

● (1420)

To further confuse the issue, on May 2 the minister for DREE said he had barely enough money to meet his existing commitments. We want to know whether the President of the Treasury Board is going to provide him with any additional funding, because if he is having trouble now, how are we going to get funds out of this supposed new formula for rail relocation or rehabilitation in downtown Winnipeg? The Deputy Prime Minister and Minister of Finance (Mr. MacEachen) has already made it perfectly clear to me when I questioned him on this funding for rail relocation in Winnipeg that he could not give me any assurance at all that he would be providing funding for rail relocation. That is why we want the minister for DREE to explain this new formula in detail.

There is no point in the city of Winnipeg, the province of Manitoba, or any other body, spending a lot of time and money on a study for rail relocation or rehabilitation when there is absolutely no guarantee from any minister that there will be \$5 million or \$10 million saved from an envelope for Winnipeg at any given time.

To further confuse the situation, on June 2 the Minister of Transport (Mr. Pepin) stated, as reported at page 1627 of *Hansard*:

—the government as a whole is offering the province of Manitoba funds otherwise available, from DREE particularly, in order to effect the relocation program.

The government as a whole is going to provide these funds. I am just not clear in my mind whether, when the study is completed and an application is made for the money to the federal government, the money will be available immediately, or whether the city and the province will have to wait a year or two until the minister gets a little more money in his envelope. These are the things the minister should clear up for us.

I have had a series of starred questions on the order paper since May 12 in an effort to clear up some of the confusion. I have asked that these questions be answered but the government is stalling, causing further suspicion.

Just to give the House an idea of what I am trying to find out from the government about this new formula, let me read one of my questions as follows:

What was the rationale used by the government when it arrived at the “\$5 million a year for five years” formula suggested by the Minister of Regional Economic Expansion in the House on May 7, 1980, and what escalation formula will be adopted to allow for inflation over the five-year period?

Once we get this formula established and a guarantee that the moneys will be available, we will then know what we are talking about. Because some cities have spent a lot of time and money carrying out studies.

Another of my questions is as follows:

Would the DREE grant be made available under the condition that the full Winnipeg rail relocation project is adopted?

That is something the city of Winnipeg as well as the province will have to know.

### *Regional Development Incentives Act*

Another of my starred questions is:

Would the DREE grant be made available under the condition that the Winnipeg grade separation project is adopted?

That is something else we will have to know, because it takes time and money for the city and province to do these studies initially.

I think what is of concern to most members in the House is whether DREE funds will be taken from Nova Scotia, Newfoundland or British Columbia for this rail relocation. Surely they are entitled to an explanation too.

My starred question No. 12 is:

Will the funds for the CPR rail relocation in Winnipeg be diverted from (a) provincial (b) federal DREE programs and, if so, from which programs?

We want to know if these funds are to be supplied by cutting into other projects which are being planned in any of the provinces.

On June 2 in Winnipeg the minister for DREE and the hon. member for Winnipeg-Fort Garry (Mr. Axworthy), the Minister of Employment and Immigration, held a press conference to announce this new formula. The Minister for Employment and Immigration stated that:

A federal promise of \$50 to \$60 million for inner city revitalization in Winnipeg is “new money”, not a smokescreen for Ottawa’s failure to commit money for rail relocation—

I hope the minister for DREE will be able to remove the smokescreen that exists right now by informing us where this \$50 million to \$60 million is to come from and at what time it will be available. I hope he will tell us what the time lapse will be between the time the city of Winnipeg and the province apply and receipt of the money. This is the sort of thing we want to find out. We have been led down the garden path before and that has cost the city of Winnipeg an additional \$2 million cost overrun, because of delays caused by the hon. member for Winnipeg-Fort Garry and the federal government in carrying out a study on rail relocation. They did not come up with the money, and I suggest once bitten, twice shy.

The minister went on to say in Winnipeg:

—neither he nor Department of Regional Economic Expansion minister Pierre DeBané was dictating priorities to the city, “and at this point we’re the only level of government to put our money on the table.”

That is what we want to clear up. Is the money on the table, and which federal government department has taken the money out of the envelope to put on the table for Winnipeg?

In that news release they went on to say:

The funding package, which will not be tapped until 1981, comes largely from DREE, and Mr. De Bané said the \$25 million available for capital projects and \$7 million for economic and social development would be over and above contributions already committed to Manitoba.

This statement has been challenged by officials in the minister’s office. The *Winnipeg Tribune* reported on June 2:

However, an official in the minister’s office said last month that DREE funding to the province had been scheduled to drop from \$40 million to about \$20 million in 1982.

As hon. members can see, there is further confusion along the line.