

April 28, 1986

EVENING SITTING

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure
Urban Affairs
Ordinary Expenditure — Vote 24

Item 1 (continued)

Mr. Tchorzewski: — We're not quite ready yet, Mr. Chairman, but soon, but soon. Mr. Minister, just briefly I want to continue with something my colleague from Regina South was talking about, and that is . . . Regina Centre. South is in such flux these days, you never know. But my colleague from Regina Centre was asking you about the escalation formula, which there is none, as you indicated.

But I want to ask you about the distribution formula, because under revenue sharing, there has always been, at least from the time when I was involved, a formula that was used to determine the distribution of the revenue-sharing pool, and it considered quite a number of things: changes in population, ability of municipalities to raise local revenues, and a number of other things.

Can you tell me what distribution formula is being applied in this fiscal year '86-87?

Hon. Mr. Dirks: — The determination was made this year to provide a 3 per cent increase to everyone across the board over last year's figure.

Mr. Tchorzewski: — I see. Prior to this year, then, maybe — because I don't fully recollect all of the formula — what were the factors taken into consideration in the previous formula?

Hon. Mr. Dirks: — There is a basic grant, a per capita grant, and a foundation grant that go together.

Mr. Tchorzewski: — There is a basic grant, a per capita, and the foundation. So now we have been operating for two years without applying the formula. You didn't apply it last year and that's understandable, partially because you froze the grant. Although you could have made some adjustments to accommodate changing circumstances in some communities, this year you're going to spend \$67 million in revenue sharing and you're going to distribute it to municipalities, which averages out over the last two years an increase per year of about 1.5 per cent per year. And you're saying that you're just applying a flat 3 per cent.

Why did you choose just to apply the flat 3 per cent rather than use the distribution formula, which seems to make some logical sense when it comes to applying the whole principle of fairness and meeting needs as they exist in various communities because of changes in population, for example?

Hon. Mr. Dirks: — We felt it would be appropriate to have an across the board 3 per cent increase for all municipalities rather than having some reductions perhaps for some municipalities if the formula was used.

We felt it would be appropriate to have that kind of across the board increase for everybody at this time when the Local Government Finance Commission is looking into this whole matter.

Mr. Tchorzewski: — Well, Mr. Minister, I fail to see how you can justify that. I can understand where reductions might happen because you simply can grandfather it. Nothing difficult about that.

But in places . . . And I have here and I'll give you an example of the communities of Martensville, Warman, Osler, and Dalmeny, which are communities that presented a brief to you during the SUMA convention or just previously before that. And also, indeed, I met with them as well.

And they make it very clear what the problem is without applying the formula fairly. I mean, they say that in the last two years their population has an increase of almost 100 per cent. Surely you would agree, Mr. Minister, that when you have that kind of a change in the community, you get stresses on the ability of that municipality to provide services.

The tax base of these communities — and they're only examples of others — has not changed a great deal. So their ability to raise revenues on their own is not improving very much. And yet you're saying, well, we're just going to apply them the straight 3 per cent. We're not going to consider the changed circumstances of changes in population or any other of these factors which may have made a difference in the grant formula.

How can you justify that? How can you say to communities like these four and others, sorry, you probably could have needed 10 per cent, but we're only going to give you 3 per cent, because we're not going to apply the formula, even though we've negotiating now for two years or so. But you're going to get a straight per cent. How can you justify that, and what's fair about it?

Hon. Mr. Dirks: — The issue of providing a 3 per cent across the board increase or using some kind of a formula where there may have been some significant winners and some significant losers was considered when we determined whether or not the revenue-sharing pool would increase, and by how much. And the decision was made to provide a 3 per cent across the board increase to all municipalities, as I indicated previously.

The four that you're referring to did receive a 3 per cent increase. And as I understand, an analysis of their particular situation shows that they were relatively well off in terms of their local tax situation and also their local debt situation in comparison to many other communities in the province. And it was felt that a 3 per cent increase was something that would certainly be liveable in those particular communities.

Mr. Tchorzewski: — I asked you, Mr. Minister: have you considered the brief which they presented to you some time ago?

Hon. Mr. Dirks: — Yes, I met with them.

Mr. Tchorzewski: — Well in light of that you must have a short memory, because all of the things that you have just said, they have said otherwise. They have said that they have had a major change in population — and that's not surprising. They're near the city of Saskatoon, and a lot of people would choose to live in these communities and commute to the city. They have not had a significant increase in taxable assessment, and the brief clearly has told you that, and I quote:

(1915)

Despite the increase in population, our taxable assessment remains relatively low due to the very high proportions of residential as compared to commercial development.

All of the things which you mention in defence of your position of 3 per cent, Mr. Minister, these communities have refuted. Would you like to reconsider your argument here in light of the fact that these communities don't agree with you?

Hon. Mr. Dirks: — Well as I indicated, their situation was reviewed very extensively in discussion with myself and then by my officials, and as I suggested to you just a few moments ago, the position was taken that the 3 per cent increase would be a liveable increase in light of their particular local tax situation and debt situation — and the whole matter of the formula and how the formula would relate to communities that were growing at a faster rate or communities that are losing population at a faster rate, that those issues would of course be looked at by the local financing commission.

Mr. Tchorzewski: — Mr. Minister, if you had applied the formula, the distribution formula, would it have provided an increase in money to these communities under the revenue-sharing program?

Hon. Mr. Dirks: — We didn't calculate it for that particular community, but had you applied the formula, given the fact that you have a static size pool or a certain size pool, you would of course have taken away from smaller communities that some would say were dying, and giving it to a community that was increasing in population. And it was felt that, given the fact that we were in these discussions with the local finance commission and that they were going to be making recommendations into the long range, into the future, that rather than taking from some who might not be able to afford it and giving to some others, that it would be best to likely provide a blanket 3 per cent increase to everyone. That was the most appropriate decision to take, in our estimation.

Mr. Tchorzewski: — Well I can understand, Mr. Minister, why one would want to consider the problems faced by communities which may have gotten a reduction. And I've already suggested to you an alternative, or a solution to that, and that is a grandfathering provision. You could have quite easily taken that into consideration.

Are you saying, Mr. Minister, that you as a government

have as a policy that you will punish communities which happen to be growth communities? Because that's what you're doing by not applying the formula. You're taking communities that are growing, and therefore face unique problems because of their growth. Along with the pluses there are some problems. Are you saying for their growth, your government, because you don't apply the formula, is prepared to punish those communities for their growth?

Hon. Mr. Dirks: — No.

Mr. Tchorzewski: — Mr. Minister, let's go back to your statement about negotiations, or your commission. And it's taking a look at the formula. I want to say that what you have said, at least on three occasions here this evening, is incorrect. You said your local financing commission is determining the distribution formula. Was this local financing commission not established at least a year ago, or was it two years ago? How long has this commission existed?

Hon. Mr. Dirks: — I believe the commission came into place something less than two years ago, and in a very short period of time we expect that they will have their final report in place. And of course they are looking at a large number of items and we expect that their deliberations will certainly be of benefit to us when we consider this whole matter of revenue sharing and formula. And of course we're into discussions with SUMA (Saskatchewan Urban Municipalities Association) on this issue during this year.

Mr. Tchorzewski: — Well isn't that interesting, Mr. Minister. The commission was established two years ago. Your predecessor, in response to those same questions in estimates last year, said to this House the following: he said that we had reached agreement with SUMA in regards to the distribution formula.

In other words, he said to this House that a formula for distribution purposes had been agreed upon and a decision had been made. He further said, Mr. Minister, he said that the escalation formula would be done in the next year. In other words, it was supposed to be ready for this year.

How do you square what you have been saying in the House, Mr. Minister, for the last 20 minutes, with what the former minister has said, contrary in what you're saying, in that he gave a commitment to this House that a formula would be in place by now on the distribution on the escalation formula side, and that a distribution formula had been agreed to? What has happened in the mean time to destroy this formula for the distribution of these grants so that you don't have one now, when in fact an agreement had been reached last year, Mr. Minister? What's changed?

Hon. Mr. Dirks: — As I indicated to the member opposite, we have been in discussion with the Saskatchewan Urban Municipalities Association for some time on the whole issue during the past couple of years with regards to revenue sharing and have reached general agreement with them on this particular issue. Now that doesn't mean that what the Local Government Finance Commission is going to say won't have some

impact on the whole issue of revenue sharing. So to simply say that because you may have tentatively reached some particular kind of an agreement on some particular issues with the urban municipalities association doesn't mean that you have reached final agreement, that you've sort of crossed the t's and dotted the i's and sort of put your signature on — in a sense to say that's going to be it from here on in — when in fact we don't have all of the information from the finance commission yet. And when we do receive that, that may very well impact upon the discussions that we have been having to date with the urban municipalities association as it relates to the formula.

Mr. Tchorzewski: — Well, Mr. Minister, you did not answer the question, and I will ask it again, because in your usual way you are now trying to talk around the question. I say to you, and if you wish to check it, you can look on page 2848 of *Hansard*, June 3, 1985, and you will discover that the minister of Urban Affairs for this Conservative government said — in consideration of his estimates when asked by my colleague, the member from Regina Centre — what about the formulas? He said, "... we had reached agreement with SUMA in regards to the distribution formula ... " He said to this House in unequivocal terms an agreement had been reached in the formula.

You now say there was no formula, that it was tentative. Mr. Minister, who is misleading this House and the public? You? Or was the former minister misleading this House?

Hon. Mr. Dirks: — Nobody is misleading the House. I simply suggested to you that you may have reached tentative agreement or something. That doesn't mean the whole issue is cast in stone, because the Local Government Finance Commission may very well inject some new information which is significant to both SUMA and to both the Department of Urban Affairs, which will lead us to revisit the particular formula which had been tentatively agreed on or whatever words you want to particularly put on it. So there's no misleading here. I think that's a natural course of action to take. You want to wait until all of the information is in that impacts upon this particular issue, and then you make a final determination.

Mr. Tchorzewski: — Mr. Minister, you're now dancing in your place to try to save your hide with regards to the fact that you're not being quite frank with this House. SUMA, in the letter I read to you this afternoon, said very clearly, and I think that they were correct, and there's no reason why anyone would want to question their position on it, they said in their letter to you from the president of SUMA to the former minister of Finance: don't tinker with the formula until there is some decision made by the local government commission. You don't only tinker, Mr. Minister, you have taken an agreement which your former minister said was reached with SUMA. That was only in last year's budget and you have broken the agreement. The former minister said, we had an agreement. You say, we don't have an agreement. We're not going to apply the formula. Don't you agree that you therefore have broken the agreement with the municipalities because you've not lived up to the agreement made that the former minister spoke of when

he talked about his estimates in here last year?

Hon. Mr. Dirks: — Mr. Chairman, there was general agreement on a formula that could have been utilized if one had chosen to do so. But as I indicated, before the decision was made, to go with a 3 per cent, across the board increase so that there would be no losers. And in the meantime the Local Government Finance Commission is providing information to this government, in a few weeks we hope, which will be important in terms of the whole issue of local taxation and revenue for municipalities.

So once that comes into play, that particular report, with its information, this whole matter of a revenue-sharing formula or a distribution formula is something that it would be appropriate to discuss with the urban municipalities association.

Mr. Tchorzewski: — Mr. Minister, prior to your decision to apply a straight 3 per cent across the board and break the agreement that you had with SUMA — which your former minister talked about — prior to that, did you communicate with SUMA about what the distribution formula ought to be in this budget? And did they write to you agreeing with your proposal?

Hon. Mr. Dirks: — So I think the important thing to indicate to the member opposite and to the Assembly is that, in fact, the urban municipalities association, as I understand it, while they would have like more than 3 per cent this year, has been relatively pleased with the fact that there was a 3 per cent increase in the revenue-sharing pool here to all municipalities — 3 per cent across the board to each one in the province.

(1930)

And as I indicated this afternoon — and perhaps you weren't in your seat — the mayor of the city of Regina had, prior to budget time, said to me that well he certainly would be happy if there would be a 2.9 per cent increase. Well, in fact, we matched that and a little more than that. And I think that, generally speaking, municipalities have been relatively pleased that they did receive the 3 per cent increase.

Mr. Tchorzewski: — Mr. Minister, now that you've made a speech, do you mind answering the question?

Hon. Mr. Dirks: — The urban municipalities association did not have any formal communication with me in terms of the exact amount of money that they wanted prior to the budget, nor did I indicate to them prior to the budget the exact amount of money that they were going to receive. I mean, that's a budget consideration which comes out, of course, on budget night.

Mr. Tchorzewski: — Mr. Minister, you still didn't answer the question. You've probably forgotten it. Now that you gotten up twice to make your comments, I'll ask it again. The question was not what about the total allocation of revenue sharing, the 3 per cent. The question was: prior to determination that you were going to distribute the revenue-sharing pool — or the increase on a straight 3 per cent rather than using the formula — did you consult

SUMA and did they communicate to you in writing that they supported that move? Don't tell me about the 3 per cent; we know about the 3 per cent, and so does the public. Now tell me whether SUMA agreed, prior to your announcing in your budget what the grant is going to be, to leave it at a straight 3 per cent across the board without applying the formula?

Hon. Mr. Dirks: — Well of course the department has ongoing dialogue with SUMA in terms of revenue-sharing issues. I don't know if the former minister had any specific consultation in terms of exactly how the money was likely going to be distributed irrespective of whether there was a formula or whether there was an across the board increase.

I didn't have any specific communication with SUMA in that regard, although at the convention we did make it very clear to SUMA that there was going to be some kind of increase in the pool. It wouldn't be zero per cent, and it wouldn't be 5 per cent; it would like be somewhere in between. And of course it was somewhere in between — it was a 3 per cent increase. And since then of course SUMA has not expressed any displeasure with that 3 per cent increase. I think they recognize that, given the times, a 3 per cent increase was a reasonable figure to expect at this particular time.

Mr. Tchorzewski: — Well, Mr. Minister, there you go talking about the 3 per cent again. We're talking about your lack of consultation and your arbitrary approach to government. You, Mr. Minister, have been the minister of this department since December. The decisions, Mr. Minister, which determined what kind of distribution formula would be used to distribute the revenue sharing was made since December. Don't try to say you don't know what the former minister may have had in communication because it's got nothing to do with him. This decision was made when you were the Minister of Urban Affairs.

Are you saying, Mr. Minister, and I want to ask you this just one more time, because I don't want to get the wrong impression. Are you saying that since December you did not take the opportunity to discuss with SUMA what the distribution formula was going to be? Is that what you're saying?

Hon. Mr. Dirks: — Well what I'm saying is that if you take a look at the resolutions adopted by SUMA at their 1986 annual convention, if this was a pressing issue in terms of the distribution formula, and I think SUMA recognizes that there certainly would have been a lot of losers had that formula been in place, you don't even see that concern at all reflected in the resolutions brought forward by the various organizations at the SUMA convention. So I'm not so sure that it's all that significant an issue.

I think what is of issue is whether or not there was going to be an increase to municipalities. Yes, there was going to be an increase. We did mention that in discussions with SUMA at their annual convention. We indicated it would not be held at zero, nor would it be increased 5 per cent — likely somewhere in between. That's exactly where the figure came down — 3 per cent. And as I indicated that was a little bit above what the mayor of Regina was

hoping for.

Mr. Tchorzewski: — Mr. Minister . . . Surely the point has been made, member from Moosomin who speaks from his seat again. The point has been made. This minister has been deceiving this Assembly and he's been deceiving the public by pretending that there are negotiations are under way, or have been negotiations under way, to determine what the distribution formula was going to be, when, in fact, there has not been those discussions.

Mr. Minister, why would SUMA pass a resolution with respect to this in their 1986 convention in January when they wouldn't have known then that you weren't going to apply the formula? Why would they have known that? Why would they have done that? And how would they have known that if you yourself, as you have admitted, have refused to consult with them as to what the distribution formula should be?

You're saying you don't know whether the former minister has done it. Mr. Minister, stop making your decisions on this kind of funding for your own political reasons and do it on the basis of what's fair and just and use some kind of a formula that applies to everybody equally. Can you tell me, Mr. Minister, why have you not taken the time?

Well I think I'm going to stop, Mr. Chairman, because the member from Moosomin is making so much noise, I can't hear myself speak. I don't know that the minister can hear me, and he's sitting right beside him. As soon as he settles down, we will continue, Mr. Chairman.

Mr. Chairman: — Why is the member on his feet?

Mr. Birkbeck: — I'll tell you why I'm on my feet. The member for Regina North East is trying to ask the Minister of Social Services questions. That's what he should be doing. What is happening in the NDP benches, Mr. Chairman, is that they are all visiting and babbling with each other, and I can't hear the question.

Mr. Chairman: — Order, order. This is not a point of order; it is not well taken.

Mr. Tchorzewski: — Mr. Chairman, we are here to try and do the people's business. If the member from Moosomin and his colleagues over there are here thinking that this whole thing is a joke, and they want to make it look like a joke, that's fine by us. The public of Saskatchewan and the people who pay taxes have a right to be able to get the answers from their government, whether it's that government or whether it's some other government. The member from Moosomin's antics just now show how lightly those people take it, and the responses from the Minister of Urban Affairs has been giving show that they really don't care. And so I come back to him again on this question. Mr. Minister, why did you not think it important enough to consult SUMA and the municipalities about the distribution formula prior to announcing in this budget? Now that's got to be precedent setting. That's got to be precedent setting, and I submit to you it's a very, very dangerous precedent. Why did you not take the time to consult with them?

Hon. Mr. Dirks: — Well, Mr. Chairman, as I indicated, I think the significant thing here is how much of an increase is there going to be for the municipalities. And of course my department officials have ongoing discussions with people in the urban municipalities association. It's not as if they never meet. There are discussions that go on.

In terms of the actual distribution formula, the decision was made by this particular government that there would be an across the board 3 per cent increase for everybody. Rather than having some that would be substantial losers and would get no increase or would see a significant reduction if the formula were applied, we felt at this particular point in time that it would be in the best interests of everybody to get a 3 per cent increase. We indicated that when we met at the convention and told the entire delegation of people, over 800-and-some delegates, however many were there, that there would be more than a zero and less than 5 per cent. And there seemed to be general acceptance at that time.

As I indicated, the mayor of Regina wanted a 2.9 per cent increase. In fact we were able to accommodate with even slightly higher than that, 3 per cent increase. And when I met with the executive members of SUMA just prior to and on budget night, and discussed with them the general outlay of where the dollars were going, there was reasonable satisfaction with that. There has been reasonable satisfaction since. And I think that what this government has done in terms of providing an across the board 3 per cent increase is exactly what should have been done in this particular instance.

Mr. Tchorzewski: — Mr. Minister, I wasn't going to raise anybody in particular, but you seem to continuously choose to use the mayor of Regina as your example of support for the budget. Well, the mayor of Regina does a pretty good job for Regina. And he does a pretty good job because he tells your government when he thinks something is wrong. Let me tell you what the mayor of Regina has said to your government in the form of a letter to the Premier. On the basis of last year's budget, and this one isn't any better, Mr. Minister, here's what he said:

As a follow-up to our letter to you on June 4, 1985, and your response July 31, 1985, a very serious issue has come to light which Regina City Council feels you should be cognizant of. There appears to be a major discrepancy between total funding allocations from the province to Regina vis-à-vis Saskatoon for 1985-1986. Our figures indicate the City of Regina will be receiving approximately 1.7 million or 5 per cent less in total provincial grants for 1985-1986.

Now how you can pretend that the mayor of Regina would be happy with that, I don't know. And I know that he's not. Because if he says, as my colleague said a while ago to you, that things are okay, he sure is not saying that publicly. And he's not saying that to the Premier.

You have caused your problems, Mr. Minister — your government. And you're only one of the ministers here. But we've seen the same thing with the Minister of Health, and we're seeing it with you. And I suspect we'll see it with other ministers as we proceed through these

estimates, that you don't talk to the people who are going to be affected and jointly determine how you're going to affect them. You did not discuss with anybody the distribution formula. You made an arbitrary decision as a government to do it that way.

Now maybe they would have accepted it. How do you know they wouldn't have agreed to it? Maybe they would have. That's not what I'm arguing. I'm arguing about the approach of your government, which I suggest to you and to the member from Moosomin, who I know is interested, is a wrong approach. It's an approach of arbitrariness and ad-hociness. You don't have a plan for the future; you stumble along from crisis to crisis. You get to a situation that you've ignored for a long time. You've got a problem and then you charge into it to try to deal with it.

And that's what you're doing with these formulas. You don't have a formula for determining the amount of the fund. You don't have a formula for determining the distribution. You make decisions around a cabinet table that affect everybody else in the province and you never even ask them.

Now, Mr. Minister, let me ask you a follow-up question here. You have continuously this evening referred to the Local Government Finance Commission. And you have said that the Local Government Finance Commission is deciding on what the formulas ought to be.

Now tell me, Mr. Minister: how do you suggest that the Local Government Finance Commission is going to make this decision when both SUMA and SARM (Saskatchewan Association of Rural Municipalities) have pulled out of the commission and are no longer part of it?

Hon. Mr. Dirks: — The Local Government Finance Commission is not going to dictate a formula. I suspect that they are going to make comment on a variety of issues that pertain to local government financing, in other words to the orbit of concern that relates to urban municipalities, and that there will be a great deal of what they say that will have impact for revenue issues pertaining to local government.

And in light of that, some of that may have implications for what the senior government will do with regards to funding for municipalities. So either directly or indirectly it has implications for revenue sharing and for distribution formulas.

Mr. Tchorzewski: — You didn't answer my question, Mr. Minister, again. Will you tell me, Mr. Minister: how will SUMA and SARM's concerns be met when they have both stopped being active participants with the commission, because whatever reasons they have — and I'm sure that they're their reasons — but they're no longer part of this commission. You've got this commission running around making decisions. And what I think the municipalities are afraid of, as we are, is that getting some recommendations from this commission, you are then once again going to make an arbitrary decision as you have done this year and last year, arbitrary decisions that meet your own political agenda needs and not the needs of municipalities.

(1945)

How can you assure us, Mr. Minister, that the views of SUMA and SARM are going to help determine what the new formulas are going to be when they're not part of this commission?

Hon. Mr. Dirks: — Mr. Chairman, the Local Government Finance Commission, as I indicated, is going to provide what I suspect is some very significant information and input and comment — suggestion with regards to local government financing.

They may not satisfy the concerns at all of SUMA or of SARM or of SSTA (Saskatchewan School Trustees Association) or others who are concerned about local government financing, but they certainly will provide information. They certainly will make suggestion and comment, and provide advice and recommendation that relates very definitely to this particular area. That's why they were established in the first place.

And it may very well be that SUMA will make comment on the recommendations that the Local Government Finance Commission is bringing forward to the government. And they will say, yes, we agree with that; no, we don't agree with that; we think that the formula, as it generally was agreed to previously, is the best way to go. Or they may say, well in light of this particular recommendation that we hadn't given all that much consideration to previously, we may change our mind.

We don't know about that. We're not about to predict or prophesy exactly what is going to come down in that particular report. I don't think anybody should. And as a consequence, it certainly would be wrong to somehow suggest that that report will not have any significant thing to say that might not impact one way or another upon SUMA's concerns or upon SUMA's position.

Mr. Shillington: — Mr. Minister, the city of Regina has petitioned, has addressed a request to you for an amendment to the legislation with respect to store hours. I'd appreciate a statement, Mr. Minister, of this government's position on that question.

Hon. Mr. Dirks: — We do not intend to amend legislation while the entire issue of store hours — both the Sunday issue and the constitutionality issue as it pertains to night shopping and The Urban Municipality Act and so on — we do not intend to amend legislation until those particular issues have been decided in the courts. And we will be intervening to assure that our particular interests in terms of the position that we believe is most appropriate, that being that the provincial government should have jurisdiction to regulate with regards to store hours, we will be intervening to support that position, both with regards to the Ontario Supreme Court case and also the cases that will be coming forward here in Saskatchewan that are based on charter arguments — a charter which I might add was brought in and supported by your particular party.

Mr. Shillington: — Well, to the extent that it played any significant role in national affairs, the Canada Act was supported by the Conservative Party, too.

Mr. Minister, do I understand that to be a statement that so long as the matter is before the courts, which might last years — is likely to last years on this issue — your government intends to sit on its hands and do nothing? Is that a statement of your position?

I think I should ask the Minister of Justice directly, since he's coaching the . . .

Hon. Mr. Dirks: — Well there's no sense really amending legislation when the whole issue is before the courts to determine what role the provincial government can play in the whole area of store hours. As a lawyer, you would likely know that. So we expect that judgements will be coming in due course concerning the Sunday issue, out of the Ontario case. And, of course, the other issue may take longer.

Mr. Shillington: — Well that is quite a proposition — that any citizen can send this government scurrying for cover by simply launching an application that a law might be unconstitutional. That, to put it mildly, falls somewhat short of being decisive leadership.

Given the breadth of the decisions with respect to the constitution, it is likely that a great many subjects about which this legislature deals are going to be under review by the courts. If you're only going to deal with those issues which are sacrosanct and not under review by the courts, then there's going to be a great many pressing problems that won't get dealt with.

I suggest, Mr. Minister, for you to take the position that the only proper course is for the government to wait until all constitutional challenges in a given area have been laid to rest, is about as weak an excuse for doing nothing as I have heard. The government of this country, almost on a daily basis, make the best guess they can with respect to the constitutionality of legislation and then proceed. And we are in the position as legislators of defending our legislation and knowing that a goodly amount of our legislation is going to have to be defended.

Do I take it, Mr. Minister, that for however long it takes — two, three, four years — for the matter to wend its way into the Supreme Court . . . This is so academic, because you're not going to be here for more than a few months. But let me ask a wholly academic question: if you should remain in office, if you should be re-elected for a further term, do I take it to be your position until the Supreme Court of Canada deals with the subject, or an appeal period expires somewhere, or the matter is no longer being litigated, you intend to do nothing about store hours in Regina?

Hon. Mr. Dirks: — After that long, convoluted statement by the member, would he be so kind as to specifically ask his question?

Mr. Shillington: — If the minister would be so kind as to specifically listen to it, I wouldn't have to repeat it. But for the benefit of the minister, who was getting advice from the Minister of Justice . . . I can understand why you'd be confused with that kind of an adviser. I think you'd do much better to get advice from your right than advice

from your left, Mr. Minister.

Mr. Minister, my question is: do I take it, so long as the question of store hours is before the courts, this government tends to sit on its hands and do nothing?

Hon. Mr. Dirks: — I think the appropriate decision to take, of course, is to intervene in those court cases, which we have decided to do to protect what we believe is our constitutional right to pass appropriate legislation, whatever we would deem appropriate. We are in fact intervening on the Sunday issue in Ontario, and we certainly will be intervening in those particular issues here which will be based on constitutional questions.

Mr. Shillington: — I take that to be a convoluted way of saying, yes, we intend to do nothing with respect to legislation until the Supreme Court renders its decision.

Hon. Mr. Dirks: — Well intervening is certainly doing more than nothing; it's taking a very significant position. And that is that we believe that the provincial government should be able to, in fact, be involved in this particular area; and of course that is what we are doing.

Mr. Shillington: — Mr. Minister, I do not believe any court has said you can't be involved in the area of regulating store hours as distinct from Sunday hours. If you ask the Minister of Justice, I believe, if he has any integrity, he will tell you that no court has rendered a decision on (a) the constitutionality of a municipality being delegated power to regulate store hours as distinct from hours on Sunday; and (b) no court has rendered a decision on our Lord's Day Act.

So I ask you, Mr. Minister: do I take it that you intend to do nothing, whether or not there's a court decision with respect to these matters — you intend to do nothing so long as you can fabricate any semblance of an excuse that the matter is before the court.

Hon. Mr. Dirks: — Well because we would be bound by whatever court decisions come about on these particular issues, and we know that court decisions are going to come about on these particular issues, it would not make much sense to pass legislation which is not going to have any effect, because you're going to be bound by a court decision which is going to rule on those particular issues anyway.

So we have decided to take the particular position that we will not be amending any legislation at this particular point in time. We will be waiting to determine what the courts say about provincial jurisdiction in this particular regard.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, I gather from the minister's comments that the Crown is intervening in the case in Ontario dealing with Sunday store hours, and I ask the minister whether or not he feels that the position being taken by the Government of Saskatchewan is sound. Are you intervening because you think that the position you're taking is sound?

Hon. Mr. Dirks: — If the issue is going to be determined down East on the religious, Sunday, or Lord's Day Act

basis, then the argument may not be a sound argument. And we don't know how the court is going to go on this. On the other hand, if its' based merely on the issue of rest or of the provincial governments having the authority to regulate based on non-religious determinations, then it may very well be that the position is in fact a sound one from a legal point of view. But I am not a lawyer and that issue likely should more appropriately be addressed to the Minister of Justice.

Hon. Mr. Blakeney: — Mr. Minister, I gather from that that you're intervening to support the position taken by the Government of Ontario, that it is within the provincial competence to regulate store hours, including Sunday, and I ask you: if that is the position you take before the courts, why is that not the position you take in this legislature? And why will you not propose legislation, if need be, based on the position which you're arguing in the courts?

Hon. Mr. Dirks: — That legislation is presently in place here in the province.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, are you satisfied with the legislation as it is enforced now in Saskatchewan, i.e., is your government satisfied with the legislation which you say is on the books and which is being enforced by your government?

Hon. Mr. Dirks: — Well the charter is now posing a threat to that particular legislation, and of course it was the charter that you were actively involved in bringing about. So the legislation is in place here in the province. It has been before the courts here in the province, in fact on one or two occasions, and was successfully used to prosecute. Nevertheless, it is now — the principle is being challenged down East and that is, of course, why we are intervening.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, I'm sorry that I'm not able to make my question clear to the minister. I asked you, sir: are you satisfied with the legislation and the enforcement of that legislation as it now exists? Are you satisfied with our legislation, and are you satisfied with its enforcement?

Hon. Mr. Dirks: — Well, I'm personally satisfied with it. Whether or not the courts are going to determine that it can remain that way in this country is something that has yet to be determined.

Hon. Mr. Blakeney: — Now let me . . . Mr. Chairman, and Mr. Minister, let me understand the minister clearly. He is satisfied with the law, I took that, and he's satisfied with the enforcement of the law. And he's satisfied with the situation as it now exists with respect to shopping hours on all seven days of the week. That is the position you are putting before this committee; I understood that.

Hon. Mr. Dirks: — The member was asking questions relating to the issue of Sunday intervention, the case that is in eastern Canada which we have decided to intervene on, and if he wants to talk on broader issues, that's fine. I was addressing my comments to that particular area.

(2000)

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, I will try again. I ask you, sir, not about the law that is being before the courts in Ontario — and I'll try to use exactly the same words as I used before: are you satisfied with the law of Saskatchewan, as passed by this legislature, with respect to store hours; and are you satisfied with the enforcement of that law? I thought that's almost exactly what I said in two earlier questions. If not, I apologise to the minister and ask that question.

Hon. Mr. Dirks: — Well, Mr. Chairman, the charter that the Leader of the Opposition supported may determine that it doesn't make one whit of difference what anybody in this legislature thinks about store hours — absolutely none. That, in fact, may be the result of the charter here in the province of Saskatchewan and right across the country.

As it relates to the particular legislation here in the province at present, there certainly are substantial indications of support from the public that they are interested in more liberated shopping hours in the province. That's obvious. People everywhere are voting with their feet, clearly, and we know that. At this particular point in time the issue from a legal or a legislative point of view is: what jurisdiction do provincial governments have? Nobody knows that at this particular point in time until the courts rule on that particular issue.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, I will try again. I ask you, Mr. Minister, and in order that you may understand it or I may make myself clear, I will divide it into two separate categories: shopping from Monday to Saturday. Are you satisfied with the law of Saskatchewan as it now exists with respect to shopping from Monday to Saturday, inclusive? And are you satisfied with its enforcement?

I ask you that question, and I hope you will agree with me that that issue is nowhere being litigated in Canada on the grounds of the charter. I hope you will agree with that proposition, and then answer the question: are you satisfied with the law as it exists, and with its enforcement?

Hon. Mr. Dirks: — It's clear that there likely will be some revamping that will be necessary. As I indicated, the public is overwhelmingly voting with its feet in favour of liberalized shopping hours.

And as we indicated, it doesn't seem to be very appropriate to make any significant changes to legislation, whether one is consulted with groups, as I have done, or not.

The issue here is that the charter is going to substantially determine whether or not provincial governments have any jurisdiction in this area. And that of course was the charter that you people were so very instrumental in bringing about — the same charter which now appears is likely very well going to result in people who have been jailed getting the vote.

I'm not so sure that the charter is going to have all of the

kinds of positive effects that we want it to have. In fact, if may have some very deleterious effects on society. And one would have hoped that perhaps you would have thought through those issues a little bit more before you supported it.

Nevertheless we have taken the position, as I indicated a number of times now in this particular discussion, that the issue is going to be decided in the courts. Amending legislation, regardless of my personal position on store hours or regardless of the public's position on store hours, is not the issue at this particular point in time. The issue is to determine exactly what authority the provincial governments do have in this particular area. Once that has been determined, then the whole matter of what the legislation should say is the next step.

But as I indicated, the whole issue may be academic, and in fact the charter that you people were so interested in bringing about may have taken the store hours regulation issue right out of the hands completely of provincial governments. And I'm not so sure you thought about that when you supported the charter.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, I will not be led astray by the minister's straight perversion of the answer.

I asked you, sir: are you saying to this House — are you saying to this House that any litigation involving the charter of rights is in process affecting store hours from Monday to Saturday, inclusive? If there is, would you kindly inform me where and whether your government is intervening?

Hon. Mr. Dirks: — Well, the Sunday issue is already at the Supreme Court, and the Minister of Justice informs me that we have received notice on the other issue.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, I think the minister will be aware that Sunday does not fall in the Monday to Saturday, inclusive, category. I am going from Monday, Tuesday, Wednesday, and not the other way, so that I am meaning to exclude Sunday. I'm counting forward.

Now are you telling me, sir, that there is litigation involving your government, or to which you have had notice, involving Monday to Saturday store hours where the charter is an issue? Are you telling me that, sir?

Hon. Mr. Dirks: — I'm informed that we have received notice on the Monday to Saturday issue.

Hon. Mr. Blakeney: — Mr. Chairman, Mr. Minister, would you kindly advise me of any litigation on which you have received notice involving Monday to Saturday and involving the charter of rights.

Hon. Mr. Dirks: — I'm informed by the Minister of Justice that under the Act we have received notice.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, that is a little less than helpful. You will not tell me notice of what, from whom, or in respect of what sort of an allegation, and more particularly, in respect of whether or

not the charter of rights is involved.

I put it to you, Mr. Minister, that with respect to Monday to Saturday there is no effective challenge of provincial jurisdiction with respect to store hours. I put that to you. I also ask you, sir, whether or not in the light of that clear statement, that clear fact which I suggest is not challenged, and in the light of your supposition, your proposition, your proposals that store hours during those six days be extended, have you a proposal to lay before this House dealing with extended store hours so that stores could operate within the law and not outside the law?

Hon. Mr. Dirks: — The Minister of Justice indicates that we have received notice under The Constitutional Questions Act. And it may very well be, therefore, that it will be determined that no one in fact is acting unlawfully at present, because it may very well be determined that our legislation is unconstitutional.

Hon. Mr. Blakeney: — Mr. Minister, I'm amazed that you and your colleague, the Minister of Justice, would take the position that you have no jurisdiction with respect to store hours from Monday to Saturday, and that, accordingly, you do not wish to take action.

I understood you to say, and I think I fairly understood you to say, that there was considerable public sentiment for a lengthening of the store hours as they currently are provided for in statute. And I believe that's a fair statement of what you were suggesting.

Do you not agree, Mr. Minister, that it is undesirable to have major stores, and I'll say Safeway, operating its stores at times which on the face of the law is illegal, and yet you not putting forward any proposal whereby store hours might be somewhat changed so as to allow Safeway to operate legally. Do you not feel that it is undesirable for major chains of that nature to be operating illegally, when — at least if I can understand their public position properly — they have no wish to operate illegally, expect that they must meet the competition and no one is enforcing the current law?

Hon. Mr. Dirks: — Well we of course would be very interested to hear the Leader of the Opposition's position with regards to store hours since he seems to have been strangely silent to date. The issues that he seems to be getting at really don't seem to make much sense when you consider that the law as it presently stands may not in fact be acceptable. In a sense it may not be law because it may violate a higher law, and we in fact are intervening in these particular cases. There of course has been notice under The Constitutional Questions Act as I just indicated previously. We in fact are taking a particular position, but your position seems to be that you should go ahead and amend the Act which now is being challenged as to its very constitutionality itself.

Hon. Mr. Blakeney: — Mr. Chairman, Mr. Minister, yes

indeed, that's my position. Virtually every law on the books can be challenged on the grounds of constitutionality now that we have a charter. That is the nature of having a charter or any other body of law which is superior on the face of it to federal and provincial legislation. That is the nature of a charter. Therefore, all the laws in the books are subject to challenge.

And I would have thought that you, sir, would have got that advice from your colleague, the Minister of Justice. It is simply not acceptable, in my judgement, sir, for any government to say, since it may be challenged, therefore we will not act. Since ... [inaudible interjection] ... All right, Mr. Minister, I understood you to say, "It is being challenged." I simply want to ask you whether or not the store hour law in Saskatchewan as it relates to Monday to Saturday is being challenged under the charter of rights, and by whom.

(2015)

Hon. Mr. Dirks: — As I indicated, we have received notice under The Constitutional Questions Act on one case pertaining to constitutional matters. I'm informed that in fact there may be another one that may be coming forward as well. That seems to be reasonable indication that the process is in fact starting. And that seems to be a fairly significant consideration to take into account when you decide whether or not you should now be amending legislation.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, I'm sorry I didn't understand your answer. Are you stating that the current law with respect to store hours in Saskatchewan has been challenged on the grounds of its unconstitutionality and that you have received notice of that? And if that be so, Mr. Minister, would you give me the name of the person who is challenging the law? And it could hardly be done without you knowing. After all it's the urban legislation which is under challenge. I suspect it would have found its way to your desk. And would you tell me who is challenging the law saying that it is unconstitutional for the Government of Saskatchewan to regulate store hours between Monday and Saturday?

Hon. Mr. Dirks: — We have received notice and we understand that it is SuperValu; and as I indicated, we expect that there may be more.

Hon. Mr. Blakeney: — Now, Mr. Chairman, and Mr. Minister, I want to be very clear on this. You're telling me that the law, that the statute of Saskatchewan, is being challenged — not a Regina city by-law. We're not talking now about a by-law, whether a by-law is *ultra vires*. That has nothing to do with this legislature. We're talking about whether SuperValu is saying that the Government of Saskatchewan can't pass a law regulating store hours between Monday and Saturday. That's what you're telling me; and I am surprised to hear it; and I'd like you to confirm it.

Hon. Mr. Dirks: — The Minister of Justice informs me that because the by-law is at challenge here and because the by-law is, of course, directly related to The Urban Municipality Act, that in fact The Urban Municipality Act, in terms of its constitutionality, is called into question in

this particular time.

Hon. Mr. Blakeney: — Mr. Minister, I hope you received a garbled communication from the Minister of Justice. That's all I can say. I hope you received a garbled communication. Because if you are saying that simply because someone challenges a by-law that this in some way places the legislation under which the by-law is passed under a constitutional cloud, that is a legal proposition which will surprise many of the Minister of Justice's colleagues at the bar.

But it does indicate what the Minister is saying, that if someone attacks a municipal by-law about store hours, he is saying, oh, it's before the courts; I will do nothing. That is the position he is taking. Nothing could be clearer than that this Minister does not wish to indicate whether he likes the current legislation or whether he proposes any changes in the current legislation. And I think we'll leave it at that because nothing could make it clearer.

I turn now to the Sunday option — the Sunday option — and I believe with the Minister that there is litigation in Ontario which might affect the Sunday option. It is difficult to know. The legislation will be differently worded. And efforts have been made, I believe, to make our Act not rest upon any religious basis, but rather upon a general societal basis. I ask you, Mr. Minister: is it your position that you are supporting our current legislation with respect to Sunday closing? And if you're supporting it in the courts, do you also support its enforcement? Or do you support it in the courts, but not enforce it on the ground?

Hon. Mr. Dirks: — Well I indicated some moments ago my particular position with regards to the Sunday issue. And I indicated then that I suggest the legislation was appropriate. It has been challenged here in the province and in fact has resulted in certain prosecutions. But what is going to happen now and in the future may very well be academic, because the whole issue may very well be determined to lead to a situation where it doesn't make any difference what my position or your position or the position of this Legislature is with regard to Sunday opening.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, have any of the prosecutions to which you have referred been launched by your department or by any agency of the Government of Saskatchewan at the request of your department?

Hon. Mr. Dirks: — No.

Mr. Tchorzewski: — Mr. Minister, this has been an interesting exercise. Let me preamble my comments with this comment. Clearly one of the things that governments do is lead. You are providing no leadership on this issue whatsoever.

As a matter of fact, if anything, this government of which you are a part, this Devine government, doesn't lead; it flounders. You never know from one day to the next what position you're staking out. And that's why you've lost so many arguments. That's why you've lost with the federal government every time they want to put the screws to

Saskatchewan. That's why you lose in every field, because you never know what your position is.

In October — and I will refer to the former minister of Urban Affairs again — in October your former minister of Urban Affairs for this government said: the province will consider changing laws which Saskatoon aldermen say have hamstrung their attempt to regulate store hours. They he was quoted as saying — the paper is quoted as saying:

"Saskatchewan's urban Act may be changed if it lets council establish an enforceable store hours by-law", Urban Affairs Minister Ted Embury said in an interview Monday.

It indicates that he had changed his mind when he said that since August . . . when he said that the Act was flexible enough to allow the city to regulate store hours on it's own. And he said he said this after getting legal advice from obviously the Department of Justice. First of all the law was okay. Then he said, the government is going to change the law. Now you come into this House and you say, no, we're not going to do anything.

Mr. Minister, let me ask you this question: when will you have a proposal on this issue so that you can satisfy the municipalities — and in this case it happens to be particularly in Saskatoon and Regina, but it may expand — what their position is going to be? When will your government come forward with a proposal which states your government policy and indicate what action you're going to take to enforce your policy?

Hon. Mr. Dirks: — Well because the underpinnings of the law are being challenged at present, when it is determined by the courts what we have authority to do or not to do, at that particular point in time if there are changes that are deemed to be appropriate, they would be made at that time, given whatever authority the courts determine we have to make.

Mr. Shillington: — That, Mr. Minister, is a remarkable prescription for inaction. If you are saying that any time an Act is challenged — or indeed you're going further than that — that any time a by-law under an Act is challenged, that's an excuse for inaction. That, Mr. Minister, is something quite different than what I would think of as decisive leadership.

You have a situation in Regina which nobody is happy with. I don't think anyone is happy with the situation we have now. We have a duly elected city council which has taken the position that a second night of shopping would ease the pressure and would permit them to get the genie back in the bottle — would permit them to get the stores to comply. And they've asked for that.

And a moment ago I had the copy of the resolution from the Regina city council, and they passed that resolution asking for a second night of shopping within months of the time of their election.

You have a number of consumers who want unregulated shopping — want to be able to go and shop on Sunday morning, at 11 o'clock Sunday morning, at 3 o'clock

Monday morning. They are not a whole lot happier with this situation either. I think everyone would rather the situation were clarified than for the present confusion to continue.

I just pray, Mr. Minister, that you don't mean a word of what you said. I pray that you weren't enunciating the policy of the government when you said you were going to wait and see the constitutionality of this thing come to an end before you act. I also pray that you were not confused.

I really pray that what you really meant to say was that you haven't got the guts to deal with the issue in advance of an election. Whether or not you would afterwards is problematic. But I really hope what you meant to say was, we haven't got the courage to take a position of leadership on an issue about which, admittedly, there are diverse opinions, but which I think as well, admittedly, no one's happy with.

Mr. Minister, would you just admit that is what you intended to say all along; you did not intend to make the nonsensical statements with respect to the constitutionality and your response to the constitutional challenge that you just made.

Hon. Mr. Dirks: — Well, as I have indicated on numerous occasions here tonight, the public of Saskatchewan, and certainly the residents of Regina, are voting overwhelmingly with their feet, night after night, in favour of liberalized store hours.

And all you have to do is go knock on a few doors in this city and you will know that. The vast majority of people in this city want to see liberalized store hours. They want to see it six nights a week, I suspect, in this city, as a number of them, of course, have been enjoying in Saskatoon for some time. That is simply the fact.

Now whether or not you or I think that that is in the best interests of everyone is another issue. And you might very well want to see legislation here which permits one more night of shopping, or two, or three, or five out of six, or four and a half, or you might even want to cut it back to have no nights of shopping.

The fact of the matter is, it is now passed beyond what you think should be here, or what I think should be here. It is now in fact in the purview of the courts. They are going to determine what authority this particular legislature has to determine the store hours issue.

And at that particular point in time, once that decision is made, then if it is deemed appropriate or necessary by the government of the day to amend The Urban Municipalities Act to change the store hours provision, then I suppose in due course those decisions and determinations will be made.

But at this particular point in time the issue is before the courts and to amend the legislation today or tomorrow or whatever, while this particular process is going on, does not in fact seem to be leadership, in my estimation, as you would suggest.

Mr. Shillington: — Well it's not leadership, it's a vacuum of leadership. I think, Mr. Minister, we may close the subject by saying that it is a fair assumption that the people of Regina and the people of Saskatoon have concluded with respect to this problem, as with respect to so many others, nothing but a change in government is going to resolve it. I think that's a fair assumption of their views. And one could, I think, fairly read that into the recent polls which have shown your government massively behind in both cities.

(2030)

Mr. Minister, I want to get back to the funding provided by your department to local authorities. I note that the Wakamow Valley Authority — I don't know how it could happen with such sterling representation as Moose Jaw sent to the legislature — but I note that the Wakamow Valley Authority is actually getting 42 per cent less in 1986-87 than they got in 1982-83. I wonder, Mr. Minister, what remains of the Wakamow Valley Authority in light of that slashing of its funding — and no other word but slashing would describe it.

Hon. Mr. Dirks: — Well I haven't personally had that much direct contact with Wakamow Valley Authority, but I am informed that they are alive and well. They're doing some great things, working in the local area to provide the kinds of services and opportunities to the people in that area that they want to provide. They are actively involved in local fund raising campaigns. They did have some initial start-up money which is not available to them now. But certainly, like all of other authorities in the province, they are alive and they are well.

Mr. Shillington: — Mr. Minister, I'm glad to know that there has been no funeral for the Wakamow Valley Authority. I wonder though if you would tell us why you think it is appropriate for the Moose Jaw version of the Wascana Centre — if I can be forgiven for phrasing it in that fashion — why you think it appropriate to cut their funding by 42 per cent over the term of this government.

Hon. Mr. Dirks: — Well, as you indicated, there was some start-up capital, and it was not appropriate to continue on with the start-up capital. Start-up capital is start-up capital.

Mr. Shillington: — The project . . . You have got the figures backwards, Mr. Minister. Wascana Centre, which is largely developed and which has little need for further capital development, although there's some, has by comparison been richly dealt with. Over the term of your office, they've only suffered a 6 per cent cut in funding.

The Meewasin Valley Authority, which is further developed but certainly has not reached any stage of maturity, has suffered a 17 per cent cut in funding. The Wakamow Valley Authority, which is just getting started — and one would therefore assume that its capital needs are higher, because it is just starting — had its funding cut 42 per cent.

So I ask you, Mr. Minister: how can you justify those figures for developing authorities whose needs for capital

must be considerable?

Hon. Mr. Dirks: — Well as I understand it, your NDP government was going to provide \$200,000 in capital start-up. You were able to provide two \$50,000 allotments before the massacre some time back in '82. Since then we have provided two additional \$50,000 allotments in terms of capital start-up.

Mr. Shillington: — For an authority which is just beginning, their need for capital is greater rather than less. The Wascana Centre, which is largely mature, has suffered only a 6 per cent cut in funding. This one, which is just beginning, has suffered a 42 per cent cut in funding. The Meewasin Valley Authority, which is somewhere in between, has suffered a 17 per cent cut in funding.

I ask you, Mr. Minister, why you didn't maintain their funding? Is it because your government lacks enthusiasm for these authorities? Is that a fair assumption, that you don't have the enthusiasm for the Wascana Centre, and the Meewasin Valley Authority, and the Wakamow Valley Authority? Do I take it that you don't have the enthusiasm for these authorities that the former government did? Is that why their funding has been cut?

Hon. Mr. Dirks: — Not so. I just met, in fact, with the Wakamow Valley Authority people not that long ago — I think within the last two or three weeks — and we had a good discussion concerning their particular funding situations and talked about the possibility of increased funding opportunities for that particular authority in the future. So certainly we are actively interested in that particular authority and in all authorities here in the province. We're glad to see that they are active in their particular local community, raising funds; we encourage that. Certainly it's a very worthwhile thing. It's a very worthwhile addition to the cities that we're talking about where the authorities are located, and we are supportive of them.

Mr. Shillington: — Do I take it that you are privatizing the funding of these authorities? Is that an assumption from your comments, that you expect them to get the money to develop those authorities from somewhere other than your office?

Hon. Mr. Dirks: — Well I understand that it was at Wakamow's initiation that they decided to initiate fund-raising activities at the local level. That certainly is something that I don't have any problem with. I think it's something that is very worthwhile for any particular organization at a local level, at a municipal level, to attempt to raise funds at that particular level. And as I indicated, there is a significant commitment in terms of dollars to Wakamow — \$100,000 capital that you people provided in terms of start-up, and 100,000 that we are providing. I think that's fairly significant.

Mr. Shillington: — It's also, baldly put, a 42 per cent cut in funding. Mr. Minister, the realistic possibilities of a government authority raising money through donations is ever so slight. What is going to happen to these authorities when you privatize their funding is exactly what happened to the hospitals when you privatized their funding and asked them to go pick it up through lotteries.

They are going to be . . . just as the hospitals deteriorated, so these authorities will deteriorate and stagnate.

So I suggest to you, Mr. Minister, that the only appropriate source of funding for an authority such as this is a level of government, not private fund-raising. They are no more going to be successful in making up the shortfall through private funding that the hospitals were, and precisely the same kind of result is going to ensure. They are going to deteriorate; they are going to stagnate, and a noble vision of a very considerable improvement in the quality of life in the major cities of this province will be lost.

I ask you, Mr. Minister, to reconsider this nonsense about them going out and raising it in the community. I suggest they're not going to be successful in doing that.

Hon. Mr. Dirks: — Well it's typical of you to call into question the ability of local people and local organizations to band together to use their own initiative and drive to raise money, because you are of the opinion that it is only the provincial government that somehow can do everything for everybody. That's the position that you typically take.

It seems to me that this particular organization has shown that it is very capable in terms of raising funds at the local level. I understand that through its own charitable fund-raising activities they have initiated the Devonian trail project quite successfully. They have, in addition, raised tens of thousands of dollars at the local level on their own initiative.

Now I think that is something that is very commendable, very worthwhile. It is typical of you to consign these people to the trash heap because you don't think the provincial government is giving them enough money. Well I would suggest to you that in fact they are doing a very, very commendable job of raising funds at the local level. And the amount of money that we are in fact providing to them this year, \$96,620, is a very significant contribution from the provincial taxpayers to the Wakamow Valley Authority, to the people of that particular local community.

So I think that when you consider the amount of money that they have received from the provincial government, when you consider their very own energetic fund raising drive, which is something that we certainly commend and we encourage because we believe in local initiative and we believe in volunteerism — something, I might add, that you people don't seem to talk very much about . . . Now it may be that you don't have anything against volunteerism, but you sure don't talk very much in favour of it. You sure don't seem to be all that much in support of something that seems to be very common impulse here in Saskatchewan. You sure do seem to spend a lot of time, however, suggesting that big brother government should do everything for everybody. That seems to be your common approach.

It certainly isn't the approach of this particular government. We believe in working with communities, working together — the charitable impulse on one hand, government on the other hand, providing appropriate funds. That is the way to go. You may not like it, but I think

that's in the tradition of this particular province and that's what we're going to continue to do.

Mr. Shillington: — The tradition of this province, which is becoming firmly established, is that once every 50 years the public make a fatal mistake and elects Conservatives. And it happens once every 50 years. All I can say is, the public might be gratified that in the normal lifetime of most people, you only have to go through this experience once.

Mr. Minister, if your funds . . . if the money which they got the last year we were in office, since that seems to be the figure you like to use, if it had kept pace with inflation, they would be getting \$212,000 — \$228,000. They are now, Mr. Minister, getting \$90,000. Do I take it therefore that you believe the major responsibility for funding the Wakamow Valley Authority rests on the local people, and that you have now become a minor partner in the project? Do I take that to be your position is that you no longer believe you're a major partner in the project for the city, you now believe you're a minor partner, and the major responsibility rests with the local people? Do I take that to be your position?

Hon. Mr. Dirks: — What you can take my position to be is that we believe that the provincial government has a responsibility to assist particular local organizations in communities as appropriately as possible. And this year, to provide \$96,000 of taxpayers' money from across the province is a very substantial commitment to that particular community and to that particular organization. And these particular individuals, I understand it, since July of 1984, their energetic volunteer development fund committee has in fact secured \$385,000 in pledged support from non-government sources to the Wakamow development fund campaign.

Now I take it that your position would be that we should see less of that volunteer activity taking place down at Wakamow so that they in fact would raise less money at the local level, and then the provincial government would put in more money. And what we really should do, therefore, is to increase taxes for everybody in the province of Saskatchewan as a result. Now that's the position that you seem to be taking when you say to that the provincial government should be providing more and more funds. You know, why don't you say what the real consequence of that is, and that the taxpayers across the province would in fact have to see their taxes go up. And that's the position that you people have been taking all night — increase funds here, increase funds there, increase funds over here — and in fact you never talk about taxes having to be raised.

(2045)

Well I can tell you that the people were not wrong in 1982. One of the reasons why they turfed you out was because, in fact, you were taxing people as high as you were. You raised their income tax substantially; you raised their gas tax substantially; you refused to provide them with the kind of interest rate assistance that they needed. And the people were not wrong back in 1982, as you suggest they were.

This particular government believes that the appropriate approach to take is to work in conjunction with the local community, to encourage them to raise funds at the local level, as I do everywhere across the province when I meet with local communities. A fundamental principle of funding of this particular government is that if you can get support at the local level, then there certainly is going to be support as well from the provincial level. And we encourage that.

And I think the people of the Wakamow Valley Authority and district need to be commended for their very substantial volunteer, fund-raising effort today in the magnitude of something like \$385,000. And if you want to see taxes increased in the province of Saskatchewan, because you're not interested in seeing that degree of volunteer activity, then you just go ahead and say it.

Mr. Shillington: — I'm not sure I know what the minister is ranting and raving about, and I'm not sure I know why he can't deal with a subject without flying off the handle, as you did. I suppose it might be called panic.

Mr. Minister, it is our position that local authorities have a right to share in the revenue of the provincial government, and their percentage of the share of the revenue of the provincial government should not be drastically decreased. It should not go down as drastically in real dollars as the revenue sharing did, which we spent the afternoon on and which I think you finally admitted had dropped catastrophically as it is with respect to the funding of these urban parks — if that's what you want to call them. They're more complex than that, but they are intended to enhance the life-style of the communities.

It is our position that the provincial government should maintain a certain . . . set aside a certain percentage of its revenues for these local authorities. I have stated, Mr. Minister, over the period of time you have been in office your revenues have increased by 32 per cent, your expenditures have increased by 33 per cent. And what has happened to these local authorities? Have they got their share of that? Their share has dropped and dropped very, very dramatically, Mr. Minister.

Mr. Minister, your revenues have outpaced inflation. For all the weeping and gnashing of teeth that has gone on on the treasury benches over there about drought and grasshoppers and all the ills that have beset you — and potash and oil — the truth of the matter is that your revenues have increased faster than inflation. During the period of time you have been in office, inflation has increased 27 per cent; your revenues, according to these if they can be believed — have increased by 33 per cent. You have not, Mr. Minister, given a fair share of that to local authorities.

We spent two weeks with the Minister of Health. Part of the time was bringing, I think successfully after a period of time, the Minister of Health to the realization that the federal government is passing on a tax burden to the provinces. That is precisely what's happening with EPF (established program funding) funding. They are passing on their fiscal problems to the provinces, because they're bailing out and leaving the provinces to carry the can. But

while the Minister of Health was determined to resist the conclusion, I think it was finally obvious to everyone including him.

You, Mr. Minister, are doing exactly the same thing to the municipalities. You are solving the fiscal mess which you created by passing it on to the municipalities, and they're developing a problem. Their services are deteriorating. They're having difficulty holding the line on mill rates. And some of the public are asking those municipalities: how is it that our taxes are increasing and our services are deteriorating? How is it that the streets of towns and villages and cities in this province are not fit for anything more delicate than a jeep?

Mr. Minister, I think fewer and fewer people are asking that, and more and more people are recognizing that the major reason why municipalities are having the problems they are having is because your government has decided in the crassest possible fashion that you can get away without giving them their fair share of a tax dollars. You can appropriate unto yourself those tax dollars and keep them, and the municipalities will have to face the music. And the schools will.

The minister gets up and rants and raves about what a sorry state the hospitals were in before this government came to the rescue. All I can say is, you left some people unconvinced about the hospitals. You have left the doctors, the nurses, the hospital administrators, the patients, and the general public of Saskatchewan unconvinced that you were the saviours of a bad system.

Mr. Minister, we're going to get to the schools whenever this government has the courage to call Education estimates. Suffice it to say, the schools have also found this government appropriating the provincial revenues to itself and not passing on a fair share to those local authorities. And school boards and school units are developing their problems.

Mr. Minister, the problem, though, has been severely faced by the municipalities. When you give municipalities less and less and less money in real dollars, you're passing on a tax burden. Unless it is your position that the municipalities are providing too wide a range of services, then, Mr. Minister, when you . . . when the grants which you give to local authorities decreases in real dollars, then you're passing on a tax burden. You're doing to the municipalities what the federal government is doing to you.

I have never seen a government as unconscious about the major events and the major developments that are affecting it. You don't seem to realize what the federal government is doing to you, and if you can be taken at your word — and I'm not sure that that is a wise thing to do — you don't seem to realize what you're doing to the municipalities. You are doing exactly the same thing. You are passing on a tax burden.

This government came into office with the most wildly irresponsible campaign that the province has ever seen. I still have a copy of those election promises. You introduced, Mr. Minister . . . [inaudible interjection] . . .

Well, we see the members over there yelling and ranting and raving. All I can say is, it does not matter how much noise you make, these estimates are going to go on. These questions are going to be put to the ministers. And we are going to get some answers. And the member from Saskatoon Sutherland can make all the noise he wants from his seat. But these questions are going to continue. You can scream and yell if you like, but the questions are going to continue to the Minister of Urban Affairs.

You are doing to the municipalities what the federal government is doing to you and you don't seem to be conscious of either. If you are conscious of what the federal government is doing to you, you're not admitting it. You're not going to the federal government and laying Saskatchewan's case before the federal government. Rather than . . . Part of the problem is to be fair to the Minister of Urban Affairs. A good part of this burden has to be borne by the premier of the day. And you do not have a leader which can diplomatically but firmly can put Saskatchewan's position in Ottawa. All we have is a Premier who goes to Ottawa and says, good work, Brian.

Well it may come as a surprise to this government, but the salary that the Premier of this province earns is high and it is high enough to justify something more substantial than that idiotic comment, good work, Brian. One of the major roles of a premier is to . . .

Mr. Chairman: — Order, order. I don't think the conduct or the ability or the non-ability of the Premier has anything to do with these estimates, and would you please get on with the estimates that pertain to Urban Affairs.

Mr. Shillington: — Well, Mr. Chairman, I will abide by your ruling. Suffice it to say, though, that a major part of the financial problems this government has, and it affects Urban Affairs estimates, is that there is no one in this government in a position of leadership who can go and put our position in Ottawa, unlike the '70s when this province had a leader who could do so and who did so in such a distinguished fashion that he and this province earned a national reputation. Part of your problems here in Urban Affairs, as in every other department, is you don't have anyone who will stand up for this province.

Not only are you having it done to you by the federal government, you in turn are doing it to the urban municipalities. So you're perpetuating the problem. This country's and this province's financial problems are not going to be resolved by a series of governments which attempt to pass the problem off on someone else. And that's what you're doing with respect to the urban municipalities. This province's and this country's fiscal problems . . . I admit they are there. This government had had its credit rating lowered twice in two years and I and a goodly number of other people, some of whom — many of whom — are better informed than I, suspect that it's going to happen for a third time in three years this year.

These financial problems are not going to be resolved by passing them off on somebody else. They're going to be resolved when the public, after the next election, when the public elect a government with the courage and the energy and the leadership ability to take the bit in its

mouth and deal with the problems themselves rather than trying to pass them off on someone else.

Ottawa, Mr. Minister, is not solving its fiscal problems; it's passing them off. I will venture to say that over the period of time that the Mulroney government is in Ottawa their revenues will outpace inflation just as yours have . . . [inaudible interjection] . . .

I don't know why the member for Moosomin continues to yell and rant and rave from his seat. I'm not sure what he thinks he's contributing. All I can say is that it may well be frustration at having played such a pointless role in the government after having spent so many years in opposition. The member from Moosomin does seem to be getting a tad excited. . . [inaudible interjection] . . .

Well it is getting difficult to shout out the member from Moosomin. He's good at something. I will have to say that.

But Mr. Minister, you're not going to solve this province's fiscal affairs by trying to pass the problem off on someone else, just as the national government is not going to solve this country's fiscal problems by jiggering the established program funding.

You're going to solve them when — and I don't expect that to happen within the short lifetime of this government, because there's not much of it left — but it's going to happen when a government is elected that is able to deal with the problems and solve them themselves and not try and make someone else into a scapegoat. That, Mr. Minister, is when this province's fiscal problems — which everyone, whether they are in Regina or in New York, acknowledge — that is when this province's fiscal problems are going to be solved.

Mr. Minister, you are doing to the municipalities what Ottawa is doing to you. Both, Mr. Minister, are making a solution to this country's fiscal problems more difficult to achieve.

Hon. Mr. Dirks: — The member opposite talks about fiscal problems. I would simply remind him that your present leader who four years ago thought that interest rate relief was not appropriate, when interest rates were going sky-high, could not exercise one iota of leadership to help the people of this province who were suffering. Today he decides that we need an interest rate relief program. And he is now promising literally a billion dollars worth of election promises, literally a billion dollars worth . . . [inaudible interjection] . . .

Well, Mr. Chairman, the member opposite talked about leadership. Now I'm going to take a couple of minutes to talk about leadership. He's now promising a billion dollars worth. How's that going to impact, Mr. Chairman, on municipalities? How is that going to impact upon the revenue of municipalities? He is now promising a billion dollars worth. Editorial writers are saying he is promising the moon. People don't want the moon; they want good government. They want good government. And I can tell you, taking over potash mines and not creating one new job was not good government. To promise the moon today in the order of a billion dollars in election promises is not good government. Certainly that is not good

government.

Now we believe good government is assisting people when they need assistance, and they certainly needed assistance in 1982 when interest rates were dramatically high. And this government acted and responded, and people remember that. They needed assistance when inflation was very, very high — and the gas tax came off, and people remember that. Few people had the opportunity when inflation was running double digit to do something about it. But you chose not to.

(2100)

And now you say the people were wrong in 1982 when they voted in favour of 8 per cent money for farmers. You say they were wrong in '82 when they voted in favour of interest rate relief for home owners. You say they were wrong when they voted for inflation protection and getting ride of the gas tax.

Now that, Mr. Speaker, was leadership then; it is leadership today; when we are providing the kind of assistance to municipalities, a 3 per cent increase — very substantial; when we provide assistance to Saskatoon to provide a new multi-purpose arena for that particular municipality, and the people of Saskatoon voted in that municipality 2:1 in favour. And my understand is the NDP in that city were opposed to it.

It was leadership, Mr. Chairman, in this municipality, in which I happen to represent the people of the constituency of Regina Rosemont, to provide funding to fix up the taste and odour problem of Regina's drinking water. You had 11 years to solve that problem; you did nothing. Oh you talked about a constitution, and you talked about your wonderful family of Crown corporations, but people turned on their taps and what did they see? Water that they couldn't drink. And they said, an NDP government really doesn't care about our particular problems. And they were right.

Well today when we take the tax off clothing, people say, they do care about our particular problems. When we provide 6 per cent money to farmers, and that helps every municipality around the province, people say, we do have a government that is responding to our particular problems. This government responded in 1982. We are responding today. And I can assure you after the next election we will continue to respond to the people of Saskatchewan.

Mr. Shillington: — Sure you will respond after the next election. You'll have the sobering experience of being in opposition to assist you with that.

An Hon. Member: — Some of them.

Mr. Shillington: — A few of them will, that's right.

Mr. Minister, I take it from your own estimates, filed by yourself, the grants to local authorities and third parties, the vast majority of which would have gone to municipalities, was \$87,903,770 in '82-83. By the year 1986-87 the grants to local authorities and third parties was 79,161,400. Even if you take out assistance for water

and make every conceivable assumption in favour of the government — one of the programs which, in doing my calculations, I took out, for instance, was grants to cities pursuant to The Water Pollution Control Assistance Act. My guess is that that particular program hasn't suffered any increase in funding. In fact I suspect it might have disappeared in the shuffle.

But, Mr. Minister, you began giving the municipalities 87 million simply because you inherited the fiscal framework which we left you at a period of time when your revenues increased by 33, 32 per cent; you have decreased their funding by a fair whack. How on earth, Mr. Minister, do you claim that that is fair treatment to municipalities?

How can that be anything but what . . . doing to the municipalities what the federal government is doing to you? Do you enjoy what the federal government is doing to the provinces to make them the scapegoats? Do you think the municipalities are going to enjoy it? I suspect they're not.

I ask you, Mr. Minister, to address the serious decrease in funding to third parties. Do you think . . . have their expenses decreased? Do they have a lot of frivolous programs? Would you tell us how you expect them to get along on very, very significantly less in absolute dollars — never mind real dollars?

Hon. Mr. Dirks: — Well, if we could quote some statistics momentarily to the member opposite, I understand actual expenditures in '82-83 were around the 8,374,500 — pardon me, 83 million figure. And budget for '86-87, the estimate is around the almost 90 million figure in terms of total grants.

It would have been higher if we hadn't, in fact, concluded the expenditures on the water treatment plant for Regina. So it is down slightly because that project has come to a conclusion. And of course we're very pleased that it has, because the taste and odour of Regina's drinking water has been substantially improved — something which should have been done years ago, of course.

And so in fact we do see an increase, significant increase, in terms of what we are budgeting this year compared to actual expenditures back in '82-83.

Mr. Shillington: — Mr. Minister, this year you're budgeting 79 million. We're going to get to capital grants in due course, therein lies another horror story. But let's at the moment deal with grants to local authorities and third parties. It is stated this year to be 79,161,400. Taking off from '82 the assistance with respect to water and the ambulance services, one is left with a figure which is still a few hundred thousand dollars more than you gave the municipalities back in '82.

What is it you think has changed? How do you anticipate, during a period in which time inflation has been 27 per cent, that they're going to get along with fewer absolute dollars.

Hon. Mr. Dirks: — Well if you take into account the funds which are in the employment development subvote,

you're comparing \$86 million in '83-84 to around \$96 million in '86-87.

Mr. Shillington: — We will get to the Employment Development Agency in due course. Those, I think it is conceded, are largely capital grants. If you are . . . And I may say you have been very clever at hiding those. It took me some time to find the PCC fund. Foolish me! I did not think to look in the Employment Development Agency for funding to municipalities.

But in any event that, I assume, is by and large capital funds. If it's not, if the PCC fund is something other than capital funds, then the program really has been perverted.

Deal, Mr. Minister, if you will with your own estimates, both of which you prepared. This is your first; this is almost certain to be your last. You state in your first that the grants to local authorities and third parties — you've stated in your first — it was \$87,903,770 million. Subtracting from that your assistance with respect to water and the municipalities, you still come up with a figure which is a few hundred thousand dollars larger than what you're giving to municipalities now.

I haven't got into the question of funding from the Department of Highways to municipalities. Suffice it to say, and I think it's relevant to note that this is a double whammy. While the funding from the Department of Urban Affairs to municipalities has decreased markedly, you are positively lavish in your generosity compared with the Department of Highways. The funding which the municipalities get for highways from the Department of Highways is 25 per cent of what it was when you took office. That has virtually been abolished. And somehow or other they're supposed to repair and maintain those streets out of a budget which is shrinking, because it's shrinking from you.

So, Mr. Minister, if you want to start including like moneys, we could do that, but I think if you include the Department of Highways and you include the Employment Development Agency, you're going to find that the municipalities are much, much worse than it would appear from just looking at your estimates. So if it is appropriate to get into all departments, we will do those sums and do them quickly, and we'll compare that figure. But it will look a lot worse than what it does if we just stick with your estimates.

Dealing with your estimates, Mr. Minister, how do you anticipate that they're going to get along with less money now than they got from you when inflation . . . when the cost of living was 27 per cent lower?

Hon. Mr. Dirks: — I mean, you go back to 1982-83, and you had interesting things in there — various grants to Sask Housing and so on. And I'm sure that you can take your particular figures to mount your particular argument, and we will take my particular figures to mount my particular argument. The point is that, when we do that, we disagree. You mount your particular position, and I take mine.

Our opinion is that we are providing significant assistance to municipalities: a 25 per cent increase in the

capital fund; a 3 per cent increase in revenue sharing this particular year; special funding for things to fix up Regina's drinking water, for example, and to provide Saskatoon with a new multi-purpose arena.

Clearly we are providing significant dollars to municipalities. You don't say it's enough. We think, given the present fiscal climate, that this is an appropriate amount of money to be going to municipalities. And I guess we'll just have to agree to disagree.

Mr. Shillington: — Well, Mr. Minister, it's interesting to learn that the Saskatchewan Housing Corporation is now a local authority. That's what you seem to suggest when you say that this figure is jiggered by the fact that Housing was in it. All of those grants are to the Saskatchewan Housing Corporation through . . . Those are grants to local authorities through the Saskatchewan Housing Corporation. They are not included in this figure. And if you don't know that, then it is time you spent some time coming to terms with your department, and perhaps a little less time frantically running around your riding trying to stave off what appears to be a near-certain election defeat.

Mr. Minister, let me take something that you may find less confusing. Let me deal with the annual reports. One, '81-82 . . . that wasn't quite the one I intended to pick up. '82-83, the first one that you filed, which was tabled in due course — and what do you know? — was transmitted to the Legislative Assembly by the Hon. Tim Embury, Minister of Urban Affairs. The name appears on it. Compare that with the last one that you filed. The same Tim Embury appears to have sent it to us — a picture of him being wildly cheered before SUMA. Who knows . . . well, guess what, the letter of transmittal is the member from Regina Rosemont.

I ask you: if you don't like your own estimates, can we deal with your annual report where the Saskatchewan Housing Corporation doesn't interfere? Once again, the total of grants to local authorities was \$100 million in 1982-83. In '84-85, which is the last annual report we have, the grants to local authorities is 80.908 million. I'm sorry. It's 94 million. That's better — it's 94 million.

(2115)

I am using your annual report. You don't want to use the estimates. It's page 5 of the annual report in '82-83; it's page 9 of the annual report of '84-85. Once again, you provided grants of \$100 million, in round terms, to the municipalities in '82-83 to local authorities. The grants to local authorities three years later were \$6 million less.

Now, agreed, if you take out water and ambulance you come to a figure which is somewhere close. But you're still giving, in absolute dollars, less to municipalities now than you did when you assumed office, and they have to deal with a rate of inflation which has been 27 per cent nationally. And I expect it's been higher than that for municipalities.

So I ask you again, Mr. Minister, to deal with the question and stop trying to avoid it. How do you feel municipalities can get along with less money now than they had when

you came into office? What is it that's changed? Are some of their programs frivolous? Should they be cutting back on police services? What is it, Mr. Minister, you think they're doing wrong? Why is it you think that they should be living on so much less, when the government lives on so much more?

Hon. Mr. Dirks: — Well, when you compare statistics — and as I indicated, the member opposite can compare any statistics he wants to, I'm sure, to develop his particular point of view — when I compare statistics showing actual expenditures in '82-83 of around \$83 million to an '86-87 budgeted figure of around \$89 million — all of these dollars are of course going to assist the municipalities of the province (urban municipalities), then I think that's indicative of a fairly substantial commitment on the part of this particular government — a 3 per cent revenue-sharing increase this year; special funds for special projects.

I think that's the appropriate direction that a government should take, even though there have been difficulties in fields like agriculture, for example, and they have needed substantial amounts of money. And because of that, as a consequence we may not have been able to provide to municipalities all of the money that they might like.

And as I indicated before not everybody is able to receive what they would like. It's quite common that they always want more than is actually available. I'm sure that that's a phenomenon that was present under your administration and that has been present under this administration. I expect it's a universal phenomenon, and that no government will satisfy the interests of everyone, contrary to the suggestion of the member from Shaunavon. But I think that the increase from 83 million actual to 89 million budgeted — and of course that doesn't take into consideration that some even have the special project money which has been provided — suggests that there is a significant commitment to meet the fiscal needs of municipalities.

Mr. Shillington: — I wonder if the minister would deal with the question. How do you expect the municipalities to get along on so much less money? Even assuming your figures are correct — and you don't tell me how you arrived at that — but even assuming your figures are correct in real dollars, that's a very substantial decrease in grants from the provinces. How do you expect municipalities to make do with so much less? What is it you think that they can dispense with? What programs do you want to see the municipalities cut — police, fire, health department? What is it that you want to see them cut?

Hon. Mr. Dirks: — Mr. Chairman, in 1982-83 actuals for example, for the city of Saskatoon, 20 million approximately — budgeted '86-87, 24 million, which does not include, I believe, a \$4 million commitment for an arena which the citizens of Saskatoon have overwhelmingly voted in favour of. So if you throw that in you're now at around \$28 million. But even just forgetting about the arena, we're talking about a 24 million expenditure compared to a 20 million actual back in '82-83. So there's a significant increase over a time for the city of Saskatoon as an example.

Mr. Shillington: — But the minister is mixing capital dollars and operating dollars. What you are doing in your desperation to make this story sellable, you're adding your operating dollars to your capital dollars, and you're saying that's greater than the operating dollars in '82-83 — of course it is. But the figures, Mr. Minister, which you have in your own estimates are . . . \$87,000,903 in '82-83 when you took office. Now, Mr. Minister, four years later, you're asking them to make do, \$79 million. Admittedly if you take out the assistance with respect to water, which you claim to have transferred to the water corporation, and the ambulance service, the difference gets much smaller. But the difference for operating dollars is still, Mr. Minister, less now in absolute dollars than it was in 1982-83, and in real dollars it is a whopping decrease. I ask you again, Mr. Minister, what do you think the municipalities are doing wrong? Where do you want to see them cut back? What is it, or do you think local taxes should be increased?

Hon. Mr. Dirks: — Well I don't think they're doing anything wrong. I think they're doing an excellent job. They, of course, would like to have more funds. They make their own spending priority decisions at the local level. Regina here has come under some criticism because of the way that they have decided to tax and to spend and so on.

But be that as it may, I use the example of the city of Saskatoon again, for instance, increasing from around the 16 actual, to around 24 million budget — a very significant increase — a 3 per cent increase in revenue sharing this year; an increase in the provincial capital fund over a two-year period of time.

Now I know that you would like to see more dollars going to their urban municipalities. You have made that point very clear in the last two or three hours, or five or six hours, or however many we have been debating. The point that you have been attempting to make is that you believe the provincial government should provide more funds to municipalities. And the point that I have been making is that, given the fiscal situation that faces us all, and given the agriculture situation and so on — a 3 per cent revenue increase this year, a provincial capital fund increase of 25 per cent over two years, and as an example Saskatoon going from 16 million actual in '82-83, to 24 million actual in '86-87 — is an indication of a significant commitment. You think it's not high enough — that's fine. That's your position.

We think that, given the priorities of the government of the day, and given the fiscal realities which face the province, that it is an appropriate commitment, and I think that's likely where we're going to have to leave the argument. If you want to continue reiterating that you would like to see more money spent — fine. You can stand up and continue to say that, and we will continue to say that, and we will continue to discuss the issue back and forth.

Mr. Shillington: — Well indeed I am, indeed I am, Mr. Minister. I note more than one resolution, in the resolutions passed by the 81st annual convention of SUMA in this March, I notice more than one deals with

funding. Indeed, at least two of them deal with funding. And they aren't satisfied, and they are saying — let me just read a couple of whereas-es out of one which I think states it very well. It's resolution no. 11, from this March's SUMA convention:

Whereas the economic health of our cities, provinces, and country is influenced by the state of municipal infrastructure; and,

Whereas local government officials have identified that a serious infrastructure problem exists across Canada; and

Whereas funding inadequacy has been cited as a principal cause of municipal infrastructure deterioration . . .

And then on it goes.

Mr. Minister, it isn't just us who thinks that some serious problems are being developed by inadequate funding; the municipalities also say so. They say so in their solemn body which they meet, which meets every year. They are also complaining about the very same thing, the fact you're solving the mess you made by trying to pass it on.

At least I can say with respect to the Mulroney government they're trying to solve a problem that they largely didn't make — previous governments made it for them. They are trying to solve a problem which they inherited by passing it on. We say that that is no solution whatsoever. You're even worse than that. You are trying to solve a problem you created by passing it on to local governments. You are not attempting to deal with it. You are not attempting to clean up the mess you made. You are trying to make it someone else's mess. And you're succeeding.

The municipalities are developing serious problems, serious problems, Mr. Minister, and anyone who has spent any time with local government knows that there are some very serious problems developing. Streets are the most visible problem. But that's only the most visible problem. That's the one that is the most notorious. There are any number of other problems the municipalities face, and you don't have to look a lot further for those problems than this budget, and this budget and the series that was introduced before.

(2130)

It is irrational, Mr. Minister, to give the municipalities less money now than you were giving them five years ago. Their responsibilities haven't decreased. There is little inefficiency or waste in the municipalities. I think we all acknowledge that they run an efficient operation. All they can do, Mr. Minister, is to cut programs. And I wish you had the courage to stand here and tell us what programs you'd like to see them cut with the decrease in funding. I wish you would tell us and tell the municipalities what you think they ought to do to cut back because cut back they must. Either that or increase the taxes. I think it is common ground that they are an efficient level of government and there are few . . . There is little waste at the local level to be cut back.

So I wish, Mr. Minister, you'd deal with what you think the municipalities ought to be doing and save us the nonsense about all the problems you've had. Your revenue has increased faster than inflation. Your revenue situation has not deteriorated. In the face of some adversity, it has held up remarkably well.

Your expenditures, in spite of the fact that the public services are collapsing, your expenditures have held up even better. They've increased faster than revenue.

So I ask you, Mr. Minister, to deal with the issue and tell the municipalities where you think they ought to be cutting back since they are getting fewer dollars.

Hon. Mr. Dirks: — Mr. Chairman, I would simply remind the member opposite that overall budget expenditures, \$83 million to municipalities in '82-83, upped to 89 million in this year's projected budget, a substantial increase. I would also remind the member opposite that, as it relates to resolution no. 11, that our government is certainly actively involved in attempting to engage the federal government to be involved in some kind of cost-shared funding approach to the enhancement of municipal infrastructure here in Canada and in the province of Saskatchewan.

The committee reported progress.

The Assembly adjourned at 9:33 p.m.