

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
MAY 11, 1981**

EVENING SESSION

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY CASH OUTFLOW

URBAN AFFAIRS

Ordinary Expenditure — Vote 24

Item 9 (Continued)

MR. SWAN: — The vote says that a portion has been transferred over to environment. Could you tell us how much of that subvote has gone across and why?

HON. MR. SMISHEK: — Mr. Chairman, as the hon. member knows, that subvote has been now voted and approved. It's under the Department of Environment, page 36, item 13.

MR. SWAN: — Page 36, item 13 is "treaty Indian land entitlements." Is that where you put it? Does that whole subvote then cover that?

HON. MR. SMISHEK: — Mr. Chairman, just for the information of the hon. members, there are two aspects of activity. One is the treaty Indian people. The other is urban native people in urban communities. There are two aspects of activity. The urban native is in my jurisdiction; the treaty Indian land entitlement, plus other treaty matters in that subvote, are in the Department of the Environment.

Item 9 agreed.

Item 10 agreed.

Item 11

MR. MUIRHEAD: — Mr. Minister, would you just explain what that is? I don't understand what that is.

HON. MR. SMISHEK: — Mr. Chairman, the hon. member perhaps is aware that special assistance is provided to communities with particular industrial growth. There's a special act on the industrial towns. In this case, out of \$85,000, there is \$35,000 designated for Coronach water and sewer; debenture retirement at \$58,000 at this stage is not specified, but there are a lot of activities. For example, there may be some special activities in a community like Lanigan. Lanigan was designated as an industrial town a long time ago. Whether this year they will be able to qualify for anything, I'm not sure, but \$35,000 is pinned down to Coronach; \$50,000 at this time is not specified.

MR. MUIRHEAD: — Mr. Chairman, we did agree on item 10, but the member for Regina South did want to ask a question. I wonder if (rather than ask it again in item 1) you would agree, Mr. Minister, to his asking it now?

MR. ROUSSEAU: — I was having a little conversation here and it slipped by without my being aware that it was going by. Why would that drop to less than half the previous year — from \$775,000 to \$365,000?

HON. MR. SMISHEK: — Mr. Chairman, the neighborhood improvement program, as the hon. member may or may not be aware, was a federal program which provided for funding on the following basis: 25 per cent of the funding was the responsibility of the community, 50 per cent (I believe) was federal, and 25 per cent was municipal. That program was terminated in 1978 and was replaced with the community services program. Since then (as the member has probably heard) this last winter the federal government has bombed out the community services program. This is the balance of the pay-out in the case of the neighborhood improvement program. So, the program has wound down and, in fact, I don't know if all of it will be paid out next year. That program will disappear.

MR. ROUSSEAU: — Just two simple questions then. Did you spend the \$775,000 last year? Will there be any more coming up next year?

HON. MR. SMISHEK: — Mr. Chairman, in the case of last year's \$775,000, that was budgeted; \$610,610 was spent. We estimate that the pay-out will be awfully close to the amount that we're estimating.

Item 11 agreed.

Item 12

MR. ROUSSEAU: — Would the Regina water problem come under this particular grant? Which one would I be looking at to discuss that? . . . (inaudible interjection) . . . That's a good question.

HON. MR. SMISHEK: — Mr. Chairman, the \$3 million is for water and sewer programs for towns and villages. It is not a program for the cities. At the present time, in fact, the province has not had a water assistance program for cities. There is no subvote for Regina water in these estimates other than what money the city may want to use under the community capital grant.

MR. ROUSSEAU: — Let me suggest to the minister that it might be advisable to take a very close look at what can be done to assist the city of Regina in the problems that it's faced with regarding the quality and the quantity of the water that people are forced to drink in this city. The Department of Urban Affairs I'm sure covers the jurisdiction of the city of Regina, and I would suggest to you, Mr. Minister, that it would give considerable help in improving that situation, especially considering the fact that most of the city of Regina is represented by the members opposite. It might not be for long if you keep this up.

HON. MR. SMISHEK: — Mr. Chairman, this very question came up last Monday, a week today in the estimates. The hon. member may have been out of the House at the time. I believe it was the hon. member for Arm River who raised the question of water in Regina. I discussed at some length what has transpired, going all the way back to a year ago last April when there was a review. Then there was a joint technical committee set up and also a policy advisory committee. I can assure the hon. member that the Department of Urban Affairs and the government as a whole are concerned about the quality of water in the city of Regina. I think he will have to agree that our problem really

comes about during the months of July and August.

At the present time I don't think anyone can really complain about the quality of water, and certainly the quantity is adequate. There is no shortage of water, nor is there any projected shortage of water — not in the next few years — because we can bring a lot of water from Lake Diefenbaker. The problem that we have had is the problem of filtration because of algae growth in recent years. Just to advise the hon. member, in Buffalo Lake the water is totally regenerated (or totally used up) and refilled from Lake Diefenbaker. That has been the experience in the last couple of years. It is expected that this year, because of the dry spring that we have had so far, water is being moved into Lake Diefenbaker in large quantities at the present time. The Department of the Environment estimates that the water will be replenished three times over this year. The problem is not one of an adequate supply of water; the problem is inadequate filtration facilities. The cities of Regina and Moose Jaw have now commissioned the design of what is referred to as a 'charcoal filtration process.' We have been working with both cities on the matter and certainly it is my hope that in the not too distant future, we will be announcing our decision.

MR. ROUSSEAU: — I'm curious to know if any financial assistance has been sought by either Moose Jaw or Regina in the past.

HON. MR. SMISHEK: — Yes.

MR. ROUSSEAU: — You said, yes. Could you also tell me to what extent?

HON. MR. SMISHEK: — There is no specific amount. They have met with me and the Minister of the Environment. We have discussed the matter. They have also sent me a letter with copies for the Minister of the Environment asking for financial assistance. We are, first of all, reviewing; we want to satisfy ourselves that the expenditures which will be made for a charcoal filtration . . . (inaudible interjection) . . . The request was made March 15; the letter was written March 16. It was signed by both mayors . . . (inaudible interjection) . . . Yes, officially. That's right.

MR. ROUSSEAU: — Are you giving consideration to providing that kind of assistance to both cities? I'm primarily interested in the city of Regina.

HON. MR. SMISHEK: — We are considering the matter of, first of all, whether the charcoal filtration plant will do the job, whether technically, it is the type of unit that will meet the needs. We are reviewing that internally and getting the best advice in order to get an opinion. At the same time, we're looking at the question of funds. Certainly, I'm not in a position of committing the government at this stage to any financial expenditures, but that is part of the overall review by the department and eventually by the government.

Item 12 agreed.

Item 13

MR. ROUSSEAU: — I'm sure that if you were to ask the urban municipalities if that was a sufficient amount, they would give you a negative answer. That increase works out to just a shade over 10 per cent, which doesn't keep up with inflation. So in other words, Mr. Minister, you obviously are not providing the kind of assistance or the kind of revenue sharing that the urban municipalities are expecting. Is there a reason for that?

. . . (inaudible interjection) . . . No, I'll just leave it at that. Is there a reason?

HON. MR. SMISHEK: — Mr. Chairman, as the hon. member perhaps knows, the indexing that we have for revenue sharing is tied to four tax bases, the personal income tax, the gasoline tax, the corporate income tax and the education and health tax. Now the indexing of revenue sharing is tied to the growth of those four taxes. When revenue sharing was devised and agreed upon, there were substantial discussions and negotiations with the urban municipalities association. We believe that those four taxes really represent the true growth of the Saskatchewan economy. They may not represent what the growth is in inflation, but they certainly do represent the economic growth of the province.

MR. ROUSSEAU: — I'm sorry I missed the first one. You said the corporate tax, sales tax and the gas tax — what was the other one?

HON. MR. SMISHEK: — Personal income tax.

MR. ROUSSEAU: — It's indexed to those four taxes. Well, I'll just take a look at them. The gas tax is up considerably. If you are indexing according to the revenue expected in those, I would suggest to you that it would be a lot more than 10 per cent. The sales tax is up about 9 per cent; the gas tax is up over 20 per cent; the individual income tax is up over 10 per cent; the corporate tax, in the case of the capital tax, is up over 100 per cent and the corporate income tax remains about the same. Now if you were indexing according to those increases, it would seem to me that you would have increased more than 10 per cent.

HON. MR. SMISHEK: — Well, Mr. Chairman, perhaps I should have added when I was answering that really the indexing is for the previous year. The indexing is always for the year previous and not for the year hence. The estimates that we have are merely estimates or projections. They are not for the real amounts. That's the way the formula works; the members may disagree with it, but that's the formula that was worked out and agreed upon. So, for the purposes of next year, indexing will be based on those four tax bases and on what the real revenues are for this year.

MR. ROUSSEAU: — What percentage of those four taxes do you provide for urban revenue sharing/

HON. MR. SMISHEK: — Mr. Chairman, there is perhaps also really a misunderstanding or confusion about the actual tax and tax base. Really, in revenue sharing the amount is not a percentage of those taxes. The indexing is how those taxes grow hereafter; it is not a percentage of those taxes that is allocated.

MR. ROUSSEAU: — Do you have the formula?

HON. MR. SMISHEK: — No, I don't have the formula here, but I'll be glad to provide you with it. I must warn the hon. member that the formula is somewhat complicated. I would be happy to get together with him to give him more detail so he understands the formula. But we'll be glad to send you the formula on how it works.

MR. ROUSSEAU: — Well, you can start with sending it to me and if I don't understand it I'll meet with you at a later date.

Item 13 agreed.

Item 14 agreed.

Item 15

MR. ROUSSEAU: — I have two questions. What is it for? Why is it down?

HON. MR. SMISHEK: — Mr. Chairman, this is a grant provided to cities to assist in the improvement of sewage treatment facilities. The province provides 10 per cent of the primary and secondary treatment. This is the estimated amount which will be required for the coming year.

Item 15 agreed.

Items 16 to 36 inclusive agreed.

Item 37

MR. ROUSSEAU: — That is a new one. Why?

HON. MR. SMISHEK: — Mr. Chairman, it is to reduce the cost of land in the land lease program in the infill development in Regina, both in the Cathedral area and in the North Central area.

MR. ROUSSEAU: — How many units would that amount be for?

HON. MR. SMISHEK: — Mr. Chairman, we have acquired in the city of Regina 5,218 front feet of property. Approximately 208 25-foot lots have been acquired. We will also be allocated some of this for co-op housing to be built there. There will be a variety of new housing construction that is going to be going on. About 28, or so, of those properties that have been acquired are presently under regeneration. Now, this is not co-op housing units (they will be constructed similar to what we discussed this morning) in an amount of up to \$150 a unit. That's where this shows up.

MR. ROUSSEAU: — Is that in addition to the \$150?

HON. MR. SMISHEK: — Yes, I'm sorry. That's right. It could be in addition, depending on the incomes of people to reduce . . . Remember that in the infill housing units, the cost of land is much greater, as the member will appreciate, than in a new subdevelopment. In order to make the housing economical, this could be additional assistance provided.

MR. ROUSSEAU: — Well, what's your average cost of the land that you've acquired for this program? I presume that most of them are 25-foot lots. I think for the most part in that area they are 25-foot lots. What's been your average cost of acquisition?

HON. MR. SMISHEK: — The average cost has been \$672.39 per front foot.

MR. ROUSSEAU: — That's including buildings on them?

HON. MR. SMISHEK: — That's right.

MR. ROUSSEAU: — I guess I sold you mine too cheap, way too cheap.

Mr. Minister, I suggest that what you are trying to do is cut your losses in Sask Housing (so they don't show up as great as they have) by hiding them in this subvote. I don't know why you need to have it covered both ways. I don't understand why the \$180,000, which you are showing under Sask Housing losses in different programs that we discussed this morning, wouldn't just be an additional cost in that area. Why you come in with a grant right from the top is a little difficult to understand.

HON. MR. SMISHEK: — I, perhaps, don't understand the hon. member's observation. There is no question that in the case of social housing there are subsidies and very substantial subsidies.

Item 37 agreed.

Item 1

MR. MUIRHEAD: — Well, thank you, Mr. Chairman. It's a sure thing that we didn't hold item 1 for one full week just to pass over it in 30 seconds, I'll tell you.

Mr. Minister, when we left item 1 a week ago, it was by your suggestion because you figured that if we waited until that meeting in Kamsack was over probably all the problems would be solved. The day following the meeting we asked you in question period for a report from the people in your department who attended the meeting. Do you have a report on the results of that meeting now?

HON. MR. SMISHEK: — Yes, I have.

MR. MUIRHEAD: — What does it recommend?

HON. MR. SMISHEK: — Mr. Chairman, maybe the hon. members had a different impression than I had. We had two people who went to Kamsack to see what really transpired at the meeting. They brought in a factual report on approximately the number of people who attended and what transpired at the meeting. The purpose of their attendance was not to make any recommendations to you. It was a factual report which they gave you.

MR. MUIRHEAD: — Mr. Minister, before we get to some other items concerning Kamsack, I want to draw to your attention just as quickly as I can a few things about Eagle Developments, Kamsack Manufacturing Ltd., and Arrow Petroleum Corporation. Those are the only three I'm going to cover.

Eagle Developments is the one with which you are involved, Mr. Minister. We've been talking about the people out in Kamsack who are involved. But in Eagle Developments you are extremely involved yourself. You are the one who saw that the law was not kept out there on this tax assessment. If you understand anything about your own laws, you will know I am right.

Do you understand how this started? How Eagle Developments came about? Mr. Minister, just to draw this to your attention, 12 or 13 acres of land were purchased by Eagle Developments in the summer of 1979. The town surveyed it. It was all zoned and put into town property. How this started was that some people came into the municipal office and asked what the assessment of this property was. That was sometime in

April . . . (inaudible interjection) . . . The minister responsible for Sask Tel wants to talk. He can just wait or else we'll be here all night. You yip-yap in this House all the time. Just keep quiet tonight and maybe we'll get this done . . . (inaudible interjection) . . . I happen to have the light. You people can talk when you have the light and I won't say a word. We'll get things over with here.

Mr. Minister, this is what happened. Some concerned citizens went to the council and asked, "What did you assess that property at?" The council said, "We didn't assess it. It's too late. The assessing time is over on April 1." They found out later that they had until May 31 and it could be dated back to December 1 by the assessor. There was no way that any tax could be paid in 1979 on that property.

Do you agree with section 310, that the assessor shall assess in respect to every parcel of land the registered owner? Or with section 314, that land cannot be assessed agriculture if it is subdivided?

Your people have told them that there was no way. It still could be agricultural. Do you agree with 310? Do you agree with section 214 that says that land cannot be assessed for agriculture? The Department of Municipal Affairs Act states that the minister is responsible for correctness of assessments. I say to you, Mr. Minister, that you're responsible to immediately say that the concerned owners of Eagle Developments pay this approximately \$9,000 to the town of Kamsack. That's where this all started. People did not pay their bills and you didn't see that they paid them. Get up on your feet and tell me if you agree with sections 310 and 314.

HON. MR. SMISHEK: — Mr. Chairman, certainly I agree with the provisions of sections 310 and 314 to which the hon. member refers. In fact Monday when we dealt with the estimates, I said, "The second issue relates to the assessment of property zoned commercial on agricultural basis." That is a common occurrence in many urban municipalities. To handle the situation, section 314 of The Urban Municipality Act provides for fixing the assessment of such land on an agricultural basis. Or under section 350, relief for taxation of the property could be considered. Unfortunately, neither of these routes was chosen. In this case, action under section 350 would have probably been the best. Instead, the assessment was left agricultural because of an administrative oversight by the town clerk. The treatment of the property was fair. It was the method that was incorrect.

In my letter of February 27, 1980, I wrote to Mayor Nadane:

The assessment of the property within the municipality is governed by sections 310 to 346 of the act. Council should always attempt to ensure that all property is assessed within the spirit and intent of these provisions and in any instances where it is felt that an unreasonable hardship is placed upon any property owner, council could consider possible relief from taxation under the provisions of section 350.

Now, Mr. Chairman, it's a rhetorical question that the hon. member is asking. Certainly we agree and subscribe to sections 310 and 314. And we also have pointed out to the mayor and to the council, not just now but a year ago last February, where they made errors.

MR. MUIRHEAD: — Mr. Minister, this is what caused the problem out there for these people who own Eagle Developments; two are councillors. Councillors Koturbash and

Zabinsky own the property and they failed to pay their assessment. You were told in a personal letter from Wally Sasyniuk on September 10, 1979 to look into that. Now why did you not look into it and see that it was paid? The law was broken and you are held completely responsible by section 10. Explain your way out of that. You get up there and bumble around and you're not doing anything but getting in deeper. Can't you understand that you are responsible for those taxes being collected? And if you had done that back in 1979, this commotion in Kamsack would never have come about. It never would have happened.

AN HON. MEMBER: — Whom is he protecting?

MR. MUIRHEAD: — Well, he's protecting somebody, obviously. He's protecting himself right now.

HON. MR. SMISHEK: — Mr. Chairman, this issue and a number of other issues in Kamsack have been discussed for a few days in this legislature. I advise the hon. member that it is not the responsibility of the Department of Urban Affairs to collect taxes for any town, village, or city. It is their responsibility. It is not our responsibility. We believe that the provisions of the law are clear in that respect.

Mr. Chairman, I indicated to the legislature that all the information that we had in respect of Kamsack we have referred to the lawyers of the Department of the Attorney General. I am hoping that in the next few days the department will have a chance to review all the material and be able to give us an opinion. Up till now, all we have had is a series of allegations. No hard proof was presented to us either by Mr. Sasyniuk or anyone else. There was a series of allegations . . . (inaudible interjection) . . . Yes, and he also asked for hard proof and information as late as last week. I didn't talk to the hon. member today, but I know last week we talked about the situation and he was interested in getting the information, just as I am. This morning we received a petition signed by some 500 people. That petition has also been referred to the Attorney General's department and I'm hopeful that they will have a chance to review that and give us an opinion.

MR. MUIRHEAD: — You have to be the poorest minister for answering questions that I have ever seen in my life. We'll never get out of here if you can't answer questions. I asked you if that law was broken or not and you couldn't stand up here and say yes or no. Did the taxes get paid, or did they not? Did you or did you not get a letter from Wally Sasyniuk on September 10, 1979, stating the irregularity of those taxes? Did you or did you not know about it, and did they or did they not pay those taxes, and did you do anything about it? It is your job or else why put section 10 in there? The Department of Municipal Affairs Act states: ". . . minister is responsible for correctness of assessments." Now, for goodness sake, get up and answer whether you think the law was kept or broken. It was your responsibility because you were told by a citizen of Kamsack. Quit trying to skirt out of it. All you do is get up and take off on some other subject entirely. Now, either answer the question tonight, or we'll be here all night.

HON. MR. SMISHEK: — Mr. Chairman, the hon. member can get excited about it, but I do not know. I can't really say whether the law was willfully broken. Well, Mr. Chairman, we don't even know whether the law was broken at all. We agree that, as I said, the clerk obviously made an administrative error in respect to that property and the taxes. Now, the whole matter has been referred to the Attorney General to give us an opinion on the matter and how we ought to proceed.

MR. MUIRHEAD: — Yes, you're right. The administrator is a frightened man out there, because he told the mayor just yesterday, "Irregularities happened here and I'm going to be in trouble." He said, "I watched it happen." He watched it happen. He said, "I'm frightened, because I only have two years until retirement." Those are the very words he told the mayor yesterday. He said, "I watched it happen, but my hands were tied." These are the kinds of things that will come out if you do a judicial inquiry. I'm going to move off this tax business or we will be here all night. I have to cover something very important here in Kamsack Manufacturing.

I'm going to refer you to the municipal act, section 180.

Municipalities cannot dispose of industrial land at less than market value.

Now, is that right, or is it not? Do you agree with that, Mr. Minister?

HON. MR. SMISHEK: — The answer is yes. They have to get market value, but it is not up to us to determine the market value. It is up to the community to determine the market value.

MR. MUIRHEAD: — All right, if it's up to the community, it's up to the council. I'm going to go back for a minute. You said that it's up to the council to look after the collection of taxes. But when the people who owe the taxes happen to be the council, and the people of the community go to the council and can get no answers, and come to the Premier and can get no answers, and come to you and can get no answers, what do they do? They ask for a judicial inquiry. This is what you've failed on.

I was working in Kamsack in the by-election in 1977, and I was told then that there were problems, but I couldn't believe the stories that I heard. I was told more about it in '78. We were told more in '79, but I still didn't believe anything until the specifics came in.

Let's get down to one item here right now, Mr. Minister. Why have I got all this information on my desk? Why have I got all this here? Don't try to say that the MLA for Pelly didn't know all about this, Mr. Minister, because he did. You knew about it, Mr. Minister. The Premier was notified about it; they had an hour to notify him, with the Mayor of Kamsack, one councillor — a Mr. Randy Konkin, who you all know over there. You're always using the names of Mr. McDonald and Don Boyd. You must all know the name of Randy Konkin. When he couldn't get satisfaction from the Premier, and couldn't get any satisfaction from the minister, what alternative did he have? He had to phone and say, "Will you listen to us? Will you listen to our story?"

You keep saying that I'm trying to make a political issue out of this. Well, Mr. Minister, I'll tell you that it's not a political issue with me. It's the matter of right or wrong. I said the first day in this House when we started in urban affairs, let's get one thing straight. Whom are we trying to protect? What is our interest? My interest is to have the law kept in Kamsack. As to whoever is found guilty, whatever politics they have has no bearing. Now, you told me that this man also told you on September 10, 1979, that he had been to council about the land selling for \$1. You didn't look into it; you didn't do anything about it. You sent a couple of boys out from your department to take a look into the affairs of Kamsack. Then you wrote a letter back to the former mayor, Mr. Nadane, to tell him to clean up his act a little bit. You told him, 'There have been a few irregularities here and you must clean up your act.'

Well, they don't clean it up very well out there, do they, Mr. Minister? They don't listen to you. One year later, Councillor Koturbash has done it again. He did it again. This has riled the people. Councillor Koturbash made a motion to buy his own property back at \$10,700 in January of 1981, one year after you warned them. He made the motion himself. You've made the statement that your investigators couldn't even tell by the council meeting minutes — they're so loosely kept — whether these councillors who were involved ever voted on any of these articles that we're talking about here. Not only, Mr. Minister, did they vote on it, they made the motions. Councillor Zabinsky made the motion to sell the land for a buck. He was involved at arms length with Cas Broda and you know that. You were told that at that time.

Now, property right beside it in a slough, just sometime before, sold for \$16,000 with no improvements on it. The man put a fence around it and turned a horse in it. This is in a slough, a lower piece of ground than where Kamsack Manufacturing is. This sold for \$16,000 and the council is allowed to sell the land for a buck.

You people sit here, laughing and smirking about this. A man stood up at a meeting at Kamsack last week, mentioned my name and said that it was not fact that that land sold for \$7,050, that I didn't have my facts straight. What more do you want, Mr. Minister? I tabled in this House a bill of sale for \$2,001. Now, a bill of sale should be pretty good. It should be better than a man's word on paper. He was saying that it was \$7,050, but he hasn't one thing to substantiate his statement. I tabled the facts — about three acres for \$2,000 and 10 acres for \$1. You said, 'We've never been shown a thing. We don't see a thing; we have no facts.'

Well, I tell you that the people of Kamsack know you have the facts. You've had lots of them tabled. You're going to see the rest of them. You could have seen the rest of them. The member for Pelly was shown the same thing that I was shown here, but he just didn't do the same thing I did. I said that I wanted a photostatic copy of the whole thing so that I could go through it. The member for Pelly saw them all. He drove from Kamsack with Mr. Randy Konkin and the mayor when they drove into Regina to meet the Premier, and he studied them all the way. Now, why didn't he just ask for a copy of them all, take them to your office and tell you to move, instead of having them come over to mine? Now, think of that.

What are these people from Kamsack doing in my office? What are they doing there? I'll tell you why they're there — they never got a move out of the member for Pelly. Where has he been the last few days? He didn't even attend on the weekend his regular duties. He hasn't been seen since Thursday when the member read out a letter in this House.

The Premier stands up here and says that this letter is maybe three or four times removed; it's not first-hand. When a man writes a letter and signs his name to it, it's first-hand. Even the Premier skirts around. You're skirting around this whole issue. You stood up in the House this afternoon and said that the member for Arm River is the one who started all this. Well, I will tell you, you are the one who started this, because you never acted. You never acted when you were asked to act. This rests completely on your shoulders, Mr. Minister. You are the one who never acted and there have to be some really good reasons as to why you didn't act. You have to be covering up for someone. There has to be someone involved in the town of Kamsack whom you are covering up for, or else you are covering up for the past minister of highways or the Minister of the Environment, who threw the airport money in without a zoning law.

You watched the cover-up of the building of the airport. It wasn't built where the federal

government licensed it to be built. Phone Winnipeg like we did and do some investigations. Phone Winnipeg and see where the licence is for that airport. It is for the south side of town. You don't do this kind of investigation. You leave it for us. Now, for goodness sakes, do your job over there and you will never hear from the people in my office.

What did the CBC have to do? They came and said to me, 'We are going to Kamsack to do a two-day investigation. Would you give us the names of the two people who have this material which they have given you?' I said, 'I can do better than that, they are in my office.' It took hours to go through this, Mr. Minister. The material I have here tonight took our girls nine hours to photostat. Now why didn't you do it? Why didn't you, Mr. Minister, ask Mr. Sasyniuk for a photostat copy of everything he had? Who are you cover up for?

I think you must know. I have even had some people tell me you are related to Mr. Koturbash. I want you to stand up in this House and say whether you are related by marriage or not. I want you to stand up in this House and tell me whether you know Walter Kiwaluk or not. This picture shows that you have to be covering up for someone.

AN HON. MEMBER: — Gerry, you are such a muckraker. For a born-again Christian, you are such a muckraker.

MR. MUIRHEAD: — Exactly. The member for Moose Jaw just said the right thing. For a born-again Christian like I am, that is exactly what I want. I want the law to be kept and I can't stand coverup. This is the first time in three years that I have been here, Mr. Minister, that I have seen two estimates being pulled. The Attorney General had to come in and save the Minister of Industry and Commerce because he couldn't answer questions. You put yourself in such a hole a week ago tonight that he had to pull you out too.

Now, you have refused from the day one to answer questions. You said you have never had specifics. You know the story as well as I do. You have known it for years.

Your deputy minister is sitting beside you. He went out there. Did he do his job right? He didn't do his job at all. He goes out, write articles and is quoted in the paper. 'Government Finds No Reason to Intervene' is the article in the Kamsack paper. So they are going by what Mr. Moroz says. Through all this year and in this article (I am not going to take time to read it all because you have probably read it), the deputy minister, more or less, scoffing at the people for wanting to clear things up out here and blaming the people who laid the allegations. But Moroz did end up, Mr. Minister, by saying, 'now it is up to the locals to pursue the issue if they wish.' That is his statement right in here.

The locals have pursued it. The Premier said to me in the House the other day, 'The member for Arm River perhaps has the right way to go — section 422 of The Urban Municipality Act. That requires either 25 per cent of the local voters sign a petition requesting a judicial inquiry or one-third of council. These people have pursued this. The meeting they had in Kamsack the other night was a complete fizzle as far as the council was concerned. Mr. Minister, you know quite well that you've had a report from your people out there, yet you stand up here to stonewall some more. You know what that report was. Councillor Koturbash took one hour and 40 minutes to get up and tell the story of how beautiful things were, how he's worked in this town, and brought all these companies into this town. He got industry going here; he got business started for

people, but he didn't say how he did it. He did it by overriding people; he did it by shelving the 14 copies from the industry and commerce reports — no one else has ever seen them. So such a story has to come out in Kamsack and you people just sit here and sit here and sit on it.

Mr. Minister, while the meeting was going on, a 68-year-old woman went up to the mike and said, 'I want to be heard' and Mr. Sas pushed her away. Why was that filmed on television? Why, when the people held up their information and said, 'I want to be heard' were they pushed out and called out of order? Why did they call the meeting out of order? Why did an 80-year-old man stand up in that meeting and say, 'I came here tonight backing Larry Koturbash; I thought he was a good upstanding citizen, one who worked for the government (an agricultural representative); I thought that he was a good, honest man, but after what I have seen here tonight, I want to sign that petition and I want to sign it fast.' Why did he change his mind? Because he saw two people, born and raised in the Kamsack area, who tried to be heard, and they were pushed off that stage. Why, after that meeting, did you get this petition? The answer is because they couldn't sign it fast enough. The only people who didn't sign that petition were the people closely involved. And they've only been through part of the town.

There are approximately 300 civil servants who work in the town of Kamsack, and the majority of them said at the door, 'We cannot sign that petition because we're scared of losing our jobs.' Quite a few more of them said, 'We also work for the people involved. They keep a black list and we'll lose our jobs.' Now this has absolutely gone as far as it can go. You have to do something about it, Mr. Minister. For goodness sake, don't get up on your feet ever again and say that the members opposite are trying to make this a political issue.

One main thing that you must agree about, Mr. Minister, or we're not going to move on, is that this law was broken again on January 22 when Councillor Koturbash made a motion to buy his own property for \$10,700 — and he is on council. So that means they are mighty poor listeners after one year of being warned by you and your department to clean up their act. They have just been laughing at you out there, because they knew they were protected by their minister. They knew they had protection, and their deputy minister goes out and tells them everything is fine.

Boy, if I were the Minister of Urban Affairs and I were called out there, I would see that it was cleaned up and cleaned up right, so there is not a cloud hanging over Kamsack for ever and ever.

HON. MR. SMISHEK: — I hear a statement from you and my voice is getting tired. Mr. Chairman, the hon. member made reference to good and honest people. While I have differed with the hon. member from time to time, I am going to wait until he can listen, because I want him to particularly listen. The hon. member made reference to decent and honest people, and I've always considered him to be an honest person, even though I've differed with him.

But in the last while, the hon. member made an allegation that I was trying to cover up for some person by the name of Walter Kiwaluk. Mr. Chairman, he also made reference that he was related to me. Mr. Chairman, the evidence will show that tomorrow in the transcript. Maybe he didn't want to do it, or he did it inadvertently, but certainly that's what came through.

Mr. Chairman, I, to the best of my knowledge, have never met Walter Kiwaluk. I do not

know who he is. I may have met him, but during my 17 years of public life, I have met many people and one cannot remember all the people that one meets over a period of many years that I have had in public life.

Mr. Chairman, I deny knowing Mr. Walter Kiwaluk or having any association with him. I can assure the hon. members in the House that he is not related to me or to my wife. I don't know what the hon. member is trying to do. He has demonstrated that he is very capable of really spreading it out. Talking about muckraking, I think we have had a very good example of it when he resorts to that kind of stuff.

But I will leave that. I have no knowledge, Mr. Chairman, of any motion that was made on January 22. I do not have that information, whether it is January 22 of this year or January 22 of last year. I do not have copies of the minutes in order to be able to express an opinion. I can assure the hon. member I am not trying to protect anybody on council or anyone who is a resident any more than I would protect and defend all the people of Saskatchewan. If there is anybody who has committed an error or committed a crime, then they should be dealt with.

Mr. Chairman, our department certainly looked into the matter. I have already said that over and over again. Obviously the hon. members don't want to accept anything that we report or advise them on. They have developed some connection with some people in Kamsack for whatever their purpose is. They have dragged the community through the media. They have made many allegations. Mr. Chairman, we are interested in helping the community resolve the problems. We believe that every community should be given an opportunity and a chance to correct the mistakes they have made. We do not interfere in the administration of the 495 urban communities. We believe in local autonomy. We have said that before and we have said it over and over again. Obviously the hon. members believe that the purpose of the Department of Urban Affairs should be to sit on the arms of the local communities and dictate to them what they should be doing or ought not to be doing.

Mr. Chairman, I already said last Monday and let me again restate the statement I made on a number of allegations in respect of Kamsack Manufacturing. The company, based on the information we have, paid \$2,001 for 13.5 acres of land and another \$5,405 for title registration and subdivision and servicing costs. Here's a statement that I made before and I want to make it again. Section 180 of The Urban Municipality Act says no municipality shall sell a site at a price less than fair market value.

Now, was the sale for less than fair market value? We have no documentation to prove it otherwise. Mr. Chairman, the allegation of the \$220,000 figure which was made last week — the value of the land — is not for land. It is for land together with all buildings and other improvements thereon. There is a manufacturing plant now located on that land and I have no reason to believe that it is not worth \$220,000. The original offer was \$1 for 10 acres but was changed when the company asked for more land. The statute talks of selling land, not offering to sell. Now this is what I said about this matter in my letter on February 27 to Mayor Mydonick. Let me quote.

The disposal of municipal land held for commercial and industrial use is regulated by section 180 of The Urban Municipalities Act. This section provides that such land may only be disposed of for a price not less than its fair market value. The responsibility for determining the fair market value of such land rests with the council, and council should ensure that the policy of fair market value is followed.

Mr. Chairman, it's not up to the Department of Urban Affairs to determine the fair market value of the land. I can try to respond to every allegation that has been made. I don't think it's getting us any place very fast. We do have the petition that was presented to us this morning. Mr. Chairman, I might add that this is the first time that I have had a chance to meet Mayor Mydonick. He was in my office at around 3:30, when we did have a chat about the situation. We told him that the Attorney General's department will be giving us an opinion. Following our receiving that opinion from the Attorney General's department, we agreed to communicate with Mayor Mydonick on his request for a judicial inquiry as well as the support that he presented with respect to an inquiry signed by some 500 citizens.

Mr. Chairman, I don't know what more I can add at this stage. Certainly, we are concerned about what is going on in Kamsack. There is no question that the community is divided. But to try to rest the blame on the Department of Urban Affairs is totally unfair and, I would suggest, irresponsible of the hon. member.

MR. MUIRHEAD: — I do not agree with you that it's totally unfair to blame the department, Mr. Minister. I've said it, and I'm not going to say it again, because I'm just going to make one more statement and then I'm going to get off this. The member for Souris-Cannington has a question or two that he wants to ask.

I notice that when you were on your feet, Mr. Minister, you did as you always do. You skirted around what I said to you when I said, 'Were you related somehow or other — thorough your wife — to Mr. Koturbash?' I noticed that you never mentioned the name, Mr. Koturbash . . . (inaudible interjection) . . . I'm on my feet.

HON. MR. SMISHEK: — I'm in no way related, Mr. Chairman, to Mr. Koturbash or anyone in Kamsack.

MR. MUIRHEAD: — Mr. Chairman, that's exactly what I wanted the member to say because I never made these allegations . . . (inaudible interjection) . . . That's fine. That's exactly what I wanted him to say because I didn't make the allegations. They came from the people in Kamsack.

AN HON. MEMBER: — You're spreading it around.

MR. MUIRHEAD: — I'm spreading it to you in this House because there's nothing wrong with asking you that question in that they're asking it out there. I could ask you some more questions like, 'Do you know Mr. Koturbash personally?' and 'Do you know Mr. Zabinsky personally?' If you want to respond to that, you can.

There's one more thing I want to mention, Mr. Minister. Every time you've been getting up in this House (you haven't tonight), you've always brought up the allegations of Don Boyd and John McDonald out there being PCs. You're always trying to bring politics in., You even said on television today that if we had done an investigation when Don Boyd was on council, we couldn't have done it because the Conservatives would have jumped us for going after their man. Well, I'll tell you, Mr. Minister, that was an awful statement because you said right there. We didn't do an investigation because Don Boyd was sitting there as the Conservative candidate. He was sitting on council.

I made the statement in this House that after an investigation, whoever gets hurt regardless of politics is going to get hurt, and I don't care if it's Don Boyd or John

McDonald or Koturbash, or whoever it is — Zabinsky or the new mayor or the old mayor. Whoever is guilty is going to get hurt and you sat right there on television today and said, 'We couldn't call an investigation because the Conservatives would have jumped us over Don Boyd.' Now Don Boyd happened to have signed this petition. You look at the petition. His name is on there and if the member for Pelly had been here, his name would have been on here. He wanted to sign that. They missed him on the weekend. He was going to sign it in here, but they missed. He came right in my office and said, 'I'll make the motion in this House for a judicial inquiry if you sign it or vice versa' . . . (inaudible interjection) . . . Oh, never mind.

Now, Don Boyd also made this statement public in Kamsack over the weekend. He said that when he was on council, Mr. Minister, he and two other members of council wrote a letter to the mayor stating, 'You're breaking the law in this council.' This letter disappeared just like that. Now these people will swear that this letter was written to the rest of the members of council. And Don Boyd said, 'I'll suffer where it be.'

Now, Mr. Minister, I'm not going to say anything more about this tonight. We're going to get off this, because we have to go through rural affairs yet tonight. The Leader of the Opposition wants to say a few words. I'm just going to say to you in my last words, Mr. Minister, that there will be a judicial inquiry into the affairs in Kamsack, not because the Progressive Conservatives want it, but because the people of Kamsack want it. If you want to bring politics into it, the only way the Progressive Conservatives can come out ahead is if you never call one.

Leave the cloud out there, and it will build. If you call one, the people will know the facts. There is no way there is any political affiliations in here from our side of the House, or any political thinking from this side. Well, let's face it. You know it as well as I do, Mr. Minister, if you refuse to call one, who the loser is. You people are, because the people from Kamsack are going to demand it. That's all I'm going to say on this at this time.

MR. SKOBERG: — Mr. Chairman, just a word or two, and then I want to ask the hon. minister a question. It strikes me as somewhat passing strange when I listen to the hon. member for Arm River talking about taking away the local autonomy of a municipality like Kamsack. But I do know that in the length of time that I served on municipal council, we always said that there should be equal status at the municipal, provincial and federal level. The municipal people should have equal status to govern their own affairs. They should be able to resolve their own differences. And there is legislation set up if they can't, by resolution of council.

It seems to me that it's rather strange to say the least, that we now hear, and have heard, in this House those people opposite (and I can well remember listening to the Conservatives at SUMA conventions) say, 'Do you want big brother government intruding in your local affairs, or do you want local autonomy at the municipal level? It really is strange listening to the member for Arm River, and the other ones over there, and the ones for Regina and Meadow Lake, or whatever areas they may represent, suggest now that local autonomy doesn't mean very much. They know, and I know, that the people of a municipality have the right to elect whom they want and when they want, and to dispose of them in the same way. Now it really makes me wonder.

Over the weekend, I had some discussion with a goodly number of people in Moose Jaw who are a little bit disturbed about a particular issue. It's just about as realistic for me to come into this House and ask the Minister of Urban Affairs to conduct a judicial inquiry

into some of the problems that I heard of on the weekend. The municipal council that was elected by the people of Moose Jaw has not and did not pass any resolution expressing any concern and asking the Minister of Urban Affairs to have a judicial inquiry into anything.

The municipal council, surely, in this country, and in this province particularly, is in a position of self-determination and has the right and the ability to exercise it. I don't think they need the hon. members for Arm River, Souris-Cannington, and others over there standing up and pretending that they are the elected people of Kamsack. Surely, in the democracy we have right here in this province and in this country, the people in Kamsack are quite able to stand up and be counted without some intrusion from those opposite.

My real question to the minister is whether SUMA and SARM at this particular time (and Kamsack happens to be a member of SUMA) elected officers of the executive? Did they request the minister to intrude into the affairs of Kamsack? I can assure you that in the city of Moose Jaw if this minister or any other minister intruded into the affairs of the elected people of that city, there would be a reverse situation. It wouldn't be what we've heard here over the last week or so, when we see the hon. member for Arm River trying to stick his nose into the affairs of a municipality.

If they think they can go to the SUMA and SARM convention coming up this year, and stand up and say, 'We believe in local autonomy' after the display they put on in this House, then they don't know what democracy is all about. My question to the minister is, did SUMA and SARM officials ask you to intervene, interfere and intrude into the affairs of Kamsack?

HON. MR. SMISHEK: — My answer is no, neither SUMA nor SARM has asked me or the department to conduct any kind of an investigation or inquiry in the case of Kamsack. Mr. Chairman, that is the simple answer. They have not made requests. I was about to get on my feet when the hon. member for Arm River sat down. May I respond to his last remarks?

This afternoon I did meet with the mayor in my office. This is the first time I have had a chance to meet the Mayor of Kamsack. He has never asked me for a meeting. Obviously the hon. members opposite know the gentleman. I don't. In fact, there are a lot of mayors whom I have not met, particularly those elected last fall. But I did ask the mayor to give me a reply to my letter of April 27. Following the meeting, I think he was able to better appreciate what information we were after. I hope that the mayor will reply to our letter and give us the information in a way that will help us to determine what kind of inquiry ought to be set up.

MR. BERNTSON: — Mr. Minister, I'll just respond to some of the remarks from the member for Moose Jaw North — it is Moose Jaw North? I don't want to get you two confused, because you are a half reasonable guy on most occasions. But tonight I want to line up with the member for Moose Jaw North. If he thinks that a situation would never arise that would cause some sort of inquiry to be effected, why doesn't he lobby his government to remove that provision from the act? If he really believes that local autonomy is local autonomy above all else, even though 600 people in Kamsack have signed a petition asking for a judicial inquiry, why doesn't he petition his government to remove that provision from the act?

I'll tell you something. If it weren't for the fact (and I'll get to that in a minute) that Moose

Jaw has a terrific mayor and several terrific councillors, if they were all the calibre of the member for Moose Jaw North, they would be in heavy trouble, and would be begging for almost anybody to come over there and govern them.

Now, let's talk about if there were a resolution from council. I want first to read just one line from a letter that was written by a concerned citizen and a close friend to the member for Pelly. This refers to councillors Koturbash and Zabinsky. He said: 'They cover their tracks very well.' He also said, 'I'm scared of those guys.' . . . (inaudible interjection) . . . Norm, the MLA, is afraid of those guys. Was there ever a resolution passed by council? No, there wasn't. Let me tell you why. It's because there are a hell of a lot more people out there who are apparently afraid of them as well.

There was a meeting of the Kamsack Town Council (I forget the date, but I'll provide it for you later, if you like), to which they had invited Sasyniuk, Konkin and others to come and present their case. I think the invitations went by way of the *Kamsack Times*. Nevertheless, they accepted and went to the council meeting. One councillor moved a motion that this matter be heard and these people be allowed to present their case. She couldn't get a seconder. The mayor stepped out of the chair to second the motion. What happened? The deputy mayor, Larry Koturbash, refused to take the chair. So the meeting dissolved. How deep does that fear stated by the member for Pelly run in that community? That was just for the member for Moose Jaw.

Now, I'll deal with the minister again. It's my understanding . . . (inaudible interjection) . . . I'm going to direct a question to the Minister of Urban Affairs, if we can have a little order here, Mr. Chairman.

MR. CHAIRMAN: — I don't know who's heckling the member more, his own members or the members on this side. I think the committee would go along better if we stayed in order.

MR. BERNTSON: — It's my understanding that the minister has consented to allow a lawyer from the Attorney General's department to meet with me, the member for Arm River and whoever else may be deemed necessary in order to set out this case and go over these documents. That lawyer, based on what he sees and hears in this exercise, will make recommendations to the minister, which I'm sure the minister will be under some obligation to follow. I'm prepared to let those cards fall where they may. If the minister agrees with that proposition and puts it on the record, we're prepared to let these estimates go.

HON. MR. SMISHEK: — As the hon. member knows, the Attorney General and I did discuss the proposition that apparently the hon. members opposite have information which we do not have. If it's going to help us determine the course of action which ought to be taken, certainly I would support the idea of having the legal people from the Attorney General's department take a look at the information and interview them so that we can make a decision as quickly as possible. I certainly have no objection to that.

MR. BERNTSON: — I accept that. I wonder if the minister could tell us, assuming we can get together with the Attorney General's people tomorrow, what sort of time frame we would be looking at before you would be making your decision as to whether you're going ahead with a judicial inquiry or not?

HON. MR. SMISHEK: — Mr. Chairman, it depends on how long it will take to review the documents. You say that you have documents which took nine hours to photocopy.

That's a lot of documents. If it takes nine hours just to photocopy them, then it will probably take the legal people close to a week to examine them. I would presume that to be the case. I have no idea how long it's going to take them to examine the documents and then give us their recommendations. Once the recommendations are submitted to the Attorney General and me, we will certainly consider them and reach a conclusion as quickly as we can. I think it is unfortunate for this thing to carry on, with the community being talked about in the media and here in the House. I think the sooner we can bring about some harmony to the community, the better it will be.

MR. BERNTSON: — Okay. I think we could fairly present the case to the Attorney General's people in four or five hours, assuming they make a recommendation to you to go ahead with the judicial inquiry. How long after that recommendation is made will it take to get the decision out to go for the judicial inquiry?

HON. MR. SMISHEK: — Mr. Chairman, I don't know. I don't know whether it will take three or four days or whether it will take a week. I would hope we could reach a conclusion rapidly. It will not only be my decision but also the department will have to be involved, as well as the Attorney General. We will proceed with due haste.

Item 1 agreed.

Vote 24 agreed.

CONSOLIDATED FUND LOANS, ADVANCES AND INVESTMENTS

URBAN AFFAIRS — Vote 62

Items 1 to 3 inclusive agreed.

Vote 62 agreed.

HERITAGE FUND

BUDGETARY EXPENDITURE (RESOURCE DIVISION)

URBAN AFFAIRS

Provincial Development Expenditure — Vote 24

Item 1 agreed.

Vote 24 agreed.

CONSOLIDATED FUND BUDGETARY CASH OUTFLOW (SUPPLEMENTARY)

URBAN AFFAIRS

Ordinary Expenditure — Vote 24

Items 1 and 2 agreed.

Vote 24 agreed.

HERITAGE FUND

LOANS, ADVANCES AND INVESTMENTS (RESOURCE DIVISION)

SASKATCHEWAN HOUSING CORPORATION — Vote 26

Item 1 agreed.

Vote 26 agreed.

CONSOLIDATED FUND LOANS, ADVANCES AND INVESTMENTS

SASKATCHEWAN HOUSING CORPORATION - Vote 49

Item 1 agreed.

Vote 49 agreed.

CONSOLIDATED FUND BUDGETARY CASH OUTFLOW

THE LOCAL GOVERNMENT BOARD

Ordinary Expenditure — Vote 22

Item 1 agreed.

Vote 22 agreed.

CONSOLIDATED FUND BUDGETARY CASH OUTFLOW

THE SASKATCHEWAN ASSESSMENT AUTHORITY

Ordinary Expenditure — Vote 44

Items 1 to 3 inclusive agreed.

Vote 44 agreed.

RURAL AFFAIRS

CONSOLIDATED FUND BUDGETARY CASH OUTFLOW

Ordinary Expenditure — Vote 43

HON. MR. KAEDING: — Can I introduce my staff? Jim Webster, deputy minister; Dan Gilewich, director of rural affairs; Larry Iwan, director of communications; Wes Mazer, director of administration; Lloyd Talbot, community planning; Ernie Anderson, bridges; Walter Antonio, research; and Nick Bichel, municipal finance.

Item 1

MR. MUIRHEAD: — Mr. Chairman, I am just going to ask the minister one question and then the member for Kelsey-Tisdale has some questions to ask.

Mr. Minister, it's regarding a supergrid road. We went through quite a commotion in our area with supergrid. We formed our supergrid council with the R.M.s of Sarnia, Craik, Caron, Mortlach and Huron. There were five involved here. We spent a lot of money to set this up and now we have some paving done; we've paved about 12 miles in our area. We've improved some roads. Now I've been told there is going to be a skid put on the supergrid roads. Am I hearing this right or not? I would just like to get the minister to tell us exactly what the plans are for supergrid.

I'm not on council now, Mr. Minister, like I was on supergrid. I sat for two years on their committee and I was quite familiar at that time. But now I've been told by council and they are quite concerned that there is going to be some slowdown in supergrid and I would like to get your view on this.

HON. MR. KAEDING: — No, Mr. Chairman, there is no intention to slow down the supergrid program. What has happened this year is that as a result of urging by the R.M.s and the SARM we have put the main farm access program and the primary grid program into one allocation. And the R.M.s now can make the decision of whether they want to build all main farm access roads, or half and half, or whether they want to build all primary grids. They can make that decision and there is no dollar limit other than their allocation which makes it firm. It's proposed so far this year that there will be about 400 kms of primary grid built. That compares to 307 last year. So there is no slowdown on the program; in fact, we are hoping it will accelerate.

MR. MUIRHEAD: — How many miles of paving will be done this year then?

HON. MR. KAEDING: — Well, the estimate is that we will do 100 km. this year compared to 72 last year.

MR. MUIRHEAD: — Actually, there are going to be a few miles less done this year than last year.

HON. MR. KAEDING: — Last year 72 and this year we are estimating 100. And that's entirely up to the municipalities; they can make their decision on how fast they want to go.

MR. HARDY: — You are saying you do pavement. Are you considering putting pavement on some of the industrial roads that are classified industrial roads?

HON. MR. KAEDING: — Well, Mr. Chairman, at this time we don't have a provision of paving industrial roads, and that's for a good reason. Industrial roads carry pretty heavy traffic, and unless you're prepared to put on a heavy pavement (something similar to a class B highway), it is questionable whether it pays to put pavement on that kind of a road at all, because they will just tear it up. So at this time, we don't have any provision for oil or hard surfacing industrial grids, but that could change, depending on the indications and whether we think there is a necessity to do that. At the present time, we have no policy to oil them.

MR. HARDY: — Regarding the grid road systems, has your department anything in the plans for upgrading a number of the grid roads? I'm sure that a number of the grid roads in the province (and especially in my area) are in the position right now where they need a lot of upgrading or regrading done. Has the department extended, or is it going to

extend the program to cover regrading or upgrading of these roads in the grid road systems?

HON. MR. KAEDING: — Yes, Mr. Chairman, last year in the budget we brought in the reconstruction program for existing primary grid systems. They can reconstruct at the regular farm access percentage, so if they want to reconstruct an old grid, they can do it. We don't allow them to patch up an old road. They have to build it back to a standard; they can't just go and throw a few shovels full of clay on it. They have to bring it back up to standard. But we will share at the regular main farm access percentage.

MR. HARDY: — What you're saying is that any grid roads in the rural municipalities can be upgraded, but they must be done as a solid block. You can't just do half a mile or a mile and then go on and do a couple of miles further on. Is that the understanding?

HON. MR. KAEDING: — No, that's not what I'm saying. They can do it in sections but whatever they do has to be brought up to the regular grid standard. They can't just haul in a few buckets of dirt.

MR. HARDY: — Has your department considered at any time assisting in building up some of the farm access roads? A number of the straight access roads have a lot of heavy traffic on them now. I think every municipality is finding that they have to build up to a pretty high standard. Has your department considered or will they consider assistance to build some of those roads in the municipalities up to a certain standard? The cost is quite high, and the cost factor is one thing. Would your department consider cost sharing on the farm access (not just the main farm access) roads?

HON. MR. KAEDING: — Not at the present time. As you know, we have a target to complete the main farm access system, which is about 29,000 kilometres. I believe — almost 30,000 — and our primary grid system. We are dedicating all of the construction to those two programs.

The municipalities, of course, have other money they can spend on roads which are not in these two categories. They can do that out of their equalization funds, or whatever else they have — out of their taxation dollars. If we were to expand that down to a lower level of road, we would have to take more out of the other two categories.

There is a limited amount of money. We have gone to the revenue-sharing programs. We have \$38 million this year to spend, and that, of course, has to cover all roads. We are dedicating all of that to primary grid and main farm access because those two systems need to be done, and the R.M.s can choose to do any other miles they wish to do besides that.

If we were to add another category, we would have to take the dollars from the \$38 million, and would then have less for the other two programs, so it's as broad as it's long.

MR. HARDY: — Well, I understand what you're saying, but the point is (and I think you realize this, too) that to get to a main farm access, or a grid, there are many miles of just farm access road that are driven over, and there is no way a loaded grain truck or any type of heavy equipment can come down a road unless it is built to a fairly high standard. That's the point I was trying to make. Where the use is there (not where there is a single farm residence at the end of it), I just wonder if there could be some system worked in where it could be brought in (maybe not to the same system as the main farm

cost sharing) to that at least partly cost shared. I know we built some roads last year up in our municipalities. We had to build them to a fairly high standard, and they were quite expensive. And we found that with no assistance from the government we had to really cut back on the miles we built because the cost was so high. I just wondered why and if the government would, at least, consider in the next year (I don't say this year because it's already out) bringing some of the heavily used roads that aren't under main farm access or our grid road system into that.

HON. MR. KAEDING: — Well, again, I guess I would say that we have a limited number of dollars. We have the \$38 million to work with, and we have to work within that program. But I think you should recognize that the cost of building some of these ordinary access roads is built into the unconditional grant formula. That's all figured out. So, if you have 100 miles of access roads (not main farm roads), the cost of building that is put over into your cost column which adds additional cost. Therefore, you probably would qualify for a greater amount of unconditional money. And, you have more unconditional money if you have a lot of these roads around. It comes out on the unconditional side, maybe not as much as you would like, but it does come out there.

MR. HARDY: — Just a few things on that revenue sharing which you say is unconditional. I agree. But you realize there are lots of municipalities in the province that get very little under revenue sharing. Last year it went up 10.2 per cent, and I don't know if that was an across-the-board increase. If you are getting \$10,000 or \$15,000, 10 per cent is just about nothing when you come to building a road. It wouldn't even build one-quarter mile of a road. And that was the point I was getting at. Your portion of revenue-sharing, as far as the unconditional portion goes, really amounts to nothing when it comes to building roads or anything that is of a major expense. In fact, last year we had one grader break down and it cost \$17,000 just to repair it. And, regarding revenue sharing, 10.2 per cent is not of the total cost to the R.M. or the total expenditure of the R.M.; it's just what the revenue sharing happens to be.

We're very fortunate in our area because we got \$52,000 or something last year in revenue sharing — 10 per cent is \$5,000. But there are R.M.s that are getting as low as \$3,000 — 10 per cent of \$3,000 is absolutely nothing. I just wonder when this revenue sharing was rolled in unconditionally, as you say. There is really very little additional money because 10 per cent of very little is still very little. I wonder if part of that unconditional portion shouldn't have been much greater. If we are going to have to do these farm access roads, it has to be much greater if you want to keep the system up to a standard.

HON. MR. KAEDING: — Well, again, I think you understand that equalization program is built around the needs of municipalities. A municipality that has high revenues of its own, through taxation or grants in lieu of or potash taxation or whatever, has adequate income so that it can handle that without a large equalization fund. This is one of the purposes of an equalization fund: to provide money to those municipalities which do not have a good taxation base. And, your municipality (as you indicate) is getting \$50,000. Another one might be getting \$80,000. It depends on how many miles of road they have to build, and how much their taxation base is. That's all worked out in the equalization formula.

MR. HARDY: — Okay. Just one question. What would be the average revenue-sharing grant for the rural municipalities across the province? The low and the high? Just give me the low and the high. I don't have to have the average.

HON. MR. KAEDING: — It runs between \$3,000 at the minimum and \$115,000 at the top. So, you can work that range. So, it will be somewhere in the \$50,000 range as an average.

AN HON. MEMBER: — Say that again.

HON. MR. KAEDING: — About \$50,000 on the average. \$3,000 on the low end and there's a fair number of municipalities that get \$3,000. Rocanville, for instance, is among them because of the potash revenue. And, in areas where there's heavy oil revenue, they'd be down to \$3,000, whereas, in other areas where they have no other revenues and have a small assessment base, they would be quite high, depending again on how many miles of road they have to build. If they have a very short road system, they wouldn't get very much. But if they had 200 or 300 miles of road to build or to maintain, then they might be very high. I'm told that the average is approximately \$40,000.

MR. BIRKBECK: — Mr. Chairman, I want to ask the minister a question with reference to the potash mines and the effect that they have on the revenue sharing. I wonder, Mr. Minister, could you just explain it to the committee how that potash mine in any given area — you can use mine if you like (the Rocanville mine), as an example — affects the revenue-sharing program?

HON. MR. KAEDING: — Well, you're aware that in a potash area the revenues are put into a revenue-sharing pool for potash — a tax-sharing pool, as it's called — and that's dealt with by the potash tax-sharing board. The revenues are all put in there to be shared by any municipality that is within a 20-mile radius of an existing mine. And they can overlap, as the case is in Spy Hill municipality and somewhat in Rocanville, so they get something from both. All of that revenue goes into the tax-sharing board.

The formula made by regulation is based on providing a larger amount if you're within 10 miles of the mine and a smaller amount within a radius of 20 miles, and if they cross over, you get double and so on. Towns within that area also get 10 per cent of that money. So, if you're within that area (and Rocanville for instance is very much in the area) they would get a taxation of roughly, I think, \$180,000 a year from the potash tax-sharing pool. The R.M. of Langenburg gets about \$180,000. The R.M. of Fertile Belt, which is further out and just on the fringe, maybe gets \$40,000. The R.M. of Churchbridge, which is on the fringe, gets \$40,000 or something in that area. So as you move further away from the mines, you get less. The reason for that, of course, is the argument that while you may not have the revenue in your municipality you have to supply roads for the people to get there, so you have a legitimate reason to have some of the revenue.

MR. BIRKBECK: — All right. What you're telling me then is that the potash tax-sharing pool or the board — this tax board, if you like — makes revenues available from the potash mine, in this case, to the local R.M.s and to the towns. Now, do they make a direct payment to those people? Who does it go to? Does it go to the R.M.'s secretary? Does it go in the form of a cheque from the Potash Corporation of Saskatchewan or in what form?

HON. MR. KAEDING: — Yes, it goes from the potash tax-sharing board to the municipal secretary. The revenue is divided, with 90 per cent to the rural municipalities and 10 per cent to the urban. The urban, I believe, is shared on the basis of the number of

people that they have who are resident or have their bedrooms in that particular community — the number of employees. It's based on some kind of a basic figure like that.

MR. BIRKBECK: — Do you have the formula that the potash company uses to ascertain as to how much each R.M. and each urban centre is going to receive? Do you have that formula?

HON. MR. KAEDING: — No. There's a set of regulations which we could provide to you. There's no problem providing you with the regulations . . . (inaudible interjection) . . . Yes. We could provide you with the regulations. They outline it fairly clearly. The money does not go from the mining company to the municipality. All of the money goes to the potash tax-sharing board. Then those mines, within, let's say, the Esterhazy sphere are in a separate pool. The ones over in Lanigan are in a separate pool and the ones in Saskatoon are in a separate pool. So the money that comes in from those areas is divided out to those specific R.M.s.

MR. BIRKBECK: — Okay. Now I would appreciate it if you would make those regulations available and as well make available the formula or the regulations (whichever is the case) of Department of Rural Affairs in terms of their revenue-sharing program as it relates to that particular R.M. or town and how much they should get, given the factor of the revenue tax board, okay? I need two formulas so I can see how that is arrived at. I am sure there is no problem in that. I would ask a second question in the same field. Are there any other industries which have revenue-sharing programs similar to the potash companies?

HON. MR. KAEDING: — No, there are no others at this point in time. We tried to convince the R.M.s in the Coronach area and the coal mining area that they should undertake that same kind of sharing. But they don't seem to want to do it. We said, "Okay, if you don't want to do it, we won't force it on you." We have offered to put them into that same kind of an operation. It could be done in the oil fields. There has been no request by the R.M.s and so we have not bothered to do it. With regard to the other question, this is a report of the potash tax-sharing board. You can get all of the figures out of there. If you want, we could send you a copy of that.

We are just compiling a book, as we did last year, of the revenue-sharing dollars, which went to every municipality in your constituency. We will be prepared to forward one of those to you as soon as we have it.

MR. BIRKBECK: — Yes, I would very much appreciate that. I thank the minister for his co-operation. I am not too sure whether I am for or against the particular revenue-sharing program as it is set out in those ways. Certainly, it would appear that any particular region or area of the province, which happens to be blessed with a growing industry or a resource which is producing wealth within a given area, is going to be discriminated against in terms of the provincial government's revenue-sharing programs. So I have to take a look at the formulas and ascertain in my own mind as to whether I can agree with that particular concept. Notwithstanding that, I appreciate the information.

MR. HARDY: — I would just like to go back to that revenue sharing a bit. I understand it, but there are a few things which are not really clear. You were saying that revenue sharing is biased on the wealth of the R.M. Now, I know an R.M. in my constituency, Barrier Valley, has just about no wealth at all. Its assessment is low. It has a very low

revenue sharing. Its mill rate is extremely high. I would just like to know how you would come to an assessment such as that in the revenue-sharing plan?

HON. MR. KAEDING: — Well, anyway, it doesn't matter what the number is. Again, the equalization formula has to be kept separate from the conditional money. The unconditional money is set out on the basis of need. The conditional money is set out on the basis of how many miles of road you have left to build in the system. So, if you have 50 miles of primary grid and main farm access left to build, your conditional dollars would be higher than an R.M. which has one-half that much to build. There are two bases which you work from. The conditional money is based on the amount of miles you have left to build. The unconditional money is based on the amount of money you need to run a decent program, as opposed to other R.M.s which have either more or less ability to raise their own funds. If you have an R.M. with a low assessment and a high cost, it would obviously get a very high unconditional grant. If it had a fewer number of miles or lesser costs, then its equalization would be less. So, it is all based on need as identified in the formula. I think if one understands the formula, it shouldn't be hard to figure out how you arrive at the figures.

MR. HARDY: — The R.M. of Porcupine Plain is 395. Notice the R.M. of Barrier Valley. I was concerned about it. They phoned me about it. I think their mill rate is up over 100.

HON. MR. KAEDING: — Yes, the problem is that they have low road mileage. They really haven't many roads in that municipality, but even with that, their unconditional grant is \$51,000, so they are getting a fair grant. As I understand, the road mileage is not great. It covers that fairly well.

MR. HARDY: — Well, I'm not too sure exactly where you get that when you say \$51,000 but they have hardly any roads there at all that are of any value. Their concern was their tax assessment: they had to raise their mill rate up over the 100 mills to even make ends meet and, at the same time, they're running a deficit at all times. Their concern was that they felt that they were just not getting enough from revenue sharing to make ends meet. There's a certain extent that you can go in taxation of any farmer within any area. That was just one example that I happen to know of. How many more there are across the province I really couldn't tell you, but there are probably other ones in the same boat — other than maybe where there is potash or (you say their oil doesn't count) wherever they're getting additional revenues or their assessment happened to be quite high.

I just wanted to make one comment on that revenue sharing. It went up to \$38 million this year, but of that only \$12 million is unconditional and that is the point that I've been trying to make from day one. He has \$12 million spread over almost 300 R.M.s over the province on conditional grants. They can do very little with that in building any roads other than general upkeep. I think that that's one part that we're not keeping up on. You know, yourself, that overall costs to all municipalities (and I'm sure that you're aware of it and anybody who's with rural affairs knows) went up at least 20 per cent last year across the board. I don't know how much the cost of living went up, but the cost to municipalities were up 20 per cent due to fuel, parts and gravel. Everything in there took a real jump last year. That 10 per cent, which breaks down to really only about 1 per cent to the actual municipality on an average doesn't go very far. I know this year you can't, but in another year you're going to have to take a very serious look at increasing that revenue sharing considerably, even just to catch up to the cost of living that's increasing every day.

HON. MR. KAEDING: — Mr. Chairman, I think that we know it went up 10.2 per cent across the board . . . (inaudible interjection) . . . Yes, on the revenue sharing and of course that covers all costs because all costs are included in there. When we talk about the equalization formula, we put in all of the costs, including gravel for constructing roads, administration costs — it all is thrown into the formula.

Maybe 10.2 per cent doesn't take care of inflation. I'm not sure. It's pretty close because it's interesting to note that we have, at this point, received reports from 35 municipalities as to their mill rate increases this year and the average mill rate increase in those 35 municipalities is about 6 mills. That is much less than 10 per cent, because the average mill rate across the province is somewhere around 70 mills right now. So a 6 mill increase on the ones we've received so far shows an increase of about 8 per cent. I would say the R.M.s, obviously, are not hurting too badly in that regard.

Now, I know that they can always use more money but the average seems to work out fairly well and, as I indicated, if they were hurting, they would have their mill rate up to at least the inflation rate. I think one should not assume that the R.M.s will not have to increase their mill rate as fast as the cost of operating. We are hoping that with our revenue-sharing program we can maintain our share of inflation, but the R.M.s are going to have to maintain their share of the inflation as well. That means that they are going to have to look, if we're at 10 per cent inflation rates, at a 10 per cent increase in their mill rates. Right now, we're down about 8 per cent. That's what it is showing now.

MR. HARDY: — Well, I don't know where you get your figures. The R.M.'s I talked to went up 10 mills to 15 mills. Nearly all of the R.M.s in my area have, anyway. That's much more than 10 per cent.

I think nearly all of the R.M.s are actually cutting back on services. But you can only do that for one or two years. I know we're going to do it. The R.M. of Porcupine (and I'm sure nearly all of the R.M.s in the country which are finding the mill rate increasing too quickly) is starting to do that. That can only happen for a year or so. Then, you are going to have deteriorated roads, brush not out on the side, and whatever else happens, particularly in the northern country where you have a lot of upkeep. I hope this is a point well taken because it is something we're going to have to look at. I'm sure you're going to have to look at a much larger increase than 10 per cent next year, even just to hope to keep up the maintenance of the R.M.s, never mind their actual capital expenditures.

I would just like to make one other point on that. I notice looking back through this (and I don't want to pick anyone out), that just program services in northern Saskatchewan is estimated at \$39 million. The total expenditures for all the R.M.s in the province of Saskatchewan is \$38 million. It seems to me that that is a little unequal. Maybe the \$39 million is needed in the North. I'm not to judge that. We need more than that to run all the R.M.s in the province of Saskatchewan. I just wonder what your response is to this. Don't you feel as well, that \$38 million for all the R.M.s is pretty small compared to \$39 million just for program services. It has nothing to do with what DNS is going to spend in northern Saskatchewan.

HON. MR. KAEDING: — Mr. Chairman, I don't know the budget of the Department of Northern Saskatchewan. I don't know how it is broken down. Program services is \$39 million. I assume it takes care of social services, health, roads, municipal affairs and the whole gamut. We're not just talking \$39 million in terms of road programs. We're talking about the entire spectrum of work in northern Saskatchewan, which is a pretty

significant job.

In going back to your R.M. 397, this year the conditional grant has gone up approximately \$61,000 to \$95,500 — a very substantial increase in that municipality. That is the conditional money to build roads.

MR. HARDY: — There is one other thing I would like to mention as we go along. I notice the cities (Regina and Saskatoon) do not pay a union hospital tax. That is another thing that hits all the R.M.s. I'm sure just about every one has to pay a hospital mill rate. A lot of them are 12 mills, 10 mills or whatever. Do you not feel that it is time that was picked up by the government, or that all cities, towns, and R.M.s should pick up their share of it and equalize it a little?

HON. MR. KAEDING: — Well, I'm not going to comment on the hospitals tax for the cities. That's a matter for my colleague in health. I think it is fair to say that we do agree that there should be an equalizing of the hospital revenue tax. There should be a more equal assessment across the province. Now, you'll never get it equal because you have those areas that have a union hospital and those that do not. I think the ones with non-union hospitals expect that we will be looking at a general increase across the board on those rates. It seems to me that that would make some sense, because obviously the union hospital districts are getting up 4, 5, 6 and 7 mills, some of them higher than that, depending on whether they're going in for a new hospital. So I would expect that there should be a move along that line fairly quickly.

MR. HARDY: — I just have a couple of other questions. I noticed in the last couple of years (I think last year, in fact), they broke community planning into urban and rural community planning. I would just like to know how this is working — having a rural community planning branch as well as an urban? I know you can't speak for the urban but you could speak for the rural.

HON. MR. KAEDING: — I think it's working out fairly well. We have an arrangement whereby all of the urban community planning is done by the urban department and the rural is done by the rural department. In the intermunicipal area, we have a co-ordinating arrangement whereby there is consultation between the two departments. It is working quite well. I know that there are difficulties in some places, but we find that our staff is able to work very well with urban affairs. I don't know of any real tough problems that we have not been able to resolve.

MR. HARDY: — Okay. How many new staff would have to be hired to set up this rural community planning branch? Were there not some problems in reallocating the personnel and getting them working? I can appreciate having a rural community planning branch. I think it is a good idea. But it just seems to me that all rural municipalities still have to work with the towns and cities around. Does it not feel sort of inconvenient, as if you are one branch against the other?

HON. MR. KAEDING: — Well, we try not to work on a confrontation basis. We try to work on a co-operative basis. There are times when we do have differences of opinion and we try to resolve those. When we went into community planning rural affairs, we received six staff from urban affairs. So there wasn't an increase in staff; it was simply a moving of some staff into our department. We now have, in this budget, added a couple of people. And we need them quite badly. We are doing a lot of work around lakeshore development. We are trying to get a lot of zoning by-laws in place. This takes a lot of work on the part of our community planners, beside the regular routine of subdivisions

and so on. We think it's a very acceptable program for the municipalities. I think that you are probably quite aware that many rural municipalities have a suspicion of urban people and tend not to want direction from the urban affairs department. Whether they are right or wrong is not for us to say, but they are more comfortable with people working out of our department, so we think it's providing a good service.

MR. HARDY: — I would have to agree with you. I like the idea of rural community planning. I just wondered how it was working and how the transition was. How many new planning districts have been set up in the past year within the rural municipalities?

HON. MR. KAEDING: — None in the past year.

MR. TAYLOR: — I'm interested to hear that you think it's going so well, because the information I have is that it isn't going very well at all. I think the resistance is coming from rural municipalities which feel that big brother is again starting to shove things down their throats. I think you are probably well aware that I attended a meeting in my constituency and I have a copy of the zoning by-law for the R.M. of Elcapo. This was a widely attended meeting in the town of Broadview, in which (and I was surprised to see this) they have a zoning by-law. It was very surprising to see that neither the reeve, past reeve, nor any of the councillors were in a position to explain what was in this. In fact, I quote the past reeve as saying, "This is the most simplified form of this by-law."

The problem that existed, which became very apparent at that meeting was that this was in no way, shape or form a locally developed by-law. You can tell by the way it is put together that it wasn't written by local councillors. I have one that I received from my colleague, and which they have adopted and developed in the R.M. of Hudson Bay. And it is entirely different from this type of a zoning by-law which is being proposed for the R.M. of Elcapo.

At that meeting, representatives of your department were making statements such as, "Well, this is necessary because you can perhaps stop Crown corporations from infringing upon power lines coming across property and so on." I pointed out to the ratepayers that if that was so, I wonder what happened to the fellows out here in Avonlea. I wonder what happened to the farmers down in Gravelbourg and Assiniboia who want to prevent the construction of the new thermal generator. These were some of the things that were shelved for further study and further explanation and I felt sorry for the councillors because I don't think they understood it.

I think there is a definite attempt . . . I wonder where this was drafted and why it is being, shall I say pushed at R.M.s. The feeling of that meeting, Mr. Minister, certainly wasn't that those people present wanted this zoning by-law. I think they would accept something that was locally developed. I support that. But when I see people — councillors and Reeves — being embarrassed by a by-law that they don't understand (which I suspect came right out of your office), then I wonder where we're headed in rural development. I want to cite from this by-law one thing that I think will make it very plain that it certainly wasn't developed by farmers or by rural people. This has to do with the disposal of waste, and I think you will find this rather interesting. It says:

Clause 6 — Waste Disposal

Subject to the acts and regulations administered by the Department of Health and Environment, no liquid, solid, or gaseous waste shall be allowed to be discharged into any stream, creek, river, lake, pond, slough,

intermittent drainage canals, or other body of water, onto the land or into the air.

The question that one of the ratepayers put up at that meeting was, “Where are you supposed to put it? Put it in a plastic bag and send it up here to the Department of Rural Affairs or send it to Ottawa?” That isn’t developed by local councillors. Local people know how to deal with situations far better than that. I suspect that your department has some type of master plan, as you have for many other things in Saskatchewan, for zoning in municipalities. I think the acceptance of your master plans is very evident out here in Lumsden. I think those people are standing up and saying, “We’ll do it our way.” If I remember correctly, Father Larre, a man whom I admire a great deal, a pretty moderate and a pretty intelligent person, spoke out pretty strongly about some of the regulations that were being imposed upon the zoning at the town of Lumsden.

When I attended the meeting at Elcapo I sensed very strongly the feeling that was there. I was shocked when I heard you say that it’s going well, and then in the next breath I hear you say there haven’t been any in the last year. I can sure understand why. Now, I would like a bit of an explanation from you, Mr. Minister, as to what is the reason for you people being so concerned about the zoning by-laws. Are these things that I hold in my hand here that the local people don’t understand . . . Was that preliminary draft done in your office and then sent out there to be watered down and adapted, or are these things really developed by local people at the local source?

HON. MR. KAEDING: — Mr. Chairman, I think one has to understand what’s happening. We don’t go out and push zoning by-laws. We don’t tell the R.M. that they have to have a zoning by-law. They phone or write to us and say, “We’d like to develop a zoning by-law in our municipality. We think we need it.” I think most people around here — rational people — would say that we need zoning by-laws, because how else are we going to handle the land use problem? We have to have some kind of regulation by the municipalities. So they write to us and say, “Look, we would like you to come out and help us develop a zoning by-law.”

You don’t start from scratch and say, “Do you want this and do you want that?” You come out with a proposal, and the proposal you have there is a typical by-law which is passed by most municipalities. And you work down from that or up from that or whatever the R.M. council want to do. There is nobody at that meeting, and I’m sure Lloyd Talbot when he goes out to that meeting doesn’t tell them that this is the thing you’ve got to adopt. He’ll say that you can take anything out of here you want, and you can add anything to it what you want and that you guys make up your mind.

This is based on what most municipalities are doing. You have something to start with, so you don’t have to start with 200 items, and say, “Well, we want this and that and that, we don’t want the other thing.” You go down the list of the typical by-law, and pick out what you want. There is no compulsion on our part, no requirement on our part as far as we’re concerned. If they want to go without a by-law, fine. We don’t care if they want to have the hassle of not having any kind of a regulation in their municipality, and I’ve told them that more than once. We’d like to have them have a zoning by-law because we think it makes sense. But if they don’t want one, fine. They can go without it. But we have about 75 municipalities now that are asking us to help them develop a zoning by-law. We think it’s a step in the right direction.

MR. TAYLOR: — So in other words, you do come out with the original draft or a guideline. It isn’t really locally developed but they phone in and say they want some

assistance. Is that what you're telling me?

HON. MR. KAEDING: — They ask for a meeting and we come out with that draft, which is the draft that most municipalities have accepted as being a reasonable draft, and so we have something to start with. They don't have to accept it if they don't want to. They can redraw the whole thing if they want to, or they can throw the whole thing out if they want to. We don't tell them that that's the by-law you have to pass. We simply start from there because you have to start from some place. It's no skin off us if they don't want to put in a by-law at all.

MR. TAYLOR: — Now, if they go ahead with a by-law, that by-law finally has to be subject to your approval. Is that correct?

HON. MR. KAEDING: — Yes, the by-law is approved by our department to make sure that it conforms with the other acts that are around — the environmental concerns and all of that. So we would have to approve it, so there aren't things in there which are illegal. But other than that, regarding the content, they can decide they want to have subdivisions of a section or half section or quarter of a section or 40 acres or whatever they want. That's their decision.

MR. TAYLOR: — So really you're telling me that there's no contact from your department saying that perhaps it would be very advisable that they go with the zoning by-law, that if they had a zoning by-law and had a limit to the number of buildings on a farmstead and so on maybe they could stop Hutterite colonies or something like this coming in. Those kind of things don't come out from your department at all. Maybe it would protect them from the encroachment of a Crown corporation or something like that. Those suggestions don't come out at all from your department? Is that what you're saying?

HON. MR. KAEDING: — Well, certainly, if we're asked the question, I'm sure our staff people will give the best answer they can. In many cases these are the questions they get asked because those are the things that are bothering people out in the country.

We talk about protecting our farmland from encroachment by industrial development or by residential housing. The only mechanism that the municipality has to protect itself is a by-law. Without a by-law, they have no protection at all. If a guy moves in there and builds, that's it. They do it. If they have a zoning by-law, they can say, "Well, okay, unless you conform to what we require in the by-law, which says that you must put your building on, let's say, class 4, 5, or 6 land or you must put it on a certain road or something like that, we in the R.M. have no control." Otherwise, when a guy is stuck out there two miles out in the bush and he demands snowploughing, as he has a right to do as a ratepayer, they have to supply a snowplough.

But if they had a zoning by-law they would say, "'Okay, you can't put a house back in that corner and if you do you have to agree to supply your own services.'" So they have some way to rationalize their costs. Otherwise, you'd have a mishmash all over the place. In fact, we have it some places. Some of the R.M.s will tell you the problem they're in because they don't have a zoning by-law.

MR. HARDY: — I have just one thing to clarify on that community planning. Number one is that (and I think Lloyd Talbot there with you realized this) we drafted one and we draw up the basic thing. But the whole draft itself was actually drafted by your department

and with your approval. Everything had to have our approval on it. We approved it. That didn't necessarily mean it went through. I grant you we have good co-operation from them and I'm not denigrating the co-operation. But I'm saying, in all fairness, it comes right back to your department. This community planning, although it's done partially with the co-operation of the R.M., is basically done by your department. If we disapprove it, maybe it won't go through at all and we won't accept it. But it still goes back to your department for final approval and the draft, in itself, was pretty well all done by your department, other than a little input from the local municipalities. Is that not correct?

HON. MR. KAEDING: — Yes, I think you could say that is reasonably correct and rightly so. When you are drafting a document like that, it has to have a legal base and you have to draft it in the kind of wording that will stand up in court. If you get into an argument with somebody out in your municipality and he's not abiding by your by-law, your wording has to stand up in a court of law, and you want that. So, rather than assuming that we are trying to force something on people, I'm telling you that my biggest request on the part of municipalities is: "Why don't you get more of these people out so they can help us with these by-laws? We're waiting too long to get the by-laws done." A number of municipalities have said to me that they wish we would beef up our department so we could handle these things more quickly for them.

So you say it has to have a minister's approval. That is true only to the extent that we have to make sure it meets all the requirements of the other acts that we have to deal with — the municipal act and the community planning act. That's the only concern we have. I would like to know if there are any municipalities that have had their by-laws turned down by my department because I doubt if they have.

MR. TAYLOR: — Are there any directives that go out from your department? Are you telling me that all that the municipality says is that it would like to have a zoning by-law? Have there not been any directives, correspondence, or memos from your department suggesting that it might be advisable that they look at zoning by-laws in the municipalities? Also, I'd like to know where these are in Saskatchewan. Are they mainly around the cities where there's urban sprawl and so on? Are they developing in the outlying areas too? It seems strange to me. You talk about industrialization in the R.M. of Elcapo. We'd like to see it, but I don't see it as a real problem at this point in time. We'd like to see industrialization, but I don't think the farmers out there want restrictive clauses telling them they can't do this or they must do that. They're willing to have zoning, but they want that zoning to come from the grass roots up. What is the necessity for this all-encompassing zoning? Why can you not pass a by-law in an R.M. as the situation arises? They have power to pass that. But I see this all-encompassing umbrella-type of zoning taking place.

HON. MR. KAEDING: — Well, it seems to me that if you are going to do it piecemeal, as you're suggesting then each time there is a problem, the municipality would have to make a separate by-law. Suppose I were a country resident and I wanted to put a residence out in your municipality. There are no by-laws; nothing says what I can do. But I go out there, buy my land, and all of a sudden the municipality decides that they don't want this guy here so they attempt to zone me out. I have both the land already. There are no rules and regulations. If I knew what the rules and zoning by-laws were in that municipality, I'd know I'd have to comply with them. So I would know where I would have to start. You asked where the pressure is for zoning by-laws; it's true that most of it is around the large centres and the industrialized areas.

The municipalities up in my district, for instance, are all asking for zoning by-laws because of the potash development. There is a lot of rural residential development and it's creating a real problem for them. So, they're asking us to help them prepare a by-law so they can deal with the problem.

MR. TAYLOR: — You didn't answer my question about the directives from your department. Are there directives, memos or suggestions that, perhaps, it would be advisable for R.M.s to look at zoning by-laws?

HON. MR. KAEDING: — We don't send any directives suggesting what they should do. If we have a letter from a municipality that has a problem with zoning, we may suggest to them that they need a zoning by-law. If they think that's what they need, they will probably write back and say, "Will you come out and help us put one together?" But we don't go out and tell them they've got to have one.

MR. BERTSON: — Well, I think that is not quite accurate. Isn't it true that there were officials from your department involved in a recent court case with the Whiska Creek R.M. and the local Hutterite colony. In fact, some people in your department made certain recommendations and gave certain directions to the R.M. of Whiska Creek, as it related to their zoning.

HON. MR. KAEDING: — They may have been asked a question about how they could deal with it. I'm sure that they didn't give any advice without being asked for it. If we gave them advice, they didn't have to take it . . . (inaudible interjection) . . . That's right; they didn't have to take the advice if they didn't want to.

MR. TAYLOR: — I'd like to go back, if this is the draft that you say it is — that you use as your guideline for R.M.s. I still didn't get any answer on this waste disposal. I'll go through it once more for you. It's clause 6, which reads as follows:

Subject to the acts and regulations administered by the Departments of Health and Environment no liquid, solid, or gaseous waste shall be allowed to be discharged into any stream, creek, river, lake, pond, slough, intermittent drainage channel or other body of water, onto any land or into any air.

Very simply put, where does the guy put what he cleans out of his chicken house under this by-law?

HON. MR. KAEDING: — Well I think again one has to be reasonable with one's interpretation. It says, into any stream. I think that the members opposite would be pretty upset if we let a farmer put his manure pile alongside the river. That is exactly what the zoning by-law is trying to prevent. There is no law right now (well, there is the livestock pollution act or whatever it is) which covers that area. If the municipality has a by-law, it could certainly hang them on that by-law, and why shouldn't it? Why should a farmer, for instance, put his manure pile beside the river, when there are a lot of other places to put it? So, you have a zoning by-law which says he can't do it. He should know that himself, but if he doesn't, the R.M. can go to him and say, "Look, you can't do that."

MR. TAYLOR: — I'm not arguing with this, but you're not listening to what I am telling you. I'll go over it a third time. It says, "stream, creek, river, lake, pond, slough, intermittent drainage canal or other body of water." Agreed. ". . . onto any land." Disagreed. ". . . or into the air." Now, if you can't put it in the water, you can't put it in the land and you can't put it in the air, where do you put it?

HON. MR. KAEDING: — Well, Mr. Chairman, I would imagine that 50 per cent or more of the municipalities, when they came to that, would stroke it out, saying, “We don’t want that in there.” We wouldn’t object to that; it would be no problem with us . . . (inaudible interjection) . . . Well, somebody decided it should be there. Like I say, you can take out and leave in whatever you want. So we’re not saying that it has to be there.

MR. TAYLOR: — Fine and dandy. I don’t know who drafted this, but you told me earlier that the guideline came from your department and you know they can take out and leave in whatever they want. But I’m getting back to the drafting. I mean, what intelligent, clever fellow came up with this clause? You can’t put it in the water, on the ground or in the air. I say R.M.s deserve better guidance than that.

HON. MR. KAEDING: — I’m advised it’s in here simply because it’s in the other acts which deal with health, environment and so on. And again, nobody said that they have to accept that. They can just take a pen, stroke it out and say that they don’t want that in their by-law. That’s fine; we have no problem with that at all.

MR. TAYLOR: — I don’t want to dwell on this too much longer, but, you know, you still haven’t got hold of the situation, Mr. Minister. There is no place in which you can put these wastes under this by-law, except to leave them in the chicken house. That’s what this is saying. Surely, your department must be embarrassed and ashamed, if this is going out to every R.M. They deserve much better guidance than that. That was written by some fellow . . . (inaudible interjection) . . . Not you, you’d know better than this, because you know what a chicken house and a barn are like. But this was written by somebody who probably has never been out of a condominium; he has no idea what chickens do.

HON. MR. KAEDING: — Well, Mr. Chairman, I agree with you that it’s pretty sweeping. If you would feel better, we could drop it off, but we’ll probably have some R.M. which will decide they want it in. But let’s say we’ll take it out, because there is no reason why it needs to be there. Certainly, I agree with you that it is probably superfluous in this case.

MR. TAYLOR: — Well, as long as it has your attention, Mr. Minister, I’m sure you have the good grass roots common sense to take that thing tomorrow with your pen, and just strike it right off any more guidelines. We don’t need those types. There are a few more items I would like to go into here, unless my colleagues have something on zoning. Okay. We have another one on zoning.

MR. MUIRHEAD: — Mr. Minister, just to add to this discussion of zoning, the Craik R.M. had a problem with zoning when we were talking about building an airplane strip at Craik. A lot of the citizens just about panicked when they talked about zoning by-laws coming in the area. I was sitting on council at that time, like I said before, and I agreed that we needed a zoning by-law. But we just had a hard time trying to educate some of the people that these were more restrictions. I agree that we need a zoning by-law to protect the people themselves. Is there someone that you can send out to these municipalities and explain zoning at these meetings? I have trouble right now in the R.M. containing Willmar and Davidson over zoning bylaws. They’ve gone through it and some of the farmers don’t understand it. They are going to be calling a public meeting this summer at a council meeting to try to explain this zoning by-law. Is there someone who would go out from the department so that they can hear it straight from the horse’s mouth?

HON. MR. KAEDING: — Yes, certainly we have people that will go out. We are most concerned that we don't have the kind of accusations that are being made that somehow we are trying to ram something down the public's throat. We're not trying to ram anything down anybody's throat. We want them to understand the by-laws, and I think there is an obligation on the part of the municipal council to get them to understand it too, because they are, after all, the people who sign the by-laws. Certainly, we are prepared to come out. If there is a meeting called, we will be there.

MR. MUIRHEAD: — This is just a suggestion to you, Mr. Minister. As a council member I say to you that there should be more literature going out to municipalities so all people will understand the zoning by-laws. Many councils think that when a zoning by-law comes in, that it's all set down by you people — that you set the restrictions down. They don't realize that the council can have input into this and pretty well set their own zoning by-laws, along with working with you.

I think there should be literature sent out to all municipalities, educating them so that they, in turn, can maybe put it in their local paper. All our council meeting minutes in the R.M. of Craik always go in the local papers. If the people in the community could see and understand what zoning is all about, I think it would clear up a lot of problems. I think there should be a lot of literature sent out to councils. I know many councillors that don't understand it themselves. I know that with each year that goes by, people are starting to understand it. But I just suggest to you that there be a little more input from your department to councils on a most important subject like this.

HON. MR. KAEDING: — Certainly, I agree that we need to have more information. My concern is that if we sent it out all in the name of municipal or rural affairs, that somebody will come and say, "Look, they're pushing this on us again." What I'm interested in, what I think we should do, and are probably prepared to do, is to draft an information letter which the municipality could send to its ratepayers. We would have the municipalities send the letter to the ratepayers saying, "This is the by-law which we have passed, and this is how it affects you." So, the R.M. will send it out instead of our department, because they are the people who are putting the zoning by-law in, not us. We'd be prepared to draft a form letter which the R.M.s could use, with some modifications probably. I think that would be the best way to handle it.

MR. MUIRHEAD: — I agree with that statement because this is what has to happen. The councils have to draw up their zoning by-laws and the department should be a guide to them. This is what has to go out to the people, and that's what they have to understand. So, I agree with your statement, Mr. Minister.

HON. MR. KAEDING: — Yes, I understand that the department is now working on a handbook which we could put out to cover this.

MR. SWAN: — I'd like to talk to you for a few minutes about the hospital requisition on municipal taxes. Are you familiar with the process used to levy a mill rate for hospital purposes at the local level on a municipal mill rate? What is the criteria that you use to establish what kind of mill rate is going to be levied and where?

HON. MR. KAEDING: — Well, as I understand it, the hospitals have a group of R.M.s or a group of municipal bodies, urban and rural, which are supporting them. A dollar figure is given to each municipality as to what money they have to raise. They apply that to their assessment base. So, while it's priced out (when they put the hospital in or the

care home or whatever) the lump sum dollar figure for each one is calculated for each year. They simply say: "This is how much money you have to raise and you can raise your mill rate or take it from wherever you want." Some R.M.s may raise the mill rate 3 mills, another R.M. may have enough other revenue, so it won't have to do that and it will only raise it 1 mill; some may not raise it at all. So, it depends on each municipal government, urban or rural.

MR. SWAN: — You said they have a lump sum. Who is the nebulous "they" that you're speaking of? Is it the hospital board that levies it? Is it the provincial government? The Department of Health? Where does it come from?

HON. MR. KAEDING: — No. The hospital board determines how many dollars it needs to run its hospital. Then it simply allocates that on the basis of a percentage to which it agreed when it set up the municipal hospital district.

MR. SWAN: — Then you're saying that the hospital board is short of funds from the Department of Health. In turn, it has to levy tax rate back at the municipal level in order to bring up enough money to operate their hospital. Is that what your purpose is?

HON. MR. KAEDING: — Well, in most cases it's a situation where they are either building a new hospital or improving the existing hospital and it's capital cost, although there's no doubt that a lot of R.M.s are also putting some on for operating cost. So, I guess, it depends on what your need is in your own municipality.

MR. SWAN: — I sat for many years on a hospital board, so some of the questions I was asking you I had an answer for. I believe, Mr. Minister, that this is mostly used for operating purposes and really that turns out to be an NDP form of putting . . .

AN HON. MEMBER: — That's not true and you know it.

MR. SWAN: — Oh yes, it is true . . . (inaudible interjection) . . . No, it's for operating because I pay it every year and we aren't building any hospitals out my way . . . (inaudible interjection) . . . I didn't know he was in on this . . . (inaudible interjection) . . . Well, we'd never know it. I believe that the true deterrent fee that the NDP have established for medical care in the province is the property tax base and the property tax levy that you are putting on. It comes to be a fairly real deterrent fee when you take the average farm in Saskatchewan getting up to 10 or 12 quarters and mill rates running up as high as 11 mills here on this one — about 11. You know, it gets to be a pretty healthy figure. We're probably talking about \$400 per farm or close to it. So I think that it's an area that you should be looking at as a government. If you're going to make the statement that you don't levy a deterrent fee in the province, then I believe you have to discontinue this process of charging medical costs back to the taxpaying base.

So I wonder, Mr. Minister, will your department take a look at this process and relieve the tax burden of hospitals from the municipal field?

HON. MR. KAEDING: — Mr. Chairman, I hear what the member is saying. I think, however, that you're dealing with a matter for the Department of Health and that is more properly dealt with in Department of Health estimates because we have no way of influencing that. You quote mill rates of up to 11, 12, and 14 mills. The average across the province is somewhere around 5 mills and that includes the capital costs. So, I don't think there's very much of that in operating costs.

MR. PICKERING: — Mr. Chairman, and Mr. Minister, this was brought to my attention on the same subject. The R.M. of Scott, which is a relatively highly assessed R.M., contributes some \$30,000 and an R.M. such as Lomond, which is the lowest assessed R.M., contributes \$30,000. Then we go to one that is similar to Lomond. The R.M. of Griffon only donates \$17,000 and some of them are down to 3 mills. How do you justify the difference from R.M. to R.M.?

HON. MR. KAEDING: — Well, again, it depends on what district you're in and what you've done. If my area decided to build a new hospital, I suspect that the mill rate would go up 8 or 10 mills because you need money to cover the capital costs, and as that cost gets worked down, the mill rate can decrease again. Another R.M. may not be in that district and so they wouldn't have to have the high mill rate. On the other hand, as I indicated earlier, there's a dollar figure allocated to each municipality, and some municipalities may have money in other funds that they can use to pay it, so don't have to raise the mill rate. Others have to raise the mill rate to cover it, so it's unpredictable what the mill rate will be simply because you make a change in the costs. It depends on what each R.M. wants to do.

MR. PICKERING: — Are you saying that it's on a per capita basis?

HON. MR. KAEDING: — It's not on a per capita basis. As I understand it, when a hospital is built, there's a hospital district form and each R.M. is assessed a certain percentage of the costs. I think it's done on the basis of assessment. I'm not sure. As that hospital is paid for, each R.M. is allocated a percentage of the total requirement that has to be raised by municipal taxation and so it has nothing to do with the population in the area. It has to do with the assessment. I could stand to be corrected on that. I haven't done that. The Minister of Health can tell you better than I can how that's arrived at. That's the general principle under which it's worked out.

MR. PICKERING: — Well, Mr. Minister, three of these R.M.s that I mentioned are in the same hospital district, which is Weyburn, and I just can't see how you justify some with \$17,000 and some with \$30,000. I just don't see the criteria this all falls under.

HON. MR. KAEDING: — I can't give you the breakdown because I don't know the figures in those municipalities, but obviously it's a formula which they agreed to when they set up the hospital district.

I know I have a municipality that pays 51 per cent of the hospital costs in that particular hospital, another R.M. that's paying 30 per cent, a village that's paying 9 per cent and another one that's paying another figure. That was all in the agreement when the hospital district was set up. It was set up on some kind of a rational basis. Now, I don't know how each one does it, but it's all determined before they agree to go into a hospital district.

MR. PICKERING: — Just another question on that subject, Mr. Minister. The R.M. of Scott, which includes the town of Yellow Grass, contributes \$30,000 and the town contributes a little over \$4,000. How do they assess the towns in these areas? Is that on a per capita basis?

HON. MR. KAEDING: — Again, I'm not going to attempt to answer that one because I don't know the formula that they used to develop that particular hospital. Whatever they did, they must have agreed that was the right formula because when they decide to form a hospital district, that's one of the mechanisms that's used to get an agreement.

You set out for each municipality what percentage of the bill it has to pay and obviously that was the agreed upon percentage. So why should we be concerned about that as long as they are agreeable within their own district?

MR. PICKERING: — Well, I would wonder why these R.M.s and small towns are complaining. How much do the cities of Saskatoon and Regina contribute to the hospital boards?

HON. MR. KAEDING: — Mr. Chairman, that's out of my jurisdiction and it's not in these estimates. I suggest that you ask the Minister of Health.

MR. BIRKBECK: — I'd like to ask the minister a question. In direct relation to the per capita hospitalization tax that is collected in the R.M.s, would you undertake to provide for this committee an average cost to the R.M. taxpayer as it relates to the hospital portion that that individual has to pay? Would you undertake to do that? This is out of your department now, but would you undertake to ask the minister responsible for urban affairs, when you are collecting that particular information, to find out what the average cost per capita is for urban dwellers, not including the cities of Regina and Saskatoon, and then to calculate what Regina and Saskatoon are? You might pass that information over to the Minister of Urban Affairs.

The point that is being made here (and it's a very valid point, and I wonder if you would agree with the point that we're attempting to make) is that rural Saskatchewan is being taxed at a higher rate for hospitals (be it construction or maintenance or whatever) than are urban dwellers, in particular in the cities of Regina and Saskatoon. And it might be noted at the same time, having said that, that 56 per cent of the population of Saskatchewan is urban. All right? So I have those figures. If you provide for me the per capita contribution by rural Saskatchewan, small town Saskatchewan, and the cities of Saskatoon and Regina, I will be able to prove very conclusively that rural Saskatchewan residents are being taxed at a higher rate than any urban dwellers — in particular in Saskatoon and Regina.

The worst part of it all is that they are not being provided with the kinds of facilities and expansion of hospitals that are necessary out there in rural Saskatchewan. The Minister of Health and I had a good discussion on that during the health estimates. The Minister of Health was very congenial in his reply when he agreed that there were areas where hospital expansion was necessary, and that we had to take a look at that. Given that factor as well, that there was an agreement between the Minister of Health and me, Mr. Minister, I think that it would be a fair assumption for you to proceed on that basis and ascertain whether or not there is some legitimacy in lightening the heavy tax burden.

The member for Rosetown-Elrose has called it a form of deterrent fee, or a penalty for living in rural Saskatchewan — another deterrent to maintaining that rural base out there and the family farm concept. Those are the kinds of things that we're looking at enhancing. This is just another area where we feel that there is some discrimination. There is some undercutting, if you like, that is undermining that rural fabric and that whole family farm concept. I would very much appreciate it, Mr. Minister, if you would undertake to provide that kind of information for me.

HON. MR. KAEDING: — Mr. Chairman, I think again — and I don't want to get into the Minister of Health's area — that you have to recognize that the hospital services that are

in the city of Regina and Saskatoon are not only used by the people in Regina and Saskatoon. I would suggest that 50 per cent of patients in those hospitals, at least, are rural patients or from rural areas. So I think it's rather unfair to suggest that they are not paying their share. I don't know and I haven't the information which says how much the people in Regina and Saskatoon pay on another basis. They probably pay something toward the maintenance of those hospitals. I'll provide you with the information that you ask for — as much as I can get.

MR. SWAN: — Mr. Minister, about five or six weeks back, I brought in a group from the R.M. of Canaan to discuss with you the levy and the assessment changes as they related to the irrigation development on the west side of Diefenbaker Lake. And later it started to relate to a number of other communities. They are concerned about the high assessment. What has our department done since that time to rectify the problem faced by these irrigation people?

HON. MR. KAEDING: — Mr. Chairman, I am not convinced at this point in time that there is an injustice being done. Looking at the whole assessment process, one has to recognize that the assessment is done on the ability of any item to pay. When you put irrigation on a farm, you change the viability of that land which might be a very poor piece of grazing land to a very productive piece of grain land. I think it is not unreasonable to expect that the assessment should increase. In the same way, if I go out on my farm and I haul all the stones off and pick out all the roots, that's work I do and it's a cost to myself. But because I do it, the assessment goes up. That's just the way it happens, because that land becomes more productive and therefore the assessment is justified.

MR. SWAN: — Mr. Minister, at the time that we met with the group from Canaan they raised a number of points. I believe they thoroughly discounted the point that you're just trying to make again here today. I believe also that the gentleman who heads up the assessment commission was agreeing with them that they were bringing forth points that needed consideration. He told you that and you verified that you would look at some of these recommendations. What have you done to improve the situation since that time? Time is going by and these people would like an answer. A number of them are considering that if they are going to be faced with that kind of tax levy, they may sell their irrigation equipment and forget it. They say it just isn't worth it. So I would like to know where we are, because we're looking at the development of irrigation in the province to improve the agricultural output. But if the input costs get to the point where it's not profitable, then we're going to see that development discontinued or at least not expand beyond what it is now. And that's why I am asking that question. What are you doing to make it more viable for them to continue to irrigate?

HON. MR. KAEDING: — Now, I think one has to look at irrigation assessment elsewhere as opposed to Saskatchewan. And we have examined the situation in Alberta where they have a lot more experience than we have here in Saskatchewan. They have gone to the same system we have here in Saskatchewan. They had a more restrictive and expensive assessment formula than we have and they think it's the more reasonable one. You said that some of these fellows suggest that they wouldn't continue to irrigate if they were going to be assessed. I suppose on the same basis, some of my neighbors at home could say, "Well, we're going to let the bush grow on our farm again because we broke it up and then they reassessed it and gave us a higher assessment. So we'll let the bush grow again and then our assessment will go down." But I don't think that's very productive. I don't think that the assessment these people have on irrigation land is going to stop them from irrigating. It certainly is going to pay them off handsomely.

I want to indicate that land which is not productive under non-irrigation circumstances, such as the light sandy loam in my area, is the kind of land which under irrigation produces the best. The heavy clay we have here in Regina, for instance, would not be assessed as high in the irrigation district as some of that sandy loam, simply because it doesn't lend itself for irrigation as well as that particular kind of soil. So you're moving a soil classification from a very nonproductive kind of situation to a very productive kind of situation. The assessments relate to that.

MR. SWAN: — Mr. Minister, if you're assessing all of the irrigation land that is close enough to the lake to be irrigated, you're only assessing the ones that have actually spent the dollars to put the equipment on the land. So, basically what you're doing is placing an assessment on the value of the equipment that they have purchased. The neighbor right beside him, who is eligible also to irrigate, but just hasn't gone out and bought the piece of machinery, isn't being assessed. It's only the guy s who have had enough initiative to spend a few hundred thousand dollars to irrigate their land that you are assessing. So, basically you are charging them for the price of the equipment that they have purchased.

I can tell you, Mr. Minister, that if you are not going to look very quickly and seriously at this project, you're going to face the matter in court, because that is the next process. They're not waiting. They're going right ahead in preparation to sue the department to have the thing corrected. So, I believe it's kind of a slap in the face to you as a minister that you haven't had the courage to take the thing back and evaluate it without having to be sued by a few in order to get you to make a fair assessment of the circumstances.

HON. MR. KAEDING: — Mr. Chairman, I don't know if somebody is going to sue me or not. I want to go back to the same analogy that I was using before. The same holds true in the wooded areas of northern Saskatchewan. There is a guy who has gone out and bulldozed his trees all off. Now his section is assessed at \$3,000. His neighbor has decided he doesn't want to do that. He left his bush on there, and he's assessed \$500. It's the same thing. I don't see the difference.

I'm not saying that there isn't some need for us to study the irrigation assessment more carefully. Yes, we're prepared to look at it more carefully. We're doing some assessments in other jurisdictions to see what they do. I'm sure that we can't all be wrong. So, we're going to be looking at some more assessments. For this year, the assessments are made and they are not going to change. But for another year, it may be possible that we can get some changes. At this point in time, there will be no changes.

MR. TAYLOR: — On this matter of assessment of irrigated land, I think my colleague has brought out some very good points. Your comparison is just not right, I think. At least it doesn't wash with me. To solve this thing, I hear the Minister of Agriculture talk about programs for irrigation in this province, and then I see your department — as soon as someone brings irrigation in, he's assessed immediately. Now, these people, as my colleague points out, put out a considerable expenditure of money. They don't change the land as he pointed out. Your analogy to pushing the bush is not exactly correct. Why do you not look at a phasing in? These are productive individuals who I want to encourage on this side of the House. I would hope that you do. I would hope that you do not want to penalize them. Why do you not say, "All right, if you turn to irrigation . . ."

I think that any farmer who has an irrigated plot and gets it going and has paid for his capital investment would be willing to have a reassessment over time. But, to be hit the

next year — bang! — with a reassessment is pretty tough. And maybe it will just discourage people from going into irrigation. If we discourage this, then we will discourage maximum food production in our province. That's a regressive type of thinking. That isn't what we stand for in agriculture. I don't think that is what anyone wants to see. I think we want to see maximum production, and irrigation is the one way. In this country we have some of the best soil in the world. I believe in 1904 Indian Head tested as the best soil in the world.

We have the most sunshine. I think Regina and Swift Current have the most sunshine of anywhere in the world. But we need a bit of water and we don't have the capability to turn the tap on upstairs, so, therefore, we have surface waters that can be used for irrigation. My colleague from Rosetown is probably the most knowledgeable (living beside the Saskatchewan River) and sees the potential. But I'm speaking for people in my own area where there are small lakes about eight miles long and one-half mile wide. Guys who are going into irrigation have expressed this to me: can they not have a phase-in of, say, four or five years, and then have their assessment go up at that point in time rather than immediately when they come into irrigation.

HON. MR. KAEDING: — Mr. Chairman, I have here our assessment manual and this is what it says:

Lands being brought under irrigation for the first time should be assessed as dry land for a period from two to four years depending upon the condition prevailing in the individual areas.

So there is a phase-in period right now from two to four years.

AN HON. MEMBER: — Not long enough.

HON. MR. KAEDING: — Well, again, I simply indicate that if I go out and break up a quarter section of land, the assessor will be out there next year reassessing that land.

MR. BERNTSON: — If you say you have that happy little policy handed forward that provides for a phase-in of the assessment, why is it that in the Outlook area that phase-in policy wasn't in fact used and in fact you just went out there and — whap! — give them the whole shot all at one crack?

Secondly, having said that, I don't agree with your phase-in program or any other program. If the land has an assessed value that should be it, and if the guy chooses to spend \$100,000 to put a Cadillac irrigation system on it, he still has to pay water rights, he still has to pay the higher cost of inputs, he's still held under the same restrictive quotas even though he's producing more. There's just no justice. Slapping him with this other increased assessment . . . (inaudible interjection) . . . Don't they have? Okay. I take back the water rights. But the input cost for fertilizer and herbicides, the continuous cropping inputs, as you know, are skyrocketing. I understand that power from Sask Power for the irrigation pumps is at the commercial rate. I don't suppose there's any consideration to giving it an agricultural rate. I don't know.

But that's getting back to my earlier question. Why did you crank these guys all in one shot, when you do in fact have your phase-in policy?

HON. MR. KAEDING: — Mr. Chairman, again, I don't know the individual cases and I

simply assume that the assessment branch, when it's doing the assessments, is using the manual and it's basing it on that. What happened in that particular municipality was that there was a reassessment done — and I imagine there were some of those people who went by five or six years without being assessed. They probably irrigated a fair amount of time before they were assessed at all. But unless the assessments were not correctly made (and there's an appeal procedure for that) I expect that they followed the manual.

MR. TAYLOR: — If there has to be a phase-in period, why two to four years? Why not make it a five-year period? Give these fellows a bit of time to make a buck to pay for their equipment and then reassess them. Give them five years, not two or four. In some cases it's applied and in others it's not applied. Let's come clean and give them five years; that's a reasonable time to get phased in.

HON. MR. KAEDING: — Well, again, I simply indicate that we have a phase-in period. Maybe we can look at extending it. We'll certainly see whether that makes sense. We'll be checking again with other jurisdictions to see how they handle the situation. Again, I think that this is one area in which we found, when we had discussions with Alberta, we were more generous than they were.

MR. SWAN: — Mr. Minister, I don't believe that you have taken into account the two- to four-year period in that area. Now some of the land has been irrigated for four years and more. So that could be reassessed under your policy. But a lot of that land was brought under irrigation just last year, and yet the assessment has gone up on it. So, I think that your policies are in the book but they're not being followed through by your assessors.

HON. MR. KAEDING: — Mr. Chairman, again I indicated to you that there's an appeal procedure, and they can go through the appeal procedure, and if they can verify or substantiate that, my guess is that the appeal commission will listen to it.

MR. MUIRHEAD: — On this business of assessing the land, I agree with the member for Souris-Cannington strongly. If I have land close to the valley that has a lot of rock and sloughs, and I have buried these rock piles and the trees, then I can agree to a certain assessment increase in my land. But they've made no change to this irrigation land we're talking about other than to sprinkle the water on it.

What that means, Mr. Minister, is if I get more rain on my land at home and it produces more, you should be assessing it higher. That's common sense, Mr. Minister. You should take a look at this very strongly. I can see if they level and change the land, that's going to be of value to that land. But in the case of the people who are just putting the sprinklers to it with no other change, there is no reason for one touch of that assessment (unless they've gone out like I have on my land, or you've done on yours — buried the rock piles and improved that land.) But just to sprinkle water on it . . . Your department is entirely wrong. That's why you have upset farmers in the Outlook area right now.

HON. MR. KAEDING: — Mr. Chairman, then I suppose the farmers are upset in every area where there is irrigation. I suggest you walk across the border and see how they do it there. I know they do the same thing there, and I'm sure they do the same thing in other irrigation districts.

Again, I want to point out to you, that while you say you don't change that soil, you really do, because you are removing one of the elements which decreases that assessed value on ordinary non-irrigated land. A piece of ground which is mellow and sandy

doesn't hold water very well under normal conditions. But if you put irrigation on there, that's the best possible land you could put irrigation on, because there is a certain amount of drainage there. That becomes, then, some of the most desirable land in that area, if it's under irrigation. That's very highly productive land. Whereas, if you take some of the Regina clay which is very highly productive and put that under irrigation, you will find it won't do much for it at all. All of that is related in the assessment process. That's all calculated in the assessment process. We take into consideration the kind of soil that is there.

You'll find out that not every one of those farmers has the same level of assessment. Some of them will have a very minor increase in assessment as a result of irrigation. Some of them will have a very substantial increase, and that's simply because of the different kinds of soil they have and how much more productive it becomes under irrigation. It's all related to the production factor.

MR. MUIRHEAD: — Mr. Minister, you are entirely wrong here, because these people (like I said a few minutes ago) just use the sprinklers, that's all. They don't change that land. But you change the assessment. The next owner can come along and decided he's not going to irrigate and he has that right. Are you going to lower that assessment?

HON. MR. KAEDING: — Yes, the assessment is only there while it's under irrigation.

MR. MUIRHEAD: — That has to be the most ridiculous statement I've ever heard in my life. You're just admitting, Mr. Minister, the statement I made a minute ago. If we start changing in some area . . . in my area where I live, after they built Lake Diefenbaker, we started getting more rainfall in that area. Why didn't you increase the assessment because we were getting bigger and better crops? It's the same thing, whether the water comes for the sky or whether it comes from the sprinklers. As long as you're not changing that soil there is no improvement to that land, whether you put on inches of water from irrigation or from the clouds. You are completely wrong and that's why the farmers are mad.

HON. MR. KAEDING: — I'm not completely wrong because the climatic factor is taken into consideration on all assessments. In areas where there is a low rainfall, even with the same quality of land, the assessment will be lower than it will be up in an area where there is consistent rainfall. You could check that with any assessment manual, and you will find that is right. If there is greater average rainfall in an area, and you have the same quality of land in two places, where the rainfall is greater, you will have a higher assessment. I challenge you to check that.

MR. BERNTSON: — I don't know if I'm going to check it or not, but what you have said is that the quarter section of land is assessed at \$2,000. If I spend \$100,000 putting a Cadillac irrigation system on it, you will crank up the assessment to \$4,000 or \$5,000 because of its productive capability. I then decide it's not worth it because of the input costs, so I sell my \$100,000 Cadillac irrigator for scrap iron. You'll take the assessment back to the original level, assuming everything else is equal. Well, if that's what you just said, and I believe it is, you're not assessing the productive value of the land, you're assessing the irrigation system — the sprinkler or the rig that I spent \$100,000 on to put the water on in the first place. And that's the only thing that has changed; the Cadillac is gone.

HON. MR. KAEDING: — I can make that same argument in a non-irrigation area. I'll go again to the North or to any area where there is wooded acreage. If I scrub it off, you

raise my assessment. So I get mad at that. I'm not going to stand for that so I'm going to let it grow up into bush again. Then that assessment goes back to the old rating. If that goes back into poplar and scrub, it will go back to the \$500 assessment it had before. I think the assessor will agree with me. Sure, it would be a stupid thing to do and it's stupid to take the irrigation off once you are making the extra money.

MR. BERNTSON: — You're wrong. You don't seem to understand that with the irrigation there are a whole lot of input costs that are not there without irrigation. Now go back to your bush land if you want to. Go plough in a quarter section of wheat and compare that to the income from a quarter section of scrub bush. The argument just isn't valid; it's not there . . . (inaudible interjection) . . . It is not. You're so far out to lunch, but what's the use. You're not sitting tall enough for this; it keeps going over your head.

HON. MR. KAEDING: — If you are irrigating a piece of ground, you are looking, every year, at consistent yields of something like 40 to 60 bushels an acre of wheat. So you can't tell me that there isn't a productive increase — and that's every year. There is no summerfallow crop there, or it is put into grass or whatever you want to put it into. And you get a crop off that every year, whereas the guy out there in a non-irrigated situation is looking at a three-year rotation or a two-year rotation, where he only gets the crop every second year and is lucky if he gets 40 bushels an acre. He isn't nearly as secure on that as he is in the irrigation area. So don't tell me that there isn't a greater production potential. Sure, your inputs are higher, but they should be, because your income is a lot higher.

MR. BERNTSON: — At a four bushel quota on irrigation.

HON. MR. KAEDING: — Well, I'm not arguing about quota; that has nothing to do with assessments.

MR. BIRKBECK: — What we're saying here is that you are taxing, through an increased assessment, the irrigation equipment through the land base . . . (inaudible interjection) . . . Well, yes it is. Basically you are. Now I would like you to prove to us that you're not. How do you prove to me that you are not taxing an individual because he has equipment in place that will increase the productivity of that land, as opposed to taxing the land? I mean, you are not making yourself clear. Could you just answer that one question?

HON. MR. KAEDING: — Again the productive capacity is there if the water is applied, so you assess it on the basis of its productive capacity under irrigation. If the irrigation is not there, then it reverts to non-irrigated land, and it goes back to its old base. But while it's under irrigation it has that initial crust, and you can't argue with me that it doesn't have it.

MR. BIRKBECK: — Now, given that premises, those are your conditions for increasing the assessment.

Are you now proposing to increase the assessment on a farmer who applies the proper amounts of fertilizer to gain the maximum potential from any given piece of land in Saskatchewan as opposed to that farmer who says, "No, I'm not in to the fertilizing business, I don't believe in it," and he doesn't fertilize at all? So, you have two neighbors — one on one side of the fence, and one on the other. One's fertilizing and the other one isn't. The one who is fertilizing gets consistently, over a five-year average, a higher yield. Are you then going to assess his land more than you are going to assess the farmer who doesn't fertilize at all, given your premise on the irrigation?

HON. MR. KAEDING: — But you've cancelled out your own argument, because the farmer on non-irrigated land puts in the same inputs as the guy over here. You don't raise his assessment because he is putting in the inputs. You raise the assessments because his productivity is greater under normal circumstances.

MR. BIRKBECK: — As a matter of fact, Mr. Minister, I used your very arguments to defeat the very point you are trying to make. You were saying that because we placed irrigation equipment in place, it changed in some way, because of higher moisture content, the productivity of that particular parcel of land. That's what you said. That was your reason for assessing them. So, I use that very thinking and mentally, that philosophy and policy or whatever you want to call it. Apply it to a farmer who fertilizes and one who doesn't. Tell me the difference.

HON. MR. KAEDING: — Even without the fertilizer his productive capacity is going to be higher, simply because he applied water . . . (inaudible interjection) . . . Well, I think it is pointless to argue because we're going to look at the assessment. We're looking at that situation. The farmers from there brought this to our attention and we're looking at it. I suggest to you, that we are certainly as fair as any other area that has irrigation. So we'll be looking at it and we'll be comparing our rates to Alberta and Manitoba, and we'll see whether we are right or wrong. I suggest (and I'm reasonably certain) that we'll come out on the good side on that one.

MR. TAYLOR: — Well, perhaps you could take a little lesson from your Premier, who prided himself (the other day) in being an 'island builder.' He's an island builder in medicare, and he's an island builder here. So, maybe you can be the island builder in irrigation and not have to worry about what everyone else is doing. Develop a just system with a phase-in period or no phase-in so that you are not penalizing the people for the ingenuity. That's the message we're trying to get across to you.

There are a couple more items I want to raise with you. As you well know, in the area that I represent many of the ditches are full of blow-dirt at this point in time. This has created a very serious problem for R.M.s as to what is to be done with this blow-dirt. If it stays there and is used for road construction, it's probably the worst material you can use. Some of it from the '30s was used in our prairie roads and I think that's part of our problem. So, I think this should be taken out of there because it's definitely going to cause drainage problems if we are fortunate to have a big run-off next year and also snow drifting problems if it remains where it is.

Now, at this point in time, I realize it would be futile to take it back onto the fields because it would probably blow back in again. But let's hope things get better. Are you going to provide some extra money to R.M.s so that some of these ditches can be cleaned, so that they don't end up with serious flooding and drifting problems?

HON. MR. KAEDING: — Mr. Chairman, you point out a problem which I have noticed when I'm out there. It certainly is a problem and we are going to have to look at that. My guess is that we may develop some kind of a procedure to move it back, but I suggest that a lot of farmers are going to do that on their own. In fact I've seen it already done. They've gone out with a scraper and hauled it back onto the field. I expect that there will be quite a bit of that done. But, we'll be looking at that whole problem because it certainly is there.

MR. TAYLOR: — Well, fine. Not every farmer has that type of equipment, as you well

realize. You say you'll look at it and I think it's something that has to be addressed.

At the same time, another problem out in the rural municipalities (and I think the municipalities perhaps need a little extra assistance with it) is that prior to The Drainage Act that we passed in the last session, I believe, there was a lot of indiscriminate draining going on, as you well realize. I'm being told by farmers that existing culverts that were in some of the main drainage waterways are no longer adequate. This year it was fine because we didn't get any run-off, but in the years when there is a run-off, what was an adequate culvert previously is causing backups and so on. I was just wondering if this has been brought to your attention. Perhaps some extra grant could be given to the R.M.s so that these culverts could be dug up and replaced with adequate-sized ones that would handle this. I know of three or four areas close to my place where this is causing backups because of the insufficiency of the culverts.

HON. MR. KAEDING: — Yes, I'm advised that this will be handled under implementation of The Drainage Act and that there will be some consideration given to that.

MR. BIRKBECK: — Mr. Chairman, I just have a very quick question with regard to R.M. 151 — my own riding. I raised the question with the Attorney General a couple of weeks ago and I haven't, as yet, had a reply. The reason I asked the Attorney General is the fact that he's the minister responsible for the Potash Corporation of Saskatchewan. It relates to backhaul trucks, primarily from the United States, moving potash out of the mine at Rocanville over R.M. roads to avoid the weigh scales.

I raised this question, as well, last year in Crown corporations committee and, unfortunately, didn't get any answers there. The problem still exists. The R.M. has met with officials of rural affairs and to this point has not received any satisfaction whatsoever regarding that particular problem. Have you anything at all to report on that particular situation?

HON. MR. KAEDING: — Yes, Mr. Chairman, under the new R.M. act amendments, which went through this year, the municipalities are able to apply maintenance agreements. They can say to a trucker, "Look, if you're going to truck through here, you're going to have to have a maintenance agreement with us." If he doesn't comply with that, he's subject to a penalty. So the R.M.s have that leverage now. But, it's up to them. They will have to approach the drivers who are trucking across. I know this is difficult if there are only individual trucks going across, but if there is a company hauling potash out of there on a regular basis, or even if they know he's coming two, three or four times a year, they can approach him and say, "Look, you can't cross here without an agreement." The agreement can specify what they will charge him for moving across that particular piece of road. They will assess on the basis of the additional damage that they do, over and above normal traffic. So they have the option to do that now.

MR. BIRKBECK: — Now, would this agreement be reached under these amendments to the R.M. act?

HON. MR. KAEDING: — Yes.

MR. BIRKBECK: — All right, that has been arrived at and agreed upon. Is there any way that that particular stretch of road could be designated a maintenance road, to receive assistance from the provincial government? I can't recall the exact terminology, but there is a different specification that the road could be designated that would make provisions for financing from the provincial government. Are you aware of that?

HON. MR. KAEDING: — I'm not sure that we're anxious to have them haul on that road at all. So we're not anxious to have them go to a lot of expense to build that road. But I am given to understand that there is a meeting taking place now between the potash corporation and the people who are trucking to get this agreement in place so that the R.M.s can get some revenue from those trucks for the damage they might do, in order to maintain that road without having to dig into their own resources. Those agreements are now being worked on. They have already approached our department to get the figures of what those additional costs might be.

Item 1 agreed.

Items 2 to 12 inclusive agreed.

Item 13

MR. MUIRHEAD: — On this item, I see there are no grants last year and \$100,000 this year. Would you table at a later date (as soon as you can) exactly where this \$100,000 is being spent, what constituency and what not? Can you do that for us?

HON. MR. KAEDING: — Yes, I think we can give you that information. We are spending money last year, but it was coming out of the revenue-sharing funds. Now it is a separate subvote. It's outside of the revenue sharing, because we thought it didn't rightfully belong in that subvote.

Item 13 agreed.

Vote 43 agreed.

CONSOLIDATED FUND BUDGETARY CASH OUTFLOWS (SUPPLEMENTARY)

RURAL AFFAIRS

Ordinary Expenditure — Vote 43

Items 1 and 2 agreed.

Vote 43 agreed.

The committee reported progress.

The Assembly adjourned at 10:38 p.m.