

1/21/2000 10:37:29 AM **Government pulls plug on NHL bailout** *Live report!* Feds reverse decision, will not support Canadian NHL teams financially. by Rod Charles

Less than a week after announcing that the government would come through on funding, the government of Canada has backtracked.

"I think we expected a bad reaction, we didn't misjudge public opinion," said Industry Minister John Manley at a press conference Friday morning. "A lot of people were concerned. We got the players off the bench, we wanted the players to be involved in the solution, they didn't want any part of it. We needed a lot of people onside in order for this to work. We didn't get that support, and so the issue is dead.

"People were divided on this, caucus members were divided, Canadians were divided. We proposed something, but it didn't fly."

One reporter suggested this was all a plan and asked Manley if the federal government proposed something that they knew wouldn't work to releive public pressure. Manley quickly shot down that theory.

"I'm not happy to see it fall apart," said Manley. "If it leads to the demise of hockey teams in Canada, then it would be a very sad development. I have some ideas, I certainly hope we can work together and find a solution, but if I look happy it has nothing to do with the results today."

The federal government was prepared to ante up 25 per cent of the total under the condition that provincial governments, local governments, the NHL, and the National Hockey League Players Association came through with the rest. The proposal was mauled across the country from a Canadian public that already feels overtaxed.

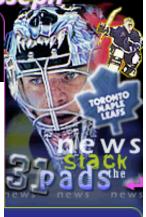
On top of that, several provinces said they wouldn't help out on such a deal, and the NHLPA wanted no part of it. Still, Manley refused to point the finger of blame, saying only it was a proposal that didn't work.

I know Canadians love hockey. I also think they are saying that something has gone terribly wrong," said Manley. "I think people are saying that if the Ottawa Senators, playing in one of the greatest hockey markets in North America, with a full stadium every game, can't make a go of it, then something is terribly wrong."

One of the biggest problems facing Canadian based teams are that most expenses, including player salaries, are paid in American currency, putting them at a disadvantage against U.S. based clubs. Also Canadian franchises complain of higher taxes in Canada and inclreasing player salaries. The average NHL salary now exceeds \$1.3 million U.S.

Also, most American franchises receive huge tax breaks compared to their American counterparts. Many American teams have had arenas built for them with public money.

Ottawa Senators owner Rod Bryden has a press conference scheduled for 1pm today. Speculation is strong that Bryden will now move to put the Ottawa Senators up for sale.



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