

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

May 8, 1984

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING, SELECT AND SPECIAL COMMITTEES

Deputy Clerk: — Ms. Zazelenchuk, in the Standing Committee on Private Members' Bills presents the sixth report of the committee, which is as follows:

Your committee has considered the following bills and agreed to report the same without amendment:

Bill 01 – An Act to incorporate the St. Paul's Cathedral Foundation;

Bill 02 An Act to amend an Act to incorporate The Saskatchewan Association of Rural Municipalities;

Bill 03 – An Act respecting Crown Trust Company and Central Trust Company.

Your committee recommends under the provision of rule 58 that fees be remitted, less cost of printing, with respect to Bill 01.

Mr. Zazelenchuk: — I move, seconded by the member for Quill Lakes:

That the sixth report of the Standing Committee on Private Members' Bills be now concurred in.

Motion agreed to.

INTRODUCTION OF GUESTS

Mr. Petersen: — Thank you, Mr. Speaker. It's my pleasure today to introduce to you, and through you, a group of grade 4 students from the Wadena Elementary School who are seated in the Speaker's gallery. They are accompanied by their teacher, Mr. Reg Glennie; Mrs. MacDonald; Miss Loeckes, I believe it is; Diane Leich, who is one of the parents; and their bus driver, Jim Haggerd.

I hope you have an enjoyable stay here today. I'll be joining you later for pictures and refreshments. Enjoy the House.

Hon. Members: Hear, hear!

Hon. Mr. Taylor: — Mr. Speaker, on behalf of my seat-mate, the Attorney General, member from Qu'Appelle-Lumsden, who cannot be here today, I want to take the opportunity to welcome 24 grade 4 students from Balgonie Elementary School, along with their teacher, Elaine Caswell, and Mrs. Blechinger, one of the parents.

I have the good fortune of going past Balgonie school many times, Mr. Speaker, and they have a fine school there, and I understand it's one of the few schools in Saskatchewan that, in their new addition, has a greenhouse and a solarium. I think that's a real advancement in education.

I want to congratulate the board, and I want to tell the students I look forward to sharing a drink and discussion with you later on. The drink, of course, is courtesy of Mr. Lane. So we'll look

forward to meeting you later on. Thank you.

Hon. Members: Hear, hear!

Hon. Mr. Pickering: — Thank you, Mr. Speaker. I'd like to introduce you, and through you to all members of this Assembly, 19 grade 12 students, seated in the west gallery, from the Avonlea High School. I will be meeting with the group at 3 o'clock in the rotunda area, and for drinks in the dining room at 3:05.

I hope they find the proceedings here, and question period, informative and perhaps educational. I would like all members to join with me in wishing them a warm welcome to the legislature and a safe journey back home.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Dismissal of Mrs. Julie Campbell

Mr. Lingenfelter: — Mr. Speaker, my question will be directed to the Minister of Health. It has to do with a Mrs. Julie Campbell, the former administrator of the Lakeside Nursing Home in Wolseley.

Mr. Minister, can you confirm that on April 4th of last year you personally instructed your deputy minister of health to fire Mrs. Julie Campbell? And can you tell us, in fact, whether or not Mrs. Campbell was a public service commission appointment? And can you inform us on what grounds you instructed your deputy to personally dismiss Mrs. Campbell?

Hon. Mr. Taylor: — Mr. Speaker, I would have to give some more thought to some of these questions. He's asking quite a way back there, but it comes to my mind that the decision, the instructions to dismiss Mrs. Campbell, the letter was from my deputy, Mr. Fyke.

Mr. Lingenfelter: — Mr. Speaker, a new question to the minister, and I can well understand why he would rather not remember this incident. I can hardly believe that he does not remember it when it's in his own backyard, but I have a letter here, Mr. Speaker, I would like to quote from. It's marked personal and confidential. It's addressed to Mrs. Julie E. Campbell. It's signed by Mr. Ken Fyke. But the body of the letter I find interesting, Mr. Minister. It says:

Please be advised that, at the direction of the Minister of Health, I am terminating your appointment as administrative officer 4 at the Lakeside Nursing Home, Wolseley, effective May 4, 1983. You are relieved of your duties effective immediately.

Mr. Minister, it was on April 4 that you took over that area from the Department of Social Services, and the very day that you took over you instructed your deputy minister to fire a person who worked in your constituency. Are you trying to tell me that you do not recall the incident, and why, in fact, you instructed your deputy to do that?

Hon. Mr. Taylor: — I indicated to you that there was a letter from Mr. Fyke delivered to Mrs. Campbell on the date of April 4th, indicating to her that she would be relieved of her duties.

Mr. Lingenfelter: — The question is, Mr. Minister: why, in fact, why did you instruct your deputy to fire Mrs. Campbell? That's the question. Why did you instruct him to write this letter? It's obvious that Mr. Fyke was under your instruction. It was not his decision. But he says:

Please be advised that, at the direction of the Minister of Health, I am terminating

your employment.

Why did you instruct your deputy to write this letter?

Hon. Mr. Taylor: — I indicated to the deputy that he would write that letter. Mr. Fyke wrote that letter to Mrs. Campbell indicating that her services were not required at Lakeside Home.

Mr. Lingenfelter: — Mr. Minister, I realize that you instructed your deputy. First of all you said you didn't remember it, and now you have a . . . now you remember it very clearly. The question is: why? Why did you instruct your deputy to write the letter? Why did you fire Mrs. Campbell who was the administrator who, in her last report, her evaluation, the evaluation says:

Mrs. Campbell inherited numerous administration and personal problems at Lakeside in Wolseley, but regardless of this has achieved far beyond expectations and, I feel, is an asset to the home.

And signed by her immediate supervisor. In light of the fact that this individual had a glowing report from her supervisor, why on the first day that you took over that area in your department, why on the first day would you instruct your deputy minister to fire this individual who is acclaimed to be a good operator and a good administrator at the nursing home? Why did you do it?

Hon. Mr. Taylor: — Mr. Speaker, I'd like to see the document that the member is quoting from. I don't know what he has there. I'm not privy to that document. I can't react to that statement. I don't know what he is talking about.

Mr. Lingenfelter: — Well, I have a new question and I will get back to asking you again the reason. But it comes from a hearing that was held on this dismissal, September 19, 1983, a public service commission hearing. And I'll bring to the minister's attention words that were spoken to you directly by the commission who accused you . . . (inaudible interjection) . . . Yes, to you, and I quote, Mr. Speaker:

The commission must draw to the attention of the Minister of Health the threat to the merit system of elected officials directly directing the appointment or dismissal of public officials within the classified service.

It goes on to say that:

That is why dismissals are reserved to permanent head and why reason is given.

Now, Mr. Minister, in light of the fact that the person who was her immediate supervisor said she was doing an excellent job, the public service commission says that you owe Mrs. Campbell an explanation as to why you fired her.

Why do you not stand in this Assembly and take the honourable position? If you had a decent reason for firing her, tell us here, and let's get on with it. But I think stonewall and hiding is not the way that we should deal with this problem.

Hon. Mr. Taylor: — Mr. Speaker, once again the member is absolutely wrong. He says the public service commission spoke these words to me. I never was at any hearing of the public service commission. I've never heard that spoke to me previously.

Mr. Lingenfelter: — Mr. Speaker, the minister attempts to say that he did not hear about the appeal that was made by one of his employees that he personally fired. I find that hard to believe.

But I would like to go on in that report to refer the minister to the conclusions and

recommendations that were made by the appeal process. In the conclusion, the commission goes on to say that the commission finds that Mrs. Julie Campbell was unfairly dismissed from her position as administrator of the Lakeside nursing home. And they go on to say that a settlement should be awarded to her of \$21,812.

Mr. Minister, it's very clear that you fired someone who was competent, who was able, and that you made a mistake for whatever reason. What I would like to find out from you, Mr. Minister, is whether the assumption, made by many people that it was political, is true or not, or what was the reason that you fired this individual on the first day you took over that department?

Hon. Mr. Taylor: — Mr. Speaker, it would seem to me that if there was a just settlement made to Mrs. Campbell, which I have no reason to believe that there wasn't, that this issue is over. She was dismissed. She has been given a settlement, and a just settlement at that.

Mr. Lingenfelter: — A final supplementary, Mr. Speaker. I think the actions of the minister in dealing with individuals in this province, in firing people who are considered competent by their immediate supervisors and by the public service commission, is not only not to be accepted, but I say the . . .

Mr. Speaker: — Order, please. Order, please. The member is making a statement, but the member did not ask a question. If you have a question, proceed with the question.

Mr. Lingenfelter: — Mr. Speaker, a new question to the minister. I wonder if, in light of the facts that have been brought out here – the statements made by Mrs. Campbell's immediate supervisor, by the public service commission – whether or not you would now stand in this House and make the honourable position of giving an apology, a public apology, to this individual who has a long-term service to this province, Mr. Minister, and whether or not you should not stand and apologize for your action in firing her inappropriately.

Hon. Mr. Taylor: — No, Mr. Speaker. I view this matter as over and done with, and I can assure the people of Saskatchewan, the people of Wolseley, and the opposition and everyone else in this Chamber today that Lakeside Home is under capable management, and that the people in Lakeside Home are receiving some of the best care in the province of Saskatchewan.

Multimodal Facility for Regina

Mr. Sveinsson: — I have a question of another minister, somewhat cavalier and less than humanitarian, the Minister of Highways. Recently, there was an annual meeting in Regina of Transport 2000, and the consensus of that meeting was that that facility, the multimodal facility for Regina, was definitely the program and a development that Regina should have. The consensus was . . . And one of the members of your government from Moose Jaw North indicated that the door had not been slammed on Regina with respect to the multimodal facility.

My question to the minister is: has the door been slammed on Regina, and if not, what is in store for the multimodal facility for the city of Regina?

Hon. Mr. Garner: — Mr. Speaker, I will quote from the member of the opposition – I guess it's the Liberal Party, the Liberal opposition in this Chamber – from his question-period briefing book, Regina *Leader-Post*, where it states:

“We haven't closed the door on multimodal facilities, nor on Regina,” said Parker.

That's correct, Mr. Speaker. We haven't said someone else can't proceed with a multimodal facility. We aren't saying that if the city of Regina wants to proceed with a multimodal facility, that's their business.

What we're saying, Mr. Speaker, what we're saying is that the STC (Saskatchewan Transportation Company) is not going to invest \$6.2 million of the taxpayers' money into a white elephant that they would have to pay the cost for ever and ever and ever. It is not viable. That is not the direction Saskatchewan Transportation Company is going.

Some Hon. Members: Hear, hear!

Mr. Sveinson: — David Walker, with VIA Rail, outlined at the meeting that he was willing, and VIA Rail was willing, to get involved as a partner in this project. What is the ante that the provincial government is prepared to make with respect to the multimodal facility in Regina?

Hon. Mr. Garner: — Once again, Mr. Speaker, I'll try and point out to the member opposite that STC is, and would be, quite prepared to sit down and negotiate with anyone that wanted to set up a multimodal facility in the city of Regina as a lessee in that building, and that is all, Mr. Speaker.

We cannot justify to the taxpayers of Saskatchewan spending \$6.2 million going into a venture like this when there will be no other major players in the game outside of VIA — no other players, no cab companies, city transit not in there. It would, in essence, Mr. Speaker, it would in essence be another Prairie Shuttle that was set up by his friends, the NDP.

Mr. Sveinson: — As the hub of Regina transportation, I think the minister will admit that if the project does go ahead, other private sector individuals interested in transportation would get involved.

My question was, not the viability of the project in your mind. My question was: how much is the provincial government prepared to put into the project?

Hon. Mr. Garner: — Well, Mr. Speaker, once again I'll try and explain to the member opposite that STC is not going to go into any ownership regarding Regina multimodal. We will go in there, Mr. Speaker, as a lessee, and a lessee only, on that premise or any other premise. We will try and explain it very simple to the member opposite: there are no capital dollars, no capital dollars, Mr. Speaker, to go into Regina multimodal facility.

Mr. Speaker: — Order, please. Order, please. I indicated that was final.

Appointment of Administrator for Lakeside Home

Hon. Mr. Blakeney: — Mr. Speaker, I direct a question to the Minister of Health, and I ask him with respect to Julie Campbell, the employee who he acknowledges was discharged summarily, who I hope he acknowledges was a qualified, competent, and loyal employee, as described by the public service commission hearing . . . (inaudible interjections) . . .

Mr. Speaker, I will ask the question again. The minister has acknowledged that he has fired this employee. He has acknowledged — I hope he has — that this employee was a competent, well-qualified, competent, and loyal employee. I want to ask the minister about the person who he appointed in the place of Julie Campbell, because this person wasn't appointed through the public service commission. Did that have to fact the same tests? Do you agree, Mr. Minister, that on November 1, 1983, by order in council in which you participated, a Sandra D. Hextall was appointed to replace Julie Campbell?

The report of the chief electoral officer shows that in 1982 the business manager for your campaign was Sandra Hextall. What I want to ask you is: do you agree that Sandra Hextall was appointed to replace Julie Campbell, this person you summarily dismissed, and do you acknowledge that the Sandra Hextall appointed was the same person who was your business agent in 1982?

Hon. Mr. Taylor: — First of all, if I can remember all the questions this member was reeling off, first of all, you asked me if Julie Campbell was dismissed. I think we've gone through that, that there was a letter from Mr. Fyke that dismissed Julie Campbell. I think that's well established. You indicated did I feel that she was qualified person and so on, and I have not indicated that at all. I indicated that she was going to be dismissed. You indicated about a Mrs. Sandra Hextall, who is presently the administrator of Lakeside Home.

I want to tell you that Mrs. Hextall has a long career in hospital administration – very successful. You mention about the public service commission. I think, if you will check the records, you will find that for the position that was filled some time after Mrs. Campbell was dismissed, because there was a Mr. Ian Rogers who was at the provincial lab who went out there from April until December to fill that position.

If you will remember estimates last year, you will remember those questions being asked of me. Let me indicate to you that there was a competition in the public service, of which Mrs. Sandra Hextall, out of 21 applications, came out on top and was appointed by order in council to the position of the administrator of Lakeside Home. And this is the same Mrs. Sandra Hextall that was the business manager in my campaign.

Hon. Mr. Blakeney: — Just to get back to one of the points covered by the minister, in the decision of the public service commission, it reads in part:

Counsel for the appellant (that's Mrs. Campbell), by way of documentary evidence and the testimony of Mrs. Campbell and Sister Nestor Kyba, director of nursing care at the Lakeside Home, demonstrated that Mrs. Campbell was a well-qualified, competent, and loyal employee.

Do you acknowledge that Mrs. Campbell was a well-qualified, competent and loyal employee?

Hon. Mr. Taylor: — I indicated to you that Mr. Fyke delivered a letter to Mrs. Campbell on April, indicating her that she would no longer, her services necessary at Lakeside Home.

I've indicated to you also that Lakeside Home is presently being very well administered. The level of care of the patients – and if you deny that, you just go out and ask anyone there, if you think different. Because I can tell you that that is the truth, that the home is being well administered. It is being administered by Mrs. Hextall?

Hon. Mr. Blakeney: — Mr. Speaker, a supplementary. Does the minister acknowledge that Mrs. Campbell was appointed by, pursuant to the provisions of The Public Service Act, and was so informed in 1980 at the time of her appointment, but that Mrs. Hextall was not so appointed, but rather was appointed on November 1 by an order in council and not pursuant to the public service commission procedures?

Hon. Mr. Taylor: — I answered that previously. I said yes, that there was a competition, that Mrs. Hextall came out on top of all the applicants, and was appointed by order in council.

Hon. Mr. Blakeney: — Mr. Speaker, supplementary. Why would you appoint anybody by order in council who was successful in a competition and accordingly would be appointed pursuant to the provisions of The Public Service Act.

Hon. Mr. Taylor: — I don't think it is very strange for governments at many times to appoint people by order in council. I'm sure the hon. member opposite appointed people by order in council. I think I can remember maybe that you appointed by order of council. I don't think this is anything strange, new, or anything sneaky about it. The lady was the best qualified, and it was the decision to appoint her by order in council.

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker. Does the minister acknowledge that if you're going to have a competition you don't appoint by order in council, and if you do have a — and if you appoint by order in council, you don't have a competition? Don't you agree with that?

Hon. Mr. Taylor: — I do not agree with that. You can have a competition and you can appoint by order in council if you so wish. And you know that.

Service to Mentally Handicapped Children

Mr. Koskie: — Thank you, Mr. Speaker. I'd like to address a question to the Minister of Education. As the minister will know that there are more than 16 mentally handicapped children that are enrolled in the developmental centres at six schools in the Regina Public School Board system.

And the minister should know, as well, that these children require extensive speech therapy to develop their verbal skills. The speech therapist for the Regina developmental centres comes from the Wascana Hospital, and due to budget restrictions is limited to one afternoon a week. This, Madam Minister, allows the speech therapist to work on a one-on-one basis with each child for 45 minutes over a course of two years.

I want to ask the minister: in light of this disgraceful service to the mentally handicapped children caused by your government's lack of funding, will you now look at additional funding so that the Regina Public School Board can provide adequate speech therapists' program to these handicapped children?

Hon. Mrs. Smith: — Mr. Speaker, I have a great deal of faith in the decisions that are made with the Regina Public School Board, and I would suggest that perhaps the member sit down with the director of education, and he would probably be more than willing to explain the matter of scheduling, where priorities are put in a given year, including 45 minutes a day, 45 minutes a week, when it comes to speech therapy or anything else.

Those decisions rest with boards of education, and I would suggest that maybe he just visit the board, and they'll give him some of the information he requires.

Mr. Koskie: — Well, Madam Minister, this is a cut-back as a result of your funding, and what I'm going to ask you . . . There are presently 62 students in the six class-rooms, and that population of students is going to increase to 72 in this current school year. What I'm asking you: are you, as Minister of Education, going to sit idly by and see the lack of speech therapy programs because of a lack of funding by your government? Is that the position that you're putting forward?

Hon. Mrs. Smith: — Well I could go into the whole issue of 5 per cent on the operating grants, etc., but I won't do that to the member from Quill Lakes again. I will remind him besides the 5 per cent increase on the per pupil grant there is a 5 per cent increase on special education. And the member is suggesting a cut-back, and I would suggest that that is totally misrepresentation of the truth that he is putting forward.

Mr. Koskie: — Further supplementary. Madam Minister, I'm going to ask you: when do you plan to sit down with your colleague, the Minister of Health, the Regina Public School Boards, and to work out an adequate speech therapy program for some 72 young people in the school system?

Hon. Mrs. Smith: — The member is suggesting that the people that are in charge now cannot do it adequately, and I don't agree with that. The people that are in charge can do it, and

they do it very well. He is creating fear and misrepresentation again.

As to the Minister of Health and I having discussions, I would like the member to know that we do it regularly, and even on an organized fashion every Thursday morning. So he can rest assured that the Minister of Health and the Minister of Social Services and myself do discuss better co-ordination when it comes to service for children.

Mr. Lingenfelter: — Madam Minister, I hardly believe what I'm hearing when we have word that handicapped children who need a speech therapist are getting services 45 minutes every two years, and that you sit idly by and do nothing. My question to you is: in light of a letter which I have received a copy of, addressed to the member from Wascana from a parent who has a child in one of the six developmental centres, Mr. Speaker, it . . . And I quote; the parent says:

My investigation of the situation has revealed the following: one speech therapist is allotted one-half day per week to work with 62 children enrolled in the developmental centre. (It goes on to say:)

The speech therapist tells me that this allows her to work with each child for 45 minutes once every two years.

Now, Madam Minister, I think it is incumbent on yourself to make sure that you direct some money to the school boards in Regina who are having a very difficult time in light of the cut-backs they have received, to see that this program is beefed up so that the children of this province and, in particular, the public school division at the six developmental centres will have a speech therapist more often than once every two years.

Hon. Mrs. Smith: — . . . (inaudible interjection) . . . I can't either. The member from Shaunavon indicates he can't believe his ears. I can't either. And what I will do for the member from Shaunavon, I will have an investigation to see if, indeed, it is true that if children require a speech therapist, that they are only getting 45 minutes every two years, and I will bring that information back to you because I, quite frankly, don't believe that.

Mr. Lingenfelter: — A final supplementary. I would question, and ask the minister to, in fact, do an investigation. I would also ask her if she would do two things: one, ask the speech therapist, who is quoted in this letter — there is only one under your government's direction, because the school board cannot hire any more — whether you would take an opportunity to talk to this speech therapist and the individual who is named here who has a child in this position, who I will give you privately afterwards, because I think then you will realize the problem that till now you apparently are unaware of.

Hon. Mrs. Smith: — As I said, I will bring back some information that would indicate, if a child requires . . . (inaudible interjection) . . . No, I didn't say that. Don't put words in my mouth. You have a hard enough time dealing with your own, let alone mine.

Some Hon. Members: Hear, hear!

Hon. Mrs. Smith: — If a child requires a speech therapist, I do not believe that they are only getting 45 minutes every two years. The reason I don't believe that, the Minister of Health has just said he has added 10 new speech therapists.

ORDERS OF THE DAY

MOTIONS

Resolution No. 13 – Cost-Price Squeeze in Agriculture

Mr. Lusney: — Thank you, Mr. Speaker. I am indeed pleased to have the opportunity to speak to this resolution. The resolution states:

That this Assembly urges that the Government of Saskatchewan cease imposing unjustifiable cost increases on farm operations, and that the government implement a comprehensive plan to address the critical cost-price squeeze faced by Saskatchewan farmers.

Mr. Speaker, this resolution has been on the order paper, or on the motions for . . . since last November, and it was put there because there was a serious problem in agriculture. Farmers were facing difficulties. And what did this government do since that time? Since last November they did very little. They had all winter to put together programs that would assist the farmers when spring came. But what did they do? Nothing.

There was a problem with farmers in Hudson Bay, and that this government was aware of, because the farmers kept contacting them and telling them that they had very serious financial difficulties in that area, and that they would need some kind of assistance in order to get the crop in this spring.

But did this government address that problem? Did the Minister of Agriculture address that problem? No, Mr. Speaker. I think what the Minister of Agriculture did was totally ignore the problem that was out there. He totally ignored that problem because when spring came in 1984 those farmers still had the same problem, and they were contacting the minister, and they were contacting anybody they could to see if they could get some assistance.

That was what farmers of Hudson Bay were faced with, and they had a government in Saskatchewan that paid very little attention to their concerns, and it gave them virtually no assistance whatsoever.

Agriculture, Mr. Speaker, is the backbone of this province. It is the backbone of Saskatchewan, and it always has been. When the farmers of Saskatchewan are doing well, small business in the province is doing well. But we can understand why they would ignore the farmers, because they are also ignoring small business. Big business is the direction they want to go in. But if you do not have a strong agricultural sector, nobody benefits in this province. You are going to find hardships and financial difficulties all across the province.

When agriculture is prosperous, it creates employment. And this is another area where we are suffering in this province. We've got huge unemployment, and all we have to do is assist agriculture in this province, and you would see employment increasing. Because farmers spend their money when they have it. They buy equipment. They buy repairs. They have products that need processing. Every one of those creates employment, and that employment is created because of agriculture.

Small-business people make money because of agriculture, and here we have a government that cares very little about farmers or agriculture or small business. Their main concern is big business, because that's where they put all the millions of dollars. Big business — that is their concern, Mr. Speaker.

But what are they doing now to try and assist this industry, the industry of agriculture, to get through the crisis that they're facing? They came in this spring with a program that's going to provide some counselling assistance for the farmers — \$4 million for counselling assistance — mostly to be spent on salaries and administration, Mr. Speaker. And that is the kind of assistance they're providing for the farmers. These are the big programs that they're going to give agriculture.

Well, a farmer that's been in the business for 10 or 20 years doesn't need some civil servant to tell

him how to farm, because I'm sure he knows a lot more than that person that's going to counsel him. What he needs is assistance – assistance to make sure that he can sell his grain at a reasonable price, to see that he could get his inputs in at a reasonable price, where he doesn't go selling his grain for \$3 a bushel and paying about \$150 or \$200 a pail for chemical.

That is where the problem is, Mr. Speaker, and this government is not trying to assist the farmers to get through the crisis that they're facing: low grain prices and high input costs. They are providing, or saying they are going to provide, some counselling assistance for them.

Well, Mr. Speaker, counselling assistance is going to save very few farmers in this province. When they have a crisis on their hands, did they go and do what needs to be done? No, Mr. Speaker. I think one would have to say that what this government has done till now is a little like Nero, who fiddled while Rome burned, and that's what this government is like.

They can see what is happening to agriculture. They know that it is going to destroy many farms in this province, and many farm families are going to have to move off the farms and go into the urban areas and join all the many of others that are unemployed and on welfare. This is what they are trying to promote with their agricultural program. They don't have any money in it to assist those farmers for one or two years till they can get over the hurdle and again try to make money.

Maybe what's needed is a change of government, because up to '82 the farmers were doing not too badly. But in the past two years we see bankruptcies. We see bankruptcies, Mr. Speaker, in agriculture, and that's what has happened in the last two years of a Conservative government.

What could this government do in the last two years to really help agriculture? Did they try to save the Crow? Did they try to keep down the cost of transportation on grain to farmers? No, Mr. Speaker, they did not. What they do is send a letter of Ottawa and say that we oppose what you are doing, and we don't necessarily agree with you. But that is about the extent of their action on trying to save that Crow or to keep the freight rate down.

They virtually just sent a letter in and told Ottawa that this going to be the extent of our criticism to what you are trying to do. "So what you can do now is what you have been planning to do all along because you won't face very much criticism from us." That's what this government has been saying.

And essentially, what that's going to do now is put the squeeze on farmers even further. When the freight rates go up next fall, and the price of wheat is down, those farmers are going to be faced with a real cost-price squeeze because it is going to cost them more to ship that grain. And they aren't going to be able to have enough money to go around to pay their taxes, and to pay their repair bill, and to pay their fuel bills, and to pay the interest to the banks, and then have to pay a higher freight rate yet, Mr. Speaker. That is going to be a burden on all Saskatchewan farmers.

They also, in the past two years, allowed huge utility rate increases, and those are definitely going to affect farmers because – especially power – electricity on farms is used extensively. They use it for drying grain. They use it in the welding shops, in their machine shops. Utility rates are something that a farmer is going to be faced with having to pay, and he cannot cut back. He has to use that electricity in his operation because farmers are set up to have a farm operation that's electrified. Mr. Speaker, this government decided that they weren't going to ease that burden to agriculture, but they went, and they boosted those utility rates.

And while they boosted utility rates, they also cut back on many grants going to local governments – R.M.s. And when you cut back on grants going to R.M.s, that means that farmers are then going to have to pick up the additional amount of revenue that those R.M.s and the local governments will require. They will have to pick up that additional revenue that will be

required through higher taxes.

We see the schools in the rural areas that are facing increased costs. That cost is going to have to be moved to the taxpayer. And that farmer that owns a few quarters of land is going to be faced with that additional expenditure. They have put the squeeze on him through every single channel you can think of.

That is the kind of government we have in this province, and that is what they have been doing to try and help agriculture.

We presented a bill to this House, or a proposal, that would have provided some real concrete assistance to farmers and to agriculture. And we have asked the government that what they should do if they don't want to support our proposal, put it on their own paper and pass it, and we would agree with them, because that is what farmers needed. They needed some protection. They needed protection against foreclosures of their farms. They needed some money to get their crop in. That is the kind of assistance that farmers needed, and that is the kind of assistance that they did not get.

All they were told, that we'll give you some counselling service. We will tell you if you are going to go broke today or tomorrow, and we will pay some bureaucrat to come out there and tell you that. This is all that they provided for the farmers of Saskatchewan.

Farm income, Mr. Speaker . . . (inaudible interjection) . . . The member from Souris-Cannington makes light of the issue, Mr. Speaker, and I'll have to say he could be a real comedian at times, but one thing we can be sure of – the situation that farmers face today is not a laughing matter. It is very serious, Mr. Speaker. It is very serious. We have many, many farmers in Saskatchewan that are in real difficulties today. They are in difficulties because the price of machinery went up, the price of repairs went up, the price of fuel went up, the price of fertilizers and chemicals went up – and they require every one of those to keep their operation going. And yet the price of their grain went down, so they will have less cash flow than they've had before, and they needed some assistance.

They needed assistance from a government that would be responsible, responsible enough to say that agriculture is important to Saskatchewan, and what we should be doing is making sure that it can survive the down times in the industry. When they felt the oil companies were in trouble, \$100 million was nothing, but when farmers are facing the same kind of difficulty, all we see is \$4 million for some counselling program, and nothing of real concrete assistance for the farmers. That is all that this government would do for agriculture.

Farm bankruptcies last year went up to about 48. This spring, I think in January and February, they were up to about 27 in those two months. I don't know what it would be by now, but those are just the farm bankruptcies. What about all of the other farmers that are being forced to sell, where their banker tells them: look, you either have to sell, or you have to go into bankruptcy, so you're better off to make an auction sale, pay off your debts; whatever you have left is what you'll have left. There are going to be hundreds and hundreds of farms like that, Mr. Speaker, that are going to be forced to sell. The ones that go bankrupt are only a very few of the others that will really be going out of business.

This is where the real problem exists, that those farmers that need some assistance in order to continue their operation have not been getting any. They required a reasonable amount of assistance, and they didn't ask for much. We said that all this government should be doing is guaranteeing a loan for those farmers that needed cash this spring to put their crop in. And it was a pure and simple program, a simple proposal, and they adopted part of that proposal to guarantee loans to farmers. But what kind of program did they come up with? – one where the farmer virtually has to get down on his hands and knees to this government, or to an appointee of theirs, before he can get that guaranteed loan. This is how interested they are in what

happens to agriculture.

It could have been a simple program where the bank could have made the decision as to whether they would further give some money to this farmer, and whether they thought that he can keep that operation going for another year until the crop came in, and then start paying some of that back. They do everything else for the banks. Why wouldn't they have allowed the banks to make the decision where the farmer was concerned?

But, Mr. Speaker, when it comes to someone who doesn't have the financial backing, as do the banks and the large companies, those people have to get down on their hands and knees to this government. They cannot have any simple solution. They cannot have a reduction in royalties like the oil companies. They can't have a reduction in taxes without question. They can't even get a guaranteed loan that would probably cost this government nothing in the long run, because the farmers are a sincere group out there, a hard-working group of people that will pay that money back, that would pay it back and don't ask for anything free.

But all they asked for was a little bit of backing, a guarantee that they could go to the bank with to borrow that money, and get that crop in, and spend another year working hard at it to produce some food for this country. That is all those farmers asked. But they couldn't even get that from this government. They had to make it so difficult that there'd be very few people being able to get into this program as they did. They almost had to have a Tory membership card to do it. That, Mr. Speaker, is the kind of programs this government has been setting up for agriculture.

One thing, Mr. Speaker, if this government would have gone ahead with some of the programs, not only the loan guarantee . . . if they would have gone ahead with the fuel rebate, that would have been instant benefit to the farmers. It would have given them at least a little bit of money to get that crop in, because the fuel wouldn't have cost them quite as much.

Today you get one fill of fuel, and you've got \$2,000 gone, and it doesn't take much, and anybody that's a farmer here knows that, and that fuel doesn't last very long either. A little bit of help would have been very welcome in the fuel rebate program. But they wouldn't accept that. They wouldn't accept the farm protection act. That would have at least saved some of the farmers for another year, and it would have prevented the banks or some finance companies from moving in and repossessing their equipment or their land. It would have given those farmers an opportunity to get one good crop off, and maybe they could have started making some of those payments and saved their farm and saved their equipment, and in the long run it would have benefited everybody. But no, they wouldn't accept that program either. This government would accept no programs that would help agriculture or help farmers of this province.

Mr. Speaker, I think it's unfortunate that we have a government in a province at a time when agriculture's in serious problems, when agriculture has some difficulty in surviving. We have a government that's saying, as they have in the past, that some of you we don't consider to be farmers, and that you're too small, and what we want is big farmers, like big business, and you will have to go because we're not going to help you.

I think it's unfortunate that we have a government that takes that attitude towards a group of people that work so hard and ask for so little in return, and produce food that feeds the world – this government provides so little for those people.

Mr. Speaker, in closing, I can only say that I will continue – continue to fight on behalf of every one of those people that are suffering out there, every farmer and every small businessman. Because they're all affected by what's happening in agriculture.

I will continue to fight for them and continue to try to put some sense into this government to go into the direction of helping farmers, and in turn helping small business people, and in turn

helping employment and getting this province out of the recession that they put it into, and get it back to the kind of the province that we had a couple of years ago – a good, prosperous province with low unemployment, and one where everybody could enjoy living and working in.

Mr. Speaker, I would like to move, seconded by my colleague, the member for Quill Lakes,

That this Assembly urges that the Government of Saskatchewan cease imposing unjustifiable cost increases on farm operations, and that the government implement a comprehensive plan to address the critical cost-price squeeze faced by Saskatchewan farmers.

Mr. Koskie: — Thank you, Mr. Speaker. I am very pleased, Mr. Speaker, to join with my colleague from the constituency of Pelly who moved this important motion. I think all of us here in the House can agree that one of the most important segments of our economy is agriculture. I think each and every one of us who are serious will indeed agree that there are mounting problems confronting the agricultural economy, and those problems are on the verge of wiping out many of the established farmers of this province.

I note the extent of the problem in the area of agriculture. And editorial in the *Western Producer* which indicates that the:

Farm cash shortage serious. Government action needed.

And it goes on in this article to indicate the seriousness of the problem. It says:

Seeding time is a heavy expense season for the farmer. Grain prices are shrinking, and the government recently announced initial payments will be reduced again. Canadian farm bankruptcies have reached a post-depression record. On the prairies, 55 farmers declared bankruptcy in the first three months.

That really indicates the seriousness of the problem that the agricultural community is confronted with.

But that really doesn't give the full picture because bankruptcies, Mr. Speaker, do not tell the real entire story of the plight of farmers. Because what is happening in the agricultural community is that many of the farmers who have a number of quarter sections of land, what they are doing is selling off a quarter of section of their viable operation in order to consolidate their debts and reduce their debts in order to carry on as a smaller unit. Whether they survive is a question of economics in the future. But as my colleague has indicated, one of the areas that is of great concern is the cost of input versus the cost . . . or the price that is received for the products by the farmer.

Just taking a look at the farm situation, the farm price index in Saskatchewan, Mr. Speaker: using 1971 as the base year of 100 – in 1980 the farm price index was 329.8; in 1981 the farm price index had risen to 345; in 1982 it dropped to 316.8; and in November 1983 to 291.6.

On the other hand, if we look at the farm input price index, Mr. Speaker, we find that – and again using 1971 as the base of 100 – we find that in 1979, the farm input price index was 237.9; 1980, 261.7; in 1981, 303.2; in 1982, 213.3; and the third quarter 1983, 312.8.

So what we can see clearly, then, with those two set of statistics, is that the farm price index is decreasing, while the input costs are increasing very substantially.

And we are concerned, Mr. Speaker, and in this session here the critic for our caucus on Agriculture came forward with a six-point platform, that this government has not responded to the magnitude of the problem that is confronted by the farmers. Not only are they confronted

by the increase in costs of output, but as it goes on to say:

As for freight rates on grain, they will rise to the farmer on August the 1st, owing to the volume cap placed on the amount of the federal subsidy.

So an additional cost is looming, and that is the cost of transportation, and the ceiling has been set at 31.5 million tonnes. And then we're expected to produce over 34.5 million tonnes, and that's going to be an added cost.

But more surprising, Mr. Speaker, is the inaction of this government. My colleague has alluded to some of the actions that have been taken which has deeply concerned the farmers, and has substantially added to their cost of operation.

First of all, there is the massive utility rate increases: 15 per cent on power, 19 per cent on telephones. SGI rates for their insurance – a massive rate increase has taken place, 43 per cent – removal of the glass insurance which the farmers need more than anyone because they drive the rural roads, from the package policy.

And I want to say, also, that what this government did is essentially to remove the farmers' benefit that they previously had by the purple gas, wherein the farmer paid no tax on the fuel consumed on his farm. Now what they've done is removed it for all of the rest of the sector of society. The farmer's position has not been improved. In fact, what the farmer has to do now – because a large amount of the tax that was collected by those who used the highways, built our highways – now there is no revenue to build highways, and the farmer is asked to increase his taxation in order to build the highways. So the farmer is at a disadvantage.

But I want to say that they did a couple other steps which I think the farmers reject. We had a FarmStart program which provided for grants and forgivable portions of the loans that were made, in that the grant portion of the FarmStart program has been eliminated by this government. Those grants were put in there to help those at the bottom of the ladder – to give them an opportunity to grow and to build a viable operation.

Also, in respect to the family farm improvement branch, what did this government do? Shortly after assuming office, they completely eliminated the family farm improvement branch – that program which was welcome all across Saskatchewan in providing water and sewer in the farms throughout this province.

Another very interesting one, and I hope the Minister of Agriculture is listening ... Under our administration, and I've talked to some of the dairy people of this province, and I want to say that in talking to them they indicated that under our government there was a veterinary inspection of the herds provided, paid for by the provincial government, and this here provision here has been deleted by this government ... (inaudible interjection) ... That's right. It was eliminated by your government.

And so what has happened is that the actions taken by this government have certainly not facilitated or assisted the farmers of this province. But I am really amazed is that they bring in a meagre program of setting aside \$4 million. That is going to really solve the problems that are confronting the farmers. And what they are doing ... When you ask them why won't they at least give a subsidized loan to a farmer who is in difficulty – they have no answer. They set up a program to purchase land, and they will subsidize the interest to purchase land, but when they have hundreds of farmers in a very difficult financial situation, and when we ask them, "Why don't you, if you are going to provide loans to those who are in difficulty, why won't you, in fact, subsidize their interest rates?" And there is no answer.

I want to say this is a callous, callous government. It's a government which is determined to wipe out many of the small farming operations, and I'm going to say, Mr. Speaker, I'm serious in this.

I have talked to several farmers who have phoned. I came into this legislature to prepare for Crown corporations at 7 o'clock in the morning, and at 7:30 that morning, my phone was ringing. And this is the situation; and this is the situation; and this is the situation. This is the situation, Mr. Former Minister of Agriculture, now Minister of Travel. I want to say they have alluded to having a program where you can, in fact, go and get a loan and you can develop your operation; you can expand it, under certain qualifications.

This individual had a half-section operation. And he came in and asked and went through the Department of Agriculture to get a loan. He only wanted a small amount because he wanted to expand his herd – wanted to get a couple of pure-bred cattle. And do you know what happened? They told him there's no use of coming here. If you only want 5 or \$10,000 that will be all eaten up by legal fees before you even get it. Secondly, you only have a half section of land, and don't tell me you are viable. Either go and buy some more land or else don't come near us.

That's exactly what the individual was told. That's the assistance that this government is giving. And I think the Minister of Agriculture has adequately put it. What he has said, what our programs are going to be is to assist and promote those who are successful, in something of those terms. I'm paraphrasing, but that pretty fairly puts the situation, pretty fairly puts the situation that they are going to, in fact, build upon the successful ones.

I want to indicate that our party has brought forward a very concrete proposal to deal with the cost-price squeeze, what we had, indeed, indicated to the House. And, of course, a program – a six-point program – of which we got a tremendous response from farmers across this province. We indicated that this government should help to address the rising costs, and that they should institute, like they have in Manitoba and also in Alberta, a meaningful fuel rebate program of some 32 cents a litre.

We also indicated that what many of the farmers need who are in difficulty is a period of time in order to arrange their affairs, in order that the quota be opened up so they can sell some of their produce. So we said, let's take the side of the farmer, the basis of our economy and the strength of our Saskatchewan economy. And we said, let's take the side of the farmer in this problem, not the banks, as this government opposite is so ready to do.

And what we said is, let's put in a moratorium on foreclosures. And we have asked the Minister of Agriculture whether he agrees in principle that there are circumstances in which his government should, in fact, agree with that principle to protect the farmers from the ruthless foreclosure by the banking institutions. And I want to say all our pleading with the minister . . . And he ducked behind the privilege that there was a bill on the books, and therefore he would not answer any questions.

His silence, of course . . . His silence is indicative. His silence is indicative that he will not support a moratorium legislation to protect the farmers. But I know he will support his colleague sitting to the immediate left of him, the oilman of the cabinet, when he goes to give tax holidays to the oil companies.

But I want to say also, that we indicated that one other step that should be taken, and that is providing operating loans at subsidized rates and meaningful subsidized rates to the farmers. These steps I think would, in fact, help the farmers through these very difficult period, and I think give them an opportunity to restructure their financing. Certainly some of the financial institutions have indicated that they would be agreeable. But I think it's really incumbent upon the government. If they can give 100 and 150 million to the oil companies, surely they can give a meaningful assistance to the pioneers and the people of this province that have built this province.

I've always said that if Saskatchewan is to move ahead, there are two basic segment that we have to look at. And that is: providing a strong economic, a strong agricultural base; and secondly, providing a strong small-business structure in our province.

This government has varied from that approach. That approach has been followed since 1944: that we would build the strength of this province by building on our strengths, and that is the people who are here in Saskatchewan – the farmers and the business community.

Your government has failed. You have opted to go to the big investors, to the international banks. And I want to say that you'll be turfed out in the next election by your inactivity and insensitivity to the farmers and the small-business community of this province.

Mr. Katzman: — Mr. Speaker, I think we've just heard from the member from not Quill Lake, but from wonderland. The member stands on his feet and indicates that this government has forgot to do things.

Let me start by indicating that this government has had a 20 per cent increase in the Department of Agriculture's budget this year – not a decrease, but a 20 per cent increase.

The member wanted to talk about purple gas and the reduction of taxes – the sales tax on fuel. Let me indicate to the member that I have been in contact with one group who indicates the saving to their school unit was five mills. Five mills were saved because of the reduction on the transportation cost, because of this government's action when it became government, on removal of its tax on fuel. That went back to help every farmer and everybody whose children rode the buses in that area.

You know, Mr. Speaker, I could spend hours, I'm afraid, on rebutting some of the comments that came from Koskie in wonderland, and, just to show them where he went wrong. But, you know, I remember his solutions. What were they? Buy the farms and rent them back to them. Not to help them own the farm, but to buy them under land bank. And the way they used FarmStart, they kept giving them money to the fellow that was going to have problems. Therefore they could own the land that way, as well – another little land bank scheme that they were working on.

He talks about power rates. The first member talked about power rates increases. Let me indicate, Mr. Speaker, that the sales tax, as of April 1, 1984, sales tax was eliminated on electricity used on farms. That's a 5 per cent saving right there to every farmer in the province.

He talked about welders. Well, obviously, if you're using a welder, you're using electricity. And there was a reduction in cost – 5 per cent with the removal of the sales tax.

Mr. Speaker, I heard a lot of comments, and I would call them, in many cases, ballyhoo. That's all they were – a loud noise from the back row. You know, I've got a little pamphlet. It's called "Saskatchewan, a good place," and I've got a few comments. The government has brought about a new thrust in the area of farmland. More than 2,250 young farmers have enrolled in the Farm Purchase Plan, involving \$255 million in loans in the first 15 months.

Now that's not the government owning the farms, Mr. Speaker. That's the farms owned by the citizens of Saskatchewan, independently, and the titles in their names. That, Mr. Speaker, is why their parents and their forefathers came to this country: to own land, to have their own right of ownership; not to have the state own everything and tell them what they had to do. Number one.

And the NDP talk about jobs. Well, under their land bank program, it took 48 people to run their program. That wasn't very efficient, Mr. Speaker, because it only takes seven to run this one, thereby allowing more funds to be given to help the farmers, rather than causing more bureaucracy.

The minister has now changed FarmStart, with its wrong idea, and when I say wrong idea, it wasn't based to do the job that was needed. It was based for ownership of the farm, hoping they would get in trouble. And I reviewed many of the old FarmStart program people, and I saw what happened. So many of those applications were really geared to get them in trouble, because the operation was not viable and they were slowly going down the drain. And it was another form of land bank.

The agriculture corporation has now introduced loans up to 350,000 at rates as low as 8 per cent. That is, once again, to help them. The member from the other side said there was no grant. But if you look back at the grants that used to be under the old program, those grants got farmers going into projects that they had no expertise in. And they're automatically putting them in trouble, rather than let the farmer choose what he went into and what he was capable of making work. Use the farmer's expertise, rather than force him into down one program, the way they wanted to do.

We have now got the livestock farm credit, Mr. Speaker. It was introduced in this budget to help the livestock industry and the feeding of livestock in this province. You can get up to \$25 for cattle, \$3 for hogs, \$2 for lambs fed in Saskatchewan for a minimum period.

You talk about reductions in costs to the farmer. Well, you tell me what \$11 million will do. It will do an awful lot, when you consider the removal of the school tax on the home quarter on the farm. That's what we've done. There's another program there.

We've taken and made some changes in farmland ownership to strengthen the ability of Saskatchewan people to own the farmland, rather than people speculating on farmland from outside of Canada.

The hog commission: if you remember, Mr. Speaker, the hog commission came in about somewhere prior to '75. And the hon. member, the minister of agriculture of that day, Mr. Messer, I believe was his name — the member in that day from Kelsey-Tisdale — in the Bessborough Hotel in Saskatoon, told the farmers, "You're going to have this plan, not that you have any say. I've decided. I make the decisions in agriculture. And this plan is going to be shoved down your throat — if you want it or not." He didn't give them any choice in the Bessborough Hotel. He just told them, "That's it! You're living with it." He didn't even let them have the opportunity to appoint their own board.

What do we have now? We have the hog producers deciding their own future by electing their own people, and appointing their own people, and letting their own people do the job. Not a government that said, "You gotta do it our way or get out of here." And that's basically what Mr. Messer said in the Adam Ballroom, in Saskatoon, back prior to '75.

You know, Agdevco (Agricultural Development Corporation) and the former minister of agriculture, now the Minister for Economic Development, has been busy helping sell our agriculture products around the world. He successfully arranged a sale last year, as minister of agriculture, and is helping Saskatchewan. We're opening new markets to our people, and that is important.

Mr. Speaker, Saskatchewan farmers are doing well under the present government, no matter what all the ballyhoo that comes from the member of "salt wells." You know, I hear them from their seats, crying and bellyaching. Well the member of "salt wells" knows an awful lot, I think, about agriculture. But you look at his form that he signs as a member, of conflict of interest, and it show very little agriculture background in it.

I'd like to talk about one or two other items, Mr. Speaker, but I'm afraid if I did that, I would take much time of the House. But I would like to review the comments made by the two members, and then reply in a little more length with them.

But the member from Shaunavon likes to sit in his seat and tell people what to do. He likes to put his mouth into gear before some other parts, occasionally. And I would suggest if that member wishes to discuss this issue, that he should join in the debate later on, after I finish my statements.

And therefore, Mr. Speaker, I ask leave to adjourn debate.

Debate adjourned.

Resolution No. 20 – Activity in Natural Gas Industry

Mr. Myers: — Thank you, Mr. Speaker. It's a pleasure to stand up here before the members of this side of the House and speak upon a motion which commends the government, because this motion is very significant to the well-being of this province and to the citizens of this province. In the past few months the media knows and has seized upon some of the articles and knows the importance of natural gas to the economy of the province of Saskatchewan. In an editorial dated April 17, 1984, it states that "Attracting oil drillers," and they say:

There is now a meaningful evidence of what held back oil drilling in this province for years. The NDP government did not listen to the oil industry's pleas for lower taxation. The government's only response was to make token concessions.

Token concessions – and that's what the NDP were good at making, whether it be in home care or nursing homes or the oil and gas industry. But particularly the gas industry, because in the previous year, under the administration of the NDP, there were only eight gas wells drilled in this province – eight.

An Hon. Member: — How many?

Mr. Myers: — Eight gas wells in the whole of this province in their administration. Well, last year there were 159 gas wells drilled in this province – 159. I'm not even going to tell you what percentage increase that is. It would boggle your mind.

But there are other indications from other newspapers, and this one comes from the *Leader-Post*, and it states the importance of new industry coming into this province, and it says "Triton Petroleums taking on the big boys," and it goes on to say:

More importantly, Triton's move indicates the oil companies' increasing interest in Saskatchewan as a place to invest. (He says) We feel we can do as well here as we can anywhere.

And he's right. As a matter of fact, he can do a lot better here than he can anyplace else, and that is developing a Saskatchewan resource for the people of Saskatchewan.

And this one's from Lloydminster, the Lloydminster daily Times:

Oil companies expecting more activity this year.

And this one, Saskatchewan Business Bulletin:

Another record year coming up. The Conservative government is now proving to be the masterful player in the oil patch. The series of oil and gas policy changes that have been introduced since April 1982 election has won friends and benefited the province's economy.

And it keeps on going. It keeps on going. The member from Pelly is criticizing, criticizing the

policies, a policy which has revitalized that industry in this province from what it was under their government – almost nil.

They didn't want to develop the gas industry. They didn't want to. They had capped wells sitting on the west side of the province, inactive – inactive. They didn't want to develop it. Instead they wanted to import it from Alberta by Trans Canada Pipelines and making our residents pay through the nose, and not using, not using a Saskatchewan resource – not employing Saskatchewan people.

Well, we have a different philosophy. We want to use our resources and we want to employ Saskatchewan people. And the member from Pelly can just not understand what this means to the province. But then again, he sat there for years and he didn't understand what his government was doing to this industry and this province.

And this one from Moose Jaw: "Oil boom in Saskatchewan helps drilling totals." And I won't go on to the rest of the article. But there are many more here: "Oil industry spawns boost in local economy," the local economy.

And I know that my fellow members from Maple Creek, Weyburn, Morris, Kindersley, Wilkie . . . They know what it's doing to their local industries. They can tell you how busy their hotels are; how busy their hardware stores are. They can tell you that. That's because there's been 1,200 new jobs created, 1,200 new jobs created in the oil patch last year – 1,200 more than the former government had.

But maybe the minister wants to know some of the strategy, or the member wants to know some of the strategy for the oil patch, relating to the gas strategy.

Saskatchewan and Alberta have agreed to reduce imports from Alberta into Saskatchewan, so that more of our gas can be bought and brought to the market of Saskatchewan's domestic needs.

Trans Canada Pipelines will reduce its sale to Sask Power Corporation by 20 billion cubic feet between now and 1987. Sask Power will also limit its imports via the Many Islands Pipeline, and that's to the benefit of the gas fields in Saskatchewan, so that we're not paying Alberta prices.

And this has all come about because of a long-term agreement that the former government signed with Alberta and Trans Canada Pipelines. They wanted us, the residents of Saskatchewan, to pay through the nose through Alberta Gas, while leaving our gas unexplored, undeveloped and unused.

But what this will do, this will enable us to double the production of Saskatchewan gas over the next five years, from 35 billion cubic feet to 70 billion cubic feet per year. It will mean instead of producing one-third of our needs, one-third of our needs under the policies of the former government, that we will be producing two-thirds of our needs; and hopefully, by 1993 when the agreements with Alberta expire, that we will be producing 100 per cent of our needs, 100 per cent: 100 per cent Saskatchewan industry, 100 per cent Saskatchewan jobs.

I don't know why they seem to take a policy towards exporting jobs to Alberta. By not utilizing, by not utilizing our gas they actually, in turn, force people to go outside of the province to work in that industry. But I guess what the member from Pelly would like to know is: what does this mean to the producer? Because they've run ads saying that we have given away money to the oil companies. Well, we haven't. We haven't. We've had record land-lease sales in 1983 – record land-lease sales. Record wells drilled. And that goes for the oil as well as the gas. Records.

But what will it mean to the producer? Saskatchewan Power will not let new contracts for 7 billion cubic feet this year, for delivery beginning November 1, 1984. It will continue this until we

have met all our objectives – all of them.

Our policies will make opportunities available to as many producers as possible. And there are quite a few out there, and they're coming into this province, and they're creating new jobs – new ones, not a rehash, not government hand-outs, not government make-work projects, not government ones that used to come under the former government. Short-term gain for long-term pain, that's what you could refer their program to. Ours are Saskatchewan full-time, permanent positions in this industry, because we will be using a resource that we produce in Saskatchewan, not import from another province.

There was a good deal of shut-in gas that we can buy up this year, shut in because the former government didn't want us to produce it – shut in.

But since time is short, Mr. Deputy Speaker, and there are many more persons that want to speak on this issue, I would like to move, seconded by the member from Cut Knife-Lloydminster:

That this Assembly commends the Government of Saskatchewan for the initiative that it has shown by increasing the activity in the natural gas sector to a record level in the province, and by so doing creating jobs not only in the natural gas industry, but in the service industries, construction and agriculture (industries).

Mr. Hopfner: — Thank you, Mr. Deputy Speaker. It's my privilege to be able to say that I could stand here today to concur with the member from Saskatoon South in some of his remarks he's made here today. I think that we've heard from the opposition on several occasions in this legislature, and it's been happening all too often, that when they had referred to the recover program as a give-away to the oil industry.

I would suggest, Mr. Deputy Speaker, that from refraining, carrying it on too long of a debate here today, that I'd just like to point out a couple various things that have happened in the province of Saskatchewan, in particular, out in the area where I come from, and that is in the southwestern part of Saskatchewan, and that some of these things that have occurred are just nothing but showing a real potential for the province of Saskatchewan.

And I think, before I do start, I just must say that I would like to give and pay a thank to the Hon. Paul Schoenhals, Minister of Energy, for the programs and talks he's carried forth, brought forth, and carried on with the various oil and gas companies throughout the country, and indeed North America and the world, and that with the continuation of such open talks that we're going to be citing quite an increase in the province of Saskatchewan as far as enhanced oil recovery and gas is concerned.

I'd like to say that it was indeed a pleasure of mine to be able to take part in the opening of Canadian Occidental Petroleum Limited at their Fort Pitt gas plant and gathering system. I think this is a very significant opening in the province of Saskatchewan, and I'd like to point out several reasons why.

I think, first of all, Mr. Deputy Speaker, when we look at what had happened at that opening, we have to back up a few years back, and I don't want to take too long on this, but it was in about 1971 and '72, where in this particular area, and the gas wells were drilled and owned by Canada City Service, and after the particular programs that the NDP had come out with, it kind of almost forced, if you will, these particular drilling companies out of Saskatchewan.

It was actually highlighted at that particular opening, and it was a breath of fresh air in Saskatchewan, and that they indeed intended to expand a great deal in the province of Saskatchewan. They thought after 11 years of not being able to uncup these wells that have been drilled and had them spotted, that it was indeed their pleasure to be able, not only to open them, and not only to build a plant and a gathering area, but to pump it into the gas lines of the

SPC. I believe, if I'm not mistaken, Mr. Deputy Minister, that that particular gathering area is now supplying the natural gas to Paradise Hill and Frenchman's Butte.

I think if we wanted to dwell a little on that particular area, it's only five gas wells that were drilled at that particular time, back in '71, that weren't capped. And those five gas wells are not flowing into these SPC lines through this gathering think. What I would suggest through this is that it's a significant opening into the province's history book into the fact they were one of the first independents to be able to be pumping Saskatchewan gas into an SPC line.

I would think that if we really take a good look at this, we can see a lot of spin-off from this, Mr. Deputy Speaker. I believe, just in the plant itself, it employs three people right now, and with their expansion in mind for this upcoming year, and years to come, I'm sure that we're going to see, just out of this one little company, some significant job opportunities for many Saskatchewan people.

I think that when we're talking of natural gas, we have to talk more of becoming more self-sufficient in the province of Saskatchewan. I think, when we look at the opportunities that we can receive by the recovery and the tax collection end of it for the province's coffers, that there will be many, many programs when this government will be able to carry on and meet the needs of the people in Saskatchewan. And this spin-off, Mr. Deputy Speaker, goes into all sectors of life: hits the educational field right down into the hospital, nursing homes; hits into small business; hits into manufacturing; hits into all sorts of areas, such as a few of the ones that I've named.

I'd like to say that, through this type of spin-off, the economic growth in the province of Saskatchewan can only grow; it can only go forward. I think the people of the province have shown a real – I should retract on that – has given us a real backing in that regard, especially in my constituency where I deal with these people daily, is that . . . They just indicate to me that we cannot back off of the trend, and the steps we have taken to initiate the recovery program in the province of Saskatchewan.

I think that if we also look at Canadian Occidental, and I'm just citing a small, little company that their intent of developing their undeveloped gas lease holdings in the province of Saskatchewan . . . And I believe it's in the Hatton area of southwestern Saskatchewan. They have approximately, I believe, it was 120,000 gross sections to be able to drill and recover and gather this gas. I think if you look at the significance there, you can look at the job opportunities, and I can suggest to you, Mr. Deputy Speaker, that my total area is going to grow something fantastic.

And I want to suggest also, Mr. Deputy Speaker, and I noted from my Minister of Tourism, after having the issue was thrown at him about our oil recovery programs of yesterday, when he indicated about these spin-offs, and about talking about the small businesses in Saskatchewan, the large businesses in Saskatchewan, and how the members of the opposition had been totally negligent in accusing us of giveaways to the big oil companies.

I would like them to stand in the House one day and start naming these companies that they'd wish not to see in the province of Saskatchewan. I would like them to define to me personally which company they regard as multinational and big corporate oil companies. I would like them to name these companies so I can go out into my constituency and tell the people that they are against the Husky oils, they are against the Murphy oils, they are against the smaller independent companies.

And it's strange . . . (inaudible) . . . that I kind of found a little ironic is that one of the members of the opposition, of the NDP, the member from Shaunavon, happens to be in the oil drilling business himself today, and yet he can stand in the House and mouth off the way he does about us contributing to the independent oil companies. It sometimes becomes very humorous on the floor of this legislature when you hear them talking on one side of the mouth and then talking

out of the other.

So what I would just like to say, without carrying it on too much further, that, Mr. Deputy Speaker, I welcome Canadian Occ. To the province of Saskatchewan. And I want to suggest that the minister and the rest of my colleagues on this side of the House welcome any investor into this province; invest into this province so they can invest into jobs that we're trying to create in this province for our young people.

And I want to suggest to you, Mr. Deputy Speaker, that as far as I'm concerned, if the members opposite can stand up in this House and name me the names, I want to tell them . . . I want to be able to argue and debate with them whether these businesses, these oil companies, these small independents are actually as large as they indicate to the public out there. I think they are about as far from the truth as the truth can be on this issue, and until that, I just want to indicate to them, as the minister as I was saying before, the Minister of Tourism said yesterday, that in this province, in this province of Saskatchewan, that the only business that I call big business in the province of Saskatchewan are the small business.

I'd like to thank you today for allowing me to stand on the floor of the legislature here and to speak a few minutes in this regard. And I'd just like to say I'm prouder that ever to second the motion. Thank you.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Mr. Speaker, I thought I would add a few words to this debate before I adjourned it. The member for Cut Knife-Lloydminster asked that someone would stand and name some companies which they deemed to be multinational oil companies, or transnational oil companies. I'll offer him a name or two. I would put Exxon in that category, or their Canadian arm, Imperial Oil; and I would put Gulf Oil in that category; and I would put Shell in that category; and I would put Texaco in that category; and I would put Sun Oil in that category; and I would put several other companies in that category.

Let me, Mr. Deputy Speaker, be very clear; our side of the House has no objection to these companies operating in Saskatchewan. They operated here for many years in the '50s and the '60s and again in the '70s when our party was in office, and a look at the figures in 1979 and 1980 will show that the drilling was at levels of around 1,500 wells a year, which, whatever else it can be called, is a robust level and has only been exceeded on one or two occasions, and those at least for 25 or 30 years. So there's no question about these people being welcome. The question is: on what terms are they welcome, and we would wish that the terms would be such that they would return to the people of Saskatchewan the greatest possible return from a rapidly diminishing resource.

I'm not sure of the company referred to by the hon. member for cut Knife-Lloydminster, but if it is Canadian Occidental then I believe that to be a subsidiary of the Occidental Petroleum Company, and that's yet another company which I would deem to be a multinational (a very interesting multinational) and I'm happy that the member for Cut Knife-Lloyd warms to Occidental Petroleum because it's been one of the interesting companies in the world.

Mr. Hammer, who was the chairman, and I suppose, still the chief executive officer of Occidental, has pioneered relations in the oil industry with the Soviet Union. And I'm sure that members opposite tut-tutted that a great deal when he did it, but they are now embracing Mr. Hammer, or his arm in Canada. He has recently been very active in making deals with the Peoples' Republic of China, and I have no objection to that. I'm surprised that members opposite have none, but they're coming along. This is certainly what they said a few years ago. They decried any dealings with that government, but they are now suggesting that Canadian Occidental Petroleum are good corporate citizens, and I'm not here to deny what they say because I've no reason to believe otherwise. I'm just saying they're very enterprising people with

respect to whose parent – members opposite used to have interesting and less complimentary things to say, but who they now feel are good operators in Saskatchewan, and I am not here to gainsay what they say.

I noted that the thrust of the resolution deals with creating jobs, not only in the natural gas industry, but in the service industries, construction, and agriculture. I wish one of the members, the mover or seconder, would have indicated just how the drilling of natural gas wells created employment in agriculture. I missed that connection, and I'm still missing it.

However, it is one of the areas where some additional jobs have been created by this government, although they haven't created many jobs in many areas. I think in the last year when this natural gas program has been in effect, the number of non-agricultural jobs in Saskatchewan has not risen, but declined, Mr. Speaker. Notwithstanding the alleged contribution of the natural gas industry, the number of jobs has actually gone down 1,000, and in the service industries it's gone down 3,000.

They indicate that the natural gas initiative will created jobs in the service industries. That, it may have done. Who knows? But the total number of jobs is down by 3,000. And with respect to construction, again one of the things which they have indicated would be assisted by the natural gas industry – it may have been assisted. Who knows? But the total number of jobs in the construction industry is down 2,000 from last year.

Agriculture, however, is up by a couple of thousand jobs. I doubt very much whether the increase in agriculture is due to the extra drilling for natural gas. I would like to hear that argument put forward by a member opposite drawing the nice logical links between the drilling for natural gas and the increase in the number of people who say they're working on Saskatchewan farms.

I think we know the reason for that is that there's no other work. People are going back to the farm, and they are helping on the farm, and they are quite properly said to be working on the farm. But neither you, Mr. Speaker, nor I, nor anybody else in this House believes that when we see a figure – agricultural employment, March, 1982, 71,000; agricultural employment, March, 1984, 80,000 – that those 9,000 jobs or even 1,000 of them have come about because of any initiative in the natural gas drilling industry.

I think that members are attempting to take credit for their initiative in natural gas, but they're drawing a very, very long bow as the member did when he talks about creating jobs, not only in the natural gas industry, but in agriculture. That, I think, is simply not buttressed by any facts put forward by members opposite.

Members opposite are making many suggestions, Mr. Speaker, as to what I might talk about because they obviously don't like the line of comment which I am now making. And I would think that if I were trying to put forward an argument that the drilling of natural gas wells has created jobs in agriculture, I wouldn't want anyone to look too carefully into that argument either, because it is totally specious, and the member from Saskatoon South, who moved the motion, knows that there's no substance in that part of his motion.

With respect to token concessions, it may well be that the members opposite characterize what the previous government did as making token concessions. I will tell you that nobody in Saskatchewan believes that the concessions you have made to the oil industry in this province are token concessions. Whatever else you can call them, they're not token.

They are enormously rich concessions, concessions which are costing the people of Saskatchewan many tens of millions, indeed, hundreds of millions of dollars over a period of time. And that, indeed, is the concessions that are being offered, Mr. Speaker, and those, indeed, are not token concessions.

But, Mr. Deputy Speaker – Mr. Speaker, I am sorry, since you've resumed your Chair, my apologies – I will not pursue this matter further, since I know that members opposite wish to get along with another debate. I could talk a good deal about their initiative with respect to natural gas exports, and what happened to it, and whether or not it's going to progress.

It seems to have fallen into the trap of inadequate planning by members opposite between themselves and the Government of Alberta. But we'll have an opportunity, Mr. Speaker, to explore that in a perhaps more relevant context in the estimates of the Department of Energy and Resources.

While the motion deals with natural gas drilling and natural gas production, and while comments on export would perhaps be relevant, I will refrain from making them until we have an opportunity to explore, and we're going to hear about what's going to happen by the end of June. And we will be looking forward to the comments of the minister.

With those few comments, Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

Hon. Mr. McLeod: — Mr. Speaker, I would ask for leave of the Assembly to move that we stand the remaining private members' business and move to government orders.

Mr. Speaker: — The member has asked for leave to stand private members' business and move to government orders. Is that agreed?

Hon. Mr. Blakeney: — Mr. Speaker, I'm not aware of that arrangement having been made. And if my colleague comes back, the member for Meadow Lake can ask again. But it was my understanding that we are, in fact, going to go with the private members' resolutions and bills. And if I am in error, my apologies. But I am objecting, Mr. Speaker. And when I have an opportunity to consult with the whip, or the House Leader, I may withdraw my objection. But as of now, I object.

Hon. Mr. McLeod: — Well, Mr. Speaker, the motion that I've just made was pursuant to an agreement that I had with the House Leader of the Opposition to move to government orders at 4 o'clock, and it's very near 4 o'clock just now, Mr. Speaker. But certainly the Leader of the Opposition has a right to object to it, even though his House Leader has made this agreement. So I won't say it's fair ball. I almost said it's fair ball. I don't believe it is, but it's the way things are appearing to be, so we'll go on with the next motion.

Mr. Speaker: — Order, please.

Resolution No. 21 – Activity in Oil Industry

Mr. Morin: — Thank you very much, Mr. Speaker. I rise in the Assembly today to move resolution no. 21:

That this Assembly congratulates the Saskatchewan government for the attention it has given to the oil industry, and for its initiatives in achieving record levels of drilling activity at a time when the rest of the industry worldwide faces difficulty.

Mr. Speaker, in speaking to that motion, I think that it's valuable for us to harken back to the days before the change in government, in late '81, in early 1982, and to look at the situation that the oil industry, in particular, enjoyed in this province at that time. We saw at the time of the election and at the time of the change in government and incredible amount of shut-in capacity in the province in the oil industry. We saw service industries shut down considerably in the province. We saw unemployment, falling revenues to provincial government, and on and on and on, in a

very black scenario.

We, of course, saw a loss of jobs in the industry. We saw world price falling off and, because of that, we saw a continual drop in revenue to the provincial government. In my own area in the north-west corner of the province, after having recently had Gulf Oil, a company mentioned not long ago by the Leader of the Opposition, move into that area, we saw Gulf contemplating pulling out of the province because the economics that were imposed on them by the regressive royalty regime of the former government, simply precluded the fact of them operating profitably.

What happened following that, Mr. Speaker? Well, it's quite clearly changing the coin over and looking at the other side. In July of 1982, the provincial government of the day introduced some oil royalty revisions, and those royalty holidays, ranging anywhere from one to five years, allowed for a rebirth in the oil industry. Who did they help? Well, largely they helped the little operator and they allowed for the Saskatchewan drillers and developers to begin the search for our own oil. And it allowed for an expansion in the employment of Saskatchewan people and Saskatchewan capital in the industry.

When you compare that to the plan that the former government had for the oil revitalization of the oil industry, the differences between them are quite striking. The former government had a program whereby you could write off your capital investment against any future development that you did. Now in order to gain any benefit from that, what you had to have was wither considerable amount of production or a considerable amount of development done down the road. Consequently, the big winners in that scheme, Mr. Speaker, were the larger producers and the larger oil companies, the very Imperial Oils and Texacos that the Leader of the Opposition was commenting about a few moments ago when we were talking about natural gas industry. Our program on the other hand, doesn't reward any failure; it rewards only success. And if, in fact, you do drill for oil and you do discover oil, you have a royalty-free period on that, the length of that period varying with the type of oil that you happen to discover and the depth of the find.

So clearly it helps the little operator. It helps the Saskatchewan group of people who want to go together and form a drilling fund, as the members opposite are well aware. And it certainly helps the formation of capital within the province and the creation of jobs within the province.

The resurrection and implementation of those initiatives by this government led to some \$500 million worth of capital investment in the province. Along with that there are over 1,000 jobs created in the oil industry in this province, and the spin-off in the oil industry is geared – is estimated to be five times. Consequently, if we invest – if we created a thousand jobs in the oil industry, specifically there would be an additional 5,000 jobs created throughout the economy.

And we see the benefit of this policy everywhere we look in the province, Mr. Speaker. When you look at Estevan, or Weyburn, Kindersley and The Battlefords, the Lloydminster region – all around there is activity. People are working who weren't working before. People who were dealing with their banker in fear of losing their company or losing their assets are now back in the field – working, pumping oil, and contributing to the economic well-being of the province.

Again, referring to my own riding, we're beginning to feel the impact of the oil industry up there more and more. And within the past years, the result largely of the change in direction of the oil industry in the province, we're seeing new construction take place in The Battlefords. We're seeing a huge growth in employment. We're seeing a better economic tax base for our community, and all in all just a very positive impact on the north-west corner of the province.

And that's no different than what they're seeing in the Minister of Finance's riding of Kindersley, or in the Premier's riding at Estevan. The plans in the growth within the industry are just phenomenal, and we're quite optimistic and quite thankful for the change that the government brought about in the oil industry.

The results of the drilling activity, Mr. Speaker. I'd like to deal on for a minute. Because when we were elected here not long ago, we heard the members in opposition say: when will you reach the results in 1980? And it was with quite a bit of pleasure that we were able to announce last year that we had not only reached those results in 1982, but surpassed them, and set an incredibly high record of drilling for the province. In fact, comparing the 1982-83 drilling results, when we get to Saskatchewan in 1983, we see that there were 1,843 well drilled within the province. That's up from 808 wells in 1982, and a positive change of 128 per cent.

When you compare that to Alberta, which has traditionally been the leader in the oil industry in this country, you would see that in 1982 they drilled 5,126 oil wells, and in 1983 they were down 4,360 wells, which is a net decline of 15 per cent.

The drilling prior to the change was way down and, consequently, when there's no demand for, no drilling being done and no demand for land, then the bonus payments which go to the provincial government when they sell royalties are down. With the change in the royalty structure, what we saw is that there was an incredible demand for land, for drilling rights for land to be drilled on and, as a result, the bonuses received by the provincial government went way up.

The known reserves, which we developed as a result of searching for oil, have increased considerably. The thing that we find within the oil business, as in many other businesses, is: the more you look for, the more you find. Prior to the change in government, people weren't looking for oil and, as a result, the known reserves within the province were dwindling.

With the new interest and activity that came along with the change in government, then consequently much more drilling took place and we developed more oil and found more oil and improved what could be turned around.

In fact, in the land sales activity in 1982, compared to 1983, we saw an increase in bonuses of 217 per cent, and that, Mr. Speaker, for the provincial government is just basically found money. It's money that we would've never expected to have had, and, without the changes in the oil royalties and the increase in drilling activities, simply would not have taken place.

Some other things that were very encouraging in the oil industry you see, Mr. Speaker, are the change in the disposition of oil that we're developing in the province. Again, going back to around time of the change in government, what we were finding was that our oil, due to the falling price of oil, some of the oil that Saskatchewan produced was not being demanded, that there was a great deal of money, of oil on the market, and that the United States, which we export most of our oil to, found that they could compete internationally and could purchase a great deal of this oil at a better price.

We were able to change that around through some very aggressive marketing in the Department of Energy and Mines and, as a result, we've increased our market share both internationally and domestically.

The Saskatchewan share of the international market has increased roughly 0.3 per cent, and that's a fairly significant amount when you look at the international market. And, within the confines of Canada, our domestic share has gone up. In fact, for the first time ever, under this administration, oil was . . . (inaudible) . . . into the Sarnia refineries, and we're quite pleased to see that happen as that augers well for the future of our, not only our oil industry which is a very extensive employer in the province, but for the economy in general.

There are a whole number of other things that I should like to add here about the production, Mr. Speaker, but rather than go on with that, I'd like to simply make a couple of comments about Saskoil before I conclude, and then the general revenue of the province.

We saw the former government quite happy to set up one Crown corporation, fumbling to its

knees, after the other. And Saskoil was no exception to their rule of mismanagement. They couldn't . . . With all the benefits, Mr. Speaker, with all of the opportunity of unlimited government treasury, the ability to buy all the land they wanted to buy, to operate it however they could, to purchase the best talent and pay them whatever they wanted to pay them, they still couldn't find a way to make a profit, Mr. Speaker, and in fact, just became a feather bed for their political friends.

The financial statements for Saskoil were tabled here recently, a week or so ago, Mr. Speaker, for the year ending December, 1983, and a profit of roughly \$31 million was indicated in those financial statements. Mr. Speaker, I'd like to indicate to yourself and to the Assembly, that that's more than the cumulative total profits that that corporation had ever made, and finally the people of the province are getting some return for their considerable investment in that company.

When it comes to overall revenue for the province, Mr. Speaker, the oil industry contributes 20.8 per cent of the total revenue of the province — that's some \$626 million. We've heard the members opposite and the Leader of the Opposition decrying having the oil business active at all in this province. What they should do, Mr. Speaker, when they're crying about we should expand the education system, we should be more concerned with what we're doing in the welfare system, we should be more concerned with the health care system, we should be having the members opposite think a little more about . . .

Mr. Speaker: — Order, please. Order, order. The member for Battlefords.

Mr. Morin: — As I was saying, the members opposite should pay a little bit of attention to where the money comes from when they're arguing about where it should be spent. Of the \$626 million contributed to the province by the oil industry in this province, that pays considerably more than the budget for Advanced Education and Manpower, for Education. It pays roughly double the budget for the Social Service department and Urban Affairs. In fact, Mr. Speaker, you could add any two of those together and you could roughly say that the oil industry pays the cost of carrying those departments. So, Mr. Speaker, I think that what we see when we look at the oil industry in the province of Saskatchewan is not untypical of what we see when we listen to the NDP talking about anything. They're always concerned about one end of the ledger, but they never pay much attention to the other.

Clearly, if you're going to be able to look after the people who cannot look after themselves in society, if you're going to provide a good quality of education, and you're going to provide high-quality health care, that money has to come from somewhere, Mr. Speaker. And in the case of the province of Saskatchewan, we're fortunate that we, as citizens, don't have to dip into our own pocket to fund 20 per cent of the budget because that comes back to us through revenue from the oil industry.

Now down the road, Mr. Speaker, I feel that we'll be doing equally as well. I have in my hand a copy of the *Oilweek* magazine for April 16, 1984, and what we see in Saskatchewan for drilling up to April 7, 1984, is 538 wells, and comparing that to 1983, which was the record year in this province, at a comparable time, we had 282 wells. So, we're roughly double the output that we were at last year, and last year we set an all-time record.

Now the really encouraging thing about the level of drilling activity that goes on in the province is that more and more of the drilling activity that we see is an exploratory well. What we saw with the change in government originally was oil companies saying they knew they had a pool developed and they would simply step out and develop that pool. Now more and more of the drilling activity that we see comes from wildcat wells, the exploratory wells, which are geared largely toward just developing the amount of oil reserves that we have and that we know that we can develop. The result of that is that it will auger well in the future. We're finding more and more oil and, consequently, we will create more and more jobs down the road and we'll do

much better in the province in the future than we have done in the past, prior to the change in government. And for all of those reasons, Mr. Speaker, it's my pleasure to move resolution no. 21, seconded by the member for Cut Knife-Lloydminster:

That this Assembly congratulates the Saskatchewan government for the attention it has given to the oil industry, and for its initiatives in achieving record levels of drilling activity at a time when the rest of the industry world wide faces difficulty.

Some Hon. Members: Hear, hear!

Mr. Hopfner: — Thank you, Mr. Speaker. I'm sorry to see that the Leader of the Opposition has left the room because I think probably gas . . . When we're talking oil, we're talking gas. There is actually no differential, Mr. Speaker. When the oil companies are drilling, naturally they hit gas. So I think probably, maybe in all reality, we have to educate the members of the opposition. Oh, pardon me, some members do hit salt water. I'm sorry, the member from Shaunavon, he happened to say it's salt water when he drills.

But I would like to say, Mr. Speaker, that, as I'm speaking, if I tend to dwell off onto the gas topic, I would hope that you would correct me. But I would like to educate the members opposite now exactly what we're doing for gas and oil in the province of Saskatchewan, and also, what the spin-off benefits have been, and this is going to be what I call about . . . This is going to be about what I call a grass root education.

I would think, Mr. Speaker, that when I had asked the Leader of the Opposition to name companies, I was more than pleased when he came out naming some of these companies. I think, basically, if the man himself, if the member himself, would go into my constituency, and name these companies, and talk about the way they treated these companies, and the way they intend to put the oil business back into that same state – if and when they would ever become government again – I suggest to you, Mr. Speaker, it would be until the waters froze over in a place that I can't mention in this Assembly.

I would think that when we talk about oil enhancement, oil recovery, we're talking about multi-millions and billions and billions – and I love talking this because the Leader of the Opposition was saying it's costing us tens and tens and tens and hundreds of millions. Well, I would like to say to you, Mr. Speaker, that we are going to make billions and billions and billions of dollars off this recovery, off the oil, off the gas recovery in the province of Saskatchewan. And those billions and billions and billions of dollars are going to mean to millions and millions and millions of jobs.

And I want to indicate to you that I'm not going to stand in this House and tell the members of the opposition, tell the people of the province of Saskatchewan, or indeed the people across Canada or North America or the world, that I can wiggle my nose and have it happen over night. Rome wasn't built in a day. Saskatchewan isn't going to be drilled out in a day, and our oil programs are going to be a continuous nature so we can keep our fingers on the tabs of industry jobs and move in a direction that is safe and long term – not band-aid solutions, running into recessionary talks, doom and gloom.

You know, I can go back to the day, my first day I set foot in this legislature, and we talked about the recovery program, about the need of change in this province. And I can remember the NDP slandering us, slandering the oil companies with their doom and gloom accusations that we are ripping off the people in the province of Saskatchewan.

Well, I want to tell you, Mr. Speaker, that it'll be the day when they set foot back in, if they ever do, and hope the people of Saskatchewan would realize the negative, the downturn the province of Saskatchewan will take the day that happens, is that I intend to stand in this Assembly and make sure that the wrongdoings don't carry on within the province as they had in

the past 10, 12 years. And, in fact, we can go beyond that with their mother, if we want to talk about mother parties, the older party, the CCF.

I would suggest that these people have had embedded in their minds such a strong socialistic attitude that it was near a disaster for Saskatchewan, a disaster that was driving all the initiatives that anybody had out of their body, out of their soul. They hardly enjoyed the fact of having somebody stand up to them and telling them they didn't need them.

The need caught up to them, Mr. Speaker, when the oil companies began to leave Saskatchewan, when the gas companies began to leave Saskatchewan, when the young people began to leave Saskatchewan. It caught up on them. The doom and gloom caught up on them, and I thought that they would have taken a little bit of concern on into a fact of what one of their writers and researchers had indicated to them that gentlemen – and they couldn't say ladies and gentlemen in their caucus. They said, "Gentlemen, it's time we moved more to the middle. More to the middle. We're too extreme left. We're too extreme to the left. We're driving the industries out of the province of Saskatchewan. We're driving the oil companies out of the province of Saskatchewan." They didn't listen.

I'll tell you what it means to farmers out in the province of Saskatchewan, with oil recovery and gas recovery in the province of Saskatchewan. I'll tell you what it means to many of my friends and their friends and their children and, in some cases, their children's children.

When an oil company goes onto a farmer's property – and I hope you're going to listen, because this is going to be a grass root education – first of all, they have an individual visit the farmer. They go out and they deal on the land and on the site location. This is not an attitude of an oil business, just going on to somebody's land and not caring about the individual and the concern that individual may have when that oil company drills his land.

So it starts there – the negotiations for payment for an oil company to go on to drill. It starts there, across the kitchen table, with that farmer. They get down to talking the dollars and cents for access to that property, where this farmer wants the approach. They drive the fields. They try to work with the farmer before there isn't even a piece of steel put onto that property; before there is a wheel that's turning onto that property. That is the number one cog – dialogue, agreement with that farmer. There's a good rapport started with the farmer.

I'm not saying . . . And we can get into the environmental aspect of the oil thing, Mr. Speaker. But I'm not saying that there aren't, on occasions, problems because of the terrain of the land – bush, swamps . . . I shouldn't say swamps; I should say the slough areas, little lake areas, etc. – where it's a problem. And some farmers would like them to do this maybe a little different and that a little bit different. But the negotiations go on to get these kind of things settled.

The concern for wildlife is taken into consideration; the concern for the least destruction of that land. That's what the oil companies are about. The dollar is spent on the initial meeting of the farmer. From that particular point they take the information back to their offices. They sit down with their people. The oil companies sit down with their people.

And they drill it into their people that they do not want any disagreement between that property owner, and that you work. You work and you maintain that rapport. We did the first step. Now we're sending in a different department. And you make sure you carry on with that concern.

So out comes a cat to clear the site area. They take the topsoil off that particular site area. They pile it up. They clear off a few acres of land. It's all banked up so that the oil or any problem of salt waters or detamination material cannot escape that particular area.

That is another thing that the oil companies are doing in the province of Saskatchewan to create

work. We've got cat operators, cat operators out there . . .

Mr. Speaker: — Order, please. I'm going to ask the member for Rosthern not to stand between the member that's speaking, and the Chair.

Mr. Hopfner: — He is a big target, Mr. Speaker, and I would imagine that it would be difficult to see me. I thank the member from Rosthern for leaving the camera sight. It's just too bad, though, Mr. Speaker, that my people out in Cut Knife-Lloydminster cannot hear about the grass root education I'm giving these people here tonight, because we don't happen to have this kind of TV coverage out in my area.

So what I am doing, I am doing this as a favour to the rest of my colleagues here, and I hope that they're picking up some of the learnings that I'm trying to bring upon them.

I think when I was cut off, Mr. Speaker, I was speaking of cat operators. These cat operators are hired by the oil companies. Now this is another . . . And I'm starting from the bottom.

It seems to be a bad habit going, with members walking around, right now.

But, Mr. Speaker, these cat operators spend millions of dollars on their equipment every year in the province of Saskatchewan. They need the business from these oil companies in the province of Saskatchewan. There aren't those kind of jobs in Manitoba. There aren't those kind of jobs across the country, but there are job opportunities here in the province of Saskatchewan, with the oil recovery programs that we have.

We can no longer wait for the potash industry to over-bound the oil industry. I say that the oil industry is going to be the salvation of those members in their constituency, because their cat operators, when they are drilling oil in their particular farmer's areas, are going to make bucks, and they're going to buy parts. The parts go to mechanics. The job spin-offs, gentlemen, is what I'm trying to bring to you, that is so apparent and that is so essential to have — the trades spin-off. We need cat operators. We've got mechanics. We've got visitations, like I said earlier, from the farmer transaction.

Right now, I haven't even gotten off the ground and I haven't even put a drilling rig on the land yet, and I'm still taking to you about these cat operators, and banking the dirt, putting it around these drilling areas, to hold up any contaminated materials that may flow away from the well, once it's been drilled.

But the topsoil is set aside so that does not become contaminated. The oil companies agreed with the farmers that this is an all-important issue — we must save our soil, our agricultural base. They recognize, and they want to continue to recognize, the agricultural base in the province of Saskatchewan, because they know that farmer is going to be here and is going to be farming that land well after, well after that particular little oil well goes dry. So they want to give that assurance to the farmers of Saskatchewan in the oil areas that that land is not going to become contaminated.

So I'll move on. We bring in the rig. Now I just wonder if these people understand, if the members of the opposition here understand, how many people get spin-off, and how many people work on a rig. The member of Shaunavon may realize a little, but I really fail to understand whether he was drilling for oil or salt water. And you know, he even sometimes kind of shrugs his shoulders and wonders whether he had the wrong kind of drilling company in his particular area there.

But I want to say that the drilling rigs operate, and when they're operating, operate to make money — to spend money on labour to hire good people; to train good people so that they can make good money in return; get the job done quick, efficient; and get off that particular site to

another.

But the spin-off, while that rig is sitting in one particular location, Mr. Speaker, is unreal. Anyone at anywhere, any location, where that rig is sited, the communities that are close by, the spin-off from those drillers, from the rig hands, is phenomenal. They spend countless hundreds, and I mean hundreds, literally hundreds, of dollars in small-town communities in the Saskatchewan area.

It's just too bad that every one of us in this Assembly could not have the same opportunity that I have in this Assembly to have the luck of having the oil beneath my feet, because then you all could understand what we do receive, on revenues in the province of Saskatchewan, the spin-off benefits. From that particular point, when the drilling rig hits the land, motels or hotels are needed to house these employees. So with the motels, a lot of them in small, rural Saskatchewan, they don't really have the combined restaurant with their motel business. So the restaurant down the street from the motel gets the business from these riggers, spending those hundreds and hundreds and hundreds of dollars.

There are literally, literally, tens and tens and tens of small businesses locating in my constituency, the town of Maidstone. We get the spin-off from these riggers buying their girl-friends flowers. We've got a new flower shop in Maidstone. We've got a . . . (inaudible interjections) . . . Well, I mean I think that's pretty nice to be able to set up a flower shop in a small town.

But these oil people, these oil people spend their bucks. They go into these little stores – flower shops, hardware stores. They go into the grocery stores. They go into shoe repair shops. They are buying gasoline. Now they can buy the gasoline tax free instead of running across the border to Alberta. They are spending the money in the province of Saskatchewan in the small communities and, Mr. Speaker, this means jobs, literally, literally, hundreds of jobs.

If we did not have that guy being able to set his rig up on that farm land and begin to drill, we wouldn't have them jobs. We wouldn't have the servicing jobs. We wouldn't have those waitresses, the barbers. We wouldn't have the hairdressers, the shoe stores. I'll tell you, when the Leader of the Opposition said he wondered about where all these jobs were, I thought when I stand up here, I'm going to educate them. I'm going to tell them where all these jobs are.

And I want to say that my minister, the Hon. Paul Schoenhals, the Minister of Energy, brought these oil companies back to Saskatchewan, brought these people back to look into new ideas of upgrading oils, of . . . (inaudible interjection) . . . I'm not even out of the ground yet. The rig is still sitting there. It hasn't even turned the wheel. It hasn't even turned the wheel. And that is what the spin-off . . . It hasn't turned the wheel and we've got spin-off like that. That rig is standing there still.

Now I want to tell you something, Mr. Speaker. I've indicated to you some of the spin-off just out of that few people, off that rig that goes into that small community. Okay, getting back onto the site when they're drilling, drilling . . . When an oil company decides to drill, they want it done, and done right, and done efficient, and done now, so they can get onto the other one. I said that before, so I shouldn't repeat myself.

What I'm saying to you is that I was just talking to you about one crew, because they were just moving that on. The minute that rig turns the wheel, three crews, three crews, Mr. Speaker – we have the day crew, the afternoon crew, and the midnight crew. And I'll tell you something – then you ought to see the action. It's three-fold, three-fold, Mr. Speaker. It's hard, it's hard maybe for the members of the opposition to understand that because I guess again they don't have that opportunity to live in the particular area, except the member from Shaunavon may.

But I want to tell you, Mr. Speaker, that when we see three times the effect off of one rig, three times the effect off of one rig, people become to get excited. What can we do to serve you so

we can have a piece of the pie, a piece of the action? They want to make a buck, but they want to do a service for a buck, and the spin-off just . . . it's exciting. It is an excitement, Mr. Speaker, that realizing the constituency you represent, that I can understand you don't have the oil situation I do. But it is exciting. It's bringing in new people, young people, old people, all ages. And I want to say, amongst this bringing in of the new, it's keeping the people that originated there.

Mr. Speaker, we're off the ground, and we're running. We're turning the wheel of this particular oil drilling rig, and I want to tell you something. It is farmers that are getting jobs, running these drilling rigs. And the Leader of the Opposition wanted to know where these thousands of jobs are coming from for farmers. Well, I want to go into something here, and we're just beginning to turn.

The farmers – well, you might get three or four of them that work on a drilling rig. You might get five or 10. Hard to say. But three or four may get a job on them. And I want to tell you something. That's not where it stops, because we need welders, because there's breakdowns. So there's a spin-off, and I would like to tell the members of the opposition that we have some pretty good welders out there, some pretty good welders out there that have gone to our trade schools in the province of Saskatchewan, have gotten their certificates for welding. So when the rig is set up, and there's things that have to be adjusted, they can be called on. That's a job.

It's putting the dollars in the pocket of the farmer. And it's not always all . . . It's not all farmers and welders either. But we're sending young people to the trade schools to go after something. We're putting initiative in the hearts of the young people that if they know they go and get that education, they know they become a welder, they're going to have a job.

We are in a situation where these members, the members of the opposition . . . And indeed, I have to sympathize with some of the members, some of my colleagues, is that in their particular constituencies they aren't quite as busy as mine. But I want to say that, if they would wish their young people to have a job, I would be more than willing to help them get a job because I know many of the people, many of the people in the businesses out there, and I've just begun speaking about it . . .

But I just touched on welding. We've got acetylene. We've got to be worried about acetylene torches and everything on the drilling sites because we have, once we have that hole drilled, they are susceptible to be explosions, etc., so you have to be careful.

When we're talking about drilling, we're talking about very technical techniques. We have to make sure that, before we get too far off the ground, or too far into the ground, that our people are safety conscious, so we have to imbed certain techniques into these people because we can have a total disaster, a total disaster, and could go into evacuations, could go into environmental destruction. They could go into any sort of problem.

What I want to indicate to you that with this government, and with the oil companies, we have that concern, and we know that with open discussions we are going to be able to keep the lid on any type of predicament that may arise.

I'm not suggesting for one minute that at the point I'm at right now, that there couldn't be, you know, a problem here or a problem there, because no one's perfect. I could point out eight good individuals, or nine now, just of that . . . But at least we're working towards, and we're trying to work towards the positive steps to get the oil companies to continue on with this technological teachings and bringing the danger awareness to the people.

Once this rig's turning like I'm saying – it's drilling away – I wonder if the members of the opposition realize how long it takes to drill a hole.

An Hon. Member: — . . . (inaudible) . . . realize it. Can we cut this short?

Mr. Hopfner: — The member of the opposition is warming up. I'm happy he's enjoying this educational program because it's pleasing me that you're listening so well.

I want you to know that it takes about an average of three days to drill a well, at a cost of a little over \$100,000 a well. In some cases, Mr. Speaker, they are more – in some cases. But in my particular area is what I'm talking about. The oil isn't all that far down. And if they did drill deeper, that is going to come at a later stage. But we'll talk about that again after a while.

But what I'm saying is, say in the neighbourhood from 100 to \$150,000 a well . . . Think of it! One well – 100 to 150,000 – isn't that exciting? Well it's got to be exciting because of the spin-off. It's just unreal.

But with that rig sitting on there, with the power plants that are needed to run that rig, with the servicing companies that are having to haul water to this drilling site, there again is a way from . . . The initial drilling rig crew has created many jobs. They've got to buy the steel. They've got to buy the motor units; the generating units. They've got to buy the nuts and bolts, if you will, and the cables. They've got to buy the drilling bits. They've got to buy the pipe. Once well, think of it! It's exciting if you can really visualize that kind of a spin-off.

And I want to say that this means jobs, not only for Saskatchewan people, but for Canadians. We're not like the NDP, Mr. Speaker. And you know I can relate well to this in my constituency. We are not like the NDP were, to chase our children out of the province of Saskatchewan and then close the door on them.

I've had indications at times, from people not of my philosophy, come to me and tell me about all these Albertans and British Columbians and Manitobans, Ontarians coming to Saskatchewan looking for jobs. They're in my constituency looking for jobs. I want to tell you something. Some of my closest friends today are from Ontario, British Columbia, Alberta, Manitoba. I want to tell you that I would be the last to stand up in my constituency and say that I'm going to just close the door to the rest of the Canadians, to hold the population at the state it was in when the NDP had it.

Because there is opportunity in the province of Saskatchewan, and the opportunities are competitive, and I know from the drilling from the truck driving for the water servicing company, for the errand boy that's running down the highways for the parts, for the waitresses, for the store tenants. I would like to tell the members opposite that it is competitive, and the nature of Saskatchewan is competitive. And the people are becoming more and more competitive, and they are more and more than willing to go out there, and grab that job, and hang on to it, and make the best of it.

They know that if they're willing to work, they are going to make a buck to spend a buck, and they realize that by spending that buck the communities grow. They realize that with that incentive they can get ahead. I want to tell you that when the drilling started in my constituency, and a good friend of mine started with one water truck, he was so competitive, and he had such a driving force behind him that he now employs close to 65 people from my constituency.

Some Hon. Members: Hear, hear!

Mr. Hopfner: — Small business. There's others just like him. This is what I call exciting. This is what I call spin-off. This is what I call remarkable change of attitude that is shown to us, shown to this government and the people of the province of Saskatchewan.

The oil companies don't want these bulging pockets full of money. They want a fair return like anyone else – like the barber, like the hotelier, like the motelier, like the meat market. They

want a fair return for their investment and their time put in. The labourer wants a fair return for his input and, Mr. Speaker, it's there.

The attitude, the relationship between management – between all segments of management – and the labour, is great. It's beautiful. I don't have the union issues. People want to work; they want to hang on to their jobs. So there's no disruption between the management – the management and union, and the management and labour, non-union labour, work together. They're beautiful.

But this is what the oil companies are working towards, Mr. Speaker. Oil companies are working to keeping the province of Saskatchewan moving ahead with as few flaws as possible.

But, like I said, when this drill is drilling three days, one well, water trucks, it means . . . It means engineers. It means graphic studies taken. You know, Mr. Speaker, when you talk of you don't . . . When people visualize an oil well being drilled, they think, oh well, it's just a hunk of iron put on there, zip, and it's drilled, you know. It doesn't work that way. It takes people with technical expertise – technical expertise being developed in Saskatchewan.

But we can even back up from all this drilling and stuff. And it brings in a very important point, too, is that the seismic . . . the seismic industry has just been unreal.

I want to say, Mr. Speaker, that we have, we have more people excited about the policies in the province of Saskatchewan, the little people that the oil companies are just feeling great about this government, and also the people, likewise, feeling great about this government.

But as we move, as we move and strike the oil, we have a cementing job that has to take place – that's more people. There's maybe got to be power brought in, electricity, in that aspect of power, to run the pump. And talking about pump, there's pump jacks, the weights, the motors – all this means jobs.

And where's the Leader of the Opposition? He was asking where all these jobs were going to. But these mean jobs. I want to say that with the way the members of the opposition speak, they want to go for dinner, but I want to keep going. If the Speaker wishes to break, I'd be pleased to come back at 7.

Anyway, there's the cementers – they've got to buy equipment. The equipment needed, the gauges and the equipment and the reading instruments that are needed is phenomenal. And it means jobs, because these people have to build this equipment, and they have to build these instruments.

I wonder, Mr. Speaker, as I was saying earlier, where the Leader of the Opposition is. He was asking about these jobs; I'm trying to tell him. He said he was surprised that any one of the members, the member from Saskatoon South or myself, never mentioned anything about the farmers, or anything about the little people – where these jobs were. Well, I'm telling him where these jobs are, and he's not here to listen. So I hope that the members opposite take it back to the Leader of the Opposition and tell him to read *Hansard*.

The House recessed until 7 p.m.