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## CUT TO HIGHWAYS CAPITAL INVESTMENT

### HURTING ECONOMY: MHCA

**T**he MHCA is requesting a timely meeting with Premier Brian Pallister to underscore the economic risks of the lack of investment in Manitoba's strategic infrastructure. A letter, to be sent this week, will include the MHCA's brief for pre-budget consultations.

"The current level of \$350 million for the Highways Capital program holds considerable risk, most immediately to Manitobans who need their roads to be in good, safe condition but also to our economy — our roads underpin the province's trade-based economy," MHCA President Chris Lorenc said.

"There are few areas of investment that can match the verified, high rates of return to the GDP that have been documented for trade transportation infrastructure — the Conference Board of Canada in a 2014 analysis showed Manitoba gets back \$1.35 for every \$1 invested in core infrastructure."

Trade-enabling infrastructure such as highways must be up to efficiently moving the goods and commodities moving in, out and around the province. Manitoba's economy is trade-dependent; 53% of our GDP relies on trade.

Lorenc said the MHCA will make infrastructure a top issue in the civic election campaigns, leading to October 24. It will then make the public aware that the provincial government

must make strategic transportation infrastructure an investment priority in Budget 2019.

"The provincial government pledged to invest no less than \$500 million in its annual Highways Capital program. We're sitting at \$350 million, budgeted, this year. That's unsustainable and damaging to our economy, our industry and to the best interests of Manitobans generally.

"Moreover, the combined cuts, along with underspending in the program, amount to \$370.4 million since 2016, which is more than the approved \$350 million 2018 highways program. Surely no one can be heard to credibly argue that is investment in Manitoba's highways system," said Lorenc.

MHCA members will be asked next week to help support the fall public awareness campaign.

"We must push back. Industry companies will be asked to meet or call the Premier, cabinet ministers and MLA so we will be heard," Lorenc said.

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## Quarry rehab program to get back on its feet

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**The MHCA has been assured that the Quarry Rehabilitation Program will be operating as usual in short order — the provincial government is working through a glitch it discovered this year relating to the Mines Branch’s authority to sign off on funds to pay for rehabilitation work.**

“This program has been operating — very successfully, in our mind — since the 1990s; this bump that halted the flow of payment from the program’s fund surprised industry and our association,” MHCA President Chris Lorenc said.

Mid-summer, the MHCA was made aware that the Mines Branch had halted payment out of the rehabilitation fund for completed projects. The fund holds revenues from a special, per tonnage levy on aggregate companies taking rock, gravel or sand from pits and quarries. The levy is paid directly to the Mines Branch for quarry rehabilitation, which is done when the pit or quarry is exhausted.

“This fund is drawn upon to pay for the rehabilitation of the mined-out area, restoring the land to a condition that is safe, environmentally stable and compatible with adjoining properties,” Lorenc explained. Rehabilitation can happen progressively, as areas of aggregate deposits are closed.

The issue arose because the Department of Growth, Enterprise and Trade needs an express regulatory instrument giving the Mines Branch director legal authority for contractual and financial management of the program. In absence of that regulatory instrument, only the minister can sign off on flowing the funds.

“The glitch is being worked out right now,” Lorenc said. Since its inception over 25 years ago, this unique Manitoba program has been enormously successful. Over

2,600 projects have been undertaken, rehabilitating more than 26,000 acres of post-mining lands. Project administration is overseen by the department’s Mines inspectors, who contract the work to private equipment operators. They also ensure compliance regarding collection of the levy, and adherence to pit and quarry operating standards that are set out by regulation.

“Our industry takes real pride in this program — we lead other provinces in the effort and it’s a perfect example of sustainable development, as the levy pays for the remediation of areas mined out in years past,” Lorenc stressed.

“It is a significant piece of our industry efforts to be good partners and neighbours in those communities where aggregates resources exist. We need this program’s success to continue.”

Updates on the issue will be sent to members and published in the Heavy News Weekly.

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## B.C.’s new rules for provincial infrastructure projects challenged in court

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B.C. contractors, trades, unions and business organizations have filed court suit to overturn provincial government’s new tender rules for local hiring, benefits.

[Read more](#)

# BRODBECK: Winnipeg street repair down under Bowman

Tom Brodbeck, *Winnipeg Sun*, September 4



Photo: Danton Unger, *Winnipeg Sun*

Winnipeg Mayor Brian Bowman announces the start of Winnipeg's largest construction season in history on June 22

**Winnipeg homeowners are paying higher property taxes every year but they're not seeing an increase in the amount of road repair that was promised by Mayor Brian Bowman.**

Bowman and city council have increased property taxes every year since 2015 and have pledged that 2% of the tax hike would be used solely to boost the amount of street repair in the city.

But the city's own road construction statistics show the number of kilometer lanes of streets that have undergone reconstruction or rehabilitation fell from 2015 to 2017.

In 2015, Bowman's first full year in office, 9.7 kilometer lanes of regional roads underwent full reconstruction. That increased slightly to 11.3 kilometers the next year but then fell to 2.8 kilometer lanes in 2017. Similarly, 57.8 kilometer lanes of regional streets were rehabilitated in 2015 (rehabilitation is a less costly form of street resurfacing) but less than half that number was rehabilitated last year.

Local road reconstruction also fell during those three years from 27 kilometer lanes of repair in 2015 to 17.9 km last year. And local street rehabilitation fell from 84.8 kilometer lanes in 2015 to 78.1 last year.

In other words, taxpayers paid more but got less in road repair during those three years. That's not what Bowman promised voters in 2014, nor is it what he's been claiming since taking office.

The 2% hike generated between \$10 million and \$11 million annually during that period. And while that money did go into the city's local and regional street renewal reserve fund, the total amount spent on street repair did not rise correspondingly. That's in large part because the city has also reduced its base funding for road repair.

In fact, the total road repair budget was frozen in 2017 at \$105.2 million, the same level it was at the previous year.

It's no surprise then that the number of roads that were repaired during those three years fell.

And it's not because the cost of road repair has climbed during that period, either. According to city data, the average cost of regional street reconstruction fell in 2017 to \$1.59 million per kilometer lane from just over \$2 million in 2014.

It also dropped for regional street rehabilitation and for local street reconstruction. The only average cost that went up slightly was for local road rehabilitation, but barely. It went from \$630,000 to \$639,000 per kilometer lane.

It appears the amount of street repair has increased in 2018, but the final numbers for that won't be available for several months.

So while it's true the city is spending "record amounts" on street repair, that only tells part of the story. It's what taxpayers are getting for their money that's important, not how much the city spends on something.

*Continued on page 4*

# Continued: BRODBECK

And when you dig deeper into the numbers, it's clear taxpayers are getting less road repair for their dollar than they did before Bowman became mayor.

The city says some of the decline in street repair was because projects got delayed.

"Reconstruction of regional streets also decreased because some projects were deferred or were multi-year projects and design was ongoing," David Driedger, the city's manager of corporate communications, said in an email. "In addition, in 2016 there was a first call on 2017 local street funds, therefore several locations that would have been completed in 2017 were completed in 2016."

Nevertheless, the totals for 2016 and 2017 were down from 2015.

Meanwhile, none of this has been lost on the public's perception of the state of Winnipeg's roads. According to the city's most recent public opinion poll from the 2019 Community Trends and Performance report, 66% of Winnipeggers were satisfied with the conditions of their major streets in 2014, the year Bowman was elected. That dropped to 56% in 2018. It also dipped slightly to 52% from 54% for residential roads in the same period.

Bowman has tried to make road repair one of his main legacies as mayor, saying repeatedly that it's Winnipeggers' top priority. Unfortunately for him — and for taxpayers — he has not delivered on that commitment.



## REGIONAL AND LOCAL STREET REPAIR IN LANE-KILOMETERS

	2015	2016	2017
RECONSTRUCTION OF REGIONAL STREETS	9.7	11.3	2.8
REHABILITATION OF REGIONAL STREETS	57.8	58.9	24.9
RECONSTRUCTION OF LOCAL STREETS	27	18.8	17.9
REHABILITATION OF LOCAL STREETS	84.8	71.8	78.1

*City of Winnipeg, Community Trends and Performance report, 2019*



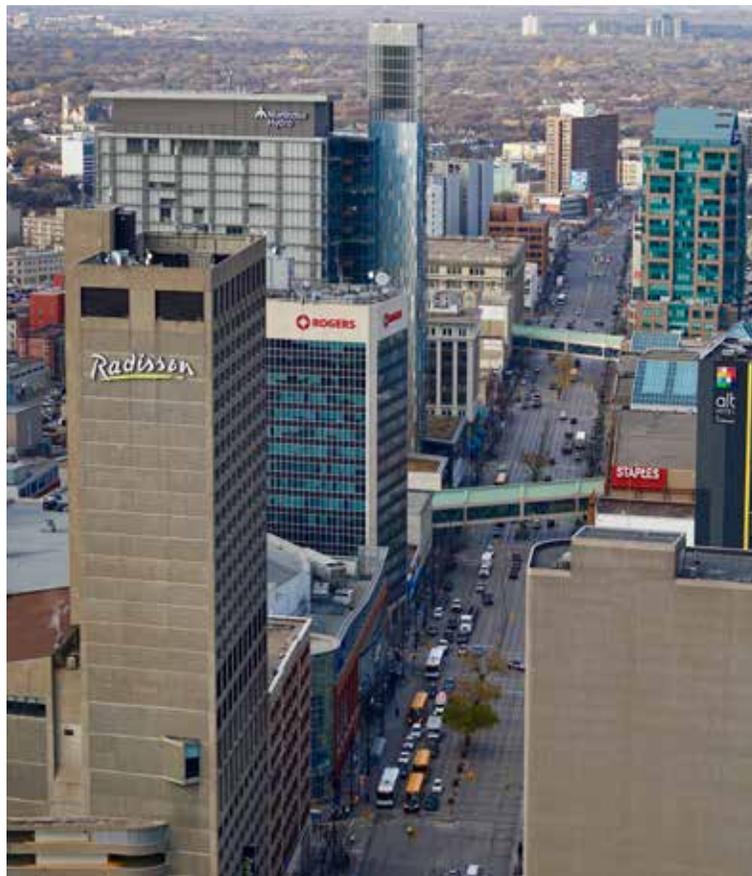
Photo: Tourism Winnipeg



## HERE'S WHAT THE CITY OF WINNIPEG SAYS ABOUT ITS ANNUAL STREET RENEWAL BUDGET AND THE NUMBER OF LANE-KILOMETRES

### HOW MUCH DOES THE CITY SPEND EACH YEAR ON FIXING WINNIPEG STREETS?

Over \$116 million is dedicated to Winnipeg local and regional street renewals, back lanes and sidewalks in 2018. Over 117 lane kilometers of improvements are scheduled this year. In addition, other major road projects are underway such as the Waverley Underpass project. With such a significant investment in the City's infrastructure, Winnipeggers can expect a busy and productive construction season.



### WITH THE CITY COMMITTING MORE FUNDING TO ROAD RENEWALS, WHY DOESN'T THE LENGTH OF ROADS RENEWED INCREASE ANNUALLY?

The cost to renew roads can depend on several factors, including but not limited to:

- The road renewal treatment (i.e. reconstruction, rehabilitation, mill & fill or thin bituminous overlay)
- Costs associated with utilities and other stakeholders (e.g. Manitoba Hydro, Winnipeg Parking Authority, Traffic Signals, rail authorities, etc.)
- Adding or renewing active transportation infrastructure (e.g. sidewalks, bike lanes, multi-use paths, etc.)
- Roadside safety (e.g. guardrails, crash attenuation barriers, etc.)
- Structures (e.g. retaining walls, overhead sign structures, etc.)
- Landscaping (e.g. trees, planters, decorative lighting, etc.)
- Property acquisitions
- The volume of roadwork that is being advertised by others (e.g. Manitoba Infrastructure, developers, rapid transit, etc.) and
- Inflation

# Trans Mountain decision stirs doubt over future resource investment

Warren Frey, *Journal of Commerce*, September 5

**A Federal Court of Appeal decision has stopped the Trans Mountain pipeline project in its tracks, for now, and has increased doubt in the industry about the future of resource investment in Canada.**

The court ruled Aug. 30 that the National Energy Board's assessment of the project was flawed and should not have been used as a basis to proceed when the federal government gave final approval in November 2016. The federal government purchased the project from Kinder Morgan for \$4.5 billion this spring amid uncertainty about the project's future, which has faced intense opposition from Indigenous and environmental groups.

"This decision is a stunning setback for our contractors and for thousands of workers who were about to commence work on project," said Progressive Contractors Association of Canada president Paul de Jong.

He also pointed to the Trans Mountain decision as the latest action to shake confidence in Canadian resource investment both within and outside the country.

"It sends out a message that Canada cannot be relied upon as an energy supplier," he said. "Canada now looks like an investment to be avoided, and investment will flow to other areas that are more open for business."

Canadian Association of Petroleum Producers president Tim McMillan echoed de Jong's concern.

"We represent the upstream producers, not pipelines and shippers, but we have been struggling with large discounts to our product for decades. Building infrastructure to get our product to the global market is crucial not only for our members but all Canadians," he said.

McMillan also referred to complicated regulations as a factor in the demise of previous stalled or abandoned projects such as Energy East.

Jordan Bateman, of the Independent Contractors and Businesses Association, said the federal government and its bureaucracy "have failed Canadians again."

"Kinder Morgan did everything right, they went above and beyond, and their process was held up in a dozen court cases."

British Columbia Construction Association president Chris Atchison said the fact the NEB's conclusions were deemed to be flawed as "beyond belief."

"We can only hope that the federal government's challenge of this decision to the Supreme Court will clear the way for the project to finally proceed and result in a positive outcome for all Canadians," Atchison said.



De Jong also said he regretted lost revenue for communities who would have been involved in building and maintaining the pipeline.

The Canadian Construction Association also appealed to all parties involved to find a compromise and move forward.

Shortly after the court decision, Finance Minister Bill Morneau pledged to push ahead with the government's purchase of the pipeline and said the decision from the court are important steps in getting the project from Alberta to the B.C. coast built in "the right way for the benefit of all Canadians."

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## Rental Rates Committee seeking new members

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**T**he recent call for new members to join the MHCA Rental Rates Committee has received good response but companies are still encouraged to join to ensure the review of rental rates for 2019 is comprehensive, committee Chair Greg McKee said yesterday.

“We’re encouraged by the level of interest to date — returning members and new additions,” McKee noted. “This will be a sweeping review so we want to make sure that we get input from all aspects of our membership — suppliers and contractors.”

The Rental Rates Committee is responsible for reviewing the equipment rental rates to ensure they are current, along with the equipment model lists themselves. The committee meets at lunch time approximately four times a year, from mid-October to mid-January when its work must be complete in time for the publication of the annual MHCA Rental Rates and Membership Directory.

“This is a key committee for our association — Manitoba Infrastructure and other levels of government rely on our rental rates guide in estimating project costs prior to issuing tenders. This is an invitation for your company to help inform the rate-setting process,” MHCA President Chris Lorenc said.

The first meeting of the committee this fall is October 10, at the MHCA boardroom.

For further information, please contact MHCA Policy and Communications Manager Catherine Mitchell at [catherine@mhca.mb.ca](mailto:catherine@mhca.mb.ca) or 204.594.9055.

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## A HOT SUMMER FOR INDUSTRIAL LAND SALES AT CENTREPORT

Over the last year, CentrePort Canada has seen a flurry of private industrial activity and this summer was particularly busy. CentrePort North lands (the inland port area within the Rural Municipality of Rosser) have seen a major increase in demand as fully-serviced industrial projects have been brought to market by the development community. In fact, more than 1000 acres have been sold or conditionally sold in the last 12 months.

Serviced industrial land has been difficult to find in the region and what was available was generally older and less functional for today's industrial requirements. This has led to significant pent up market demand as companies look for new inventory in strategically located areas with access to major transportation routes. With access to Winnipeg James Armstrong Richardson International Airport, three Class I railways and CentrePort Canada Way, CentrePort is an ideal location for trade oriented industrial operations.

Notable recent developments include:

- **Brookside Industrial Park Phase III:** a fully-serviced 100-acre industrial park that came to market in June 2018. In just three months, over 75% of the available lots have been sold or conditionally sold and real estate agents for the project, Cushman & Wakefield Winnipeg, expect the rest of the land to move quickly.
- **BrookPort Business Park:** Whiteland Developers recently announced an industrial business park located to the west of Brookside Boulevard and south of the planned Chief Peguis Trail extension. The \$26-million industrial park will feature 80 acres of shovel-ready, fully-serviced land; construction on sewer, water and roadways began in August. With strong early demand for the project, and multiple offers in the pre-sale phase, Whiteland sees lots of potential for growth in the area, so much so that they have an additional 80 acres of contiguous land they plan to bring to market in a year. This would bring their project to 160 acres in size.
- **Private Companies/Developers:** 500+ acres have been sold or conditionally sold to developers/private companies. Notably, a private company has purchased 475 acres of land in CentrePort South (the lands within the City of Winnipeg) for future development.

CentrePort's strategic location and transportation infrastructure makes it particularly attractive for companies in advanced manufacturing, agribusiness and the transportation and logistics sectors. By working closely with the private sector, Yes! Winnipeg, and government partners to attract businesses, the inland port is resulting in hundreds of millions of dollars of new investment, jobs and opportunities in Manitoba.



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**Don Hurst**  
Director of WORKSAFELY™  
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WORKSAFELY can deliver many types of courses focused specifically on your company's requirements and our advisors can offer practical suggestions based on observations of your workplace.

For information on how WORKSAFELY can more effectively meet the needs of your company's training requirements, please contact your advisor or Kristen Ranson at 204-947-1379.

## KNOW YOUR WORKSAFELY™ TEAM

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# SAFETY TALK

## Fatigue awareness

As we near the end of the construction season, crews may be working longer hours and fatigue can lead to accidents and injuries.

### What's the danger?

**Immediate symptoms of fatigue:**

- Tiredness
- Memory lapses
- Difficulty concentrating
- Slower reaction times

**Fatigue is hazardous; it impairs:**

- Ability to make decisions
- Communication skills
- Ability to stay focused
- Reaction time
- Performance and productivity

### Protect yourself

**Tips for workers**

**At work:**

- Vary routine work tasks so you stay alert
- Take small breaks
- Tell your supervisor if you're feeling fatigued
- Work with your employer to manage fatigue-related risks in the workplace

**Outside of work:**

- Make sleep a priority
- Eat light, nutritious meals, drink plenty of water and limit your caffeine and alcohol intake
- Watch for the warning signs of fatigue in yourself

Print and review this talk with your staff, sign off and file for COR™ / SECOR audit purposes.

Date: \_\_\_\_\_

Performed by: \_\_\_\_\_

Supervisor: \_\_\_\_\_

Location: \_\_\_\_\_

**Concerns:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Corrective Actions:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Employee Name:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Employee Signature:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



# Training Schedule

## Construction Safety Excellence™

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### September 2018

- 11 Flagperson 1/2 day AM
- 11 Safety Committee/Representative 1/2 day PM
- 17-18 COR™ Leadership in Safety Excellence**
- 19 COR™ Principles of Health & Safety Management**
- 20-21 COR™ Auditor**
- 24 Transportation of Dangerous Goods 1/2 day AM
- 24 COR™ Auditor Refresher 1/2 day PM**

### September 2018

- 24-25 COR™ Leadership in Safety Excellence**
- 26 COR™ Principles of Health & Safety Management**
- 27-28 COR™ Auditor**

### October 2018

- 3 Flagperson 1/2 day AM
- 3 Safety Committee/Representative 1/2 day PM
- 10-11 Traffic Control Coordinator
- 15-16 COR™ Leadership in Safety Excellence**
- 17 COR™ Principles of Health & Safety Management**
- 18-19 COR™ Auditor**
- 23 Train the Trainer - Facilitation Skills
- 29 Excavating & Trenching 1/2 day AM

### November 2018

- 1 COR™ Auditor Refresher 1/2 day AM
- 5 Winter Roads 1/2 day AM
- 5 Emergency Response 1/2 day PM
- 19-20 COR™ Leadership in Safety Excellence**
- 21 COR™ Principles of Health & Safety Management**
- 22-23 COR™ Auditor**

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## The end of easy money

By Peter G Hall, Vice President and Chief Economist

**Money is getting less plentiful. The world has been swimming in excess liquidity in the post-recession period. This was good policy that prevented a costly financial market freeze-up. But there were unintended consequences, and as the policy is unwinding, so are the unintended consequences. Some have already unwinding, some are unwinding as we speak, and others effects are yet to come. What should Canadian exporters be watching out for?**

### **QUANTITATIVE EASING BROUGHT DISTORTIONS**

EDC Economics' tracing of this goes back to late 2010. Some key market distortions emerged with the onset of quantitative easing, and these demanded explanation. At that time, the effects of dramatic public spending programs were starting to wear off, but the rebound in commodity prices persisted — despite high inventories and low usage rates. This made no sense, until we considered the huge injections of cash furnished by the world's central banks. Ready cash was needed to shore up confidence in the system, but nobody really needed the cash for transactions. Consumers were desperately trying to de-leverage, and businesses had overspent on capital and equipment — they had no real need for new investments for a long time. So, where did the money go?

It seems that a lot of it found its way into financial instruments. Recall at the time that at the peak of the economic cycle, certain analysts persuaded

many to believe we were running out of basic materials like oil, gas and base metals. Consequently, commodities attracted a lot of investment money, propping up prices. Liquidity drowned the bond market, driving yield-seeking investors to successively higher-yielding, but riskier, instruments. Among other things, this provided relatively cheap financing for risky emerging markets. At one point, yields on Zambian bonds were lower than Spain's, despite fundamentals that showed this made little sense. And this wasn't an isolated case. This and other similar distortions made us wonder what other distortions might be out there, and we developed a list of candidates that were shared with audiences across Canada.

### **THE COMMODITY PRICE PLUNGE: PREDICTABLE**

If we were right, then we predicted that the eventual withdrawal of liquidity could be ugly. For instance, commodity prices were likely in for a tumble. Analysts greeted this with jeers, but in late 2014 were scrambling to explain why growth was rising and at the same time, prices were plunging. In large part, those new, lower prices have persisted, strongly suggesting that prior price levels were grossly exaggerated.

### **EMERGING MARKET TURBULENCE: ALSO PREDICTABLE**

The next wave of effects was not immediate. In fact, only recently have we begun to see a serious unwind of easy money in the emerging market world. We saw this coming well ahead of time, telegraphing the likely effects in late 2013, specifically identifying Turkey as one of the most vulnerable markets. If it wasn't altogether difficult to see this coming, it was quite challenging to predict the actual timing. Now

that the first wave is underway, the immediate concerns are how far into the emerging world this unwind will extend, and what the broader effects will be on the global financial system. A forthcoming Commentary will delve more deeply into this question.

Naturally, this leads us to wonder what is next. Currencies, the corporate bond market (especially the riskier segment), consumer lending and the insurance market are all candidates — not to mention the irrepressible stock market. All are likely at some point to feel withdrawal effects — although to varying degrees, these will be offset by real economic growth. What adds uncertainty is that this withdrawal of quantitative easing is far from over. The US is well into its program, but Europe has barely started, and Japan is another question altogether.

There is a positive flipside, though. Easy money that was once available to emerging markets will now be becoming more readily available to the developed economies. More precisely it will find its way to those sectors of the economy operating at capacity in order to alleviate pressures that developed over the years of underinvestment.

### **THE BOTTOM LINE?**

Growth is making money easier to come by. But it's also meaning that access to money — incredibly easy over most of the past decade — will be tighter from this point on, particularly for riskier ventures. Exporters should be especially aware of this.



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August 30, 2018

## **NOTICE of ROAD CLOSURE PTH 110 (Brandon Eastern Access)**

Railway repairs at the CN railway crossing on PTH 110 (Brandon Eastern Access) between Richmond Avenue East and 17<sup>th</sup> Street East will result in lane closures for all vehicular traffic.

Both north and southbound lanes of PTH 110 (Brandon Eastern Access) are scheduled to close for two days starting at **9:00 a.m. Monday, September 10, 2018 until 6:00 p.m. Tuesday, September 11, 2018.**

Commercial vehicles (including vehicles transporting dangerous goods) will be able to detour around the closure using Richmond Avenue East and 17<sup>th</sup> Street East. Permitted oversized/overweight vehicles will be required to use alternate routes that have been approved by Manitoba Infrastructure.

Information and updates regarding the road closure will be available on the Highway Information (Manitoba 511 – Road and Traveller Information) website, <http://www.manitoba511.ca/en/> or by calling 204-945-3704 or toll free at 1-877-627-6237.

To discuss specific permit requirements/alternate routes, Permit Services may be contacted directly at 204-945-3961 or toll free at 1-877-812-0009.

Your anticipated cooperation during the required road closure is greatly appreciated.

September 6, 2018

## **NOTICE of ROAD CLOSURE PR 206 (South of PTH 1)**

Railway repairs at the CN railway crossing on PR 206 (south of PTH 1) between PTH 1 and PR 207 will result in lane closures for all vehicular traffic.

Both north and southbound lanes of PR 206 (south of PTH 1) are scheduled to close for two days starting at **9:00 a.m. Wednesday, September 12, 2018 until 6:00 p.m. Friday, September 14, 2018.**

South or northbound commercial truck traffic will be required to use an appropriate alternate route with suitable weight classification, such as PR 207 or PR 210 during the closure. Permitted oversized/overweight vehicles will be required to use alternate routes that have been approved by Manitoba Infrastructure.

Information and updates regarding the road closure will be available on the Highway Information (Manitoba 511 – Road and Traveller Information) website, <http://www.manitoba511.ca/en/> or by calling 204-945-3704 or toll free at 1-877-627-6237.

To discuss specific permit requirements/alternate routes, Permit Services may be contacted directly at 204-945-3961 or toll free at 1-877-812-0009.

Your anticipated cooperation during the required road closure is greatly appreciated.



Canada's Centre for Global Trade  
WINNIPEG, MANITOBA

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