

Winnipeg Free Press - ONLINE EDITION

Loans ride to museum's rescue

Governments offer room to fulfil vision

By: **Dan Lett**

Posted: 07/19/2012 7:03 AM | Comments: 0 (including replies)g



KEN GIGLIOTTI / WINNIPEG FREE PRESS [Enlarge Image](#)

The Canadian Museum for Human Rights might be seeing light at the end of its long, contentious construction tunnel.

Finally, a solution to the funding shortfall threatening the Canadian Museum for Human Rights.

For much of the past year, the federal Crown corporation overseeing the museum has scrapped with its government masters over where to find an additional \$40 million to complete construction.

The dispute has already delayed the opening of the museum by a year and threatened to leave the completed building an empty shell.

According to sources at all levels of government though, an agreement has been reached to bridge that funding gap.

Ottawa will offer the museum a no-interest loan that will be repaid through savings in the operating budget and revenues that will come when the museum finally opens to the public.

The province will also play a role, guaranteeing another loan to be taken out by the Friends of the CMHR, the private fundraising body that has contributed more than \$130 million to the project.

Although the total cost of the museum — now estimated at about \$351 million — has not gone up from its last published level, the total amount of the federal advance and the provincial loan guarantee could be as much as \$70 million, sources said. It is believed some of this money is being provided as a cushion against some private pledges that have been slow to materialize.

The federal government in particular has been concerned about giving the museum more money. Despite the fact the original cost estimate for the museum was wildly low, and private donors had for the first time in history made a nine-figure contribution to a federal cultural institution, the feds stuck to their pledge to provide \$100 million in cash for the project.

As criticism of the museum grew and the federal treasury went into deficit thanks to the global recession, the chances of a direct federal bailout became less and less likely.

In this solution, the federal government provides the museum with the money it needs at essentially no cost.

It is just a transfer of cash from one government entity to another. It is not an expenditure, does not add to the federal government's deficit and is, according to sources, fully repayable.

Federal Heritage Minister James Moore could not be reached for comment, but in a statement from his office, officials were careful to stress this is not a handout.

"The Canadian Museum for Human Rights is an important new Canadian museum that we want built on time, and within existing budgets," a spokesman for Moore said. "We will be converting and advancing the operational funds over the next three years into capital funds to finish building the museum on time. This new funding arrangement will come at no additional cost to taxpayers."

The province would not comment on its involvement. However, sources confirm the provincial assistance comes in the form of a loan guarantee so the Friends of the CMHR can borrow a portion of the \$70-million shortfall. As an organization with a proven track record of fundraising, the province hopes it will be seen as a relatively low-risk gesture.

The museum file remains, however, incendiary. Lingering concern among some ethnic groups about how historical incidents like the Ukrainian Holodomor will be represented in the museum continue to make political waves. And anti-museum forces across the country, which consistently make up for their lack of numbers with volume, continue to rake Ottawa for spending any money on a museum that explores human rights issues.

This solution does solve the immediate problem of providing enough money to ensure the museum opens in the spring of 2014. However, it may have come too late to stop the museum from having to make major compromises on content.

During the period of funding uncertainty, the museum has lost several key staff members, many of whom were involved in developing content for the unique institution. As well, there are rumours the cost of technology for some of the exhibits, which have been billed as among the most advanced and interactive in the world, has continued to rise.

The real question facing the levels of government is whether all the fussing, and the delays it has caused, will deal the museum a fatal blow. With so many critics of the museum coming forward during its period of fiscal dysfunction, will anybody give the museum a chance to prove itself to be the innovative, dynamic institution it promised to be?

That will not be known until early 2014 when it finally opens and people get to see what all the fuss is about. At this stage, only a successful opening will ultimately prove the value of the investment.

dan.lett@freepress.mb.ca

Find this article at:

<http://www.winnipegfreepress.com/opinion/columnists/Loans-ride-to-museums-rescue-163013356.html>

Check the box to include the list of links referenced in the article.