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FAST FACTS

May 7, 2009

The Red River Floodway: The Benefits of Public Investment

As water levels steadily recede, we might pause to reflect on the importance of public investment in a community. The decision to invest in the Red River Floodway was initially made in the 1960s and it has paid off many times over since its completion in 1968.

The idea for the Floodway originated with Duff Roblin in the aftermath of the 1950 flood that forced the evacuation of 100,000 Winnipeggers, destroyed 10,000 homes, and resulted in damages estimated at \$125 million.

Roblin felt it imperative to protect citizens from future floods, and when his Conservative Party formed a minority government in 1958, Premier Roblin placed the Red River Floodway on his agenda.

It was estimated that the cost of constructing a diversion channel around the city would be about \$65 million. But the idea of spending public money on the floodway was not unanimously popular. The Liberal Party opposition called the project “Roblin’s Folly”, claiming the estimated \$65 million cost was a waste of money. But Roblin persisted and took the issue to the electorate in 1959. The Conservatives won the majority needed to proceed with the Floodway. With a \$37 million commitment from the federal government,

construction commenced in 1962 and was completed in 1968.

The Floodway has since been used over 25 times, preventing over \$10 billion in damages.

In the 1970s, two additional projects designed to regulate water levels on the Assiniboine were completed: the Portage Diversion in 1970 at a cost of \$20 million; and the Shellmouth Dam and Reservoir 70 miles north of Brandon in 1972 at a cost of \$11 million.

After the 1997 ‘flood of the century’, members of all political parties agreed that in order to protect us from the possibility of much worse flooding in future, an expansion of the existing floodway was necessary. But again, there were critics.

This time the ‘folly’ of the day was the integration of a project labour agreement (PLA) that required employers to collect union dues and benefit plan contributions from all workers and remit them to the Floodway Authorities third party administrator for distribution. PLAs are a common element of major construction projects because they protect against disruptions that often result when non-union workers end up doing union work. As well, large projects benefit from the know-how and experience that unionized personnel bring to these projects.



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When details of the plan for the \$665 million federal/provincial cost-shared Floodway expansion were brought forward in 2004, critics warned that since 95 percent of heavy construction companies in Manitoba were non-unionized, the requirement that all workers pay union dues could increase costs by as much as \$65 million. The Conservative opposition, the Winnipeg Chamber of Commerce, Manitoba Heavy Construction Association, Canadian Federation of Independent Business, Merit Contractors Association of Manitoba, and Winnipeg, rural Manitoba and Canadian Construction Associations, opposed the plan and called for "open and fair competition that protects taxpayers from increasing costs and respects workers' democratic choice." There were also suggestions that the Manitoba government enter into a public-private partnership (P3) agreement as a means of holding down costs.

But these critics were wrong. The project is now all but complete -- on time and within budget. In fact, *cost savings* allowed for the construction of two additional bridges. Approximately 2500 workers and 120 companies were involved in the project, and equity training and hiring provisions ensured that much-needed opportunities were available to Aboriginal businesses and workers.

The expanded floodway has more than doubled its 1997 capacity. According to project designers and engineers, Winnipeg is now protected from floods much larger than the 1997 Flood of the Century, which stretched Winnipeg's flood protection system to the limit. The expanded floodway protects more than 450,000 Manitobans, over 140,000 homes and 8,000 businesses, and it protects the provincial and civic economy against the \$12 billion in damages that would result from much larger floods than the 1997 flood.

And the additional \$130 million investment in flood protection in Winnipeg and throughout the Red River Valley resulted in the construction of 18 community ring dikes and greater flood proofing

for approximately 1,700 homes, businesses and farms. Today more than 95 percent of all homes, businesses and farms in the Valley have been flood proofed to 1997 flood levels, plus two feet.

This spring Manitoba was once again at the mercy of the mighty Red River. River water levels in Winnipeg this year were approximately 9 ft. lower than what they would have been without the Floodway. Fortunately, levels in Winnipeg did not require the expanded protection now available, however communities, businesses and farms in the Valley south of Winnipeg benefited from new ring dikes.

Lessons for the USA

Unlike the proactive government intervention in Manitoba, the absence of a collective response to flooding south of the border puts North Dakota cities at great risk. In 1997, downtown Grand Forks was flooded, 60,000 people were forced to leave their homes, and 11 buildings went up in flames as a result. Grand Forks rebuilt the devastated city and has since spent close to \$500 million on flood protection.

This year the heroic efforts of citizens helped to avert a similar crisis in Fargo. When officials were asked why the State of North Dakota did not invest in flood protection like Manitoba, officials noted: "we tend to take a more individualistic approach to these sorts of things."

But that sentiment appears to be changing, because the long-term benefit of public investment in the Floodway is impossible to dispute. The City of Fargo is now seeking federal and state support to provide more permanent protection from flooding.

There is a lesson to be learned here: strategic public investment builds better futures for all of us.

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