

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**April 19, 1983**

**EVENING SESSION**

**MOTIONS**

**Resolution No. 20 - Dismantling of the Department of Northern Saskatchewan**

**Mr. Thompson:** — Thank you, Mr. Speaker. I rise tonight to speak on the motion, condemning the government for the actions they have taken in dismantling the Department of Northern Saskatchewan, Mr. Speaker, in dismantling the Department of Northern Saskatchewan and not replacing it with anything but a bunch of welfare and unemployment. I want to go into some of the statistics that I have, and I have with me tonight a report given to the Minister of Northern Saskatchewan from his executive assistant, and I will go into that a little later, indicating just how serious the problem is in northern Saskatchewan because of the actions taken by the Conservative government to dismantle the Department of Northern Saskatchewan.

I want to, Mr. Speaker, before I get into that, go into some of the history of the Department of Northern Saskatchewan, and what the situation was like, and why the NDP government decided in 1972 to create a single agency in northern Saskatchewan. In 1971, in the 'New Deal for People,' we seen what the situation was like in northern Saskatchewan - high unemployment, poor housing conditions, there was no services of any type in northern Saskatchewan, and we decided that the only way that one could tackle that would be to create a single agency, and zero in on the problems.

And we knew that there would be problems, and I see the minister of culture and youth there, insinuating that there was problems with DNS, and yes, there was problems with DNS, and we knew that there would be problems. If we were to back down because we were going to run into problems, nothing would have happened in northern Saskatchewan. And, I want to say that, regardless of the problems that the Department of Northern Saskatchewan faced, great progress took place in northern Saskatchewan.

As the Department of Northern Saskatchewan progressed, houses were built, and roads, and highways, and bridges, and new schools were put up, facilities such as telephones and televisions, services that citizens of northern Saskatchewan never had before. And we had put these in, and we had decided as a government, at that time, that we would also do away with the Department of Northern Saskatchewan, because it was never created as a permanent department - it was a department that was created to go in and do a job, establish all the infrastructure that was not there before, create a good economic base, and then get out. And we had started that process already. And there was certain agencies within the Department of Northern Saskatchewan that could come out a lot sooner than other agencies within the department. That process had started. But then on April 26th, with the change of government, the first indication from the new government was that they were not going to dismantle DNS for, you know, a year or so. But then all of a sudden, in their wisdom, they decided to just dismantle it totally, with the exception of the economic development and the municipal branch. And that was it. They were just going to cut it right out.

As a result of the action that they took, we have in northern Saskatchewan what I consider a very serious situation - almost to the point of being complete chaos. And that has been documented by the Minister of Northern Saskatchewan's staff on two

different reports. And I have the latest report that the Minister of Northern Saskatchewan has received from his executive assistant in northern Saskatchewan. And it is very serious up in northern Saskatchewan, and we are running at an average of 85 per cent unemployment right across northern Saskatchewan, because when the Department of Northern Saskatchewan was disbanded when the government took over, they completely left out northern Saskatchewan. The highway program was cancelled, and \$6 million was transferred to southern highway program. And that took away jobs from northern Saskatchewan. It took away operating jobs; it took away many jobs that were carried out by Northerners, Mr. Speaker.

The road program (and I'm not talking about the numbered highways, I'm talking about the roads) came to a complete stop for a year. And most of that was the Department of Northern Saskatchewan's construction branch, and they used just about total northern content in the operation of that construction crews. And the road between Dillon and Michel village-St. George's Hill came to a complete stop, as did the one between Beauval and Pinehouse - a very important link-up with La Ronge and the western part of Saskatchewan. That came to a complete stop. All the moneys were transferred back to the southern departments.

And as I said, Mr. Speaker, in the North, when the department was liquidated and nothing put in its place, it created a tremendous gap up in northern Saskatchewan and as a result . . . I take a look at the report that the Department of Northern Saskatchewan, the Minister of Northern Saskatchewan has just received from his executive assistant. He indicates that the situation in northern Saskatchewan is very, very serious, and he indicates that the 85 per cent unemployment in north-west Saskatchewan . . . He goes on to indicate that in September to December 1981, 1,651 individuals were applying for jobs, and September to December of '81, 423 had received jobs. And he gets down to April-June 1982 - approximately 2,000 individuals were applying for jobs and there was 507 jobs available. That was in June of 1982, and that has got progressively worse.

When you just think that you have 2,000 individuals applying for jobs and that covers, Mr. Speaker, only the west side of northern Saskatchewan - that has nothing to do with La Ronge and the eastern portion of the province - I think that is a good indication, Mr. Speaker, that the department was dismantled and there was no plan to create an economic base before they pulled their thumbs out and dismantled the Department of Northern Saskatchewan.

In dismantling the Department of Northern Saskatchewan and transferring such items as roads, which I have talked about . . . I've talked about highways, and I've talked about schools, and I will go back to schools a little later. We can go into the housing, the housing portion of DNS which was taken out and the members in the opposition feel that the overruns in the housing program is a very serious situation. But I want to say, Mr. Speaker, that I indicated when I started to speak, yes, there is problems, and yes, there was overruns in the housing industry in northern Saskatchewan. But that doesn't mean to say that if you make a mistake that you should just pull out and forget about it, and not try to resolve the problem that you have.

I feel that if you have a problem, you have to address the problem, and that if you don't address that problem, the problem is not going to go away. You're going to continue to have the problem. And I don't think it . . . You know, when you consider what northern Saskatchewan was like prior to 1971 when you had two and three families living under one roof, and up to 29 individuals under one small roof and less than 1,000 square

feet, I don't think that that overrun and over-expenditures was that great, considering the fact that we are dealing in many, many isolated situations in northern Saskatchewan where even the materials that went into some of these communities to build houses had to be flown in by aircraft. I just want to say that the material that was taken into such places as Stony Rapids had to go by barge over 300 miles on Lake Athabasca to get down to Stony Rapids. And there's just no way that one could get around the high expenditures of housing and one has to address all these problems.

They are unique problems to this province. They're unique, and we as a government realized that they were unique problems, and that's why we created the Department of Northern Saskatchewan. And we knew that it was going to cost a lot of money to build a school in Stony Rapids, and to build a health clinic in Stony Rapids, and to build houses in Stony Rapids. And we knew that, and then we took it on, and we knew that we would be criticized, and we were criticized.

But we addressed the problem, and when we left we were addressing the problem of overruns. But in the Conservative government's wisdom they decided that they would dissolve the northern housing branch, make an issue out of the overruns, and that's where we stand today. But as a result of that decision, Mr. Speaker, we have many hundred people in northern Saskatchewan that are out of jobs. Jobs that they had - year-round jobs building homes in such isolated places as Stony Rapids and Camsell Portage that are on the north shore of Lake Athabasca and on the east end of Lake Athabasca, and on the east end and the north end of Reindeer Lake. And it's not that easy to go out there and build a home.

It seems that this government will put their priorities into building a large arena and backing up Batoni-Hunter Enterprises to build an arena in Saskatoon. And I say that I think that the citizens of this province who are living in deteriorating homes and don't have services have a right to that type of provincial government money - far more than Batoni-Hunter Ltd. I get quite irritated when I see that this government has been dealing with Batoni-Hunter to build a huge arena in Saskatoon, and yet they can dismantle the Department of Northern Saskatchewan, take all the funding out of there, and make public statements - and there will be another public statement tomorrow morning - regarding that arena. And I just tell you that the people of Saskatchewan are going to be the big losers, not just in northern Saskatchewan, but all over northern Saskatchewan, that this government is going to put up money to build an arena and back up the funding for Batoni Enterprises to purchase the St. Louis Blues. I can assure you that there will be a very, very bad deal for this province.

I indicated what it cost to build a house in Stony Rapids. I just wonder if this government has ever thought what it cost to run a hockey team . . . (inaudible) . . . You're going to know if you're going to put up the money for it . . . (inaudible interjection) . . . Pardon? You just listen.

But I am going to say that when you dismantled the Department of Northern Saskatchewan and you took all them funds out of northern Saskatchewan and you left 85 per cent of northern Saskatchewan unemployed and yet you do not have any programs . . . There is absolutely no programs in this budget, there is absolutely no programs in the throne speech, and we've gone through two budgets now and who has been left out? Northern Saskatchewan, totally left out.

You have slowed down on the highway construction. You have virtually stopped road

construction. You have stopped housing. One of the key things that we need in northern Saskatchewan is education. And the Department of Northern Saskatchewan zeroed in on the education facilities, because in northern Saskatchewan we just virtually had no facilities prior to 1971 and there was . . . You go into northern Saskatchewan and see the good schools that we have today. That is one of the salvations that we have in northern Saskatchewan is to provide good educational facilities so that we can get our citizens in northern Saskatchewan educated so that they can come out and compete for the skills in southern Saskatchewan and in the rest of this country.

We had a major fire just about two years ago in La Loche, and though education is so very important, when I asked the Minister of Education, will that facility be ready for September for the new school year, he indicated that it would not. Mr. Speaker, that's two years later and that's why I say that the Department of Northern Saskatchewan should have stayed in there. We are now dealing with a southern department that cannot relate to northern Saskatchewan and cannot relate to the serious situation of that school being burned down and not being replaced as quick as possible in La Loche.

These are some of the situations that take place, Mr. Speaker, but I am not blaming the government fully for this. They just don't realize that things are so different in northern Saskatchewan than they are in the South. I live over 500 miles away from Regina, in Buffalo Narrows, and Buffalo Narrows is not really considered that far north when you consider Camsell Portage, when you consider Southend, Reindeer, when you consider Stony Rapids and Fond-du-Lac and Black Lake and Garson Lake and Descharme and La Loche. Really, Buffalo Narrows is not that far north, yet I live 500 miles north of Regina.

And I say to the government, you have to realize that there is a serious problem in northern Saskatchewan and you have to address that and you have to address it with dollars. You have to put money in. You have to take a chance on it. We did, and we were rewarded with it. And we were rewarded with so many young people that are getting out of high school now and have a chance to get ahead. Their parents had jobs to go to in the morning. They weren't on welfare. They had good solid jobs and they were getting up every morning and they had a job to go to. That has come to a stop and we now have 85 per cent unemployment, and we have massive welfare rolls in northern Saskatchewan.

I feel that this government is going to have to take a new direction. I'm not saying to you that you're going to create another department of northern Saskatchewan, but you have to realize that northern Saskatchewan is a unique part of this province, with its isolation, and its distance, and its geography, that one has to . . . If you have a problem, you've got to zero in on it.

I found that when there was problems in northern Saskatchewan, sometimes you never heard about it until it became so severe that it was really too late to act. And the situation still applies in northern Saskatchewan where, being so far away, when you have a problem in Camsell Portage, which is probably 800 miles away from Regina, by the time that it gets back to the decision-makers, the problem is so severe. And that is the type of a situation that we have in northern Saskatchewan. That's why it's unique, and that's why I felt that the Department of Northern Saskatchewan should not have been liquidated as fast as it was. It's a department that could have been liquidated, but in the process, should have made sure that there was a good, well-established economic base for the citizens in northern Saskatchewan.

We have a great bunch of people up in northern Saskatchewan, and we have a tremendously good bunch of young people - good athletes, and smart young men and women. And they have proven this when they have been given the opportunity. The latest ones to prove that was the basketball team from La Loche, who never had a gymnasium until 1976, and then now are winning provincial titles. And I think that says a lot for the money that was spent to provide the facilities so that they could compete with the rest of this province.

So I ask this government to reconsider the programs in northern Saskatchewan, and take a new approach, and not sit idle and allow this 85 per cent unemployment rate and these high welfare rolls. Welfare cases that have never been opened up for seven, eight years are now being opened up, and I'm sure that you realize, Mr. Speaker, what that does to the family when they've had the opportunity to make a living and then all of a sudden, bang, they're back on welfare. And it's a pretty serious situation and I sincerely hope that this government will take a serious look at the situation that we have, a serious look at the money that they took out of DNS, and take another look at forming our legislative committee to go into northern Saskatchewan. They don't have to put any New Democrats on that committee if they don't want to. But take a good cross-section of Conservative members, go into northern Saskatchewan and talk to the people, and just see what the problems are, and just see how unique it is. I ask you to fly into Camsell Portage and stay overnight, and just see what the problems are when you fly into Camsell Portage. Or I ask you to fly into Stony Rapids and stay overnight, and just see what it's like. See what happens in the northern communities after the sun goes down.

So many civil servants, because of the uniqueness of the North, have to go in and do their job, and then they have to get out because there's no facilities to stay in there. And I think that you have to realize that the North is different; it's unique. And I ask you to go in there, as a committee. I ask this government, Mr. Speaker, before they totally dismantle DNS, to create a legislative committee with MLAs to travel through northern Saskatchewan. Just see what it's like. Talk to the people, and I'm sure you'll come back with a different attitude. You'll find out that we got a great bunch of people up in northern Saskatchewan. I ask you to go into the schools, and you'll see a great bunch of young boys and girls who really want to get ahead, who want an opportunity. And I think as a government, you have that right to give them that opportunity - they are citizens of this province.

I tell you that you have been spending money on southern Saskatchewan for the last 40 years. Saskatchewan is at least 40 years behind. It's going to take a lot of money to catch up. They need that extra money so that they can catch up with southern Saskatchewan. Just give them that opportunity. When one says, 'Well, you're putting a lot of money in highways and roads up there - and some of my colleagues used to tell me, 'You're getting a lot of money for your roads up in northern Saskatchewan' - I said yes, but northern Saskatchewan has 30 years of catching up to do. And we still have to catch up; we still have to make sure that they are an equal partner in this province, and we have to give them that opportunity.

I ask this government, number one, to create a committee and go through the North and just see what the problems are, and see what the solutions are, and I'm sure that we'll all be better off for that. And I ask you to take a serious look at that, and when you dismantle DNS, and you pull all of them funds out, I say take a look at it, and maybe you can start redirecting some of them funds back in. You say we didn't do a good job; well, maybe you can do a better job. And I sincerely wish you all the best of luck, back. They have

gone ahead for the last 10 years, and they want to continue to go ahead. They want to be equal partners in this province, and we have to give them that equal opportunity. And I ask you to take that very seriously. Thank you very much, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Yew:** — Thank you very much, Mr. Speaker. I certainly take very special notice of the presentation made here today by my colleague, the hon. member for Athabasca. I want to commend him in his efforts, in his motion, and also his presentation with respect to the efforts he has made today - his contributions respecting the social and economic welfare of the residents in northern Saskatchewan. I think that is very commendable of my colleague for Athabasca.

With respect to the dismantling, the unification plan that the members of this government have made, I find that the plan, that dismantling process, that unification plan, whatever terminology that members opposite want to use, will certainly hit its mark in history, because I noted very significantly from talking with people at the local community level that that dismantling process, that unification plan, the doing away with the very existence of northern Saskatchewan, for once, in terms of government administration, in terms of recognition for people that are in dire need of support, for services, for programs, in terms of policy direction, in terms of assistance and aid for people that are isolated, people that are in remote areas of this province . . . I find that your unification plan, the dismantling process that your government has undertaken, the Conservative government has undertaken, will certainly be a mark in history because it was done without any fair consultation with the people at the local community level. I have talked with a fair number of locally elected leaders.

The minister tells me that whenever we get up in the House to raise questions with respect to northern development, whenever the name Saskatchewan Association of Northern Local Governments is announced in this House, whenever Northern Contractors Association membership, the name is announced in this House, he gets back to the members on this side of the House and states very bluntly to us that, 'Oh, there are a number of other people that represent other people in northern Saskatchewan.'

I say to the minister, and I'm very sorry that he is not present at this House today, I say to the minister, regardless, that he ought to take a very careful look in terms of policies, in terms of services, in terms of programs, for people living in the northern administration district. I say to the minister that is responsible for advocating on behalf of those people living in the northern administration district that he ought to be able to have the courtesy to be able to talk with an open spirit of co-operation with the elected people in those areas and have them talk freely with him, to express their concerns, their issues, with respect to the development of northern Saskatchewan.

If he were to go in there with an open mind, with any spirit of co-operation, I'm sure that the minister would come back with a very different attitude towards this government's philosophy and outlook or policy and development of new program initiatives for northern Saskatchewan. I am sure that the minister responsible for northern Saskatchewan would have a different attitude towards the administration for northern Saskatchewan.

Mr. Speaker, at this point in time, I want to present to you and through you, to the

members of this Legislative Assembly, a letter that was written on behalf of people of northern Saskatchewan. Certainly I agree it was not probably on behalf of 99.9 per cent of the people in that area, but it certainly was submitted on behalf of 24 out of 33 local communities in northern Saskatchewan. I want to be able to get the permission from the Speaker and from the Assembly, get the opportunity to present this letter, because it pertains specifically, quite specifically, to the motion that my colleague for Athabasca has introduced in this Assembly.

It's in respect to the social and economic problems of northern Saskatchewan. It states very clearly and quite openly what the North is concerned about with respect to this new administration. The letter was sent on March the 1st, and I'm very sorry to say that it was never addressed by this Assembly, although it was directed to the Premier of Saskatchewan, the one member of this Legislative Assembly that has a tremendous amount of influence in terms of what policy and decisions are made by this Assembly. However, the letter was addressed to the Hon. Premier, Grant Devine. It goes on to say:

Dear Mr. Devine:

On behalf of the Saskatchewan Association of Northern Local Governments, I am forwarding this request to you, and we hope that you will give it equally as serious consideration as we did in drafting it. We make the following request knowing full well that our northern administration district is represented by two opposition MLAs. However, we are certain that your PC majority is a government for the whole of the province, but not just those constituencies where there are PC members.

We estimate also that your PC government must have some appreciation of the phrase, 'Governments are servants of the people, and not the masters.' Therefore, you must also have some appreciation of the Saskatchewan Association of Local Governments' feeling of frustration, of frustration and despair since your government took office. It has been 10 months since your PCs took office and we find the excuse, 'Oh, we're a new government and we're still learning,' a little worn out.

We are requesting a meeting with you and your cabinet within the next 14 days to discuss the many issues and problems facing us here in the NAD, and to try and come up with some remedies. We would like to make it clear to you right now that we are prepared to play a role in arriving at and implementing solutions to our problems. We do not want to be labelled 'the problems.' We do not want the attitude to prevail such as a person from your civil service said, 'You people don't need any help. You're all on welfare.'

On the particular issue, let me say, at this time, that we have thousands of employable men and women, but where are the jobs for them? There are no jobs in northern Saskatchewan. You have spoken about private investment here in northern Saskatchewan. You have said this will provide our people with jobs and there will not be one more cent of government money spent in the North. Where are those private investors and where are those jobs? You PCs have a hatred, it seems, for co-operative type of enterprises. Certainly some have been failures, but failures for a variety of reasons. Your PC government seems to be saying, more frequently now, that our people were to blame for all the failure or unsuccessful ventures over the past 10 years.

We call on you in your cabinet to meet with us, face to face, to review matters and formulate solutions. You must have gotten the impression by now that lack of job opportunities in northern Saskatchewan is a major issue. This ties into other issues, for example, local government funding. Your Bill No. 61 sets up clear guide-lines for conduct of local government business and establishes a series of clear-cut powers and duties. Your Conservative government seems to think local government funding should be cut back and our new municipalities should raise most of their funds through increases in mill rates, business licenses and dog tags.

Going on with the letter, Mr. Speaker.

If our people have no jobs (and pardon the expression, this is the way the letter is stated), how in hell are people going to pay for higher rates? Our upcoming new municipalities were of the impression that each could negotiate corporate boundaries. We were given the impression last fall that your government were agreeable to this. Lately we are questioning this, as there has been no communications from your government members of the Saskatchewan Association of Northern Local Governments of this or any other issue. Why doesn't your government want to consult people? Or do you have a feeling that with such a large majority the remainder of the Saskatchewan population has rolled over and went to sleep until the next election . . . (inaudible) . . . this, the Saskatchewan Association of Northern Local Governments is not willing to roll over and play dead while you and your caucus take world tours and participate in sporting events.

We understand that your PC government is against social programs. These grants, such as the community health worker program, recreation programs, training programs, placement programs, Saskatchewan Trappers Association, adult upgrading classes, and the list can go on and on, have all been of tremendous value to our people.

Let us discuss these many things and more, such as the extreme social issue of housing. Your PC government seems to have cut-and-dried position on this: housing for your contractor friends to have work, ahead of housing for our people using our local construction company and providing much-needed employment. We recognize that the construction of houses should be as economical as possible, but the flagrant disregard of our local labour and construction capabilities is not acceptable.

To summarize, we in the northern administration district are in a state of despair. Your government seems bent on exploiting northern Saskatchewan for the purposes of making this province number one in the field of tourism. But your government also seems bent on ignoring the needs and aspirations of northern people.

This open letter gives you and your cabinet a chance to prove otherwise by meeting with the association of northern local governments, on the following matters: (1) employment or the lack of employment; (2) economic and industrial development including the field of agriculture; (3) local government - Bill 61 - funding, corporate boundaries, and other related business; (4) social issues such as health services in the North, training, housing, northern hiring clauses, northern land leases and purchases; (5) capital needs - water and sewer needs, other community infrastructures,



roads, land assembly programs.

And the closing paragraph is:

We feel that the time has come for your government to give us some indication as to the plans for this part of the province, and as well, to let us know whether northern residents will play any part of the future of this province.

Yours truly,

Chairman of the Saskatchewan Association of Northern Local Governments.

Mr. Speaker, that letter itself indicates the dire concern that people have living in the northern administration district. They have dire concerns related to the member for Athabasca's resolution. My colleague, the member for Athabasca, put forth a very worthwhile resolution, and I am very honoured today to be able to address and support that resolution because I know full well that many other people living in the northern administration district support that type of issue raised in this Assembly.

Earlier this afternoon, we raised several issues that members in government thought were very essential for debate, for discussion, etc. But I feel that the basic needs of people, people at the community level, the basic needs of programs by any government - social, cultural, and economic programs - and the inadequacies of any programs, such as what we have today in northern Saskatchewan, are just as equally important. That is why I say I am fully in support of the motion, to the extent where we can start talking about basics, about the basic needs of a group of people that have been neglected, that have been ignored, and that have been discriminated against because of the fact that that portion of people seem to have some discriminatory feelings by members of government today.

The members in government today seem to want to neglect, to ignore that portion of this province because, and I may go on, Mr. Speaker, because perhaps, maybe that one of the reasons is that that area of people did not vote Tory. Is that one reason why those people are being ignored? I certainly hope not, but that is certainly what many a people back there conclude with. They conclude with that - that seems to be the only reason. The other reason, possibly, is the fact that the majority of those people are a minority. They are a minority. When it comes down to politics, they only represent 4 per cent of the voting population. Maybe that is the other reason.

I remind the members in government today that they are deserving of any program support and encouragement, as much as any other resident of this province. They are deserving of any encouragement and support based on the fact that those people are isolated, based on the fact that they are removed, that they are in need of government services, government programs and government encouragement with respect to their social and economic aspirations.

I take with me today, Mr. Speaker, a memo that was drafted by the Minister for Northern Saskatchewan, the minister who was given the sole responsibility to advocate on behalf of the people living in the northern administration district, the person that was given the responsibility to look after the health and welfare of those people. I have with me, Mr. Speaker, a letter that was drafted by the hon. member for Meadow Lake. I don't

want to go into detail on the letter, on the memo, because it's . . . Basically what I want to raise here is the point that he has somehow or other encouraged some optimism with the people living in the northern administration district.

I only want to quote one paragraph, one directive, or pardon me, two directives that he gave the people at the time of this writing that were working the Department of Northern Saskatchewan. And I also want to take at this point in time the opportunity to tell members opposite that the people that worked with the Department of Northern Saskatchewan, a good number of them were from northern Saskatchewan. But where are they today is the question that you have to try to come to grips with one of these days. Anyway, the quote that I want to read the members in government is from Mr. McLeod, the member for Meadow Lake. The minister of DNS states:

The government recognizes the valuable service that the Department of Northern Saskatchewan has provided to Northerners over the past 10 years.

Well, I can give him credit for that. He has recognized that DNS played a valuable role in northern Saskatchewan. He has stated that in writing, in black and white, that the department played a very valuable role for the people of northern Saskatchewan - unlike the member for P.A.-Duck Lake quoted the other day that the department was running amok, that it wasn't serving a useful purpose. Well, I say to that member that his minister responsible for the department has contradicted that statement and that assessment by many a member in this Assembly. It goes on to say:

However, the government also recognizes the need for greater emphasis on local self-government under development of economic self-sufficiency. It is therefore the policy of this government to develop and support responsible and effective municipal self-government in the North, and to develop, in consultation with the residents of northern Saskatchewan, a long-term comprehensive economic strategy, one that will result in making residents in northern Saskatchewan self-sufficient partners in the economic, political and social development of Saskatchewan.

That was a letter written on July 16, 1982, and it was a directive to all staff of the Department of Northern Saskatchewan. This letter pertained to the realignment of the Department of Northern Saskatchewan. In it, it contained some optimism. It contained the optimism that people, finally, in the northern administration district, would be full participants in the mainstream of society. They would become full participants in terms of local self-government. They would be full participants in terms of the economic development initiatives undertaken in northern Saskatchewan, initiatives undertaken by either the private sector or by the government.

But to date, Mr. Speaker, what have we seen? What have we seen for the people of the northern administration district? What concrete evidence and commitment have we seen by the Conservative government, in terms of northern Saskatchewan? There were two commitments made by the minister for the Department of Northern Saskatchewan. There were two real commitments. It is now almost a full year and we have yet to see anything workable, anything in writing, any proposal, coming from this Conservative government.

To date, the people of the northern administration district are getting pretty tired, Mr. Speaker. They are getting to the point where there are many, many frustrations. They're getting to the point where they are having to resort to writing open letters to the

Premier. They're getting to the point where they have to find alternate ways of communicating with this government because this government seems to lack that ability to communicate with people, particularly so with people that are in dire need of government support. They are neglecting an area that they are supposed to be responsible for. They are ignoring the needs of a people of this particular province.

When it comes to the multinational corporations, Mr. Speaker, when it comes to the private sector, when it comes to the insurance companies, when it comes to the banks, when it comes to the major industrial corporations in this country, the members of government certainly don't waste time communicating incentives to those major companies. But when it comes down to people at the local level that direly need help, where are they? How can one find members of this Assembly available? How can one community find access to information or find access to support from this government?

I take for an example, Mr. Speaker, the throne speech that was presented, the first throne speech that was presented in this House after I got elected. I had faith in government, Mr. Speaker. I had faith in government and I sat back and listened to the throne speech. I felt, certainly, that there will be some emphasis, some recognition, and some support for people living in the northern administration district.

But when I listened, when I listened to the throne speech, the initial throne speech by the Conservative government, there was not a mention of northern Saskatchewan - not one word recognizing the people that live in the northern administration district. There are thirty-some-odd thousand people living in northern Saskatchewan; there are some 44 communities living in the northern administration district that did not get recognition by the Conservative government. They did not get recognition; they did not get support.

The same applies, Mr. Speaker, with respect to the budget that was presented here last November. The same applies again with this fiscal years budget. What do we see in terms of those budget presentations made by the Conservative government? Nothing but drastic budgetary cuts for various programs that are very direly needed, that are important for the residents in northern Saskatchewan. There were nothing but cuts, Mr. Speaker, budget cuts in terms of capital construction for northern Saskatchewan. There were budget cuts . . . (inaudible interjection) . . . There was . . . The member, pardon me, Weyburn. The member for Weyburn asks me where the cuts were. I can name the member for Weyburn at least 12, perhaps 15, areas of the budget that was cut, that was slashed.

Right now the staff that was there, today has been drastically cut. The budget . . .

**An Hon. Member:** — I want to hear the 15.

**Mr. Yew:** — Okay, if you want an example. I'll give you a prime example. There was a budget presented here in March of 1982. There was \$99.8 million allotted for people living in the northern administration district. And when your administration took office, that budget was drastically cut down to \$51 million.

Now, there were major capital projects such as Highway 106, and Highway 105, and I tell the member for Weyburn, the Highway 105 goes from La Ronge north to Brabant, to Southend, to Wollaston Lake - some of the more remoted areas, the more isolated areas in this province. That budget priority and recognition by the former administra-

tion was cut. It took away a dire need on behalf of those people living in Brabant, Southend, and Wollaston Lake.

And I go back to Highway 106 - the highways from La Ronge to Deschambault, Pelican Narrows, Sandy Bay, Creighton and through that whole east side. The budget that was formerly entered here by the former administration was cut again.

Now I ask the member from Weyburn, if you want clear information with respect to budget cuts, I would suggest that the member take *Hansards* of the time we had estimates reviewed for the last budget. I would also invite the member for Weyburn to stay in the House when we come up with review of estimates for DNS which will be due within the next day or two. I have here a document of many other budgetary cuts made by your administration, made by the Conservative government.

Social assistance is another area that has been cut quite drastically - social assistance in terms of positions, in terms of positions, in terms of staffing for that particular department. The unemployment roll seems to have ever-increasing statistics with the Canada Employment Centre in La Ronge. I have here with me some statistics information. The social assistance case-load - we compare this a year ago last February. We had somewhere in the neighbourhood of 1,404 people on social assistance. Now, a year later with the Conservative government of the day, after they have taken over the administration of this province, we have a 30 per cent increase. Today we have 1,826 people, families, in northern Saskatchewan, on assistance - 19 positions cut in terms of staffing for the social services branch.

Now, Mr. Speaker, you can go back to statistics; you can go back to the picture that was there prior to this Conservative government's performance of the past year. And I can assure you, Mr. Speaker, that there were significant progress made in terms of development that happened in northern Saskatchewan. Perhaps not all those developments were good, perhaps not all of them were good. But I can certainly assure you, Mr. Speaker, that a great many of those objectives that were placed by the former administration back in 1971 - a great many of those objectives had been good, and served a very useful purpose for people living in the northern administration district. They served a useful purpose, and they achieved a level of appreciation with the people living in the North.

Prior to 1971, we had very little or no emphasis with respect to housing programs. When the former government came into being in '71, they immediately set forth a housing program - a subsidized housing program recognizing the disparities of northern Saskatchewan; recognizing the fact that we're limited jobs, limited economic opportunities. They set forth a housing program - the rural and native housing program. They placed in northern Saskatchewan some 1,300 low-income subsidized homes.

They also went ahead with major capital projects such as sewer and water systems. Together with the federal government, a program called the DREE (Department of Regional Economic Expansion) western northlands program initiated 14 major sewer and water systems. They put together another major development in many other areas. They constructed 12 new airfields for the North, major expansion of community access roads, upgrading of northern highways. They put together a \$42 million program for school construction. In many places, in many of the communities, there had been no such thing as school facilities. Those communities were too isolated. But somehow or other the former administration recognized the disparities of the people living in the

northern administration district in those days.

They went on, and the list goes on: extensions of sewer and water, extension of highways, housing programs, many major communities facilities such as fire halls, municipal offices, fire protection initiatives. And they went on, Mr. Speaker, with programs designed to help northern residents become involved in business. They assisted the trappers, the fishermen, and many other low-income earner in northern Saskatchewan, with options. They established what is referred to as the northern Saskatchewan economic development fund. And they allotted to people in northern Saskatchewan \$50 million in low-interest loans and \$6 million in grants.

Now I ask the members in government, when you state that the department was run amok, when the department did not fully . . . (inaudible interjections) . . .

Mr. Speaker, I don't intend to try to dissuade the members from speaking at all. In fact, if they want to enter into the debate, they're welcome to do so. I would certainly like . . . I would certainly love to hear the members debate in terms of the issues that are being discussed tonight. I wish also to invite the members to read the member for Athabasca's resolution that is under debate tonight. And I invite them to enter into the debate with regards to the social and economic disparities of northern Saskatchewan.

I may want to . . . It's a short resolution, Mr. Speaker. For your benefit, I'll read the resolution out:

Mr. Thompson, to move the following Resolution (No. 20):

That this Assembly condemns the Government of Saskatchewan for totally ignoring (that is your government ignoring) the needs of the people of northern Saskatchewan, for dismantling the Department of Northern Saskatchewan and for failing to implement a development and employment strategy for people of the north.

That is a very important piece of resolution, to me at least, and to the 30,000 people living in the northern administration district. I feel that it is a very important issue and a very important resolution. I invite members from government to enter into this debate and to outline what their initiatives have been - to outline, in detail, what their initiatives have been and what their initiatives will be for the next three or four years.

Mr. Speaker, I want to go on with the many other achievements made by the former administration. There were achievements made with respect to social programs. There were many achievements and successes made in terms of health and medical requirements for people living in the northern administration district.

Health and medical services tripled in the last decade in northern Saskatchewan. A new program was introduced by the former government - a community health worker program was implemented in nine communities, and there were also, Mr. Speaker, six dental clinics constructed and northerners trained as dental assistants.

Number four, there were two new community health centres built, one on the west side, and one on the east side, particularly Sandy Bay and Pinehouse.

Number five, there was a northern teacher training program established in the La

Ronge.

Number six, northern curricula and teaching materials were developed in the North. There were also three community colleges established for northern Saskatchewan - the West Side Community College, the North East Community College, and the La Ronge Community College.

There were also new training facilities established, such as the one that is in existence at Buffalo Narrows. There were adult training programs provided for well over 1,300 residents in northern Saskatchewan - bursary program development for students. There are two independently operated rehab centres in northern Saskatchewan as well as the centre just recently set up in La Loche. Northern corrections programs and facilities and rehabilitation services were established. There were also, Mr. Speaker, northern magistrates now resident in northern Saskatchewan. As well, the perishable food transportation subsidy was implemented for five remote communities - five remote communities. There were also, Mr. Speaker, some foster care programs developed, northern foster care programs. There were also northern home care programs developed and instituted in nine communities for northern Saskatchewan.

The other major achievement, Mr. Speaker, is the political awareness of the people living in the northern administration district. People today will not be fooled by any government. When it comes down to programs, when it comes down to services, when it comes down to initiatives made by any government, I can assure the members of this House that the people of northern Saskatchewan will know, will learn, of those initiatives. They will tell the members in government whether or not those programs, those policy decisions, and those initiatives are of any significant meaning to them. If they are not beneficial to the people of the northern administration district. I can assure the members of this House that they will be informed by the people of the northern administration district. They will be informed about those inadequacies of this administration.

In closing, Mr. Speaker, I wish to invite the members, or the member, responsible for advocating on behalf of those people living in the northern administration district . . . I wish to invite the Minister for Northern Saskatchewan, the member for Meadow Lake, to come out with his economic self-sufficiency plan. I wish to invite the member for Meadow Lake to come out with any major economic development initiative, if he has one, because the people in northern Saskatchewan are waiting. They are wanting to see what this Conservative government has for the people living in the northern administration district, because to date, Mr. Speaker, we have received two provincial budgets, two estimates, that were reviewed in this Assembly, and to date they have had little or no significant meaning to the people of northern Saskatchewan.

With that, Mr. Speaker, I wish to conclude my remarks and state to this Assembly that I will be in support of my colleague's motion and recommendation, the member for Athabasca. Thank you.

**Some Hon. Members:** Hear, hear!

**Mr. Meagher:** — Thank you, Mr. Speaker. I would like to make a few comments as well to the motion presented by the member for Athabasca, following the brief comments of the member for Cumberland. The member for Athabasca said that after the sun goes down civil servants won't stay overnight in some of the communities in the constituency. Well, after years and years of DNS help, I can suggest a reason that they would be fearful of staying overnight. The people of those communities are sick of the government help that has been poured upon them over the past year.

The member for Cumberland made mention of the fact that northern Saskatchewan wasn't mentioned in the throne speech, and there are 35,000 people living in northern Saskatchewan. Well, I'd like to tell this House that the city of Saskatoon wasn't mentioned in the throne speech either and there are over 100,000 people living there. The thing that he seems to be unable to comprehend is that this government are not going to divide the people of Saskatchewan into groups and allow them to be isolated anymore.

**Some Hon. Members:** Hear, hear!

**Mr. Meagher:** — It concerns me a great deal when the two members for northern Saskatchewan come forward with this kind of motion and make the kind of comments they've made tonight, because they then really do not represent those people fairly, and are not doing the job that they are elected to do. They become mouthpieces for a small, radical group in northern Saskatchewan and elsewhere, and the demonstrate to this Assembly just how far that party in the corner there has lost touch with the political reality that is Saskatchewan today. This motion clearly demonstrates that they're still in that sort of fuzzy never-never land of radical socialism that so directed the Department of Northern Saskatchewan for so many years.

That department used people, Mr. Speaker, as pawns in a game. One glance at the mess that was inherited last April in northern Saskatchewan after years of all that government help tells you what that solution to that kind of problem does for people. We are today looking at, as has been mentioned, alcoholism, unemployment, hopelessness. That's the legacy of the radical activists in the DNS, where we on this side of the House don't advocate that approach. We believe in the people of northern Saskatchewan. I believe, in fact, that the next decade belongs to northern Saskatchewan. That is where the real development and activity is going to take place.

I have confidence in the people of northern Saskatchewan. I know they'll meet the challenge to free themselves and develop the assets and resources that they have, and the most important asset is themselves - the people of northern Saskatchewan. I'd like to take this opportunity, as a matter of fact, to formally welcome the people of northern Saskatchewan back into Saskatchewan as full-fledged citizens. As well, I'd like to move, seconded by the member for The Battlefords that the motion no. 20 be amended by striking out all the words after the word 'Assembly' and substituting therefor the following:

congratulates the government of Saskatchewan for ending unacceptable spending and management practices by dismantling the Department of Northern Saskatchewan, and for working to enhance local autonomy in the North by bringing forward for discussion the proposed northern municipality act.

Thank you.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** — I find the amendment in order and the debate continues concurrent.

**Mr. Morin:** — Thank you, Mr. Speaker. I'd like to participate in this debate regarding the northern part of our province tonight. To begin with, I'd like to extend my

condolences to the member from Athabasca and the member from Cumberland. I feel very sorry for them that they find themselves in the position of philosophically having to defend the Department of Northern Saskatchewan when I know in their heart they don't feel that way. Particularly the member from Athabasca, who I've known for some time and who well knows that I know that north country, and that it's near and dear to my heart. Certainly anyone that's stood on the ice of Lake Athabasca would feel that way.

During the comments that they made I couldn't help but be reminded that one esteemed judge in our province referred to the Department of Northern Saskatchewan as 'the bureaucracy ran amok.' And Judge Fafard, when he was sentencing a DNS loans officer for what amounted to fraud, said that he felt he couldn't send that particular individual to jail, because what he had done, although it was quite fraudulent, was not that much out of character with the entire running of the department. That is the Department of Northern Saskatchewan that we came to know, Mr. Speaker.

I have a great deal that I'd like to say on this, Mr. Speaker, and I'd beg leave to adjourn debate and continue another day.

Debate adjourned.

### **MOTIONS FOR RETURNS (Debatable)**

**Hon. Mr. Schoenhals:** — Mr. Speaker, with the indulgence of the House, I would like to inform the opposition that we are working diligently to prepare the vast amount of information that is involved in these returns. We will provide that information at the absolutely earliest possible date, and I would like to suggest that we stand items 1 to 90.

**Mr. Speaker:** — Items 1 to 90 stand.

### **GOVERNMENT ORDERS**

#### **COMMITTEE OF FINANCE**

#### **CONSOLIDATED FUND BUDGETARY EXPENDITURE**

#### **ENERGY AND MINES**

#### **Ordinary Expenditure - Vote 23**

#### **Item 1**

**Mr. Chairman:** — Would the minister introduce his officials?

**Hon. Mr. Devine:** — Thank you, Mr. Chairman. It's my pleasure to introduce my officials. To my left is the deputy minister, Mr. Don Moroz. To my right is Doug Gillard, executive director, petroleum and natural gas division. Directly behind me is the assistant deputy minister of finance and administration division, Bob Reid. And at the back of the Assembly is Mike Shaw, assistant director energy policy; Maurice Hall, potash policy advisor; and Larry Button, uranium policy advisor.

**Mr. Lingenfelter:** — Mr. Chairman and Mr. Minister, on item 1 in administration services, there are three positions less there. Can you explain where those went to and who they might be?



**Hon. Mr. Devine:** — Mr. Chairman, we deleted associate deputy minister and a steno 4, his steno - those individuals, I believe, are retiring - and two information officers, and we brought in one clerk typist, for a net loss of three.

**Mr. Lingenfelter:** — Can the minister tell me who the associate deputy was and what salary that individual had been earning.

**Hon. Mr. Devine:** — Mr. Chairman, the individual was Tom Tamaki, and we're getting his salary. The individual was Tom Tamaki, and we'll get his salary - 5,083 a month.

**Mr. Lingenfelter:** — Can the minister tell me why Mr. Tamaki was dismissed, if there was any severance paid, or whether he left voluntarily for other employment? Or can you give me the circumstances surrounding the position and his departure from the department?

**Hon. Mr. Devine:** — Mr. Tamaki was a 30-year employee who took his retirement. And we had a very enjoyable retirement tea yesterday, and pictures in the Premier's office with his secretary and Mr. Tamaki with the Premier, today.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Minister, was Mr. Tamaki invited to tender his resignation or was it a voluntary act on his part?

**Hon. Mr. Devine:** — Voluntary.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Minister, I would invite the minister and his officials, the Premier and his officials - particularly his officials - to recall the estimates which we considered last December, and to recall the information which I asked for and obtained at that time. As I said to the minister at that time that I appreciated the information which was obtained, and I found it useful and helpful.

And what I want to do, essentially, is to ask for an update of all of that information. And I can do it in various ways, but I will start now by turning to the summary of 1982-83 revenue estimates which were provided by the Hon. Mr. Thatcher in December.

What I would like to get, if I can get it, is an '82-83 revised and an '83-84 projection. What I got in December was the '82-83 projection and I . . . No doubt you would have it there, but it is the material which starts out, 'A summary of '82-83 revenue estimates, heritage fund, stated in thousands of dollars.' I'll read the revenue code and description, and November '82-83 budget and revenue code, 'No. 171 - oil royalties, \$314,680,000,' and '173 - road allowance, \$14,160,000.' That's by way of identifying the document.

And what I would like to do, if I can, is to get a revised estimates for '82-83, which are probably reasonably complete at this time, but there are always some adjustments, and the estimates for '83-84, which are before us, and which make up a large part of the work of the department in billing and collecting and otherwise dealing with those particular revenues. I can start asking, or you can make any other suggestion, but I will start by asking with respect to revenue code no. 171 - oil royalties, 314,680,000, being the estimate given last December for '82-83. Could you give me the best estimate you have now for '82-83 for the same item, and for '83-84?

**Hon. Mr. Devine:** — I have a guesstimate or estimate of the 1983-84 figures from the

specific table the member is talking from, but we don't have the final figures for the end of . . . or I suppose you'd say that the last estimate of the '82-83 figures, so I am prepared to forward a copy of the '83-84 estimates and would have to say that we haven't finished the final '82-83 closing numbers, but they would be coming forth at a later date.

**Hon. Mr. Blakeney:** — Well, Mr. Chairman and Mr. Minister, what I would like to get is . . . If we had the '83-84, I would be happy if the Premier would send it over and then we can make comparisons and deal with the changes that have occurred. So that I will understand this, the oil royalties is stated to be \$324,012 million, and am I correct in thinking that that now includes what would have been road allowance? Road allowance is now subsumed into oil royalties?

**Hon. Mr. Devine:** — The road allowance, revenue code 173, is in both - oil royalties, 171, and freehold oil production tax, 172-1.

**Hon. Mr. Blakeney:** — Thank you, Mr. Minister. With respect to freehold oil production tax, is that the name for the new tax which has replaced The Oil Well Income Tax Act, substantially?

**Hon. Mr. Devine:** — Yes.

**Hon. Mr. Blakeney:** — Producing tract tax has now been eliminated. Is that subsumed into oil royalties and freehold oil production tax, or what would one say for that?

**Hon. Mr. Devine:** — That particular tax has been reduced to zero. However the new freehold production tax does not have some of the deductions the OWIT had, therefore there are no refunds. As a matter of interest, each of the years the OWIT refund was there, it exceeded the tract tax in any event.

**Hon. Mr. Blakeney:** — I'd like to turn for a moment to the export tax flow-back and to ask the basis of that calculation. More particularly, what assumptions are built in there with respect to the price of oil . . . the domestic price of Canadian oil, I should say, the domestic price?

**Hon. Mr. Devine:** — The assumptions for '83-84, with respect to domestic prices, are essentially flat. No increases at all.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Minister, as will be known the export tax will decrease as the domestic price increases and accordingly the potential for higher royalties is there when the domestic price increases. The assumptions that had been acted upon in the past are those set out, I think, in the Canada-Saskatchewan energy agreement, which predicted a Saskatchewan field price of conventional old oil at January 1st, '83, of \$27.55, and July 1st, '83, of \$31 Canadian, if I've got my figures right. And what I'm asking is whether or not, when you were calculating what you thought your yields would be in these various taxes, you assumed that the price would go up - the price of Canadian oil, of the Saskatchewan field price for conventional old oil, if I may put it that way - would increase on July 1st above the current price, which I understand to be \$27.55?

**Hon. Mr. Devine:** — The weighted average for Saskatchewan old oil price is 27.35, and we don't anticipate any deviation from that.

**Hon. Mr. Blakeney:** — So the figure I was quoted was 26 API, 2.3 sulphur, and that's a little better than the average of our oil, and therefore the figure I was quoting was a little higher than the weighted average. But essentially, the question I'm asking, and I think I understand the answer, is that the assumption is that on July 1st, whatever the energy agreements say, there will be no increase in the domestic price of Saskatchewan crude.

**Hon. Mr. Devine:** — That's essentially right. There is no room under the agreement for an increase, because we've reached the 75 per cent level, and there's no room.

**Hon. Mr. Blakeney:** — That leads into the next question which asks what assumptions built into the figures with respect to the export price of oil, of Saskatchewan crude - the prices, to me more precise, the prices at which Saskatchewan crude will be exported to the United States.

**Hon. Mr. Devine:** — The current prices are expected to remain constant, as are taxes. And the tax is ranging from 25 cents a barrel for Lloyd blend to about \$1.40 a barrel - graded average about \$1.00.

**Hon. Mr. Blakeney:** — I'm not sure I understand the last comment when you say 'taxes', that is the export tax. And is that . . . Is the figure, Mr. Chairman and Mr. Minister, you give, is that the gross figure or our half-share? When you state it's 25 cents ranging to something more than \$1.00 rate of average, \$1.00 - is that our \$1.00 or do we get 50 cents of it?

**Hon. Mr. Devine:** — That's the gross dollar.

**Hon. Mr. Blakeney:** — So we get 50 cents of that, under it. Mr. Chairman and Mr. Minister, I turn now to potash royalties; I'll come back to oil in a little while. The decrease in the potash royalty proper from roughly \$10 million to \$7 million, \$7.8 million. What caused that decrease?

**Hon. Mr. Devine:** — Could you repeat the figure? From what to what?

**Hon. Mr. Blakeney:** — Last year's figure of \$10.1 million to this year's figure of \$7.8 million. I may say that I am working on several sets of figures which vary slightly, but they are approximately the same.

**Hon. Mr. Devine:** — That difference is due to price.

**Hon. Mr. Blakeney:** — Do I then take it that it is assumed that prices of potash on the average will be lower during the forthcoming year than they have been in the past year?

**Hon. Mr. Devine:** — Yes.

**Hon. Mr. Blakeney:** — Moving along on potash, there are some other potash revenues, delayed payments charge, potash base payment which is up from \$23 million to \$27 million. Can you advise me why that is increased?

**Hon. Mr. Devine:** — Part of that increase is tonnage, a small amount, and part is the result of the fact that royalties do drop as an offset and the base payment increases in

tandem.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Minister, the base payment is calculated at so much a tonne for 272,000 tonnes potassium oxide or whatever the figures are, and a higher amount - essentially it's an amount per tonne. So in part therefore, you are predicting an increase in the production of potash, calculated in potassium oxide tonnes, and that accounts for part of it. And the part of it is because there's less of an offset on royalties. Did I understand that right?

**Hon. Mr. Devine:** — The royalties are an offset to the base payment. In addition, there is this small change in tonnage. Those two together account for it.

**Hon. Mr. Blakeney:** — So what we are then predicting is some increase in the number of tonnes of potash produced, and some decrease in the price at which the potash is sold. That follows from the information you are providing.

I turn now to the graduated payment, which is increased modestly. Simplified somewhat, it is a function of the profit of the company's internal rate of return or whatever the index is. But basically, it's a profit figure. Is it then predicted that there will be something more by way of profit for the producing companies in the forthcoming year - in the year we're now in?

**Hon. Mr. Devine:** — Briefly, the gross revenue and profits are about the same, but the arithmetic of the quarterly payments means that there's some credits that flow back and forth that may be responsible for some of the difference.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Minister, do I understand from that, that had there not been some periodic adjustments, that the amount that we received in the last fiscal year, that being '82-83, from potash, being \$60 million, would be about the amount predicted for the current fiscal year of \$60 million? Or putting it another way, that next year we're predicting \$64 million, and the year which just ended, we might have got \$64 million had there not been adjustments?

**Hon. Mr. Devine:** — It's the latter. The 60 perhaps is a little low as a result of overpayments the previous year.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Premier, I would like to raise another issue which is close to the one we have now been discussing. The essential regime for potash revenue is the agreements between the companies which provide for the base payment and the potash graduated payment. Could the minister advise me when the current agreements terminate?

**Hon. Mr. Devine:** — June 30th, '84.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Minister, have negotiations commenced for either the renewal of the agreements, or the substitution of the agreements by a royalty regime that would be at least discussed between the industry and the government?

**Hon. Mr. Devine:** — Yes, meetings have been held and they are continuing on an ongoing basis.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Minister, is it the intention, the present intentions of the government, to replace the agreements when they expire with new

agreements or is it the intention of the government to put in a royalty regime such as exists with respect to other minerals?

**Hon. Mr. Devine:** — Our preference would be for a legislative royalty tax system.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Minister, on the assumption that nothing untoward happens between now and June of 1984, would the minister agree that all impediments, or any impediment which might arise because of previous legal actions will be removed - that is, any impediment to putting in a royalty regime without the written consent of the companies involved?

**Hon. Mr. Devine:** — Well, it's our understanding that we have the constitutional authority under section 92(a) to proceed.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Minister, I think we have two hoops: one was the constitutional authority, which was dubious prior to the recent amendments to the constitution last April, and the other one was that we had some outstanding legal claims, which may have had some validity pursuant to some agreements made in the 1960s when the potash companies established their mines. I am directing the question: do we now think that both of those impediments will be removed by June of '84 if nothing untoward happens - if the current agreements are adhered to, is what I'm trying to say - and that we will then be free to, either to enter into a contractual arrangement with the companies, such as we've had in the past, or a statutory arrangement such as we have in oil or uranium?

**Hon. Mr. Devine:** — It's my understanding that, by agreement, all outstanding legal claims will expire the same date as the agreement.

**Hon. Mr. Blakeney:** — That was the question I was asking. That's what I recalled, but did not recall very clearly. So that we will be then in a position to treat this one the same way as other minerals, if that's considered to be desirable and prudent.

May I make the comment, Mr. Chairman and Mr. Minister, that the type of royalty arrangement, whatever one wishes to call it, which has a base royalty and a graduated royalty such as we have in uranium and such as we have in potash (they're different, but the fundamental principle is the same) is something which in my judgement has worked well and is a good basis for further negotiations. I take the position that if the royalty is of any type of a flat royalty and prices go down, the companies come to the government and quite properly say that the royalty is onerous and therefore you should reduce it. If the price goes up remarkably, with a flat royalty, then the public begins to talk about unearned increment or windfall profits, or whatever leaps to their tongue, and to the tongues of the politicians as well. And there is then pressure to change those royalty arrangements by legislation, and we all know what happened in Alberta, and here we didn't have to quite do it by legislation, but it amounted to the same thing in 1973 and '74, with respect to oil.

I believe, therefore, that it is in the interests both of the companies and the governments - and of the public - to institute a royalty regime which is sensitive to the profit of the extractor, of the venturer. Accordingly, his need to come to the government with a plea when things are bad is removed, and that always puts a government in a difficult position, because, while the companies aren't making money, they're usually wealth companies and that is a difficult political position for a government. And on the other side of the coin, the government is relieved of the pressure that comes from public

allegations of not getting a proper return for a public resource.

So, for what it's worth, I take the position that we would urge the government to use the . . . (inaudible) . . . base royalty-graduated royalty, or base payment-graduated payment approach to potash, which I think is peculiarly adapted to this, because of its record in the past of having prices which go through a range of X to half-X to 2X. The prices are very volatile and the profit, as accordingly, as all of us know, fairly volatile.

**Hon. Mr. Devine:** — Well, I would say I generally agree perhaps. I would think if the industry feels as we do, that it's a little too volatile, and if we could even it out a little bit, we'd both be more inclined to do that. But, on the basic principle that you've been talking about, I think both the industry and this side of the House would agree.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Minister, I refer now to uranium, and ask whether the decline in the basic royalty for uranium from \$8.8 million to \$6.6 million stems from a prediction that the value of uranium produced in the current year will be less than it was for the previous year.

**Hon. Mr. Devine:** — The difference is primarily due to volume.

**Hon. Mr. Blakeney:** — Sorry, I missed the last word. Volume. Mr. Chairman and Mr. Minister, is that essentially due to the reduction in production, or the elimination of production by Eldorado? They were the primary . . . Well, everybody paid the basic royalty but Eldorado paid nothing else, for the most part. And I note that your graduated royalty is approximately the same as it was last year. But the basic royalty is down. Does that stem from the decline in Eldorado's production or is there some other explanation?

**Hon. Mr. Devine:** — Well, it's a combination. A little bit on volume and a little bit on price. There's some lag because of the contracts that are agreed upon which carry over. So when it starts to increase, they may not increase as fast as the spot price does. Corresponding sales would increase and follow it. There may be a lag there as well. So it's a combination of price and volume.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Minister, with respect to the uranium basic royalty, has any consideration been given to changing the rate of basic royalty of 3 per cent, I believe it is, which I believe to be unreasonably low?

**Hon. Mr. Devine:** — No.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Minister, I think if we change the basic royalty now it wouldn't affect any producers since they're all paying some graduated. It is my belief that the 3 per cent royalty was put there for Eldorado's benefit because they couldn't pay anything more than a bare royalty. On the assumption that all the mines are reasonably economic now as they were not previously, does the minister feel that a 3 per cent basic royalty is a sufficient royalty?

**Hon. Mr. Devine:** — It's my understanding that if you raise the base royalty, it has a corresponding negative effect on the graduated take, so we haven't really given any consideration to modifying one or the other; they tend to offset.

**Hon. Mr. Blakeney:** — It's a very small point, Mr. Minister. I'm not talking about money; I'm talking about, from a point of view of principle, whether we should have the

3 per cent basic royalty out there. Since it's offsets of the graduated, we're not talking money; we're just talking optics. It would be my view that we should not assert that any mineral has a value of only 3 per cent, or any reasonably valuable mineral like uranium. We had no choice with Eldorado since they did not have a large margin - a good deal smaller than we thought, but never mind.

I turn now to sodium sulphate royalties and note that there is an increase in the . . . I will defer this question and ask a series of other questions which I meant to ask before.

With respect to potash, there are no changes in the graduated royalty or the base payment for the potash royalties. Is that correct?

**Hon. Mr. Devine:** — As far as the structure of the rate, that is correct.

**Hon. Mr. Blakeney:** — So that the royalty rate still varies from 12.25 to 9 - or the same as last year; I don't worry about the figures - and the base payment is calculated on the same basis of \$6.61 per potassium oxide tonne, and so on. There has been no change in the rate structure. I'm correct?

**Hon. Mr. Devine:** — We haven't touched anything with respect to royalties, except oil.

**Hon. Mr. Blakeney:** — So that we've had changes in oil royalties, changes in gas royalties, no change in potash payments of any kind, and that brings me to the next question on sodium sulphate. There've been no changes in the sodium sulphate royalties. If this be so, is the increase in royalties of \$400,000, the estimate, due to an estimate of increased production of sodium sulphate?

**Hon. Mr. Devine:** — The difference is largely price.

**Hon. Mr. Blakeney:** — I turn now to coal, and note that the coal royalties are significantly higher, being up from \$7.6 million to \$9.4 million on the royalty, and the freehold coal tax up from \$1.7 million to \$3 million. Can the minister advise whether or not there has been a change in the rate of royalty, or is this due to predictions of increased production or increased price?

**Hon. Mr. Devine:** — Some increase in production, and an increase in price.

**Hon. Mr. Blakeney:** — With respect to coal royalties, can the minister advise what the rate of royalty is per tonne? Is it a per tonne royalty, or is it affected by price?

**Hon. Mr. Devine:** — It's 15 per cent of the minehead value of the coal.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Premier, I ask a narrow question now with respect to coal which is used to make briquettes, so-called char.

I ask whether or not, when the royalties for coal to make char is assessed, whether it is assessed on the coal, as such, or on the product which is produced - the char, which is the name that people used to describe it to me. And I'm not sure whether that's the name of that is used in official circles.

**Hon. Mr. Devine:** — On the coal, period.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Minister, it's been called to my

attention that you need a couple of tonnes of coal to make a tonne of char and that some of the producers of this product feel that the royalty bears heavily on them, since they are producing this product for export in a competitive market. The question I ask is whether or not this problem has been brought to the attention of the department - if problem it be - and what the response has been to representations along this line.

**Hon. Mr. Devine:** — Well, a couple of observations or responses. Yes, it takes two, two and a half tonnes of coal for a tonne of char. But char sells for about five times . . . a tonne of char about five times that of a tonne of coal. Now, yes, we have been visiting with the industry people about that particular problem. We are examining in some detail the whole freehold coal tax. And one of the issues with respect to the coal tax is this consideration of the producers of char.

**Hon. Mr. Blakeney:** — Thank you, Mr. Minister. Mr. Minister, I am going to step out of the committee for a moment, and a couple of my colleagues are going to carry on. And I will be back. I will be asking for information with respect to crude oil production by area, and potash production and uranium production, if that information is available. And I believe I have here material I got from the Hon. Mr. Thatcher and I will be asking that. I'll be back in a moment. My colleague from Shaunavon has some questions.

**Mr. Lingenfelter:** — Mr. Chairman and Mr. Minister, I would like to take a moment to find out about the number of wells drilled in a couple of years. I would like to go back, if you would have the facts and figures from 1980 to present date, from January 1st of the year to March 31st . . . If you could give me that for 1980, '81, '82 and '83. I would like the total number of wells and then broken down as well. Also, producing wells and dry wells, if you could do that for me. And that might take a minute.

**Hon. Mr. Devine:** — I have a summary of wells drilled '78 to '82, and I'll send them over right now, and we'll pull together the first quarter of '83 as quickly as we can. I would point out that, I guess for 1982 . . . Well, I'll get the information to you.

**Mr. Lingenfelter:** — Mr. Minister, I think we have here the total numbers drilled, and that's part of the question; it's also broken down by area. I would like as well a breakdown as to the gas and oil, and dry and producing, but also the number of metres drilled, because sometimes the statistics, in terms of the amount of work created, you will know whether you are drilling in the Dodsland area or in your area, in Estevan, drilling a well there where it's, let's say, fast-holed to 1,500 feet - you can be in and out in two days - as opposed to Minton where it may take three or four weeks. But I would like the number of metres drilled in those areas, of wells, if you could get that for me.

**Hon. Mr. Devine:** — We'll get that information as soon as we can. It is public information. We don't have it with us, but we'll get it to you as quickly as we can. I could point out that the first quarter of 1982, and you don't have that figure, there was 135 wells drilled in the province, in total. The first quarter of 1983, there was 287 wells drilled.

**Mr. Lingenfelter:** — Mr. Minister, do you have any projections? I know that in asking in estimates, that the minister then indicated last, I believe it was in November when we were doing the estimates, had a prediction for the year. I wonder if at this point in time, you have a prediction for 1983 - what you expect the number of wells to be drilled in the province.



**Hon. Mr. Devine:** — 1,000 to 1,200.

**Mr. Lingenfelter:** — 1,000 to 1,200, so given that in 1982 there were 809, in 1981, 807, it will be slightly higher than '81 and '82, but considerably lower than '79 and '80. I suppose the high was 1,498 in 1980, so you would expect it to be somewhere in the middle?

**Hon. Mr. Devine:** — Yes, I expect it to be somewhere in the middle, between 1,000 and 1,200. I might point out that in '79-80 there was, I suppose you might say, a peak in oil pricing, where at this time in this year, we're looking at a recession, and yet the number of wells drilled are actually going up here quite dramatically, while the price of oil is coming down.

**Mr. Lingenfelter:** — Mr. Minister, the other question that I would like to ask is whether you have the information on that period in 1980, for the similar years here as to what was drilled by the private sector, and what were drilled by Saskoil. And also for 1983, if you can give an indication for the first quarter, and also your predictions on private sector versus Saskoil drilling, in the province.

**Hon. Mr. Devine:** — Past information might include some statistics on breakdown by company, in terms of drilling, which includes public companies. It may be confounded a little bit by the combination of private/public joint ventures, or company combinations, and that may be available from the past. We don't have that right now, but even if I did, I'd be a little reluctant to forecast, by company, who's going to be drilling how much. We deal with companies on a confidential basis, 'cause they tell us what they're about to do in the province of Saskatchewan, etc., etc.

Some of them are joint ventures, Saskoil and a company. It might not just be in the best interest of the province to speculate on the forecasting fashion about what each company is going to be doing, or our estimate of what they are doing. It's a fairly competitive arrangement and we don't have the information here. You might be able to get some of it out of past reports, but as I mentioned, I'm not sure it would be a good idea to forecast company by company who is going to be doing how much.

**Mr. Lingenfelter:** — Mr. Minister, could you give me that information for the year 1982 then, versus 1980, on private sector versus public sector drilling in Saskatchewan?

**Hon. Mr. Devine:** — Do you just want Saskoil?

**Mr. Lingenfelter:** — Both.

**Hon. Mr. Devine:** — Both what? The reason I ask is we have Saskoil, Petro-Canada, Bigheart which is now BCRIC, AGIP and British Petroleum. There's a whole combination and it is relatively complex and an awful lot of work to dig that out by public versus private and the combination thereof. So it's a possibility we can get Saskoil and say the rest are another group, which would make it somewhat easier.

**Mr. Lingenfelter:** — Mr. Minister, the point that I'm trying to establish is that in 1980 . . . '79 as opposed to 1982 at least, that the private sector were drilling in Saskatchewan and were drilling more wells than they did in 1982. I guess I'm making this an assumption because I can't tell from the answer that you've given me. But, you will probably correct me if that is wrong.

But the theme has been of your government, that under an NDP government, that the private industry did not come to Saskatchewan, wouldn't come to Saskatchewan because of the attitude of the previous government. What I am saying here tonight is that quite the contrary is true - that in 1979 and '80 were the two best years in the province's history under an NDP government, and since then it has been somewhat less. And I suppose what I would like from you is confirmation or denial that the private sector was in fact involved very much and very actively in oil drilling in this province under the previous administration and that has gone down in 1982.

**Hon. Mr. Devine:** — Well, a couple of observations. One, without being argumentative at all, the world oil prices were increasing up until 1980, dramatically. Believe it or not, they were increasing across Canada and the United States. So the increase to 1980, drilling was up to 1,498. Then we have the national energy program come in. The national energy program, plus a combination of the previous administration's taxes and royalties, causes drilling to drop by over 600, almost 700 wells. They dropped in '81, and they dropped in '82 - 807, 809. And then, as a result of our changes in last July, we can now forecast them being up to 1,000 to 1,200 wells, even given the national energy program. That's the first observation.

The second is: I would venture to say that you couldn't find a handful of oil boys who would want to see the previous administration back and their royalty structure back in the whole province, and the member knows that.

**Mr. Lingenfelter:** — I certainly don't agree with the Premier when he says that the oil companies are very excited about coming to Saskatchewan under the present oil royalty structure. They aren't, because they're not here. And the simple fact is that the cycle that you're talking about, from '78 to '83, is identical to the cycle that was followed in Alberta. And to a T, if you were to put it on a graph, you would find that the very same up and down occurred in Alberta, occurred in other areas of North America, and had nothing to do with the administration that was here in Saskatchewan previous to April 26th or after.

The very simple fact is that the oil well drilling in the province of Alberta has gone up this year, in the first three months, as it has in Saskatchewan. And I don't think the government in Alberta has changed. It's very simple that, because there was a prediction for a little while that oil prices would go up, in fact, and now we are seeing a major slump. And that's why you're not predicting that oil wells being drilled in the province will not continue to increase, but in fact, I believe - and we'll see whether or not they do - will tail off from what they were in the last half of 1982 to what they'll be in the last half of 1983. But that remains to be seen.

In the first quarter of 1983, I wonder if you would give me the information as to where the 287 wells were drilled.

**Hon. Mr. Devine:** — Just a very brief rebuttal on Alberta. Their wells, the number of wells, increased the first quarter about 10 per cent. Ours has increased 100 per cent. A significant difference. So we're not the same as Alberta. We've gone from 135 to 287. It's a significant . . .

**An Hon. Member:** — Are you saying it's going to be 100 per cent higher than '82?

**Hon. Mr. Devine:** — I'm saying the first quarter of '83 is up substantially over what it

was in '82. And the increase even for '82 is significantly higher here than it is in the province of Alberta - significantly higher. It's gone up from 135, for the first quarter of '82, to 287, for the first quarter of '83 . . . (inaudible interjection) . . . Well, I'm talking about the first quarter of '83. So it's gone up over 100 per cent here compared to about 10 per cent in Alberta. I mean, you wanted the comparison between Alberta and Saskatchewan. There's the comparison. So it isn't the same cycle. We're bucking the cycle.

Lloydminster, 97 wells; Kindersley, 121 wells; Swift Current, 13 wells; Estevan, 64 wells, for approximately 190 wells. That's by area.

**Mr. Lingenfelter:** — Mr. Minister, you're saying that there were 287 wells drilled in the first quarter of 1982. You're predicting about 1,000 as a total. In 1980, the first quarter was 184, or 100 less than what you had drilled in the first quarter of '83, yet the total was 1,500. Are you saying that you're predicting that bad of a downturn in the oil drilling in the province as compared to 1980 that you will end up with a total of only 1,000, when in the first quarter, you're saying 287 have been drilled already? Like, it just doesn't make sense to say that we're improving so much and yet your predictions, going by past year, should be over 1,500 - going by 1980, when only 184 were drilled in the first quarter. And that's why I say you can't go by quarters. Your projections are that 1,000 will be drilled in the province as opposed to 809 in 1982, and 807 in 1981. And I maintain that going year by year, the curve that you will find in Alberta and Saskatchewan is very, very close. Using quarters or days, I suppose you could do all sorts of weird things on a graph and say, 'This day we announced we had 10 wells drilled and Alberta only had one and therefore we drill 10 times as many wells as Alberta.' But year by year, I'm saying that the cycle was the same. And that's what I would like you to confirm.

**Hon. Mr. Devine:** — I can reiterate a couple of points. One, the year you picked, 1980, and the 1,498, is the last year and the last quarters prior to the national energy program, when prices were going up very, very rapidly. That is not a typical year and certainly not the same as conditions that exist today, where world oil prices are falling down. Now, second point: the heavy oil that was developing rapidly in the Lloydminster area during that period, 1980, with rapidly increasing prices, clearly isn't expected to do that now when world oil prices are coming down. But despite world oil prices coming down, we are going from 800 up to approximately 1,000 to 1,200 wells. Against the world system coming down around us, we're going the opposite direction, significantly. In fact, if we go from 800, say, to an average of 1,100, that's a significant increase at a time when world oil prices are plummeting.

**Mr. Lingenfelter:** — Mr. Minister, you've given me the numbers for Alberta, or you've indicated the graph for Alberta. Can you tell what has happened in Manitoba, whether there's been an increase in the past two years in oil drilling as opposed to the two previous? Would you do a little analysis on that and tell me about oil wells drilled in Manitoba?

**Hon. Mr. Devine:** — It went from about, last year . . . Oh, I don't have this year's. Last year it went from virtually none to post-Waskada, which was a find in the south-western part of the province, to approximately 161.

**Mr. Lingenfelter:** — What you're saying is that it increased drastically under an NDP administration?

**Hon. Mr. Devine:** — All I'm saying is that somebody found some oil when there wasn't any drilling at all in Manitoba. Somebody found some, so now there is some. When they were at virtually nothing, there's no economic activity at all, so somebody found some oil so there's a little bit of increase and activity. I could point out, going back and looking at Saskatchewan's record versus the Alberta record, or looking at the Manitoba record, our base in Saskatchewan could have been five-fold what it was, under a different administration.

**An Hon. Member:** — Why don't you do it, then?

**Hon. Mr. Devine:** — We're doing it, we're bucking the trend. You had the chance. You went . . . oil went from approximately . . . (inaudible interjection) . . . All I'm pointing out is that during your administration, oil went from perhaps \$3 a barrel to \$30 a barrel, and you don't have very much to show for it. We're going against the trend. When oil is coming down, drilling is going up here, and that's the significant difference.

**Mr. Lingenfelter:** — Well, it's interesting to note that when the oil drilling goes up in Saskatchewan it's because of great administration and great tax policy, but when it goes up in other provinces it's because they've found oil. The logic is a little hard to follow, and the political rhetoric is a little difficult to follow as well. I imagine Premier Pawley could say the same thing - that it's because of his great administration that oil drilling has gone up, and terrible administration and just good luck in the fact that your oil drilling is projected to be up by 200. But the simple fact is, is that the oil drilling throughout the western world has followed a cycle, the ups and downs which will be the same as Saskatchewan. And your projection of 1,000 wells this year, which is 500 lower than in 1980 or two-thirds of 1980, is not that great of a record to be flaunting around, and also to be saying that the government who had 1,500 wells drilled was doing a terrible job.

The people have a hard time understanding that, when you're saying what a great job you're done when it's 500 less than what were drilling two or three years ago. The simple facts are that there will be less wells drilled, probably, than in '80 or '79-80 or '78. And that is with the new fancy government that talks a lot, but yet when the profit margins of the potash corporation or other resources companies are shown, the story is quite a bit different. And I think that's the tale that is being told, and I would like to ask you now why you are predicting only 1,000 wells to be drilled in the province, when in the first quarter you were saying 287 were drilled, when that's more than in any other year that you have given me. In fact, it's a hundred more than 1980 - a hundred more than in 1980 - in the first quarter of the year there was 1,500 drilled. What predictions are you basing that on, to say that there'll only be 1,000 drilled?

**Hon. Mr. Devine:** — We're making the estimates on what we think that we can do in this province bucking the world trend. If I could just give the hon. member an example, if he'd like to write these down. The first quarter of 1981, wells drilled were 217; 1982, it was 135. The difference is minus 38 per cent. Second quarters, 1981, 235; 1982, 146. The difference, minus 38 per cent. So during the first two quarters of '82, under your administration, wells dropped 38 per cent. Then, there was a change in the administration. Just like overnight, the third quarter '81 was 218; in 1982 was 246, up 13 per cent. The fourth quarter, 137 in '81; 282 in 1982 for 106 per cent increase, just like overnight! The first two quarters were your administration; the last two quarters were our administration.

**An Hon. Member:** — The first two were ours?

**Hon. Mr. Devine:** — Yes . . . (inaudible interjection) . . . You might remember that we won on April 26th. We started to bring in the tax and royalty changes about July 1, so July 1st is pretty much half-way through the year. So the first two quarters are still under your regime, the last two quarters are under ours - like that's January, February, March, April, May, June under your administration and the last half under our administration. You dropped minus 38 per cent and we increased in 13 per cent the first quarter we had a chance, and 106 per cent the second quarter we had a chance. It's a significant difference.

Based on 1983, again bucking the world trend, we expect it could go up from 800 wells to 1,000, 1,100 or 1,200 wells. So that's a significant increase when everybody else is decreasing, except for a new oil find in south-western Manitoba.

**Mr. Lingenfelter:** — It's oil, yes. That's the very point, Mr. Minister, that you take credit when things . . . When the wells go up a magnificent increase of 200 over a couple of years, but still 500 lower than they were in 1980. And yet when Manitoba's increases drastically, it's because they had the good fortune of finding oil. And the logic in that comparison will escape most people in the province because it's very obvious that what you're doing is more political rhetoric, where you're attempting to take credit for increases in oil production here, or oil drilling here, but in Manitoba it has to do with good luck. And I wonder if you can tell me whether you think Manitoba is bucking a trend or not.

**Hon. Mr. Devine:** — Well, I don't think the member opposite wants information. He just wants to argue. All right, that's fair enough. When we look at . . . There were no new exciting discoveries in the third quarter of '82 or the fourth quarter of '82 in the province of Saskatchewan, but we increased drilling 100 per cent. No new discoveries. In the province of Manitoba, there was a discovery. Well sure, discovery takes you from almost zero action to 160-some wells that they're drilling, which still isn't very much action. Now anybody finds a new pool, something might happen. But we had significant increases - significant increases - with no new discoveries, just with the new administration.

**Mr. Lingenfelter:** — What do you expect your increase to be - 1982 to 1983? Just so I can get it for the record, what do you expect the increase to be?

**Hon. Mr. Devine:** — Well, in '82 there was 109 wells drilled and we're forecasting 1,000 to 1,200.

**Mr. Lingenfelter:** — Will the increase in Saskatchewan be more or less than Manitoba?

**Hon. Mr. Devine:** — We don't have a forecast for Manitoba. I don't have any idea what Manitoba's is going to be in '83. In '82, apparently it went from zero to 160 wells because of the Waskada find. For '83 I have no idea whether it will continue or whether it won't.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Minister, I'm just trying to get a few facts for the record. With respect to, first, oil production, and I'm now speaking for calendar years - I don't have the fiscal year before me - will the minister agree that the oil production in Saskatchewan in 1980 was approximately 25,600 cubic metres per

day; that it declined in 1981 to around 20,500; that in 1982 it was about 22,000; and will be agree that a reasonable prediction for 1983 is something in between 24,500 and 25,000 cubic metres per day? For his information, I am referring to the *Oilweek* of February 7th, which contains calculations, estimates and forecasts of Canadian oil production, and I'm giving the Saskatchewan figures. What I'm asking the minister is whether he agrees that those figures are approximately correct.

**Hon. Mr. Devine:** — We don't have them by date, but I suppose we could calculate it by date. We could give you '81-82 and our forecast for '83 in thousands of barrels. In '81, there was 46,525; '82 would be 50,994, and our estimate for '83 is 53.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Minister, would the minister agree that the 1980 figure would be on the basis - 55 or 56 million barrels?

**Hon. Mr. Devine:** — 58,712.

**Hon. Mr. Blakeney:** — Mr. Chairman and Mr. Minister, some of this may have been covered in my absence. I now ask whether the minister agrees that the number of metres of drilling in 1982 was slightly lower than in 1981, being down from about 732,000 metres to 649,000 metres, as indicated on page 28 of *Oilweek*. I'm reading from the February 7th, *Oilweek*, which is the annual wrap-up, annual review and forecast, which will be familiar to your staff.

**Hon. Mr. Devine:** — I believe that's correct.

**Hon. Mr. Blakeney:** — I would ask the chairman to call it 10 o'clock.

The committee reported progress.

The Assembly adjourned at 10:02 p.m.