

Indian Economic Development Fund

I question who is at fault in overbuilding an enterprise such as The Pas shopping complex. It is obvious that at least two departments of government, the Department of Indian Affairs and the Department of Public Works, must take the major responsibility for its present state of affairs.

For the record, I would like to review some of the incidents leading up to the \$8.5 million dollar complex at The Pas. As I mentioned earlier, the initiative to develop a small convenience store to serve The Pas Reserve residents and also the highway traffic north of The Pas came from The Pas Indian band in a letter to the Manitoba government in September, 1970. In December, 1970, a Mr. Gordon Fisk was hired as a consultant to the band. In a letter to the Department of Indian Affairs and Northern Development, Mr. Fisk proposed the development of a modest shopping centre of between 20,000 and 25,000 square feet with a food store, a general store, and space for a bank or drugstore.

A further study commissioned by the band from Damas and Smith Limited was completed in January, 1973. This study indicated the need for limited retail facilities on the reserve to serve the Indian population and tourists travelling along Highway Number 10. This study made specific reference to the fact that there is insufficient market potential to support a large scale development.

On June 29, 1973, in a letter to Mr. Keith Taylor, who was then the member of parliament for the Churchill riding, the late Chief of The Pas Indian band, Mr. Gordon Lathlin, wrote and I quote:

At one of your visits at the band office I discussed with you our development plans which included construction of a small retail complex.

We have been dealing extensively with the Department of Indian Affairs and it appears that at least the store complex will become a reality in the near future.

At the moment we are trying to secure tenants for the building.

The purpose of the development is not only to provide jobs for band members and revenue for the band, but also to provide services to residents of The Pas reserve. In this respect we would like to pursue the possibility of locating a sub-branch of the Post Office on the reserve. Having to pick up mail at the Post Office in town creates a hardship for many people who do not own vehicles.

I am asking for your assistance in pursuing this matter. Please contact the proper authorities to get an indication of what can be done. As we are planning to get construction under way this summer it is important that we get an answer quickly.

At this point, it is evident that the band was still thinking in terms of a small retail complex.

In July, 1973, the assistant deputy minister of Indian affairs invited the property development branch of the Department of Public Works to undertake a re-assessment of the retail and commercial possibilities for The Pas band. They set about their task by way of a Department of Public Works authored department store type of merchandise study. In August, 1973, the DSTM study was completed, identifying the need for additional major commercial facilities in the area of The Pas. In contrast to the Damas and Smith findings, the DPW report concluded that there exists a strong possibility to establish a regular closed shopping mall in The Pas region.

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In October, 1973, The Pas Indian band adopted a band council resolution authorizing the Department of Public Works, first, to enter into a contract with an architect to design the shopping centre and, second, to negotiate leases.

The Department of Public Works then had the major role to design, oversee the design and to set up leases and search for tenants.

The townspeople of The Pas expressed a great deal of concern about the proposed regional shopping centre on The Pas reserve. In a letter to the minister on December 18, 1973, Major Jack Kennedy of The Pas questioned, among other items, the justification for the size of the proposed complex which by this time was proposed to be 110,000 square feet. Resource Development Associates Limited prepared a feasibility study for the town of The Pas. This study essentially disagreed with the Department of Public Works study, in regard to, first, size. DPW recommended a complex of well over 100,000 square feet. Research Development Associates recommended a complex no larger than 35,000 square feet. Second, it disagreed in regard to the trade area. DPW stated a 150 mile radius; Research Development Associates stated a 50 mile radius.

Despite conflicting recommendations in various studies;

in June 1974, the Minister of Indian Affairs and Northern Development attended the sod-turning ceremony marking the official start of construction and the Department of Public Works was granted a mandate from the Department of Indian Affairs and Northern Development to construct the shopping centre including the awarding of contracts, construction progress payments, leasing, supervision and the general management of the entire construction phase of the project.

Where were the Indian people in all of this? It would appear that following the adopting of a band council resolution in 1973 authorizing the involvement of the Department of Public Works, it was virtually out of the hands of The Pas Indian band.

Otineka Mall—the Pas Regional Shopping Centre is completed and has been in operation for about one year. It is, indeed, an impressive structure for the area. The end result was 190,000 square feet of retail and office space at a cost of \$8.5 million. This is a far cry from the \$250,000 complex announced by the minister on July 19, 1973, or even the DPW news release on June 21, 1974, which gave the amount as \$4,950,000. Of further interest is the Otineka Mall information sheet which states that the market area covers a 50 mile radius, not 150 miles as stated in the DPW study. Today, the sensible dream of a small shopping complex can be described as turning into somewhat of a nightmare for the Indians of The Pas band. Once again we witness the manipulation of government to the detriment of Indian people.

The financing of The Pas shopping centre complex involved a bank guarantee and a direct loan from the Indian Economic Development Fund. The loan was for \$6 million, of which \$4 million was guaranteed by the department. There was an over-run. The final cost of the complex is now at \$8.5 million. Cost over-run is due to overbuilding.