

SASKATCHEWAN: A SOUND ECONOMIC BASE

Saskatchewan is one of Canada's four western provinces, situated between Manitoba and Alberta. Most of the population of about one million live in the rich grain-growing lands of the southern third of the province.

Agriculture has remained Saskatchewan's largest single source of economic activity. It generates one-eighth of personal income, provides jobs for nearly one-quarter of the labour force and also accounts for a quarter of all public and private investment. There are about 70,000 farms in Saskatchewan, averaging 385 hectares in size (compared to an average of 17.2 hectares in Europe in 1975). With almost 50 per cent of Canada's improved farmland, the province provides over 12 per cent of the world's bread wheat exports. It also enjoys an international reputation as a source of top quality beef and hog breeding animals.

Saskatchewan's economic performance in 1979 and 1980 reflects the province's position as a diversified primary producer.

In agriculture, 1979 was a year of mixed success. The grain harvest was adversely affected by late seeding conditions, a hot dry July and early frost in August. Transportation constraints also limited marketing efforts. Again in 1980 unfavourable weather conditions kept grain production below average. Livestock farming was also depressed by rising feed costs and fluctuating prices.

Despite the two successive years of below average agricultural production, the Saskatchewan economy has grown steadily due to the application of stabilization programmes in the agricultural sector and the rapid development of resource industries. During the 1970s the province's economic base broadened to include oil and gas, potash, oilseeds and uranium as major exports, in addition to grains and livestock. The increasing strength of resource industries has generated real economic and employment growth and has insulated Saskatchewan relatively well against the current economic slowdown.

Intense interest in the development of resources has attracted new investment to Saskatchewan at a rapid rate. Oil and gas exploration approached record levels, as 1,275 wells were drilled in 1979. Much of this activity was focused on heavy oil in the Lloydminster area, where 777 were drilled.

Employment grew at a rate of 3.8 per cent in 1979, sufficient to absorb a small decrease in agricultural employment and generate 15,000 additional jobs in other sectors. This rate of job creation led to net immigration from other provinces and elsewhere of 2,100 persons and reduced the unemployment rate to 4.2 per cent. The trade, finance and service sectors have led as job generators over the past twenty years. In 1979, over half of new job creation occurred in these three sectors. While the greatest variety of service industries is located in the largest urban centres of Regina and Saskatoon, smaller centres around the province are undergoing a transition as they develop to meet the needs of resource development and satisfy rising levels of income of Saskatchewan residents generally.