as well as upgrades to existing roads across the province. Most importantly, Mr. Pedersen argued for the establishment of a "free trade zone" in the CentrePort area:

we need to have the free trade zone so you can bring these products in; they can be dispersed without taxation on them until they get to their respective jurisdiction. We don't want to be able to create more bureaucracy and more taxes, because that's what these companies are looking for—an easier way to move [goods] under a free trade zone within CentrePort and then be able to move them out to their respective markets.⁶³

Mr. Pedersen concluded with some more political attacks on the NDP, and echoed the need to make Manitoba a "have" province,⁶⁴ arguing that "we need

⁵⁸ *Ibid* at 3364.

⁵⁹ *Ibid* at 3363.

⁶⁰ *Ibid* at 3368.

⁶¹ *Ibid* at 3368.

⁶² *Ibid* at 3368.

⁶³ *Ibid* at 3369.

⁶⁴ *Ibid* at 3370.

to have some solid, long-term plans that we can all count on and that we know are reasonable and rational and Manitoba can actually do.”⁶⁵

The next speaker to Bill 47 was Mr. Ralph Eichler, PC MLA for Lakeside. Mr. Eichler echoed the statements of the previous two speakers, but with a twist: Mr. Eichler ran a successful transportation business in the United States and said he knows first-hand the positive economic spinoffs that an initiative like this can have.⁶⁶ Ultimately, Mr. Eichler came across as very pro-CentrePort and extremely patriotic about the benefits Bill 47 will have on Manitoba. Mr. Eichler stated:

[W]e need to be leaders. We need to show the initiative that needs to take place in order to make sure that we, in Manitoba, do get our share of the businesses, the growth that we certainly want to see here in Manitoba...we need to ensure that we have the immigration in place, we have the people in place, in order to be able to sustain these industries whenever they come to Winnipeg, and certainly see Manitoba and Winnipeg grow and prosper in unison.⁶⁷

Mr. Eichler continued his positive speech, saying that “when we look at the trade that’s being created, a lot of it is just waiting to explode, and I know using myself and my business as that example.”⁶⁸ Overall, Mr. Eichler’s comments on Bill 47 added little content, but made up for this by eloquently portraying just how profound a positive impact CentrePort may have on Winnipeg and the province.

Things got interesting when Mr. Rick Borotsik, PC MLA for Brandon West, took the floor as the fourth speaker to Bill 47. While the previous three PC MLAs took time to praise the bill and its likely impact, Mr. Borotsik used his time to chastise the NDP government on a variety of matters, most outside the realm of the CentrePort legislation. Mr. Borotsik began by pointing out that Minister Lemieux did not stand to speak to his own bill.⁶⁹ Mr. Borotsik also set his sights on Minister Swan. In a telling quote, Mr. Borotsik lambasted,

why can [Mr. Swan] not stand up today and say to us in this House that this is going to be his nirvana, if you will, that this bill is required in order to put Manitoba—are you ready for this, Madam Deputy Speaker?—in a “have” category?⁷⁰

Mr. Borotsik continued, criticizing the government for its lack of haste and initiative to make CentrePort a reality months ago. He argued:

⁶⁵ *Ibid.*

⁶⁶ *Ibid.*

⁶⁷ *Ibid.*

⁶⁸ *Ibid.*

⁶⁹ *Ibid* at 3372.

⁷⁰ *Ibid* at 3373.

This is a once-in-a-lifetime opportunity. This is our tar sands to Alberta. This is what Manitoba should have been as the gateway to the west. We should have been able to develop that years ago. Now we're given an opportunity again to be that gateway to trade in North America and in Europe. We have the opportunity, but they sat back, [the NDP] waited, they dilly-dallied, they dithered and now, all of a sudden, Bill 47 appears on our desk and says, isn't this a wonderful document; isn't this a wonderful piece of legislation.⁷¹

In tongue-and-cheek manner, Mr. Borotsik praised Hugh McFadyen, Leader of the Official Opposition, for bringing the issue to the government's doorstep.⁷² Mr. Borotsik then went on to completely mock the NDP's ideological abhorrence to free trade: "...the reason the terminology of a foreign trade zone is because, again, the irony is that this government doesn't believe in free trade."⁷³ Mr. Borotsik then pointed out that

[i]t's about an area that will be designated a foreign trade zone, which means that manufacturers, distributors, other private-sector corporations can set up operation in this area and not be impacted by the onerous tax regime not only from Canada, but especially from the Province of Manitoba.⁷⁴

Mr. Borotsik kept on with his tirade, arguing against Manitoba's tax laws, the benefits of privatization, and then satirized the Doer government saying that "you can't nationalize CentrePort Canada."⁷⁵ Mr. Borotsik warned the NDP that failure to capitalize on CentrePort would come back to haunt them. The speaker concluded with a helpful suggestion to the NDP:

You have to change your political ideology. You have to change the issues that are going to be identified as being roadblocks to CentrePort Canada. If you can't get your head around that, [then] this legislation means nothing.⁷⁶

Evidently, Mr. Borotsik had a lot to get off of his chest during his day at the Legislature.

The fifth speaker to the bill was Mrs. Bonnie Mitchelson, PC MLA for River East. Mrs. Mitchelson's speech was short and sweet, praising several people who helped create the bill, as well as private enterprises behind it. Mrs. Mitchelson also concluded by demanding that Mr. Doer "[move] forward aggressively and [ask] the federal government to declare Manitoba a free trade zone, a foreign trade zone."⁷⁷

⁷¹ *Ibid* at 3373–3374.

⁷² *Ibid.*

⁷³ *Ibid* at 3374.

⁷⁴ *Ibid.*

⁷⁵ *Ibid* at 3375.

⁷⁶ *Ibid.*

⁷⁷ *Ibid* at 3377.

The sixth speaker to the bill was the Honourable Jon Gerrard, Liberal MLA for River Heights and Manitoba Liberal Party Leader. Dr. Gerrard raised the issue of conflict of interest between current landowners of CentrePort land and their possible appointment to the board of directors.⁷⁸ He also cautioned that the corporation should be as transparent as possible. Finally, Dr. Gerrard ended on a note of optimistic caution:

I know that there are some in the community who are very strongly in favour of such a free trade zone, and I think it offers tremendous potential. But I do think that we need to make sure that we are doing the due diligence and that it is a free trade zone which has positive, but not negative ramifications, shall we put it, for Manitoba businesses.⁷⁹

The seventh speaker to the bill, Mrs. Mavis Taillieu, PC MLA for Morris, echoed the same arguments of the previous five PCs, adding nothing new at this point in the debate.

Mr. Kevin Lamoureux, Liberal MLA for Inkster, was the eighth speaker to the bill. Mr. Lamoureux briefly expanded on the importance of establishing a free trade zone that would be exempt from Canadian, Manitoban, and Winnipeg taxes. He spoke of the “potential of adding value” to all sorts of raw materials within the free trade zone where tariffs and taxes would not apply.⁸⁰ He suggested that Manitoba should quickly begin a strong federal lobby to counter the influence of Saskatchewan and Alberta’s similar attempts to establish inland ports, and emphasized the vital need of governmental departments and private enterprise

...to work in co-operation and start communicating in a very real and genuine way in terms of how they’re going to be able to ultimately assist the CentrePort to become a huge success story in the province of Manitoba.⁸¹

With that in mind, Mr. Lamoureux sat down, allowing the last speaker to the bill a chance to give his opinions.

There was little to add to the debate by the time Mr. Cliff Cullen, PC MLA for Turtle Mountain, spoke to the bill.⁸² Almost everything that could be said about CentrePort was previously brought forward by other speakers. Other than complimenting a variety of people and mocking the NDP government, Mr. Cullen’s speech to Bill 47 was redundant by this point.

When Mr. Cullen had finished his speech, the Speaker of the House motioned the question to the members of the House. The House readily adopted

⁷⁸ *Ibid.*

⁷⁹ *Ibid* at 3378.

⁸⁰ *Ibid* at 3380.

⁸¹ *Ibid.*

⁸² *Ibid* at 3381–3382.

the motion, and the bill went to the next stage of ratification: the committee process.

C. Standing Committee on Social and Economic Development

Bill 47 next went to the Standing Committee on Social and Economic Development on 25 September 2008. Little was accomplished through the committee stage, as there were no public presenters to Bill 47, making the committee stage a technicality more than a debate.

After the formalities of electing a chair and vice-chair, the committee got down to business and reviewed Bill 47. It was first addressed by Minister Lemieux, the minister responsible for the first reading of *The CentrePort Canada Act*.⁸³ The minister then proceeded to thank several people, which was all he had to say about Bill 47.

The floor then shifted to Mr. Larry Maguire, who also thanked many people, and spoke to the potential that Bill 47 holds. According to Maguire, "I think [CentrePort Canada is] one of the most important, or could be one of the most important, aspects of development for Winnipeg since the Panama Canal probably took away some of that potential about a hundred years ago...".⁸⁴ Mr. Maguire then suggested that this is a bill that provides the foundation only, and needs to be given life through entrepreneurialism:

Clearly, from that, the entrepreneurial incentives have to be there for the businesses and the economic activity to take place within that region to go ahead and make Manitoba a have province in the future, and give it the best opportunity to become more competitive with our neighbours and known as a great distribution centre of transportation and a hub for assembly and manufacturing that it can be."⁸⁵

Finally, the most important outcome of the committee meeting was an amendment to Bill 47 that allowed the RM of Rosser to have a say in the election of the first board of directors.⁸⁶ With this amendment made, the rest of Bill 47 passed.

In total, the committee process lasted 18 minutes, a surprisingly efficient and expedient process for any democratic legislature. Needless to say, very little was accomplished at the committee stage. This is due to both the lengthy debate during second reading and the non-partisan nature of Bill 47 to all parties involved.

⁸³ Manitoba, Legislative Assembly, *Standing Committee on Social and Economic Development*, 39th Leg, 2nd Sess, vol LX No 12 (25 September 2008) at 844.

⁸⁴ *Ibid.*

⁸⁵ *Ibid.* at 845.

⁸⁶ *Ibid.*

D. Third Reading

Bill 47 went through the final stage of debate on 1 October 2008. Before the third reading began, however, the legislature first reviewed the report stage amendments introduced during the committee hearings. The Speaker of the House also called for members to make any amendments to Bill 47.⁸⁷

Dr. Gerrard warned that the present version of the Act did not adequately address potential conflict of interest regarding landowners in the inland port area.⁸⁸ In order to prevent conflict of interest situations, the Liberals, led by Dr. Gerrard and seconded by Mr. Lamoureux, looked to introduce a conflict of interest clause directly into Bill 47. They proposed an amendment to section 8 of Bill 47 regarding “ineligibility for appointment”, which renders elected officials, employees of all three levels of government, and those under 18 years of age ineligible for membership on the board of directors. Dr. Gerrard sought to amend section 8 to also include: 1) landowners of the inland port area; 2) partners in a partnership that owns land in the inland port area; and 3) owners of at least five per cent of the total outstanding shares of a corporation that owns land located in the inland port area.⁸⁹ Dr. Gerrard also argued that CentrePort Canada Inc., with a publicly-appointed board, has a higher standard of duty than a regular corporation regarding ethics and behaviour.⁹⁰

In response to this, Minister Lemieux stated that “the legislation requires the board to establish a bylaw that will address the conflict of interest issues.”⁹¹ Without hesitation, Minister Lemieux dismissed the Liberal’s concerns as out of hand. Mr. Lamoureux then took the floor and echoed Dr. Gerrard’s arguments. He specifically noted:

If, in fact, anything does come out of this, the government’s ultimately going to have to take responsibility for not acting on an initiative that could have made the legislation even that much stronger...⁹²

Nonetheless, after a voice vote, the amendment was defeated “on division.”⁹³

With the amendment defeated, the House then moved to the concurrence and third reading of Bill 47. Government House Leader Dave Chomiak introduced the bill for its third reading and was seconded by the Honourable

⁸⁷ Manitoba, Legislative Assembly, *Debates and Proceedings (Hansard)*, 39th Leg, 2nd Sess, vol LX No 78 (1 October 2008) at 3666.

⁸⁸ *Ibid* at 3667.

⁸⁹ *Ibid* at 3666–3667.

⁹⁰ *Ibid*.

⁹¹ *Ibid* at 3668.

⁹² *Ibid*.

⁹³ *Ibid*.

Gord Mackintosh, Minister of Family Services and Housing.⁹⁴ With the motion presented, many members of the opposition and the Liberals spoke to the bill yet again.

Mr. Eichler echoed his earlier praise for the bill and exclaimed how proud he was about Manitoba's future. He noted that "you can feel the excitement," and that "we have an opportunity here in Manitoba to become a leader [and] we have an opportunity to become a have province...".⁹⁵

Following this, Mr. Rick Borotsik took the floor and, like his colleague, praised the bill. However, he spoke in-depth about how the PCs "have been very active in trying to push forward this initiative to the point where we had to drag, kicking and screaming, the [current government]."⁹⁶ He questioned the NDP's general anti-business attitude, their lack of discussion with the federal government over the issue, and their lack of commitment to infrastructure development. Most important of all, Mr. Borotsik argued that the designation of CentrePort as a "free trade zone" is absolutely critical to this initiative. He stated:

There's not one in Canada right now. This will be a first. This will be a one-off, actually. There's only one jurisdiction that's going to be able to accommodate a free trade zone which is required for this opportunity and it's required for the federal government to be a partner.⁹⁷

This is a critical point, and one which has not been discussed much in the House or the media.

Next, Mr. Leonard Derkach, PC MLA for Russell, made a few remarks on Bill 47. Again echoing the sentiment that this bill could make Manitoba a "have" province, he critiqued the government's lethargic response to bringing this legislation to the floor. He raised a good point that deserves to be quoted at length:

If this government had wanted to pass this legislation properly, they would have had it on the table a long time ago, giving the opportunity for the outside interest groups to be able to examine the bill, to be able to respond to it and to be able on a timely basis to put their support behind it. But, Madam Acting Speaker, this government, as is becoming a habitual thing with them, introduces legislation on the spur of a moment and then expects the Legislature to pass that legislation in a matter of a couple of weeks or days.⁹⁸

It cannot be stressed enough that this is a very critical problem that tarnishes the allure of *The CentrePort Canada Act*. There is almost no examination of the

⁹⁴ *Ibid* at 3668–3669.

⁹⁵ *Ibid* at 3370.

⁹⁶ *Ibid*.

⁹⁷ *Ibid* at 3371.

⁹⁸ *Ibid* at 3673.

feasibility of the initiative outside of the government itself. There is absolutely no private-sector, think-tank analysis, or academic exploration regarding the idea of making Manitoba the centre of the continent. Mr. Derkach made this point clear, and it is something that should definitely be addressed for CentrePort to become successful. He concluded his critique by referring to Manitoba as the “poor sister” province to Saskatchewan and Alberta with a “have-not” status.⁹⁹

Dr. Gerrard was next to take the floor.¹⁰⁰ He reiterated his support of Bill 47, but emphasized his concerns regarding the lack of a conflict of interest clause written directly into the legislation. Dr. Gerrard also echoed Mr. Derkach’s concerns, noting that “it was very disappointing to have a committee where there were zero presenters.”¹⁰¹ He concluded by pledging his support for creating a “free trade area” on the CentrePort property.

The last speaker to Bill 47 was Mr. Hugh McFadyen, Leader of the Official Opposition.¹⁰² Like the rest of his party, Mr. McFadyen expressed a great deal of excitement regarding the bill and the opportunity it presents Manitoba, but reiterated his party’s concerns regarding the NDP leading the initiative. Mr. McFadyen summarized why the initiative is so important to the province:

...we have an opportunity here in Manitoba to take advantage of that and encourage more air, train and road traffic to come into Manitoba to bring raw materials into the province, to add value to those materials through manufacturing and value-added activities right here in the province, and ultimately be a place for the distribution of final products to end-markets within North America.¹⁰³

However, Mr. McFadyen added a qualifying point to his previous statement. He made it clear that success will be measured in private investment and economic growth, and also pointed out:

...the job of the government is to create the framework and the environment for [these] investments to take place, and this bill is one small step in that direction toward creating that framework.¹⁰⁴

The potential of CentrePort is great, which was why all parties supported the bill, despite various hesitations.

Mr. McFadyen stressed that the establishment of a free trade zone, which requires federal approval, is essential in this endeavor, legislation which to date has not been on the federal agenda. He continued with his critique of the Doer government, arguing that a pro-business atmosphere is truly needed for the

⁹⁹ *Ibid* at 3674.

¹⁰⁰ *Ibid.*

¹⁰¹ *Ibid.*

¹⁰² *Ibid* at 3375.

¹⁰³ *Ibid.*

¹⁰⁴ *Ibid* at 3376.

CentrePort initiative to live up to its potential. Mr. McFadyen also contended that the ideological resistance of the NDP to free trade is a problem, since the fundamental purpose of CentrePort is to attract free trade to the province.

While Mr. McFadyen heavily critiqued the NDP, he ultimately gave his party's approval to Bill 47. Mr. McFadyen concluded that "we are prepared to support this bill in recognition of the fact that it is a small and modest step in the right direction, that many other things need to happen."¹⁰⁵ With his consent, the bill then went to a vote. On 1 October 2008, Bill 47 passed through the Manitoba Legislative Assembly and was one short step away from becoming law.

E. Royal Assent

Bill 47, *The CentrePort Canada Act*, received Royal Assent on 9 October 2008. The *Act* went from first reading to law in under a month, an impressively fast track through the Manitoba Legislative Assembly.¹⁰⁶

V. MERITS OF THE *ACT*

Due to the quick passage of Bill 47, it is important to examine the merits of the legislation. What are the advantages and disadvantages to the law? With those pros and cons in mind, does *The CentrePort Canada Act* accomplish what it set out to do: create a successful private corporation to Manitoba as the heart of the North American continent?

A. Pros and Cons of Bill 47

1. Pros

The pros behind the bill are simple. Through tax increment financing, CentrePort Canada will essentially be cost-free should it be successful. The revenues generated from the 20 000 acres would go to pay the corporation and thus its inaugural board of directors. Another pro is that the initial board of directors represent a wide variety of Manitoban interests. Several organizations are allowed to nominate one of the first eleven directors.¹⁰⁷ The inaugural board

¹⁰⁵ *Ibid.*

¹⁰⁶ Manitoba, Legislative Assembly, *Debates and Proceedings (Hansard)*, 39th Leg, 2nd Sess, vol LX No 83B (9 October 2008).

¹⁰⁷ *Act*, *supra* note 1, s 9. The organizations which elect the first eleven directors are the Government of Manitoba, the Government of Canada, the City of Winnipeg, the RM of Russell, Destination Winnipeg, the Winnipeg Chamber of Commerce, the Manitoba Chamber of Commerce, the Manitoba Trucking Association, the Business Council of Manitoba, the Winnipeg Airport Authority, and the Manitoba Federation of Labour.

of directors was announced in late December 2008.¹⁰⁸ The founding president and CEO of the CentrePort corporation was named in September 2009.¹⁰⁹

Another positive aspect of Bill 47 is that CentrePort is not a government-financed initiative into the private sector. Rather, it is up to the CentrePort Canada corporation to become financially self-sufficient, which is a great benefit. CentrePort needs to be lead by the private sector, and this is the way to do it. There will be no bloated bureaucracy, no governmental red-tape, and no one to blame but the entrepreneurial spirit should it fail.

Finally, the potential benefits for Manitoba if the CentrePort initiative is carried out successfully cannot be understated. As it stands, Manitoba is situated very well geographically to be the central hub of North American trade. It takes a truck from Manitoba 36 hours to get to anywhere on the continent, which is a massive incentive for any company engaged in continental trade and product distribution.¹¹⁰ The jobs created would benefit our economy, as would having a host of business activity finally migrate to Manitoba, a province dominated by a large government bureaucracy and numerous government corporations. Should it become reality, a free trade zone outside the James Richardson International Airport would be the first-of-its-kind in Canada, yielding untold benefits. Raw materials could be assembled in this zone, or goods could undergo value-additive initiatives, which could make Manitoba a manufacturing powerhouse. Overall, the prospect of making Manitoba a “have” province is definitely the greatest advantage this initiative holds for our “have not” province.

2. Cons

There are few flaws inherent to the legislation, but they are significant in scope. To begin, this legislation is essentially just “a plan to make a plan”. Once the legislation is passed, the inaugural board of directors are then required to produce an action plan and run the corporation, as per the legislation. Until this happens, however, the bill itself means little outside of new roads for Winnipeg. Once the corporation does get up and running, it is still anyone’s guess as to how successful the corporation will be beyond the federal government’s recent announcement to help pay for the twinning of Inkster and the creation of

¹⁰⁸ “Inland port’s board of directors unveiled”, *Winnipeg Free Press* (23 December 2008) B2. Chairing the board is Winnipeg business leader Kerry Hawkins, alongside vice-chair and Winnipeg philanthropist Art Mauro. The other directors, many of whom are members of Winnipeg’s business community, include Barry Rempel, Robert Ziegler, Eugene Kostyra, Chris Lorenc, Tom Payne, Bob Silver, Maurcen Prendiville, David Fung, Gord Peters, Joan Hardy, Don Streuber, and Ryan Craig.

¹⁰⁹ Martin Cash, “Career civil servant to head inland port”, *Winnipeg Free Press* (18 September 2009) B4.

¹¹⁰ *Debates* (22 September 2008), *supra* note 40 at 3364, 3367 (Larry Maguire).

"CentrePort Canada Way."¹¹¹ Until tangible work gets done, the legislation is not worth the paper on which it is written.

Another con behind *The CentrePort Canada Act* is the NDP government's lack of initiative in lobbying the federal government to help the situation of Manitoba. Specifically, the Leader of the Official Opposition correctly pointed out that, until CentrePort becomes a free trade zone, this legislation means little. Without the critical designation of a free trade zone, this law remains impotent. The sooner CentrePort becomes a free trade zone, the greater the chance at Winnipeg becoming a trade centre. It is imperative that the federal government create specific free trade zone laws for Canada, similar to the ones found in America.¹¹² Overarching federal legislation to create true free trade zones, coupled with proper implementation, is a necessary step to ensure the success of CentrePort Canada.

Another flaw with Bill 47 is the lack of input into its creation and the policy process that brought it to life. As previously mentioned, there is absolutely no scholarship on the topic of making Winnipeg the heart of the continent. Even more surprising, there is no private research or think-tank analysis on the feasibility of making Winnipeg a centre of trade. CentrePort is nothing more than a dream that may one day be executed should everything perfectly work out to plan. The fact that almost no independent research went into this initiative is a major cause for concern. Critical commentary on the idea behind CentrePort would create a dialogue that could, at the very least, improve the project through constructive criticism. Perhaps Manitoba legislators would have been more prudent to await the availability of more critical analysis of this plan to make a plan, especially with hundreds of millions of dollars being invested in the gamble.

Finally, the biggest complaint against the entire CentrePort initiative is the obvious one: if it is such a good idea, why has the business community not beaten government to implement the plan? Based on all the praise the initiative has received, it would seem that this opportunity is manna from heaven; yet it is alarming that no private enterprise has taken the initiative to seize Manitoba's comparative geographical advantage. This should immediately raise some red flags, especially when one remembers that CentrePort is legislated to be a child of the market, and not of the government. If private enterprise has not jumped to the opportunity before, what makes all three Manitoban political parties believe that business will now suddenly jump on board? If it is so obvious that we

¹¹¹ Sanders, *supra* note 23.

¹¹² Whereas the United States has federally legislated "foreign trade zones" Canada only has "export distribution centres" which are nowhere near as versatile. Custom programs do exist in Canada, although they are far more complicated and uncoordinated than their American counterparts.

are the natural heart of the continent, why has the business community not taken advantage of this yet?

Questions like these would have been valuable during the formative stages of Bill 47, but such questions were not asked. This points out the concerns behind the whole initiative. Why were there no criticisms of the actual purpose and point of CentrePort? The PCs mocked the NDP government's stance on free trade, and the Liberals did constructively criticize the government with an attempt at conflict of interest legislation, but not a single MLA stood up on record and suggested the government should proceed with caution. Thus, no MLA was opposed to Bill 47. This lack of criticism is a cause for concern.

3. Does the Legislation Accomplish What It Sets Out to Do?

Pros and cons aside, it is important to consider whether the *Act* accomplishes its initial purpose. In summary, Bill 47 achieved all it set out to accomplish; however, the bar was not set very high. It is now up to the directors to get the corporation running successfully. The real test will be twofold: (1) the success and vision of the first board of directors, and (2) the political impetus to designate part of Winnipeg and the RM of Rosser as a free trade zone. Therefore, while *The CentrePort Canada Act* accomplished its mandate by setting aside 20 000 acres and selecting its first board of directors to create bylaws, the *Act* still has a long way to go before it can be truly be called successful.

VI. MEDIA REACTION

The media's initial response to *The CentrePort Canada Act* was almost non-existent. Neither *The Globe and Mail* nor the *National Post* included any coverage on CentrePort. Locally, other than a few articles in local newspapers and private companies' own news releases, there has been almost no media coverage of the topic. The media has been very positive about the inland port initiative so far, although most of the editorials supporting CentrePort were written by people who were involved in the passage of the legislation. Many of the authors also had their names appear many times in *Hansard*. With this in mind, it is now possible to look at the media's reaction to *The CentrePort Canada Act*.

The Government of Manitoba issued a press release regarding Bill 47 on 10 September 2008,¹¹³ which began a short flurry of articles on the issue. On the following day, the *Winnipeg Free Press* broke the story of an inland port and also printed an editorial on the topic. It reported that

¹¹³ Government of Manitoba News Release, *supra* note 17.

the plan is to use the airport and its geographic location in North America as a hub to import goods from Asia and Europe and then distribute those goods throughout the rest of Canada and parts of the United States by air, rail and truck.¹¹⁴

The article also quoted many private sector supporters of Bill 47.¹¹⁵

In the same issue, an editorial written by Chris Lorenc, President of the Manitoba Heavy Construction Association, echoed similar positive statements about the potential of CentrePort.¹¹⁶ Lorenc's name often appeared in *Hansard*, as he was a major player who pushed for the creation of the CentrePort legislation.¹¹⁷ Lorenc argued that Manitoba should actively and aggressively pursue federal funding to help it shoulder the burden of infrastructure reinvestment, noting that "we have the pieces of the puzzle but we need a federal government willing to help us put them together."¹¹⁸

The editorial did make some intelligent comments. It noted the vast majority of rail traffic goes through Winnipeg, creating possible economic opportunities.¹¹⁹ This is an excellent point that was not mentioned during the House debates. The editorial further suggested Manitoba needs

...policies akin to free trade zones in Canada which defer (not absolve) payment of duties and related taxes until after "value add" and the product is exported from inland ports, in order to globally compete."¹²⁰

This is unquestionably the most important policy that must be pursued to make Winnipeg a globalized trade hub. It will require federal legislation to make Winnipeg the first-of-its-kind free trade zone in Canada. Lorenc's article also invoked Canadian history as a country that supports nation building to argue the need for national support of this initiative.¹²¹

While Lorenc claimed the port was supported by "economic data," the author quotes statistics about how 18 "free trade zones" in the United States have created 400 000 jobs and handle over \$200 billion in trade a year.¹²² Lorenc is thus extremely optimistic on the idea of this port. The article did not include

¹¹⁴ Bruce Owen, "Premier launches inland port", *Winnipeg Free Press* (11 September 2008) A3.

¹¹⁵ *Ibid.* Supporters of Bill 47 included in the article were Bob Silver, co-chair of Premier Doer's Economic Advisory Council; Dave Angus, President of the Winnipeg Chamber of Commerce; and Barry Rempel, President and Chief Executive Officer of the Winnipeg Airports Authority.

¹¹⁶ Chris Lorenc, "Heart of the Continent", Editorial, *Winnipeg Free Press* (11 September 2008) A11.

¹¹⁷ *Ibid.*

¹¹⁸ *Ibid.*

¹¹⁹ *Ibid.*

¹²⁰ *Ibid.*

¹²¹ *Ibid.*

¹²² *Ibid.*

any analysis of proposed initiatives in Canada or the feasibility of the CentrePort initiative based on Winnipeg's circumstances.

On 19 September 2008, the *Winnipeg Free Press* broke the story behind "Project Business Call," an \$80 000 joint venture between the province and the Winnipeg Chamber of Commerce.¹²³ The program aims "to survey senior Manitoba businesspeople about industries most likely to be interested in coming here to be part of the inland port."¹²⁴ The next day, the plan was revealed to be an initiative using the Winnipeg Chamber of Commerce's contact list to gauge which city businesses would be willing to relocate to the airport.¹²⁵ Minister Swan noted the goal is to encourage older businesses not situated on or near truck routes to relocate to the airport.¹²⁶

Days later, the *Winnipeg Free Press* published another story about the CentrePort initiative, appropriately titled piece "Turning an idea into reality."¹²⁷ Noting that "...the city does have history, heritage and a cultural predisposition as a transportation centre,"¹²⁸ Martin Cash argued that the risks involved in focusing Manitoba's resources to promote an inland port are worth it. Cash quoted Dr. Barry Prentice, former Director of the University of Manitoba Transport Institute, who suggested that "if you don't build it, you will guarantee that they won't come."¹²⁹ Cash also quoted Bill Morrissey, the newly-appointed Senior Vice-President of Membership of the Winnipeg Chamber of Commerce hired to promote CentrePort.¹³⁰ Morrissey argued "we need to understand what the market is demanding and make sure the investment (that is eventually made) is what is required."¹³¹ Cash ended his piece by cautioning readers to not "...get dazzled by what we think we've got because it's only worth something if someone else wants to pay to use it."¹³²

¹²³ "Local expertise to be tapped for developing inland port", *Winnipeg Free Press* (19 September 2008), online: Winnipeg Free Press <<http://www.winnipegfreepress.com>>. The Government of Manitoba contributed \$50 000 to the venture, while the Winnipeg Chamber of Commerce contributed the remaining \$30 000.

¹²⁴ *Ibid.*

¹²⁵ Bruce Owen, "Calls going out for businesses to relocate", *Winnipeg Free Press* (20 September 2008) B6.

¹²⁶ *Ibid.*

¹²⁷ Martin Cash, "Turning an idea into reality", *Winnipeg Free Press* (25 September 2008) B7.

¹²⁸ *Ibid.*

¹²⁹ *Ibid.*

¹³⁰ Winnipeg Chamber of Commerce, News Release, "Winnipeg Chamber of Commerce Announces Hiring of New Senior Vice-President" (23 September 2008), online: Winnipeg Chamber of Commerce News <<http://www.winnipeg-chamber.com/files/News>>.

¹³¹ Cash, *supra* note 127.

¹³² *Ibid.*

CentrePort was also mentioned in a mid-October 2008 editorial in the *Winnipeg Free Press*.¹³³ The piece was the equivalent of the government's press release; however, it did not explain anything not already known. Of importance were the descriptions of CentrePort's early successes.¹³⁴ They also highlighted the Business Call program and the recent \$200 million investment to modernize the Winnipeg Airport.¹³⁵

Another CentrePort announcement came when the Doer Government recalled the Manitoba government on 20 November 2008. On that day, the third throne speech of the Thirty-Ninth Legislature was read by the Lieutenant-Governor in Council, the Honourable John Harvard. The throne speech made only three references to CentrePort and of them only one contained any useful information. According to the throne speech:

Our government will also take steps to ensure the competitiveness of CentrePort. Beginning July 1st, 2009, Manitoba will reduce the aviation fuel tax for cargo flights from 3.2 cents per litre to 1.5 cents per litre, and expand the tax exemption for international flights to include all cargo flights to and from the United States. We will also work with the CentrePort partnership to explore new ways to increase trade, such as improved federal government export incentives.¹³⁶

While a cut in fuel tax is helpful, that alone is not going to make Winnipeg the heart of the continent. The speech from the throne made absolutely no mention of any concrete plans by the NDP to increase the pressure on the federal government into authorizing a free trade zone. General platitudes will not suffice. The Manitoba government must pressure the federal government to create such legislation. Hopefully, the CentrePort corporation itself, with the recent election of its first board of directors, will help speed up the process.

Following the aforementioned federal government funding for the project, the media has began mentioning CentrePort on a more consistent basis. On 8 May 2009, Kerry Hawkins, the chairman of the board, delivered the inaugural public address regarding CentrePort.¹³⁷ Noting that "...the creation of Canada's first inland port will have a big impact for generations to come," Hawkins compared Winnipeg to a similar American city, Huntsville, Alabama, that has

¹³³ Bob Silver & Robert Ziegler, "No ordinary field of dreams", Editorial, *Winnipeg Free Press* (12 October 2008) A11.

¹³⁴ *Ibid.* The authors noted that Standard Aero, Greyhound, and Canada Post have all announced expansion in the area.

¹³⁵ *Ibid.*

¹³⁶ Manitoba, Legislative Assembly, *Debates and Proceedings (Hansard)*, 39th Leg, 3rd Sess, vol LXI No 1 (20 November 2008) at 4 (Hon John Harvard).

¹³⁷ Martin Cash, "Inland Port's potential touted", *Winnipeg Free Press* (8 May 2009) B7.

been transformed by a similar initiative. The article also noted that CentrePort has recently leased office space and it will soon move in.¹³⁸

CentrePort was covered in an article in the 17 May 2009 edition of the *Winnipeg Free Press*.¹³⁹ The article discussed Winnipeg as the heart of the continent and extensively quoted Hawkins, who argued

[I]ocation gives us the advantage of being the shortest distance from North America to Europe and Asia because the planes come over the Pole and refuel here...in the next 10 to 20 years, CentrePort will be an industrial hub for North America. It will probably have created 10,000 to 15,000 jobs and we'll probably have an investment base of \$10 billion to \$12 billion.¹⁴⁰

These are bold statements that may one day bring Winnipeg and Manitoba untold economic benefits.

In a practical showcase of CentrePort's potential, in late May 2009 the media reported an incident where a Boeing 777 cargo jet carried 900 hogs from Winnipeg to Germany.¹⁴¹ It was also the first instance of the use of a Boeing 777 recorded in Winnipeg. The article noted that transporting the pigs by truck to board a flight in Toronto takes nearly an extra 24 hours, resulting in additional transportation time and costs.¹⁴² Flying cargo from Winnipeg to China as opposed to using a train or ship can take weeks off the normal trade procedures.¹⁴³

In June 2009, a number of CentrePort board members accompanied former Premier Gary Doer on a trade mission to Québec.¹⁴⁴ This was reported in the *Winnipeg Free Press*,¹⁴⁵ which further suggested that the media is becoming more aware of the CentrePort initiative as time goes on and tangible results are achieved.

Positive coverage aside, however, the media did a poor job questioning the initiative. In fact, many editorials were written by people personally involved in

¹³⁸ *Ibid.*

¹³⁹ Joel Schlesinger, "Port on the Prairies", *Winnipeg Free Press* (17 May 2009) B6.

¹⁴⁰ *Ibid.*

¹⁴¹ Kevin Rollason, "Flying pigs a good sign", *Winnipeg Free Press* (27 May 2009) A7.

¹⁴² *Ibid.*

¹⁴³ *Ibid.*

¹⁴⁴ *Ibid.* Premier Gary Doer and the CentrePort delegation attended the fifth annual North America's Corridor Coalition ("NASCO") conference. The CentrePort delegation was comprised of Don Streuber, Chair of the Business Council of Manitoba and President and CEO of Bison Transport, Charles Loewen, President and CEO of Loewen Windows, and Jim Carr, President and CEO of the Business Council of Manitoba. Chris Lorenc, President of the Manitoba Heavy Construction Association and CentrePort Canada Inc. board member, and Dave Angus, President and CEO of the Winnipeg Chamber of Commerce. For more information on NASCO, see "About NASCO", online: <<http://www.nascocorridor.com>>.

¹⁴⁵ Bruce Owen, "Doer to promo CentrePort at summit", *Winnipeg Free Press* (1 June 2009), online: *Winnipeg Free Press* <<http://www.winnipegfreepress.com>>.

CentrePort, so it is no surprise the press coverage was positive. The media in Winnipeg is surprisingly complacent, accepting all information at face value without much critical thought. This may speak to the strong social cohesion of the Winnipeg community between its business leaders, government, and the media itself.

VII. THE CURRENT STATUS OF CENTREPORT

While still in the beginning stages, the CentrePort initiative appears to be establishing a foundation for future success. As of late April 2011, a rail facility is being developed on the site, “the first proprietary on-site development” initiated since the inception of the CentrePort corporation.¹⁴⁶ Sales of land at the site have also been swift, at least partially due to a lack of industrial land available in southwest Winnipeg.¹⁴⁷ In May 2010, CentrePort Canada Inc. signed a co-operation agreement with a similar Chinese trade agency—a vital part of establishing a viable presence in the Asia-Pacific market.¹⁴⁸ CentrePort was also named one of the top 100 infrastructure projects in North America based on its potential to be “the basis of our way of life in 2025.”¹⁴⁹

In February 2011, another obstacle to the development of CentrePort was removed. The RM of Rosser had refused to allow the City of Winnipeg to annex the portion of the land within their municipal boundary slated for CentrePort, thus blocking installation of underground pipe systems.¹⁵⁰ The City of Winnipeg abandoned plans to annex the land, removing a large barrier by allowing construction to begin on the infrastructure for CentrePort.¹⁵¹

¹⁴⁶ Martin Cash, “CentrePort on track to develop rail facility”, *Winnipeg Free Press* (27 April 2011) B6.

¹⁴⁷ Murray McNeill, “Industries flock for sites at CentrePort”, *Winnipeg Free Press* (24 February 2011) B5.

¹⁴⁸ “CentrePort Canada, Chinese agency sign trade pact”, *Winnipeg Free Press* (19 May 2010) B5.

¹⁴⁹ “CentrePort, wind farm among top projects in North America”, *Winnipeg Free Press* (28 September 2010) B6.

¹⁵⁰ The City of Winnipeg was not willing to install water and sewer systems to land outside Winnipeg. The RM of Rosser could not afford to install these services to the land, and initially agreed to annex the land to the City of Winnipeg. See Bartley Kives, “City wants a piece of Rosser”, *Winnipeg Free Press* (26 September 2009) A3.

¹⁵¹ The RM of Rosser later decided against allowing the City of Winnipeg to annex the land, blocking installation of the water and sewer system. Progress was made following the September 2009 departure of Glen Laubenstein, Winnipeg’s former Chief Administrative Officer, and the October 2010 election of a new Reeve of the RM of Rosser, Frances Smee. Both the City and the RM of Rosser agreed to cooperate and no longer pursue annexation of the land. See Bartley Kives, “Winnipeg, RM of Rosser end feud”, *Winnipeg Free Press* (9 February 2011) A4.

VIII. CONCLUSION

The CentrePort Canada Act has created a lot of energy and excitement in Manitoba. Should it be successful, the potential exists for Manitoba to become a “have” province, a centre of commerce, and a hub of globalization. Having been enacted by the Manitoba Legislative Assembly, what now remains to be done is the real test for the CentrePort legislation.

Will CentrePort live up to its potential, altering the economic makeup of the province forever by creating a thriving free trade zone in Manitoba? Or will private sector support for the initiative fail to materialize, making CentrePort all for naught? These questions will be answered soon. CentrePort’s private sector achievements will determine the success or failure of the CentrePort initiative, as will successful implementation of true free trade legislation at the federal level. Only time will tell whether *The CentrePort Canada Act* can muster enough blood, sweat, and tears to make Winnipeg the heart of the continent.