

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session – Tenth Legislature
26th Day

Thursday, March 6, 1947

The Assembly met at 2:30 o'clock p.m.
On the Orders of the Day.

STATEMENT

PRESS STATEMENT IN THE LEADER-POST

Hon. J.H. Brockelbank (Minister of Municipal Affairs): — The Leader-Post made the statement that I stated last night at the convention that the Government was going to impose a two-cent tax on farm fuel. This statement was not made. It was a discussion of a proposal which was submitted to the convention and I would like to make a statement on this question.

The headline in the Leader-Post this morning saying that the province is imposing a two-cent gas tax on April 1st is a very serious misinterpretation of my statement to the delegates of the SARM Convention last night. I am sure that the delegates present understood perfectly well that this whole proposition to levy a provincial tax on certain gasoline and oils and the plans for distribution of this money to the municipality was additional on two things.

First of all, the convention was asked to deal with this matter and to express their opinion on it. In the statement issued by the Hon. C.M. Fines it was made clear that if the municipalities approve of this plan the Government is willing to levy and collect the tax providing the Legislature approves. This statement was repeated in my speech last night. At the end of my speech many questions were asked as to the details of the tax at the present time as imposed by the Federal Government and a comparison and the tax imposed. I repeated several times last night that this was a proposal for the municipalities in convention to consider. Never once did I state that this Government intended to impose the tax if the municipalities opposed it.

In fact one delegate asked if the Government would impose the tax providing the convention approved. My answer was that it would be up to the Legislature and I could not promise what they would do.

It appears that the Editor of the Leader-Post or his reporters were the only people who misunderstood my remarks. I feel sure that few delegates, if any, went away from the convention last night with the impression which the news item in this morning's paper creates. The editor of the Leader-Post is again to be found with a very small minority.

RESOLUTIONS

RESOLUTION – ROYAL COMMISSION ON LITTLE MANITOU LAKE

Mr. J.A. Darling (Watrous): — moved, seconded by Mr. Benson (Last Mountain):

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That this Assembly, recognizing the need of a clinic or health centre in Saskatchewan for the treatment of arthritic and rheumatic ailments, and, in view of the opinions submitted to the Royal Commission on Little Manitou lake as to the benefits to be derived from hydrotherapy at natural spas, recommends to the consideration of the Government:

- (1) Earliest application practicable of the recommendations of the Royal commission, particularly as to the restoration of the water level of the lake;
- (2) The establishment, in conjunction with the Federal Government, of such a clinic at Manitou Beach.

He said: Mr. Speaker, this motion has to do with a report which I understand was tabled today in the Legislature and it has reference very largely to the work of a commission which was set up by the Government two years ago to make an investigation into the medicinal values, if any, of the waters of Little Manitou Lake and other matters concerned with the facilities at Manitou Beach through which those benefits are passed onto the public.

In drafting this Resolution I have put it in two paragraphs. First, recommends to the consideration of the Government the earliest application practicable of the recommendations of the Royal Commission, particularly as to the restoration of the water level of the lake.

Secondly, the establishment, in conjunction with the Federal Government, of a clinic health centre at the lake for the treatment of arthritis.

Now, perhaps by way of introduction, I might say that shortly after I became the Member for the constituency of Watrous the Council of the village of Manitou Beach sent to the Government a request through myself that something be done to assist in the development of Manitou Beach as a health resort and as a result of that request the Government did set up this Commission. This commission made a report last October, I believe, and the press was naturally enough given access to this report and in the various papers in the province they published the findings of the Commission.

It would be wrong to state that the report, as published in the press, stated anything which is not contained in the report of the Commission. It would be wrong to say that, but very unfortunately they did give an emphasis to that report which I believe has done considerable damage to the Beach and to the town of Watrous, which is not justified by the report itself. In fact, my opinion on the matter can be well realized when the Resolution which I am speaking on at this moment is based on the opinions which this commission gathered, when proceeding with its work of investigation.

I might say that there was a good deal of discontent and astonishment, I think, in the town of Watrous and vicinity of Manitou Beach when the report was published and the chairman of the Commission and myself were invited to meet the Board of Trade at Watrous. We went down there and the chairman, who is Mr. O. Wingrove of Zelma, had a copy of the report with him. I, at that time, did not have a copy and after mulling over the report, the members of the Board of Trade, who were present —

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I think their opinion was shared by the opinion of the secretary who spoke for them – shared the opinion that it was the press report rather than the report of the Royal Commission with which they had a quarrel. Yet in spite of all that, I have a copy of the press report here and I cannot find any statement in it which is not contained in the report. It's just simply a matter of emphasis. I am very glad that I have this opportunity of introducing this Resolution and dealing with the report so that any misapprehension, which may have resulted in the minds of the people of Saskatchewan, may be removed by subsequent press reports on the matter.

I think that when the members of the Commission, as individuals agree to accept the responsibility at the request of the Government, a position which they did not seek, but which they accepted, I think we were right to assume that they did it with a sense of public responsibility. Both the Government and the people of Saskatchewan owe them thanks for their work.

The Government has been criticized because this Commission was made up very largely of professional men, of doctors, in fact. There was a time when I personally believed that the commission might have been more equally balanced between the scientific point of view and the point of view of the average citizen. I believe I made a suggestion to the Hon. Premier that it might be well to enlarge the Commission to include a greater representation of the ordinary citizen, but I have come to believe that perhaps it is just as well that the Commission was set up as it has been. I have come to believe that this report, while it certainly does prove disappointing to people who had hoped for more wholehearted support for the accepted belief in the neighborhood of Manitou Beach and in many places throughout the province, that those waters had very definite value in a medicinal way. I say that in spite of the fact that it has been disappointing, I believe that the conservative kind of report that can be expected from a commission made up of men with scientific minds, who don't go overboard in the matter of enthusiasm one way or another, but take a detached and impersonal view of all the evidence or all the opinions which are brought to their attention. I think perhaps that we can have more confidence in that kind of a report than in the report of a commission which this Government might very easily have set up, which would have been almost certain to return wholehearted endorsement of all the claims for wonderful benefits which can be allegedly received through treatments at Manitou Beach.

I want to compliment the Government on the way in which they set up this Commission. There were four members of the Commission, the chairman and two others named by the Government and two were named by the Association of Physicians and Surgeons. Dr. B. Brachman and Dr. W.P. Johns were named by the Association of Physicians and Surgeons; Dr. J.G. Rempel and W.A. Riddell were named by the Government. At the invitation of the Premier I named a gentleman who was subsequently appointed chairman, Mr. Oscar Wingrove of Zelma. I named Mr. Wingrove because he is a man who is well known locally and there has never been any doubts cast upon his integrity and his common sense; he has the capacity to apprise physical things at least which comes to most men who spend a lifetime at his occupation as a farmer.

First of all I would like to read the limits of investigation from the report. This is on page 1 of the report:

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Since, very early in the investigation it appeared that the limiting factor at the present time was whether or not the lake could be prevented from disappearing, the Commission felt that it was not justified in extending its investigation into a discussion of the need for arthritis clinics in the province. A thorough investigation into the latter point would require visits to various spas and clinics dealing with arthritis and rheumatism, and it would require considerable effort in contacting European authorities in this field for opinions. Some information might also have been gleaned by the difficult procedure of contacting refugee physicians from Europe who had had spa experience. All of this would have required a considerable amount of time and much additional expense to the Government.

Since there was considerable doubt as to whether the lake could be saved for use even as a resort, the Commission felt it was not justified in causing additional expense and consuming additional time before making a report. Thus the information secured relates only to the physical aspects of the lake, the existing facilities and a general approach to the benefits that may have been, or may be secured from the use of Little Manitou Lake as a resort.

From that it will be seen that the Commission, while it made a very thorough investigation of the lake and its vicinity, of the facilities which are already provided at Manitou Beach, it did not make an exhaustive study of the value of the waters in a medicinal way.

I would like, first of all, to deal with this all-important question of the raising of the water level of Manitou Lake. The Commission report contains reports by PFRA engineers and officials of the Water Rights Branch of the Department of Natural Resources. Now I thought that I would do a little investigation on my own account and I called at the PFRA office here in Regina during the progress of that investigation. We have heard a good deal of mention, both in this Legislature and out of it, of the proposed dam on the Saskatchewan River near Elbow. We have heard the cost estimated as somewhere between \$50 to \$100 million and more. The Hon. Member for Moose Jaw spoke on that same subject a short time ago in the House and there appears to be some hope – although not too immediate – that something will be done in that connection. If that dam were built, there can be no doubt that the water level of Long Lake would be taken care of. I bring Long Lake into the discussion because, as everyone knows, -- or a great many people know -- the Lanigan Creek drainage empties into Long Lake at the present time and that this Lanigan Creek drainage empties into long Lake at the present time and that this Lanigan Creek drainage is the only source, according to engineers' reports, which might be diverted to restore the water level of Little Manitou Lake. It would apparently very obviously be unwise to divert that flow to Long Lake; and, therefore, the two projects are correlated. I would not like to think that the restoration of the water level in Long Lake and in Little Manitou Lake were dependent upon the immediate spending by the Federal Government of \$100 million on the Saskatchewan River.

It was in order to find out if there was any less expensive alternative which might be undertaken should we fail to persuade the Federal Government to take action within a very short time with respect to this larger project that I approached the PFRA

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authorities in Regina. The information which was given to me there was that the Qu'Appelle River flow has dropped very considerably; that the Qu'Appelle River flow was the main source from which the water level of Long Lake was maintained. The average flow of the Qu'Appelle River during the 20-year period from 1911 to 1931 was 120 cubic feet per second, from April to October; and this apparently was sufficient to maintain the water level of Long Lake. I am told that by a comparatively small project which is not beyond the means of the provincial Government, the water could be diverted to Long Lake from the Saskatchewan River, which would compensate for the decreased flow of the Qu'Appelle River. I am told that there is a height of land of 85 feet between the Saskatchewan River and the source of the Aitkow Creek, which empties into the Qu'Appelle River and into Long Lake. I am informed that it would be possible, without very much cost by means of a cut, to reduce that height of land to 50 feet; that a pump station could be set up there which would insure a sufficient flow of water to compensate for the reduced flow of the Qu'Appelle River; and that the whole project might be undertaken with an expense of \$100,000 – at a capital cost of \$100,000 and an annual cost of \$10,000 per year for pumping. I am sure that it would be unfair on my part to represent those figures as being a final and considered a report on the part of the PFRA. In fact, the gentleman whom I consulted, Mr. Grey, said, “even if we double that figure it still gives some idea of what can be done – that the project is practical – at a cost not comparable at all to the cost of the larger project which is contemplated by the Federal Government.”

I don't propose to spend any more time of the House in dealing with this matter of raising the water level. The Commission is concerned in case Manitou Lake disappear entirely. Mr. Grey of the PFRA says that is absolutely unnecessary and that they are unduly alarmed. We said we can restore the water level of Manitou Lake and long lake and that they will not be allowed to disappear. So with that I will pass on from consideration of the lake water level.

Now to get back to the report itself. One of the recommendations of the Commission had to do with the roads leading into the Beach. There is a highway from the town of Watrous – a gravelled highway – into Manitou Lake and I suppose like a great many of our highways, it occasionally needs something done to keep it in shape, but it has a volume traffic at certain times which keep that three miles in a perpetual cloud of dust. The people there have become alarmed at the possibility of the dangers of travelling on that highway when it is literally impossible to have sufficient vision to ensure safe driving. A delegation from the town of Watrous waited on the Minister of Highways last fall and the Minister approved the project of hard surfacing that stretch of highway from the town of Watrous to Manitou Lake. I hope that he will find it possible this summer to do that work. Again, I wouldn't want to commit him to it. I am going to try my very best to see that it is done, but the Minister did not make a definite promise in that regard. However, I believe that he was, I am sure in knowing him that he was sincere, in saying that it would be done if it were found possible at all. The Commission speaks of the road leading down from the north into Manitou Beach and around the end of the lake that is in a deplorable condition and it certainly should have some work done in order to make it an attractive approach from Highway No. 14 north to the lake.

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I suppose there are very few people listening to me who haven't been to Manitou Lake – who haven't seen Manitou Beach – but in case there should be I might say that there are 400 to 425 cottages there of which 25 or 30 are occupied for the year round. There are also seven hotels in the neighborhood and 20 rooming houses. This is from the report of the Commission. It has been estimated that the resort can accommodate 600 or more families during the summer season. There are approximately 100 persons that make their permanent residence in the village. That will give some idea of the size of the establishment down there.

I come to a paragraph in the report which I regret that the Commission found it necessary to include. All the rest of the report is impersonal and detached and deals with visible things. This paragraph deals with the human weaknesses of some of my constituents and I feel that as their representative I should say a word in reply.

I would first of all like to say that insofar as the Commission is concerned they have, in my opinion, said either too little or too much and I am going to go on the basis that they have said too little and expand on it a little because there is some foundation, there is very definite foundation for the statements that are contained in the report. Now that paragraph reads as follows:

There is an attitude among the permanent residents of the village that they must attend strictly to their own business because of the short season. Thus, there is a lack of real community planning, general untidiness about the properties and the tendency to blame others for the deficiencies. The main point stressed by most of these persons is the marvellous nature of the water, but in spite of having lived there for many years and making their living at the beach, practically none have made any genuine effort to get definite facts regarding the lake, the water or its effects.

Now, Mr. Speaker, there is an attitude among the permanent residents of the village that they must attend strictly to their own business because of the short season. I am not surprised at that attitude. Here we have a community which depends very largely for its economic well-being upon a short season of two to three months time – again according to the report – as many as ten to fifteen thousand persons are stated to come to the beach over a weekend. One can well imagine just how busy those people are in trying to cater to the needs of ten to fifteen thousand people over a weekend and in addition those who drop in during the week and those who are permanent residents there. I think it is very natural that they should each feel that they are fully occupied in attending to their own business and I could understand, too, that it might interfere with real community planning.

Now that phrase “and the tendency to blame others for the deficiencies,” I wouldn't have any doubt that if I had the gift of searching men's soul's at sight that I could find a great many people away from Manitou Beach who might be guilty of a similar tendency. But there is a tendency at Manitou Beach, there is a state of mind at Manitou Beach, which has caused the Commission, I am sure, to make that observation. A great many of those who are working there giving treatments and working in

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auxiliary services have been there for a long time and they are convinced that they are the custodians of a natural resource which has very great value to the people of this province if it were fully developed. They have done a great deal within the limits of their capabilities, their financial capacity to do it, to advertise those benefits. I remember being in Saskatoon exhibition and seeing a very tastefully arranged display of the products of Manitou Beach and literature which had been prepared advertising the profits to be derived from treatments from the lake. I know one gentleman, I could name him but then I think there were probably others involved so I won't name any names at all, but it was a very genuine effort to popularize the beach and those people are fairly convinced, as I said before, that there is an asset of very great value and they are obsessed and I think justifiably, that's my own personal opinion, with the idea that it is not being sufficiently recognized. But their sphere of influence is too narrow. They feel their own incapability to extend that sphere of influence and they have been trying to interest others to come to their assistance and up to the present time they have been left entirely alone. Now I think that their tendency, if it is true at all, their tendency to blame others for deficiencies is that sense of frustration because they have something they feel of great value and they haven't been able to put it across to the people.

The paragraph here, "the main point stressed by most of these persons is the marvellous nature of the water, but in spite of having lived for many years and making their living at the beach, practically none made any genuine effort." Mr. Speaker, those people are responsible for the setting up of this Commission which criticizes them for failing to set up a commission to explore the value of the water. Unquestionably no commission would have been set up had those people themselves not taken the initiative. This Commission was set up as a result of their own initiative and the Commission, probably because it had not been informed as to the reason for its existence, turns around and blames those who are responsible for its establishment for failing to do anything about the matter. So that I felt it necessary to bring this slight, if not criticism at least elucidation, of this paragraph contained in the report in the interests of those whom I represent in the House.

Now garbage disposal – the article which appeared in the press is rather harsh on the garbage disposal system at the Village of Manitou Beach. I would like to quote from a letter received by me from the secretary of the village and also secretary of the Watrous Board of Trade in connection with garbage disposal. I don't think that I have to trouble to find words of my own to describe their garbage disposal system. When I am speaking of this remember that I am speaking of a community of which there are 100 permanent residents, the others come for the summer season and go, or they come for a day and go, and they are subject to invasions of from ten to fifteen thousand people according to the report, over a weekend. I would suggest before we come and talk about maintaining tidiness and cleanliness that if 15,000 people each brought a packet of cigarettes or a packet of popcorn and threw away the carton that you would find that there was a good deal of tidying up left to be done by those few people who were left there to do it. but with respect to garbage disposal, in regard to the inadequate garbage disposal system, they mentioned, this is a letter received by myself from the secretary of the council:

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We also take exception to that, in that we feel we have a mighty fine system and consider it better than you will find in most places with the exception of the larger cities. We employ a man and team to do nothing else in the busy season but to collect garbage and to deposit it in the nuisance ground, which is located a considerable distance back on the hill. We even have a large underground disposal tank in the nuisance ground where all liquids are put and same seep away into gravel beds. I do not think you will find any better nuisance ground anywhere or garbage disposal system.

When we consider the size of the community and the very short season in which they operate, it seems to me that if that statement is true and I have absolute confidence, Mr. Speaker, although I haven't been to the nuisance ground, but I have absolute confidence that it is true, then it seems to me that that small community has done fairly well with respect to the removal of garbage.

I don't think that I will take the time of the House to deal any further except to get right down to the question of the treatment for arthritis. The Commission in their own report are quite guarded in their statements. They do not discount, I think I am being quite fair to them when I say, they do not discount the possibility that there is a definite benefit peculiar to the water. You will notice in the Resolution, however, that I do not mention the water at all, the medicinal qualities of the water. I do, however, mention the value of hydrotherapy at natural spas. Now, the Royal Commission seems to have made a very thorough job of sending out questionnaires. I believe they sent out something like 80 to different medical authorities and they received replies from about half of those. I would like to read to the House some of the replies received. I might say that if I should miss a little bit it is because I am unable to pronounce some of the medical expressions which are employed by those men of science. Now this one, the first one I am going to read is from W. Parkman, Dean of Temple University, School of Medicine, Philadelphia, and he is replying to a question with respect to the value of hydrotherapy. I will read the question that he was answering, that was posed to him by the Commission:

As a result of your experience, what is your personal opinion of hydrotherapy either artificial or at natural spas in the treatment of rheumatism, arthritis and their allied conditions?"

And W. Parkman, Dean of Temple University, School of Medicine, Philadelphia, replies in part:

Hydrotherapy is beneficial. However, wholesale treatment aggravates as many as it helps. In other words, careful supervision of each patient is essential: treatment must be prescribed for each individual and changed according to the response of the patient to treatment. Natural spas have the marked advantage over office or home treatment of changed environment, rest, recreation and association with other persons similarly handicapped.

S.G. Gamble, University Hospital, Columbus, Ohio:

In my opinion, spatherapy is an excellent adjunct in their

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treatment, that is the treatment of arthritis and rheumatism. Of the conditions mentioned, mental and physical rest obtained away from home while at a spa is a very important factor in the results obtained, so that hydrotherapy is only a part of a well-planned program of treatment. My one private criticism of spatherapy is the cost involved to a patient of moderate means who spends all his financial reserve for two or three week's treatment at a spa when it would be much wiser to spread the money out over a longer period of time. For those who can afford it, spatherapy is ideal.

W. McFarland, University of Southern California, Los Angeles, has this to say:

I feel it a most valuable adjunct to the treatment of rheumatic diseases. I consider hydrotherapy in some form a definite must.

Now I don't want to bore the House with a great many of those, but there are a few more in order to give a fair cross-section of the ones which come herein. From the School of Medicine, Atlanta:

There is a definite indication of value in many chronic dermatitis---I have seen four cases of chronic psoriasis treated for months without benefit by numerous dermatologists at the Mayo Clinic. Three weeks of rest and spatherapy at Warm Springs at Kansas cleared all cases and one case of arthritis was cleared for the first time in years.

Mr. Speaker, there are one or two more here that I could read but here is one which is very apt and to the point: J. Makins, Faculty of Medicine, McGill University:

If the lake could be used for bathing purposes or the water piped into an enclosed swimming pool and has thermo qualities, it might be of considerable value in the treatment of poliomyelitis, certain forms of arthritis, neuritis and other nervous conditions in which it is desired that the patients use their limbs in natural movement.

This is from W.H. Roberts, M.D., Rosehaven Sanatorium, Sydney, British Columbia:

Kenny method of treatment is of definite value in treating poliomyelitis, particularly during the acute state. Patients, particularly those in Saskatchewan, would no doubt greatly appreciate having hotel and other accommodations available so that they could go away from their usual occupation and take advantage of spa treatments.

John Hopkins, University School of Medicine, Baltimore says:

Spa can be of great value in the treatment of chronic ailments but it is the sanitarium feature rather than the water that seems to be the more important. the patient is away from home, free from responsibilities and cares in an attractive setting with well-thought out dietetic and hygienic regiment. There is doubtless at times some additional benefit from the nature of the water.

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Certainly in the case of Sulphur springs the water has a potency that other waters do not possess. there are very few well-organized and well-conducted spas in this country. More interest seems to be shown in them recently and Dr. Richard Kovacks of New York city has written several papers in the past year or two.

W. Parkman, Dean of Temple University, School of Medicine, Philadelphia:

The spa idea is good. It needs further development on this continent and we need further knowledge and experience in the therapeutic uses of the spa. The problem of chronic disease and disability is a major problem. It is a problem of increasing importance in our civilization. The physician is often too busy with the acutely and dangerously ill patient to manage the chronically ill patients as well as it is possible to do so. Going further the point of view of the preventive medicine is inadequately developed and used at present. In conclusion, your spa will be in great value if:

1. You have well trained, conscientious physicians, nurses, technicians.
2. You have enough staff for them to take a personal interest in each patient.
3. You provide adequate income for this staff and an opportunity for them to increase their knowledge and ability in hydrotherapy.
4. You make their position dependent on their technical proficiency rather than their politics.

Mr. Speaker, perhaps I have trespassed a little on the indulgence of the House in reading so many of those, but I wanted to justify my position in presenting this motion based on the opinions expressed to the Commission of Manitou Beach. The Commission more than once names the clinic which is operated there by Dr. Stipe. Dr. Stipe's testimony does not appear in the report. Doubtless, because Dr. Stipe would be regarded as an interested party since he is one of the operators down there. But I have a letter which he wrote to me, dated February 9, 1945, before this Commission was set up. He has had, he had at that time, 15 years experience at Manitou Lake.

It is my opinion that the medicinal virtues of these natural alkaline mineral waters are now sufficiently probed, that in the interests of the general public at large it would be an excellent gesture for the Provincial Government to develop same to a greater extent than has heretofore been done.

There is no question about it that there is a very definite field open for the treatment of arthritis and rheumatism. On January 25, 1946, I received a letter from the Mother Superior of the Ursuline Convent at Bruno, Saskatchewan. This lady writes:

As several of the Sisters of our community are suffering from arthritis, we have been advised to lay before the attention of our provincial representative a petition that chronic arthritis be mentioned in the new Health Act, and the same privileges be granted to arthritis patients as are given to TB and cancer patients. There are several people in the town of Bruno who are suffering from this painful disease in whose name I am also writing as well as in the names of the undersigned arthritis patients of

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our community. May I ask your kind attention to this request.

I find that in the submission of the Saskatchewan Government to the Dominion-Provincial Conference, the late lamented Dominion-Provincial Conference, there was the following paragraph with respect to arthritis:

We submit that a special grant should be made available for any arthritis program so that sufferers from this disabling and common disease may receive the benefits of a research and treatment program. In our opinion this is a problem comparable in importance to the problem of the blind and crippled children, etc. and a grant should therefore be made towards it.

This was enclosed in the letter which I received from the lady in Bruno – a brief on arthritis.

A Canadian Rheumatic Disease Association was formed on February 14, 1936; (apparently it stopped functioning when the War began) but it places a few facts in connection with rheumatism and arthritis on this brief. If you are interested, please write at once to your Dominion or Provincial representative urging that they bring before the government the following facts:

1. There are an estimated 600,000 cases of chronic rheumatism in Canada and there are no beds available for them. 2. Rheumatism causes more crippling and loss to industry than any other disease. 3. That while rheumatism does not kill it does cripple and therefore creates a serious economic problem. 4. There are at present no funds available for research and no money set aside for treatment or diagnosis. 5. Arthritis or chronic rheumatism is not even mentioned in the draft of the proposed National Health Bill, nor in the new Dominion Health Magazine entitled, 'Canada's Health and Welfare.'

Mr. Speaker, since I came into the House today, there has been handed to me a schedule of this report. That schedule has the testimonials that were sent to the Commission in response to their advertisement. I haven't had time to go over those, but I can well understand what some of them, at least, will contain because I have seen so many similar ones. There are many people – when I say, many, I mean considering the number of people who are there at all – who are at present living in the town of Watrous and in the village of Manitou Beach who came there in the first place because they were in need of treatment for some of those diseases and who are among the staunchest supporters of the idea of the development of that place as a health resort.

I feel confident in commending the report to the Government, as presented by this Royal Commission, in spite of the very obvious criticism of certain conditions alleged to have been found existing at the beach, and that they will be moved to take action in the matter.

The Resolution calls for the cooperation of the Federal Government. My reason for including that, Mr. Speaker, was that interest has been expressed in the House of Commons, by the Minister of Veterans' Affairs, and I have an excerpt from a

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speech made by John G. Diefenbaker, K.C. M.P. for Lake Centre, on January 9th over CHAB Moose Jaw. I am not going to read it all but just that part which refers to Manitou Lake.

Next may I refer for a moment to Lake Manitou or Watrous Lake. I have no hesitation in saying that there is no lake in Canada or in the United States that possesses to such a degree the qualities of the spa of other European watering places. Thousands of people have been benefited by bathing in its curative waters; the benefits were known by the Indians for several hundred years as recorded by the writings of earlier explorers. Watrous Lake must be preserved and I have been doing everything in my power to secure help for this necessary work. I placed before Parliament the benefits it confers on urological patients and have endeavoured to secure the establishment of a hospital by the Department of Veterans' Affairs.

Everything seemed to be proceeding favourably when a Royal Commission set up by the Provincial Government came out with a report that has done harm, not only to the lake, But to the flourishing town of Watrous.

Mr. Diefenbaker goes on:

I have discussed the curative values of the waters of the lake with outstanding Canadian chemists and they have assured me that its chemical content does result in substantial improvement of various rheumatic ailments. I think the time has come for both the Federal and Provincial Governments to convene another Commission of experts and I have no hesitation in believing that a favourable report will result.

Mr. Diefenbaker had evidently not read this report since the Commission itself does suggest the setting up of another commission; and also acknowledges that it has not made a complete study. However, I suggest, Mr. Speaker, that a health centre or clinic, established at Watrous, through co-operation of the Federal and Provincial Governments, making use of hydrotherapy in the treatment of arthritis and rheumatics, which is of recognized value according to the authorities I have quoted, irrespective of the quality of the water, would provide an institution where it would be possible under governmental supervision, if necessary, to discover by actual experiment and results, the full benefits which might be received from those waters.

Mr. Speaker, I have taken more time than I intended to when I started. I, therefore, move this Resolution.

Hon. T.C. Douglas (Premier): — Mr. Speaker, I want to say just a few words with regard to the Resolution which is being proposed by the Members for Watrous and Last Mountain. There is very little or no need at all for me to repeat anything which has already been said by the mover of the motion.

The Royal Commission which was set up to investigate the curative and therapeutic values of Manitou Lake was set up because last year the Member for Watrous brought a Motion into the House, which was passed by this Assembly, asking the Government to appoint such a commission. Now we set that Commission

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up; we didn't try to tell the Commission what their decision should be.

I take some umbrage at the radio address which was given by the Federal Member, Mr. Diefenbaker, the Federal Member for Lake Centre, who suggested that just when everything was going merrily along towards establishing some sort of a health spa at Watrous, we appointed a Commission knowing perfectly well that the Commission was likely to make a report which would be detrimental to the interests of that community. Of course, that is most unfair both to the Government and to the Commission. The Government appointed the Commission, as has already been pointed out, made up of first, two members nominated by the Medical Profession in the Province of Saskatchewan, the college of Physicians and Surgeons. We, ourselves, selected two men who are not medical doctors, but who are scientists: Dr. J.G. Rempel, former professor of chemistry at Regina College and now professor of chemistry at the University of Saskatchewan; and our own Dr. W.A. Riddell, who is head of the provincial laboratories; and then Mr. O. Wingrove was chosen as chairman in order to have a layman along to keep the scientists and the doctors with their feet solidly on the ground.

That was the Commission that was appointed and I do want here to express, on behalf of the Government I am sure and of this Assembly, our thanks to them for the work which they have done. They are all busy men. They gave their time for what was only a very nominal fee. They had to do this in their spare moments and they acknowledged, very frankly, that they had not been able to give this the very thorough investigation to which it was entitled and suggested that further investigation should be carried on. But they have done, within the limited amount of time they had and with the limited amount of date at their disposal, they have done a very worthwhile job as I think can be shown by reading the report and the appendices.

It would not be a reflection on the Commission for anyone to say that they started out with preconceived notions, or that they were trying to do any harm to the people of Watrous or Manitou Beach. I have had one or two letters from people who are most enthusiastic about the medicinal properties of Manitou Beach, who feel that the Government shouldn't have allowed a commission to make a report such as this. But, of course, the Government has no control over the report made by the Commission and wouldn't want to exercise such control if we had it. But the real reason for some people feeling that way is that they hadn't an opportunity to read the report and that, as the Member for Watrous has said, the newspaper reports of the report were unfortunate. I am not blaming those who wrote the report, they are accurate in terminology, but most of us are not familiar with the terminology used by people doing a scientific job. I think we will see that when we take just a moment or two to deal with the two main recommendations of the Commission.

The first recommendation was and the first investigation was concerned with the whole problem of the water level of that lake. They pointed out that the water level had been receding steadily, that it had come to such a place that the saline content of the water was so high that the salts were beginning to crystallize which is a very dangerous thing to happen to any lace that you are going to use for hydrotherapy and they pointed out that there wasn't any use even in carrying out an extensive investigation into the therapeutic values of the water if there

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wasn't going to be any water. So they said the very first thing that we recommend before anything else is done, before any more money is spent is that something should be done to raise the water level of this lake. But even apart from having any curative value it is an excellent health resort and the water level should be raised if that is at all possible. They pointed out that it is not within their field of investigation, none of them were engineers and it is not within their scope to suggest how that could be done. They give some evidence as to recommendations made to them by persons who have made some study of the question, but they did suggest that the very first thing that ought to occupy the attention of the Government was the question of raising the water level and saving the lake itself.

I say with reference to that that the staff of our own Water Rights Branch have been giving a good deal of thought to this question and making some study of it, taking soundings on runoffs in various districts surrounding the lake and have done some work with the Prairie Farm Rehabilitation Administration to see if together they can work out what will be an economical and practicable plan for diverting water into Lake Manitou so as to raise the level. It is too early yet for me to make any dogmatic statements as to whether or not it is practicable and whether or not such a program can be carried through between the Provincial Government and the PFRA, but I can say this, that the matter is certainly being gone into by those who are qualified to investigate and we should have a report from them shortly and on the basis of that report will be able to determine whether or not a project should be undertaken with a view to diverting water into this lake with a view to raising its level and making it available to the people who, year after year, come here to spend part of their holidays. So that was the first problem and that to them was the basic problem, but if that problem isn't dealt with all the other questions which were referred to them might just as well not be considered.

The second thing to which they devoted their attention was whether or not the waters of this lake assuming they could be raised and the lake would be prevented from disappearing entirely, whether or not these waters were beneficial in character and here, Mr. Speaker, is where there has been a good deal of misunderstanding, for which I blame no one. they say in the report, and I read it and one can see immediately upon reading it, how the average person feels about the statement. They have this to say:

As a consequence the Commission has nothing in the way of definite scientific evidence as to the medicinal value of Little Manitou Lake in the treatment of arthritis or skin diseases and must rely upon the opinion of experts whose comments are based on general experience of hydrotherapy.

Now on the basis of that a great many people took it for granted that the Commission was saying, therefore this lake has no curative value whatsoever and would be of no value as a mineral spot. Now to take that sentence out of its context and not to read the report as a whole, would be most unfair to the lake and to those who are advocating the use of the lake. The Commission drew a distinction between medicinal value and therapeutic value. Now to those of us who are laymen it is not as easy to make that distinction and I am sure that when I am finished explaining it you will have even less idea as to what

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the distinction is. But I ask the House to keep in mind that of four of these men, two of them are scientists and two of them are medical doctors, who are dealing with facts, who when they say have proof of medicinal value must be able to substantiate that in a laboratory. They must be able to substantiate it with case histories. As the Member for Watrous has said in Appendix H, there are a few individuals who appeared before them and told of benefits which they had received, but there were no case histories, there was nothing to indicate what their condition was before or what was afflicting them merely the symptoms which they could describe.

Dr. Stipe, who has been doing work at the lake for a considerable period of time, has kept case histories but he felt that the ethics of his profession wouldn't permit him to turn these case histories over to the Commission, that they were, after all, confidential documents relating to conditions between himself and his patients and, of course, the Commission didn't press the matter at all. Therefore, they had no case histories and they had nothing that could be placed before a scientific body as proof positive of there being chemical constituents in the water that would bring about chemical changes in the body and have a definite medicinal result. they do say this about it, and I quote here from page 18:

The very high content of sodium sulphate and magnesium sulphate makes it a very strong laxative and as a consequence of the composition would be chloretic and stimulating to the liver.

So while they say it has no medicinal value and on the basis of that, the immediate assumption was that it had no value at all, they point out that their only reason for saying that it has no medicinal value is first they hadn't adequate data. They would suggest that later on once the level of the water is guaranteed that a further investigation might be made by competent persons who could devote full time to an investigation to look into the chemical constituents of the waters and to keep some case histories on people who are treated. But they do, Mr. Speaker, make very definite statements about the therapeutic value of the water and by that I mean that they argue that while they had nothing to prove that this water has any medicinal effect on the human body, while it doesn't bring about an chemical changes in the human body, there are two things about it that make it very worthwhile.

The first is that having a very high saline content this water will hold heat much longer than ordinary water and consequently patients bathing in this water can have heat wrapped around a limb that is inflicted or some part of the body that is inflicted, that heat will continue around that affected part of the anatomy much longer than with ordinary hot water. So heat which has always been recognized as having a beneficial effect on the human body, that heat can be applied if under proper supervision, for long periods of time in water of this sort when it wouldn't be possible in ordinary water.

The other point they make which is of equal value is that this water, having a very high salt content, is buoyant and because it is buoyant a body which is racked with pain, the limbs tend to float in the water. It is possible in that kind of water to carry on a muscular re-education which would otherwise be impossible. Members who are familiar, for instance, with

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the Kenny Method of treating poliomyelitis, know that the secret of Sister Kenny's treatment wasn't merely the hot bath treatment but the fact that she was the person who first laid emphasis upon the need for muscular re-education of the person who had had infantile paralysis. It has been found that this muscular re-education is easier in water that is buoyant so that the limbs tend to float rather than being heavy and having a great deal of pain.

The Member for Watrous has already quoted some of the statements made by medical authorities who answered the questionnaire sent out by the Commission. I don't think he quoted Dr. L.W. Gorman of the Albany Hospital in New York, who says:

The use of hydrotherapy, both general and as spas has been found of value in the treatment of patients with rheumatism, arthritis and their allied conditions. It cannot be considered as curative, but with proper programs of treatment in this field many patients obtained distinct relief.

Then there are several pages of the report of these various doctors and in Appendix "H" which contains the statements made by some of those who appeared before the Commission, I would like to quote some of the statements made by the members of the Commission themselves which do not appear in the report, but which are in the appendix.

I think Dr. Rempel's statement for instance in point. Dr. Rempel has a high reputation in the province as an outstanding chemist. He said:

I feel that the whole angle of arthritis – from that angle there is some value in this water. If there is some value there the people who have arthritis can come here and get relief, and I think we would be justified in recommending some government supervision so that more people can get the benefits for arthritis. I think there is sufficient evidence to warrant that recommendation. If some benefit can be derived insofar as skin diseases are concerned, then I say, by all means go ahead.

And Mr. Wingrove, who was chairman said:

I feel convinced that there must be something in the water; add environment or anything else you wish, which must have beneficial effect n arthritis, etc., and I intend to include afflictions of the skin. Testimony that we have had leads me to believe that there must be some benefit in connection with skin diseases and I would strongly recommend that there be some steps taken to maintain the level of the water of this lake for its medicinal properties as well as for a lake resort. I would recommend that the Government take some action so that the people, irrespective of their financial conditions, can get the benefit of this lake. I think this would be a great asset to the Province of Saskatchewan.

Dr. Brachman, who is a dermatologist in this city and who felt that it hadn't any great medicinal value insofar as skin diseases were concerned, may have differed with some of the other members in that regard, but said this:

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I can't offer a lot except that from the investigation up-to-date I am completely in accord with the summary of my colleague from the university – Dr. Rempel – that there is no benefit in the water as it is at present except the buoyancy which makes it more useful for some types of arthritis, some diseases of the skin, some types of muscles and joints through polio or other infections that is in the water itself.

Dr. Brackman finished his statement by saying to the chairman:

I am agreeing with you that it has some value in certain types of arthritic conditions. Whatever benefit, little or not, that skin diseases have received here is coincidental. No one can explain why they got better, but there is sufficient evidence of some help in arthritic conditions and the need of the resort is so great, that we should go on record and say that the Government should do something.

Dr. Johns, who was the other medical doctor says:

Dr. Brachman has covered my ground very much and I am quite in accord with what he as to say.

And so on – I don't want to weary the House; I merely want to point out that I think that the erroneous impression given by taking the one sentence out of its context, which was quite correct insofar as the men who wrote it were concerned – with scientific scrupulousness they were saying that they had not any evidence which they could accept as scientists that it has medicinal values. But they repeat again and again that this water has therapeutic values. Some therapeutic value they can explain, as I pointed out, in the matter of heat and in the matter of buoyancy in the treatment of arthritis and rheumatism. Some which they can't explain in the matter of skin diseases, but which they admit have been cases where the people suffering from skin diseases – particularly eczema – have been helped, but they are not prepared to say that there is any proof of it; while there seems to be indications that these people have received some benefits.

Therefore, Mr. Speaker, I think the Commission has made a good report. I am quite frank in saying, and they would be the first to say it and have said so to me personally, that they don't suggest for a moment that they have made the kind of exhaustive report that would be possible. They had neither the time nor the facilities or the case histories to conduct such a report; but they have made a preliminary investigation and on the basis of their recommendations they point out two things as I have said: 1. That we should take some steps at once to work with the PFRA and to divert water into Little Manitou Lake in order to raise the water level; 2. That we should take steps to improve the sanitary conditions. They deal with sewage. The Commission recommends that the Government take steps to ensure that all salts or other products produced from the water of Little Manitou Lake shall conform to a standard of quality, labelling and advertising in accordance with Dominion regulations. They suggest that a group of expert engineers ought to look into the matter of diverting water to the lake. But it seemed to me that what was the most important of their recommendations was that the Commission recommends that a further study establish the fact that the water level can be maintained; that a further investigation be conducted with a view to using the lake as an arthritic or poliomyelitis centre. That,

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Mr. Speaker, is something which I know the Government would want to do if the other conditions can be carried out.

It is estimated – there are no definite statistics – that there are probably more people in Canada suffering from arthritis and rheumatism than from tuberculosis or cancer. Statistics are very hard to get. When people have cancer or tuberculosis they usually report to a doctor and statistics are gathered by the Vital Statistics Branches of the various provinces; but when people have rheumatism or arthritis it is very seldom that they report to a doctor and even if they report to a doctor, it isn't at all likely that the doctor will send in the figures as it has never been considered a very important matter. We have every reason to believe that there are many thousands of people in Canada, and a good many in Saskatchewan, who are crippled by rheumatism and arthritis. Some investigation is being carried on as to the possibility of there being a close relationship between arthritis and some animal diseases, the very matter being discussed the other day by the Member for Gravelbourg; and there is a field of investigation there which needs to be pushed to its ultimate conclusion. There isn't anything we need more here on the Prairies than a centre for the treatment of arthritis, rheumatism and poliomyelitis. We have as the Members know, a poliomyelitis clinic at Saskatoon, using a form of the Kenny method of treatment which has had a great measure of success. But there is need for a larger centre and for a centre that will deal, not only with poliomyelitis, but also with arthritis and rheumatism. The only place on the Prairies that people can go to is the mineral spa at Banff; and some excellent work has been done there, but they have limited facilities and many people, of course, can't afford to go the long distance to Banff.

On the North American continent we have not made much use of mineral spas. In Europe and in the United Kingdom for two or three centuries mineral spas have been a part of the social life of the community – “taking the baths” as they were called, was a very common thing and has been for two or three centuries; but not much use has been made of mineral spas on this continent. There is a growing interest in the whole field of hydrotherapy and I haven't any doubt in my own mind that if we could locate a place where a water level could be maintained and if it could be shown that that water -- as has been shown here – has therapeutic values, I think that such a place would be a logical centre for a clinic for the treatment of arthritis, poliomyelitis and rheumatism.

Therefore, Mr. Speaker, I want to say on behalf of the Government that we are proceeding with the investigation insofar as the diversion of water is concerned and maintaining the water level. If that can be brought about, we are prepared then to take the next step suggested by the Commission, namely, an examination of the whole field of hydrotherapy in relation to this lake to see if that would be the logical place at which to erect a clinic for the treatment of the diseases which I have mentioned. Naturally, the people who live around Manitou Lake and Watrous and my ho. friend, the Member for Watrous, are interested in this from the standpoint of their local pride and the having a health centre in their community; but the Government, of course, must always have the larger picture in mind and that is first of all that if government funds, public funds, collected from the taxpayers of the province are to be spent, they must be spent only after the most careful investigation to see to it that the results which we are likely to obtain will warrant the

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expenditure. I feel, personally, after reading this report – and particularly after reading the appendix – that if the water level can be maintained, there is every indication that this is the logical place at which to erect the kind of centre that is so badly needed here on the Prairies for the treatment of people suffering from arthritis and from rheumatism.

Therefore, Mr. Speaker, I shall support the motion.

Mr. Patterson: — I would like to ask – the main report of the Commission was tabled this afternoon in response returns. Did I understand that this appendix “H” is also to be tabled? Are we to get copies of that.

Mr. Douglas: — No, I pointed out when I tabled it, Mr. Speaker, that the appendix ‘H’ are the questionnaires and admissions made by various people and are so voluminous that we are simply tabling them as an appendix. copies are not available because it is very voluminous, but the appendix is being tabled along with the report.

Debate adjourned.

RESOLUTION – DISTRIBUTION TO MUNICIPALITIES OF MONIES IN RESERVE FUND

Hon. T.C. Douglas (Premier): — Mr. Speaker, BEFORE THE Hon. Member begins, I wonder if I might raise just the Point of Order. I wonder if I might draw your Honor’s attention to Beauchesne’s Rules and forms, Standing Order No. 60, citation No. 558 which says:

Motions advocating public expenditure or the imposition of a charge, if the motion be framed in sufficiently abstract or general terms, can be entertained and agreed to by the House. Resolutions of this nature are permissible because, having no operative effect, no grant is made or burthen imposed by their adoption.

And in Standing Order No. 61, citation 562 says:

It shall not be lawful for the House of Commons to adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue, or of any tax are impost, to any purpose that has not been first recommended to that House by message of the Governor General in the Session in which such vote, resolution, address or bill is proposed.

May I further, Your Honour, draw to your attention the decision which was handed down on Wednesday, February 15, 1939, as recorded in the Journals of the Legislative Assembly, page 91, in which some resolutions were referred to the Speaker by the Attorney General of that day. The Attorney General gives a long report which I shall not, I don’t think is necessary to read to the House. Yes, the Speaker gives a long report to the House which I don’t think I need to read. It contains page 91.

Let me interject at this point, that I cannot accept the restricted interpretation placed on the word “Resolution” as

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suggested by the hon. Leader of the Opposition. Suffice it to say that on a motion made, the House resolves.

The presentations agree upon the general principle that the right of initiation in “money” Motions lies with the Ministers of the Crown upon the recommendation of His Honour the Lieutenant Governor. This does not mean that private members are not permitted to move resolutions which place the House on record as favoring a specific cause which may involve the expenditure of public money or taxation, directly or indirectly. Such resolutions, however, emanating from private members must be couched in “abstract and general” terms, so that they cannot be construed as an “Order” of the Assembly, and, therefore, mandatory upon the Government.

And he goes on to discuss the terms sufficiently abstract in general and says:

The question then arises as to the wording of Motions of this nature in language which will be “sufficiently abstract and general” and could not be construed as being mandatory upon the Government. The usual formula “that in the opinion of this Assembly” is not sufficiently abstract if it is followed by such a phrase as “the Government should immediately introduce legislation which will provide” or “the Government be requested to make provision for”. Such Motions may commence with the phrase “in the opinion of this Assembly” but should be followed by such words as “it is advisable that consideration be given.” It has recently been decided in the House of Commons at Ottawa (Hansard 20th February, 1936, vol. 1 at pages 361, 370 and 371) that a “recommendation” or “opinion” of the House if adopted becomes in effect an “order”. An example of this is the wording used in the Crown’s Recommendation which reads “His Honour the Lieutenant Governor recommends for the consideration of the Assembly.”

And then His Honour, the Speaker at that time, proceeded to outline the eight resolutions which have been referred to by the Attorney General on page 93. He says:

I rule as follows on the admissibility of the Motions under review:

Motion No. 1 – Mr. Valleau – Can be allowed to stand, being vague and inconclusive in its phraseology, providing it does not become apparent during the debate that of necessity a charge on the province is entailed; in such event the motion would of course be subject to challenge.

Motion No. 2 – Mr. Benson: Must be withdrawn. It is specific and mandatory and involves the conversion of contingent liabilities into direct liabilities and affects jurisdictions other than the Government.

Motion No. 3 – Mr. Johnston: Must be withdrawn. Is distinctly mandatory upon the Government and its execution might involve a charge on revenues.

Then a resolution by Mr. Brockelbank, resolutions 4, 5, 6 and 7 must also be withdrawn, and I submit, Mr. Speaker, that

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the same would apply to Resolution No. 4. It is said that in the opinion of this Legislature the Government should at an early date determine and put into operation a plan for the distribution to the rural municipalities the \$1,260,000 now held in reserve account, and so forth. That such a resolution would in effect be an order upon the House rather than something recommended to the Government for its consideration. I hold, Mr. Speaker, that on those grounds the motion is definitely out of order in its present form.

Mr. W.J. Patterson ((Leader of the Opposition): Mr. Speaker, on the Point of Order. This money belongs to no one, but the Provincial of Saskatchewan. This is money which was levied for the public revenue tax in those years. It has been set aside for trust funds or reserve funds. The money does belong to the Province of Saskatchewan and no one else, and, therefore, it is calling upon the Government to expend money which rightfully belongs to the province.

Mr. Speaker, may I further draw your attention to the motion quoted by the Premier, or the ruling made in 1939, that Motion No. 2 by Mr. Benson must be withdrawn. It involves the conversion of contingent liabilities into direct liabilities. For that reason it was ruled at that time that the motion should be withdrawn.

Well, if the Hon. Minister wants to argue on that basis I presume this might be regarded as a contingent liability of the Province of Saskatchewan to the rural municipalities of the province. They do not so regard it, neither does the public, but if the Government wants to put order on that basis they can argue so.

An Hon. Member: They have the money anyhow and they won't let go.

RESOLUTION – WOOL BONUS

Mr. B. Putnam (Humboldt): — moved, seconded by Mr. Murray (Gull Lake):

That since the Federal Government has intimated that payment of the wool bonus under the Wool Bonus Policy will be discontinued, and as in the opinion of this Assembly, continuance of the said Policy is vital to the sheep industry of the Province, this Assembly urge the Provincial Government to request the Federal Government to continue participation payments, as in the past, through the Wool Bonus Policy.

He said: Mr. Speaker, we are asking that the Dominion Government be requested to continue to contribute to the bonus on wool, we are not asking for something new. For the last four years there has been a four cent bonus on standard grades of wool in this province. The Provincial Government has paid this bonus and the overhead or charges connected with it and the Dominion Government has refunded two cents on the four cent bonus on wool.

The correspondent from the chairman of the Agricultural Supply Board indicates that in the Estimates for this year, they have included money for this contribution. However, the

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Rt. Hon. J.G. Gardiner, the Minister of Agriculture, has indicated to the Department of Agriculture here that the Federal contribution will be discontinued.

Mr. Speaker, possibly I am not the best qualified Member of this Assembly to present the views of the wool board in this connection. I am not a wool producer at the present time, however, in years gone by I have raised sheep. I have sheared sheep and know something about the handling of this valuable product. This province has something over 500,000 head of sheep. About 70 per cent of these sheep are in small flocks in the agricultural areas and on the farms of this province, leaving about 30 per cent in the larger flocks on the range or ranch areas of the province.

I shall try to discuss this Resolution from the angle of the farmer who has the small flocks of sheep. Perhaps the average farm in this province is not adaptable to large flocks of sheep. By large flocks, I mean 100 or perhaps several hundred sheep. when you get into the industry at that extent it requires considerable expensive fencing and the rotation of pastures. Perhaps, no doubt, some of the Hon. Members know, and yourself, Mr. Speaker, that sheep do not do well if continued on the same pasture throughout the season. The Hon. Member for Gull Lake is seconding this motion. Possibly he will have something to say on it. I believe he lives in that part of the province where they run sheep under ranch conditions and he knows the answers to that side of the question.

I believe that there is a place in this province for many more sheep than are raised at the present time. I believe that we could well afford to have – not 500,000 sheep, but perhaps 2 million sheep in the Province of Saskatchewan. On thousands of farms a small flock of sheep would be a great addition to the income of that farm. They largely live on feed stuffs that would otherwise go to waste, and as weed scavengers and something to clean up the back lot and the fence corners, they are of inestimable value. I know of a couple of small flocks of sheep in my own community and I know that the wool from these sheep, perhaps \$50 or \$60 worth coming at the time of the year when there isn't much other farm income, can contribute a great deal to keep the homes going in many instances. So, Mr. Speaker, I do contend that there is a place for many more sheep in the Province of Saskatchewan.

The Sheep Breeders' Association has passed a resolution asking that this bonus be continued. The quality of Saskatchewan wool during the few years that the bonus has been in operation has improved immensely. Warehousemen contend that there is no comparison between Saskatchewan wool and Manitoba wool. Manitoba doesn't have the bonus, and Saskatchewan does. The wool producer is becoming grade conscious in the same sense the wool producer is becoming grade conscious in the same sense that those of us who sell a can of cream – we take pride in getting a table cream or special grade for our cream. In the same sense the wool grower is becoming grade conscious in this province and taking pride in getting the top grades for his wool.

I would like you to understand, Mr. Speaker, that this bonus is not paid on the lower grades of wool; those grades containing black wool or black fibre within the wool; or dirty wool and taggy wool and all that sort of thing. Those grades are becoming less and less, we believe, due largely to the bonus that is being paid for superior grades of wool. With the price of

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wool at about 25 cents, it pretty well hangs in the balance. If the producer can get a little more than that it is an incentive to produce good wool and market it under the best of conditions. If it goes very much below that, there isn't very much in it and he is inclined to become discouraged.

So, Mr. Speaker, in view of what this bonus has done in the years gone by and for what little expense it will be to the Federal Treasury, I believe that we are justified in asking that the Federal contribution be continued. Mr. Speaker, I am glad to move the Resolution.

Mr. A.C. Murray (Gull Lake): — Mr. Speaker, in speaking to this Resolution, I do so in support of it for the reason that the Federal Government and the Provincial Government saw fit in 1943 to pay a bonus on wool.

I am going to quote some figures to show that it costs considerably more now to produce wool than it did at that time. Therefore, I believe that this wool bonus should be continued as before. As the Member for Humboldt mentioned, the amount is not very large for the Federal Government, going fifty-fifty with the Provincial Government. The figure for 1945 is \$55,412. Not quite that much has been estimated for 1946.

Mr. Speaker, speaking to this Resolution I am not doing so from the experience that I have had in handling sheep, as I don't believe I am in the same position even as the Member for Humboldt. He mentioned that he had owned some sheep, I never have. But I have lived in a district where there are a great many sheep. In the constituency of Maple Creek, in the part leading off from about Highway No. 37 which goes through Gull Lake and Shaunavon and from there west — that part of the Gull Lake constituency and the whole of Maple Creek constituency — there is one-fifth of the sheep in Saskatchewan in that district, so you can see that it is considered quite a sheep part of the province. that is what we call the short grass country and is adapted to sheep.

There are a great many parts of the province which are far more adapted to sheep than any other lines of stock. The Member for Humboldt mentioned that in other parts of the province there are small flocks and he said — which was wrong — I think he mentioned that when they got something over 100 or 150 they were considered large flocks. We do not consider that they have sheep in the southwest part of the province. But there are a few small flocks. Some of the homesteaders that homesteaded on submarginal land found that they could not make a living on grain growing and have branched out into flocks of a few sheep and cattle and have had up to now very economical units.

I would like to state a few of the difficulties of some of the ranchers. The Member for Humboldt mentioned some of the improvements since this wool bonus has been brought into being, in 1943, through quality and cleanliness and proper methods of handling the wool; also in shearing, rolling the fleece and tying and properly packing it. As the Member mentioned, it has improved considerably in Saskatchewan over what it has in Manitoba. As possibly the Members know, in order to make a success of sheep ranching as we call it up in our country, you need considerable experience; but some of them have gone into it without experience and learned the hard way. You need considerable experience to make a success of the business.

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I want to quote some of the figures on how expenses have gone up in the last few years. We used to consider that shearing sheep was worth 10 to 12 cents per sheep. This past year or two the price has gone up to 20 and 25 cents per sheep. Also the twine and wool sacks, which is quite an item to the sheep man but I think one of the larger items is the man that looks after the sheep, a shepherd as he is called. I can remember back a few years ago when you could hire those men for possibly \$10, \$20 or \$25 a month and now they can demand and get \$100 to \$125 a month and their board, which is a pretty fair price I would say for that sort of a job.

The success of a sheep man depends to a great extent on the man he has herding sheep and, of course, on the dogs that he has with him. As you know a shepherd without his dogs would be just about like a man out hunting without a gun, he just couldn't herd sheep. But as I say herders are getting very scarce and I know of several ranchers who have gone out of the business because they simply cannot get herders. It is not a very desirable job and mostly they have their summer camps away from what you might call civilization out on a lease. There they see very few people and it is not a very desirable job and since the War, the beginning of the War, there are very few people taking up that type of business. I know that the Sheep Breeders Association has tried to get herders from the Old Country without very much success, but I just quote some of those figures to show how the sheep man's expenses have gone up. I have been told by a sheep man about a year ago, that he was making about the same at that time out of his sheep as he did back in the '30s. So that the sheep man's problems haven't been solved through the War like some of the other types of ranching and farming.

This is not a subject, Mr. Speaker, that I think needs to be labored, but as I say I am supporting this because the Governments believe that this bonus should be paid in 1943 and some of the figures that I have quoted, the increases to the sheep man in prices to him since that time, I believe that we should support this motion. Therefore, I take great pleasure in seconding this motion.

Motion agreed to.

ADJOURNED DEBATES

RESOLUTION – DEVELOPMENT OF SASKATCHEWAN RIVERS

The Assembly resumed the adjourned debate on the proposed Resolution by Mr. D.H. Heming (Moose Jaw City):

That this Assembly, through the Provincial Government request the Federal Government to give immediate consideration to and take earliest possible action on development of the Saskatchewan Rivers to provide:

1. Waters for irrigation of –
 - (a) land served by these river systems;
 - (b) land in the Qu'Appelle Valley, and adjacent thereto, and any land lying adjacent to dams on the South Saskatchewan River if developed for power purposes;
2. A much needed source of water supply for the Cities

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of Moose Jaw and Regina, and for urban communities within the serviceable area;

and urge the said Government to expedite all engineering, agricultural and economic surveys necessary to determine the location of dams on such river systems suitable for power development similar to that suggested in the "Acres Report for Fort a la Corne."

Hon. J.W. Corman (Attorney General): — Mr. Speaker, so much could be said on this Resolution that I am afraid that if I open it up at length I might provoke an adjournment that would keep it on the Order paper and for that reason I would warn that whoever has business following me that they had better be ready for it in about five minutes.

I would like to say, however, Mr. Speaker, that this irrigation water scheme has been a matter very close to my heart, not only since the PFRA have taken it under their wing, but even before that. This is not a new scheme. Prior to 1938 when I first went over to the City Hall at Moose Jaw, the city engineer, Mr. Ellison Fox of Moose Jaw and an associate of his, Mr. A.E. Martin, also of Moose Jaw, had worked out the details of a vast irrigation water scheme using the South Saskatchewan River. I might say at that time, it was prior to 1938, I am not sure of the year, at that time had arranged for the financing of a scheme very similar to the one that the PFRA have in mind now. The reason, Mr. Speaker, is to show that this scheme that the PFRA have in mind has been found economically, financially feasible, private interests were ready to put their money into it and we all know that private money doesn't go into a gamble, it doesn't go into a scheme without some chance of success. I think that point should be stressed, that this scheme is not only socially, will not only pay social dividends, but will also pay financial dividends as shown by the fact that private money was ready to go into it. The reason that scheme was not proceeded with, I understand, was because of some difficulty in getting water rights from the Government of the day and I am not complaining about that, they may have been quite right, but the scheme, Mr. Speaker, is feasible.

I am not going to deal with the benefits or the advantages that would accrue from irrigation. I think out here, in the West, we are all sold on irrigation. I don't think we need anymore speeches on that. I don't think we need anymore instruction on that or anymore education. I think we have all graduated from that school and I am not going to say anything controversial. I think to avoid that I will go at this thing backwards by sneaking up on it and read, first, from a short editorial in yesterday's Star-Phoenix in which it says this:

Mr. H.C. Long, the managing editor of the Lethbridge Herald was right when he said in Regina that week that there must be strong support if irrigation plans for Saskatchewan and Alberta are to be carried out. Expressions of pious wishes have filled the western air for years. It takes more than wishes to get huge irrigation projects underway. It takes millions of dollars and a government willing to spend that. As Mr. Long pointed out there is great pressure on the Federal Government to spend less money and reduce taxes. True, the Government has decided on a \$110,000,000 project for harnessing

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the waters of the Saskatchewan River, and so on, but this money has not been appropriated. the need for irrigation must be kept constantly before the Government. That is one way in which a strong Irrigation Association can perform a useful function.

In Saskatchewan there is a River Development Association, I might say, headed by my good friend Mr. Harold Pope of Moose Jaw.

Plans have been made for a Western Re-commission Association to be organized at a meeting this summer. Such organizations should be active in studying the West's irrigation needs.

And I would stress these words, Mr. Speaker,

bringing them forcibly to the Government's attention and in giving sound leadership to public opinion.

That, Sir, is the view of the Star-Phoenix and the best method to proceed. I am drawing to the attention of the House in that connection, a statement made by the Right Hon. James J. Gardiner and reported in the Regina-Leader Post of April 20th and I certainly don't read this to stir up any controversy. I am not going back to promises that were made at the time of the Federal election by different parties. I could say something very interesting on that. I am not doing that, but I am simply just asking Members to consider what we should do.

The Star-Phoenix says that the way to get the scheme is to build up a strong organization in this province to bring pressure to bear on the Government. Now, Mr. Gardiner said on April 27th of last year, and the Leader-Post quotes him in this way:

Mr. Gardiner emphasized that the Federal Government did not need to wait for suggestions or pressure from municipal government, municipalities, societies or any other groups before proceeding with this water conservation plan. The Government, thus, did not need the endorsement of the South Saskatchewan River Development Association to begin work on the South Saskatchewan River. It had already decided to go through with this.

This was a year ago, Mr. Speaker.

In the Estimates today a sum amounting to \$10 million was earmarked for the carrying out of surveying and engineering projects in the immediate future. It was the Government's intention to draw from this sum to complete engineering and survey work necessary.

Mr. Gardiner spoke with all the assurance with which one could speak in dealing with Estimates. Mr. Gardiner declared that these Estimates would go through if no others do. All political parties have spoken in favor of this.

Speaking on the project in which his audience was most vitally interested – the South Saskatchewan River project – the Minister declared that he had instructed Mr. Spence, Director and so on, to proceed with the necessary surveying and engineering plan which would be subject to the Government's engineering experts. Some time this summer he declared a decision would be

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reached on where the dam on the South Saskatchewan River should be placed. It would be on one of three sites. At this time, it will be noticed, Mr. Speaker, the site of the dam had not been chosen or decided on. And then Mr. Gardiner concluded:

As soon as the site has been finally decided upon, contract would be let and work would proceed immediately.

What I, principally, would like to draw to the attention of the House is that the Star-Phoenix and Mr. Gardiner do not agree as to what should be done. The Star-Phoenix thinks that we should keep bringing pressure to bear on the Government, and I gather that Mr. Gardiner tells us that if we will just mind our own business that everything is hunky-dory down there.

In conclusion, I would just like to read from the announcement – this is the latest announcement by the Rt. Hon. James G. Gardiner – made to a meeting of the Board of Trade in Moose Jaw on January 21st and I quote, still from the Regina Leader-Post:

Rt. Hon. James G. Gardiner, Federal Minister of Agriculture, told the annual meeting of the Board of Trade Monday night that a site for a dam on the South Saskatchewan River has been located about 20 miles north of Elbow, but the Government, for several reasons, will not be in too big a hurry about it.

In the first place Mr. Gardiner said the dam would cost \$15 million to complete. Mr. Gardiner concluded with this part of the speech:

However, we should be in the position to report on its possibilities during the coming Session and to consider proceeding with securing funds with which to proceed during the next Session. Much additional information must be secured before risking the future of this project by a Parliament which is expected to check carefully the expenditures of the taxpayers' money.

I am not going to be critical, but the latest statement of Mr. Gardiner's is that at the 1947 Session he will report on possibilities and at the 1948 Session consideration will be give to methods of obtaining the money.

Now, I have read the statement of April 1946 in which he said that 'as soon as the site has been finally settled' – and in Moose Jaw on January 21st last he told us the site had been chosen – 'as soon as the site has been finally decided upon, contract would be let and work would proceed immediately.'

I am not going to do any more in regard to what I have read, Mr. Speaker, than to say this – and I believe this applies to Members on both sides of the House – we would like to know what we should do to get this scheme. We are told by Mr. Gardiner that there is no use of this Association set up to further the development of the river scheme; there is no use of them making further representations. He told us that last April; the Government was gong ahead. Well, now we see that they are not going ahead, Mr. Speaker. I believe Mr. Gardiner is sincere, but at the best he doesn't expect to do anything in 1948 except at that time to consider means of getting the money; and he throws out the suggestion that he has a Parliament down there that is not

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going to give him the money. Now, I close with this thought. I wish, and I know I have the help of the Members on the Opposition side, who support the Government at Ottawa, in devising some means out here in the West to do something to help us get that scheme underway.

Debate adjourned.

RESOLUTION – CONSTRUCTION OF BRIDGE AT SASKATCHEWAN LANDING

The Assembly resumed the adjourned debate on the proposed Resolution by Mr. H. Biggs (Swift Current):

That this Assembly urge the Dominion Government to commence immediate construction of a bridge at Saskatchewan Landing, as a part of the South Saskatchewan River development programme, in order that existing facilities of transport across the South Saskatchewan River at that point may not be interrupted when the proposed dam at Elbow is completed.

Mr. A.T. Procter (Moosomin): — Mr. Speaker, this Resolution is somewhat involved with the debate which has just been adjourned and in speaking to this Resolution it will be necessary to repeat and refer to some of the things that have been said in connection with that Resolution.

May I say to you, Sir, that reference was made by the Hon. Minister of Highways to the statement of the Hon. Mr. Gardiner, (as he then was) that the bridge of Saskatchewan Landing would be built in the year following the election of 1944 if the Liberal Government had been returned to power. Now the records of the Highways Department show that considerable work had been done in preparation, actual preparation, for the building of that bridge. Moreover I may say, and say frankly, that the matter had been discussed by the Government of that day and it was the intention of the Government of that day to seek and build the bridge concerned in this Resolution. Had we been returned to power, that bridge would have been built.

Mr. Speaker, my hon. friend waves his hand and so forth. That matter was a matter that had been determined as a matter of policy and I know whereof I speak. Mr. Speaker, at that time, the whole idea of the bridge at Saskatchewan Landing was one whereby we sought an easy grade down to the bed of the Saskatchewan River, with an easy grade from the bridge up on the other side. Since that date the matters, which have been discussed in this House in connection with the irrigation project and the dam at Elbow, have in a measure caused other considerations to enter into the project. But let me say this, Sir, that there is a distance of approximately 12 miles shown on the highway map where Highway No. 4 turns west at Stewart Valley – about 10 miles south of the river and I think it is about two miles north of the river. There lies in that 10 miles a portion of the bed of the Saskatchewan River and I see no reason whatsoever why the Provincial Government should not proceed with the scheme with the idea of building, not a low level bridge, but a high level bridge across the Saskatchewan River in that area. It does mean, Sir, and I freely acknowledge that it means the seeking out of a new site for the bridge. It means, also some difference in the matter of the approach.

In connection with this dam at Elbow, as was correctly said by the Minister of Highways – and I am sorry the is not in

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his seat – under the proposed scheme if developed, the water in the Saskatchewan River at the Saskatchewan Landing, the old sight for the bridge would raise approximately 53 feet. I am, myself, by no means convinced that it is not possible to have a high level bridge east or west of that sight at approximately the cost of the former bridge, which my Department estimated that I think the figure was \$430,000 – it may have been somewhere between \$400 and \$450,000. Let me say this to the hon. gentlemen who have spoken on this bridge question, just to keep the record square, that in my own opinion from the knowledge that I acquired when I was Minister of Highways of this province, this is the logical sight at which another bridge over the Saskatchewan River should first be built. However, I would not wish to mislead the House and I am sure the hon. gentlemen who spoke on this Resolution did not wish to mislead the House, when they indicated that this was the ferry which had the heaviest traffic on it to cross the Saskatchewan River. That statement was not correct, Mr. Speaker.

If we take the Fenton Ferry in the list of ferries of vehicles and automobiles and so on, we find that automobiles at Fenton were 9,885; Saskatchewan Landing 7,785; but when we come to the item of trucks at those two ferries we find that there were 6,232 trucks ferried over the Fenton Landing – by the way that ferry is up near Prince Albert – and 3,953 trucks over the Saskatchewan Landing. Similarly, when we come to the question of passengers – Fenton Ferry carries 32,123 and animals is a slight some 4,000 extra over the Saskatchewan Landing Ferry. As a matter of fact the Lacross Ferry down in the neighborhood of Blaine Lake is probably the busiest ferry in the Province of Saskatchewan and you will find there that over the Lacross Ferry there were 10,523 cars, 3,012 trucks, but when you get to passengers, there were 56,000 over the Lacross Ferry compared with 32,000 over the Saskatchewan Landing Ferry. I just mentioned these figures and Members will find the figures I am quoting in the Highways Report for 1945-46 on page 42.

Mr. Speaker, I think that those of us who listened to the hon. gentleman, the Minister of Highways, who made the same statement certainly conceived the idea that the hon. gentleman was trying to tell us which was the busiest ferry across the river. I accept my hon. friend's statement but I say that it was very plain in listening to the speeches, and I am sure the hon. gentleman will not deny it, that the impression that Members in the House received from those speeches, was that the Saskatchewan Landing Ferry carries the heaviest traffic and that the only purpose including any figures in connection with it was to show that. Understanding that, Mr. Speaker, let me say this, the best ground – and I also arrived at the conclusion that the bridge should be built there first, rather than at Lacross – was that the fact that Highway No. 4 is a trunk highway from the extreme north of the province right across Saskatchewan Landing through Swift Current and down to United States. For that reason I believe that a bridge built there, there would be considerably increased traffic there, that is the basic reason and the proper reason. It should be a sign for the building of this bridge first, notwithstanding that there are more passengers on these other ferries, after all, when you come to running a ferry, the matter of ferrying passengers and cars and so forth, it is not nearly so dangerous or difficult as the matter of ferrying heavily loaded trucks and it is the truck route which should receive consideration first. I tell my hon. friends that I am completely in agreement with them, both that this bridge should

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be built there first. I am not in agreement with the statement that the dealing of the construction of the bridge should be unduly delayed.

We have run into the operation of the PFRA for several years in this Province of Saskatchewan. I took down the figures quoted by the Hon. Minister of Highways as to the two highways that were effected, No. 19 and No. 42. Let me say that I think it is quite correct that a large portion of those two highways would be flooded by this dam at Elbow when it was built. Let me also say this, that in all our experience with the PFRA, where the PFRA flooded the highways or flooded the bridge or rendered it necessary for a bridge to be raised by reason of their operations, there was immediately an adjustment and payment made by the PFRA for all the damage what was done. We had to divert one or two highways and as a result of their operation the PFRA said the water level will go so high, so much of the highway will be effected, and you build the highway around and we will pay for it. The same thing exactly would have happened if this Government had done what I conceived to have done after they built this bridge. As a matter of fact, that was the time when this bridge should have been built because if the bridge had been built then and it became necessary to either change the location or to build another bridge, the PFRA would have paid for the whole cost of that bridge to the province.

I have indicated that I think that there is room there for a high level bridge and I am more convinced of that in that we find by reference to the maps of this province, again, that both railroads, CNR and CPR, contemplated crossing the Saskatchewan River at that location and having constructed lines both from the south and from the north. The line of the CPR is built on the north down to White Bear and from the south it is built up to Stewart Valley. Our reference to the map will show that it is a very short distance between those two points and it is quite plain that the CPR intended to cross the Saskatchewan River there when the construction of railroads in the province stopped. Similarly you will find that short distance to the east and the north, the CNR at – I am not sure if I said the CPR to White Bear, it is the CNR to White Bear, the CPR to Mattador and the CNR had constructed down to White Bear and they had also constructed from the south up to Main Centre, again both railroads heading for a crossing of the river at this general location of this point.

There is another thing to be considered. The recent speaker today, the Minister of Highways, the other day, sought to create the impression, first, that they couldn't build this bridge at the present time because this dam was going in at Elbow. Then they proceeded to try and create the impression that the dam at Elbow wasn't going to be built for a considerable time. Well, Sir, if that is true, how long can these people afford to wait at Saskatchewan Landing for a bridge across there? They waited too long now. They have been unfortunate in making the change that they made or they would have had that bridge. Let me say something else in connection with that, Sir, and that is – oh, yes, the Provincial Treasurer laughs and grins, of course that is his privilege, but I think that you will find no one in this province, municipal or otherwise, who ever heard me make the statement that a certain thing was going to be done in connection with the highways of this province, that it wasn't done or that a municipality was going to get a grant that they didn't get the grant and I am quite willing to let the man who

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dealt with the Highways Department during the time that I was Minister, to let them say whether they're prepared to accept what I have said here as to whether that bridge was going to be built or whether it was built. But that isn't all, Sir. There is another thing. It is quite possible to put that bridge in even yet at the low level site and the loss to the province would not begin to be anything like what has been intimated here.

If the bridge is put in by the province and the PFRA dam at Elbow is unduly delayed, when they start their building they will pay following the experience we have always had, they will pay the additional cost and it won't be a loss of \$425,000 or \$450,000 at all, because it is the easiest thing in the world to build the type of bridge that would be perfectly satisfactory at that Landing and to float it to a new location for a bridge across the river. The only things that would be lost, if it was put in at this present location, would be the approaches and the piers and you can build a timber trussed ring connected bridge over there which can very largely be salvaged.

I suggest to this Government and to the mover and seconder of this Resolution, first, that consideration should be given to building a high level bridge. I think that that will be found to be practicable because the road is deliberately, at the present time No. 4 Highway, is deliberately built and the crossing is put in so as to get an easy grade down to the river and an easy grade up the other side of the river. If there is to be a rise of water in the future of 50 feet deep it would seem to me that the reasonable thing to do is not to accept the present site, and by the way the estimate given was \$2 million for a bridge at that site, even with a 53 foot rise in the water it seems to me out of all character for the length of the bridge that would be required. But suppose that it does, suppose it is so. I say that the proper contingency, the proper thing to do is to explore a high level bridge there. And I suggest to the Hon. Member for Swift Current and the Hon. Member for Elrose that they bring pressure on this Government to have that very thing done. I suggest further that that bridge, if they can't build a high level bridge, which would allow for the 53 feet, that the bridge should be put in at the Landing of the construction and types that I have mentioned that if the building of the Elbow dam is delayed as the Minister of Highways and the Attorney General seem to indicate might be the case, that the great part of the cost, the present cost, can be salvaged out of that bridge and the PFRA, when they do put in the Elbow dam, will pay the difference.

We don't even need to consider the question of the flooding of these highways, that the Saskatchewan Government is going to have any responsibility for that, unless conditions have been completely changed. I am assured that conditions haven't been changed, wherever highways, or wherever expense in connection with executed undertakings have been interfered with by the PFRA, the PFRA have paid without question and been very generous in seeing to it that any monies expended by the province in building highways that were flooded or building bridges that had to be raised or removed and rebuilt was always accepted as part of the Dominion cost on the PFRA project. Now, I am going to say that I am quite sure the Hon. Members are interested and honestly interested and bona fide interested, in getting this bridge. I am going to say to them that the surest way to get that bridge is to go ahead and build it and after having explored the possibilities that I have said that when the Elbow dam

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comes in and that bridge is found to be flooded, the PFRA will assume the extra cost in connection with the bridge.

I am going to also say to the Hon. Members and to this Government that it is one of the most difficult things that I know to get the Dominion Government to assume the costs of building bridges over the river such as the Saskatchewan River, either north or south, because that is a thing that is common all across Canada where they have rivers, and so forth. The Dominion Government, never in my experience and I don't care what government it is, we have had both Conservative Governments and Liberal Governments, we have never had a Dominion CCF Government, Mr. Speaker, and we never will have, but I say that any Federal Government of any political complexion will be extremely loathe to hand over to this province two million dollars to build a bridge over the Saskatchewan River. The matter can and should be approached from the angle that I have indicated here today, Sir, and I am therefore going to move, seconded by the Hon. Member for Arm River:

That the Resolution be amended by striking out the word "Dominion" in the first line and substituting therefore the word "Provincial" and by striking out all the words after "Landing."

Now, in making that amendment to the motion, I do so in the light of what I have said that I think the time has come when the bridge should be built. I think that the province will assume a responsibility for a reasonable amount of money, that a large part of the cost of that bridge can be salvaged and that the extra cost will, both for the highway and the bridge if it is found that it is not successfully to be operated at its present location, will be refunded to the province when the dam is built.

Mr. Speaker, ruled the amendment out of order.

Debate adjourned.

MOTION FOR COMMITTEE OF SUPPLY

Mr. Speaker: — The Lieutenant governor transmits Estimates of certain sums required for the service of the Province for the 12 months ending March 31, 1948, and recommends the same to the Legislative Assembly.

Hon. C.M. Fines (Provincial Treasurer): — Mr. Speaker, I move, seconded by the Hon. Mr. Lloyd:

That His Honour's message and Estimates be referred to the Committee of Supply.

Motion agreed to.

BUDGET DEBATE

Hon. C.M. Fines (Provincial Treasurer): — Following established custom, Mr. Speaker, I shall first

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review briefly the economic situation in the province as revealed by the statistical records of production in the major fields of activity. Naturally, agriculture, as our chief industry, claims first attention in such a review.

The estimated total value of the principal crops (Wheats, oats, barley, rye and flax), in 1946, was \$332,242,000 as compared with \$315,730,000 in 1945, an increase of \$16,512,000. The increase is almost wholly attributable to the better wheat crop of 200,000,000 bushels valued at \$228,000,000, which exceeded the 1945 figures by 32,000,000 bushels in yield and \$33,000,000 in value.

As predicted by farmer members of the Government side of the House, during last Session, a considerable acreage (700,000 acres in fact) was taken out of oat production and sown to wheat, resulting in a drop of production of oats to 117,000,000 bushels valued at \$58,500,000, in 1946, compared with 143,000,000 bushels valued at \$71,500,000, in 1945. Barley, in acreage sown, total production and value of crop, showed a similar decline from the 1945 figures, with 46,000,000 bushels against the 54,500,000 of 1945, and a value of \$29,900,000 against the \$35,425,000 for the previous year. Rye, from increased acreage, slightly higher average yield and a total production of 3,400,000 bushels valued at \$6,562,000, scored a 50 per cent increase over the corresponding figures for 1945, though the fact that prices ranged 30 cents per bushel more than in the previous year was contributory to the higher total value. Flax yielded a crop of 3,400,000 bushels valued at \$9,280,000, which was lower, but not markedly so, than for 1945.

Turning to the livestock statistics, it becomes evident at a glance how accurate was the forecast made, last year, by the farmer members of this side of the House, when they predicted that Federal agricultural policies would inevitably be reflected in reduced livestock production, particularly in regard to hogs. The records show that the livestock population on Saskatchewan farms in 1946, as compared with 1945, was lower in horses, milch cows, other cattle, and swine. The sole exception, in this connection was sheep and lambs, in the number of which a slight increase was recorded. The most marked drop was in the number of hogs on farms – 757,000 in 1946, compared with 1,006,600 in 1945.

If further proof were needed of the foresight of those members who so accurately foresaw the trend, the number of hogs marketed during 1946 was 513,000, compared with 942,000 in the previous year. While other livestock marketings were below those of 1945, in no case was the decline so conspicuous as in the case of hogs.

The creamery butter make, during 1946, fell 4,000,000 pounds below the 41,039,582 produced in the preceding year, and cheese production dropped to 350,611 pounds from the 366,243 make of 1945.

The 1946 wool clip of 2,420,000 pounds was 60,000 pounds higher than in the previous year; but 1946 was a poor year for honey producers, the output of 3,955,655 pounds being little more than half the record production of 1945.

Not unexpectedly, therefore, in view of the figures I have given, the estimated cash farm income from the sale of produce, in 1946, is \$16,205,000 less than in the previous year – and

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this despite the fact that \$19,692,000 was received on Wheat Participation Certificates, last year, as compared with only \$5,208,000 in 1945. The total cash income for the year is estimated at \$398,853,000 as against \$415,058,000 for the preceding year. In 1946, total cash receipts from the sale of the principal grains amounted to \$267,921,000, a drop of approximately \$10,000,000, while from livestock and livestock products the aggregate income was \$119,912,000, a drop of almost \$7,000,000.

The overall recession in agriculture, however, is slight and, of course, temporary; and certainly not ominous to anyone aware of the capacity of the province to produce, the skill and adaptability of our farmers, and the almost universal need for the foodstuffs which Saskatchewan can produce in abundance. Resilience is as characteristic of our prairie soil as it is of our people; the Government has implicit confidence in both.

Turning now to other features and factors of primary production in Saskatchewan, during the past year, I see in the records much to encourage our optimism, much to embolden our enterprise. I turn to a scene of bustling activity, of pioneering in many fields of development. I survey a variety of natural resources beginning at long last to integrate with our agricultural industry, and opening vistas of an industrial future in which dreams of a balanced economy are transformed into realities.

Mineral production, following the peak demand of the war period, received a setback with the cessation of hostilities and in the early stages of the changeover to a peace-time economy. Loss of tonnage in the base metals, however, was more than offset by rising prices, and, according to the Dominion Bureau of Statistics, the value of mineral production in Saskatchewan, for the calendar year, 1946, shows an estimated increase of 7.5 per cent over the figures for the preceding year. I am informed that the recently announced price-raising action on base metals will mean an increased value for our mineral production of more than 50 per cent.

Metallic minerals produced during 1946 had an estimated value of \$18,911,394 compared with \$18,164,035, for 1945, in spite of lower output in the base metals. Increases were noted in production of silver and gold, while tellurium (though the production is small) figured more strongly than ever before. A table of the comparative figures, showing varieties, quantities and estimated values, for the calendar years 1945 and 1946, may be of interest to Members:

1945			1946	
Metals	Quantity	Value	Quantity	Value
Cadmium	107,741 lbs.	\$ 106,663	99,000 lbs.	\$ 120,780
Copper	65,900,701 lbs.	\$ 8,270,538	61,080,000 lbs.	\$ 7,808,000
Gold	108,568 oz.	\$ 4,179,868	112,000 oz.	\$ 4,116,000
Selenium	41,209 lbs.	\$ 79,121	68,000 lbs.	\$ 108,700
Silver	1,425,457 oz.	\$ 670,435	1,483,000 oz.	\$ 1,240,530
Tellurium	395 lbs.	\$ 758	8,667 lbs.	\$ 11,334
Zinc	75,413,951 lbs.	\$ 4,856,652	70,500,000 lbs.	\$ 5,506,050
		\$18,164,035		\$18,911,394

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New and projected developments in or related to the mining industry indicate the greater interest being taken in Saskatchewan's mineral resources. The Hudson Bay Mining and Smelting company at Flin Flon, for example, anticipating future mining developments, has contracted for a new 21,000 horse power hydroelectric generating unit for its power plant at Island Falls. The new unit will cost approximately \$1 million and, when installed, will increase the power output of the generating station to 111,000 horse power.

The Newcor Mining and Refining Limited, also, is nearing completion of a 100-ton ore treating plant at Douglas Lake, near Flin Flon. Newcor ore is arsenical gold. The company hopes to do custom millwork for other small concerns having properties in the area.

Prospecting is becoming more active in the province, some 301 claims having been staked and recorded during 1946. The areas of present activity include: Athabasca Lake, Wollaston Lake, Jo-Jay Lake, Nistoassini Lake, Shunea Lake, Sulphide Lake and a number of points in the Churchill mining district, which includes Amisk Lake and the Flin Flon areas.

Sodium sulphate production, 1946, aggregated 105,768 tons valued at \$1,030,546, compared with the 93,068 tons, valued at \$884,322, produced in the preceding year. As Hon. Members are aware, the Government is establishing a sodium sulphate recovery and refining plant at Chaplin Lake. This venture in the field of social ownership will be operated by a Crown Corporation known as "Saskatchewan Minerals," and is expected to be in production later this year. Two reservoirs have been constructed into which brine from the lake has been pumped. The salt precipitates from the saturated solution during cold weather. Already a large tonnage of Glauber's Salt has been precipitated in this manner, and is now available for the proposed refining plant.

Clay products produced, in 1946, had an estimated value of \$379,156, an increase of more than \$100,000 over the previous year's production. Sand and gravel used was well above the 1946 total, aggregating 2,011,994 tons, valued at \$974,513, compared with 1,237,695 tons, valued at \$563,276. Structural quartz was down 11,000 tons to 130,000 tons, valued at \$45,675.

Noteworthy increases were reported in production of the fuels (coal, natural gas and petroleum), during the 1946 calendar year. Coal output, which had fallen off, during 1944-45, due to the closing of Armed Forces' establishments in the province, has made an excellent recovery. The 1946 production from Saskatchewan mines aggregated 1,508,309 tons, valued at \$2,448,715, and was only 156,000 tons short of the record production year of 1943. Though last year's tonnage was 24,686 tons below that reported during 1945, its value exceeded that of the previous year's output by \$121,633.

Some 201,000 M. cubic feet of natural gas was produced in the province in 1946, as compared with 162,824 M. cubic feet in 1945, \$58,765. Last November, the town of Unity was placed on the pipe line supplying gas from the Unity field and, during 1946, three wells supplied the town with 53,325 M. cubic feet of gas. Other towns served with natural gas from Saskatchewan fields are: Lloydminster, which consumed 144,890 M. cubic feet

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in 1946, from five wells in the local field, and Kamsack, which used 53,325 M. cubic feet from six wells in the adjacent area. Five additional wells were drilled in the Vera-Unity gas field, during the year at considerable distances from the producing wells.

May I inform Hon. Members that the Government is considering the advisability and desirability of the Province entering the pipe line industry as a common carrier.

Petroleum output, in 1946, totalled 146,000 barrels, a tenfold increase over the figure recorded in the first year of operations. Hon. Members will recall that it was in April, 1946, that National Grant No. 1 well struck oil in the Lloydminster field, the first real oil discovery in Saskatchewan. That discovery was quickly followed by other wells and, during 1946, sufficient wells encountered oil to establish the existence of a commercial field in the Lloydminster area of Saskatchewan. Twenty-one wells were producing last December. The Husky Refining Company, of Cody, Wyoming, is erecting a refinery with a capacity of 7,500 barrels per day to treat oil from this field. An oil cleaning plant, already established in relation to the field, is increasing its capacity from 40,000 to 80,000 barrels per month.

Desiring to aid development of this field, the Government is conducting research into cracking methods of refining Lloydminster crude. A pilot plant has been established in Regina, in which the merits of a new cracking process are now undergoing test.

Gas and oil drilling activities in Saskatchewan have shown the presence of widespread common salt (sodium chloride) deposits at varying depths from 3,300 feet to 7,000 feet, extending roughly from Radville to Lloydminster. The beds, as encountered in the bore holes, have thicknesses up to 400 feet. As Hon. Members are aware, development of a \$1 million salt industry in the province is to be undertaken, this year, by the Prairie Salt Company, a subsidiary of Dominion Tar and Chemicals Company Limited. A production minimum of 7,500 tons of salt annually is projected. The company will operate the deposits under an agreement with the Government which amply safeguards the public interest.

Summing up, the figures for mineral production during 1946 show an aggregate estimated value of \$24,019,000 as compared with \$22,336,074 in 1945.

The total value of forest products produced in 1945-46 was \$7,153,849.09, a slight increase over that for the preceding year. Wild fur production for the same period, showed a substantial advance over 1944-45 figures, the total value of the pelts being \$2,770,908.03 compared with \$1,543,663.07 for the previous year. Value of fur farm pelts also rose considerably, the comparative estimates being: 1944-45, \$767,066; 1945-46, \$888,764.54. The commercial fish catch in 1945-46, showed a slight decline in value at railhead from the catch of the previous year, the figures being \$1,184,145 as against \$1,318,649 in 1944-45.

This review would be incomplete if I failed to make reference to electric power development in Saskatchewan. A further step in the Government's program of ownership of public utilities was

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taken when the entire Saskatchewan holdings of Canadian Utilities Limited were purchased by the Province. With the exception of one private company and a few isolated units, the electric power industry in the province is now under public ownership. The expansion of the Saskatchewan Power Commission's holdings and services is well illustrated by the comparative figures showing the positions as at December 31 in 1944 and 1946.

	1944		1946	Increase
Miles of Transmission Line	1,626		2,651	1,025
Towns and village served	146		255	109
Number of services	12,989		28,014	15,025

Mr. Speaker, I have made no mention heretofore in this review of the potentially valuable potash deposits discovered in the province, to which attention of Hon. Members has been drawn by the Minister of Natural Resources, and which have been the subject of many press reports originating both in Regina and in Ottawa. Incorporating that discovery in the general picture so barely sketched by the statistical record, and summarizing impressions gleaned from this brief review, I gain a sense of a Saskatchewan marching toward a new day of wider horizons and greater opportunities for the energies and initiatives of its people. It conjured up a scene of new enterprise and expansion. I see in it complete refutation of the prophecies and the forebodings of those who, fearing some vested interest would be crushed, declared that advent of a CCF Government would drive private capital and private enterprise from Saskatchewan.

If further refutation be necessary beyond the facts of the statistical record, I would repeat what has been so often said in and out of the House: this Government recognizes that private enterprise has a place in our economy – private enterprise of the right kind, that carries with it no threat of monopolistic exploitation of our people. I would repeat, also, with your permission, figures already given to this House at this Session: that, from July 1, 1944, to January 27, 1947, 335 provincial companies, with a total capitalization of \$34,409,000, had been incorporated in Saskatchewan; 65 extra-Provincial companies, with a capitalization of more than \$70,000,000, had come into the province, and that 1,307 partnerships had been formed – all since the present Government took office.

Indeed, Mr. Speaker,, so long as it is prepared to contribute to the economic advance and security of the people of Saskatchewan, private capital and enterprise need have no concern over the policies of this Government. We recognize fully that, under the existing framework of our national economy, there is wide scope for private capital. It may, with profit, engage in the utilization of our primary products, perform services and provide consumers' goods at lower cost, undertake speculative ventures, and provide training and employment for our people.

In the past, this Government has followed the policy of extending its technical services, not only to assist co-operatives, but also to aid private enterprise in formulating plans for industrial development. Now it is hoped that a further step can be taken. The time is now ripe, I believe, to set up a revolving fund through which we propose to extend financial aid to co-operatives, municipalities, private firms and corporations seeking to establish approved industrial plants and projects within this province.

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This Government itself, through its Crown Corporations, is already showing the way in industrial development. I need not remind this House, Mr. Speaker, that under previous administrations, little aid, and still less action, was ever undertaken to foster secondary industry in this province. As a result, Saskatchewan had always lagged far behind other provinces in developing this part of her economy. We may lack some of their natural advantages, but the present Government has not been deterred from striking out boldly to make up for lost time and lost opportunity. Our hand has been immeasurably strengthened by the support of the people of the province. For they have by the support of the people of the province. For they have come to realize that there are many fields of industrial and commercial endeavor in which social control through their elected representatives is superior to the traditional method of private control.

Thirteen Crown Corporations, engaged in a wide variety of industry, manufacture and service, have been financed by the Industrial Development bond issue and advances from the Provincial Treasury. These were advances, I should like to stress, Mr. Speaker, fully authorized and approved by the Members of this House. And I may repeat here, that during the six months period from April 1 to September 20, a profit of nearly 13 per cent per annum was realized on advances of three million dollars made by the Treasury during that period.

The criticism has been raised that the Crown Corporations do not pay interest on advances from the Treasury. But the people of Saskatchewan, through their Government, are in actuality the shareholders, rather than the creditors, of the Corporations. As a consequence they will receive dividends from their investment, as the Corporations earn profits to be paid into the funds of the Government. These dividends, indeed, may amount to much more than normal interest on advances.

Nor are the Crown Corporations merely money-making operations designed to earn profits. They serve, as well, a distinct social purpose and their policies are guided always with regard to social considerations. As a typical example I may cite the case of the Saskatchewan Timber Board.

During the period of its operations, the Timber Board has opened six retail years. From these yards the Board made lumber available to the people of Saskatchewan at a retail selling price 10 per cent below the lawful maximum permitted by the Wartime Prices and Trade Board. Moreover, the Timber Board has not availed itself of its right under Federal Timber Control regulations to export one-half of its supplies of lumber to the USA or elsewhere to be sold at higher prices. These prices would yield the Board at least 50 per cent more than it realizes on wholesale sales in Saskatchewan. The net cost of these policies during the six-month period, April 1 to September 30, has been \$40,000 which would have been added to the profits of the Timber Board had this Crown Corporation not been anxious to assist the people of Saskatchewan in securing greater supplies of lumber at lower prices.

I may present the social significance of the Government program of industrial and commercial development in other human terms.

In the six-months period from April 1 to September 30, the Power Commission and thirteen Crown Corporations produced goods and performed services worth \$2,887,474.42 to the people of the

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province. As at September 30, employment was provided for a total of 844 persons, and the total payroll for 6 months amounted to \$759,439. Apart from the Power Commission, the thirteen corporations employed 622 persons and in six months paid out salaries and wages totalling \$495,776.

Mr. Speaker, these are the concrete achievements accomplished in the Government program over a very short time. In spite of all alarm, private capital and enterprise, I repeat, has not been driven from the province and will continue to be an important factor in our future development. But the people of Saskatchewan themselves, through co-operative organization and their socially-owned public enterprises are playing an increasingly important part in the expansion of a more diversified economy in this province. To attain this objective this Government has pushed the program of industrial and commercial development to utilize natural resources, to provide necessary goods and services, to make employment available for the many varied skills and talents of our people at fair wages, and to ensure a growing measure of social betterment and economic security.

The Public Accounts of the Province for the year ended April 30, 1946, were tabled on February 11th. These show that there was received on revenue account a total of \$39,275,647.05, an increase over the previous year of \$5,159,077.09. The main increases in revenue were:

Liquor profits -- \$3,978,885; Dominion Subsidy -- \$1,080,127; Gasoline Tax -- \$1,006,737; Education Tax -- \$697,099; Natural Resources -- \$427,186.

On the other hand there were decreases as follows:

School Lands -- \$614,007; Public Revenue Tax -- \$932,447; Automobile Licence Fees -- \$454,303.

The expenditures on revenue account were \$38,784,813.75, an increase over the previous year of \$6,884,269.40.

The Public Accounts for 1946-46 show that there was a surplus on the year's operations of \$490,833.

Up to January 31, 1947 revenues have reached \$29,870,178 compared with \$26,311,556 during the same period, last year.

Education Tax receipts are \$927,000 greater than during the first nine months of the previous year. The tax receipts indicate that a great deal more has been spent on consumers' goods than during the war years. Present indications are that last year's record collection of \$5,592,244 will be exceeded.

Gasoline Tax receipts are \$791,658 higher for the nine-months' period ending January 31 than for the same period a year ago. Despite the fact that many of the roads have been closed because of the excessive amount of snowfall, I am confident that Gasoline Tax collections will be greater than for the previous year.

A year ago we budgeted for revenues of \$40,031,335 compared with actual revenues of \$39,275,647 for the year ended April 30, 1946. I am confident that our revenues will exceed the estimate made a year ago, and that we again shall finish the year with a balanced budget. This will be done, notwithstanding the fact

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that our fiscal year ends on March 31st, in accordance with the legislation passed at the last session of the Legislature and thus will be only for an eleven-month period.

A year ago, I expressed the hope that an agreement with the Dominion Government would be arrived at, which would guarantee the Province sufficient revenue to discharge its responsibilities, and which would enable the Dominion to take whatever action was necessary to maintain full employment and a high national income. At that time I referred to the conferences that had been held. On April 29th a fourth meeting between the Dominion and the Provinces took place, when the Dominion Government presented certain amended proposals. After five days of deliberations the Conference broke up. Since that time there have been no further meetings between the Dominion and all the Provinces.

In the Budget Address of Rt. Hon. J.L. Ilesley given on June 27th, 1946, an offer was made to the individual Provinces. This offer provided that the Provinces would agree not to levy any taxes on personal incomes or on corporations other than a 5 per cent tax which would be levied uniformly and the proceeds of which would belong to the Dominion. The Provinces would also give an undertaking not to levy Succession Duties. In return for these three undertakings, the Dominion Government for the 5-year term of the agreement would provide that each Province receive a guaranteed minimum annual payment equal to \$15 per capital based on the 1941 actual, or the 1942 estimated, population of the province, whichever was the greater. It was also agreed by the Dominion that these payments would be increased in proportion to increases in population and in gross national production. As an alternative, any Pr was entitled to receive 150 per cent of the annual receipts under the Wartime Tax Agreement. It was also provided that the payments for no Province would be less than \$2,000,000.

It was agreed that the Provinces would be free to tax profits from mining and logging operations, and any such taxes would be treated as a deductible expense for Dominion Income Tax purposes. The Dominion also agreed to pay to the Provinces one-half of their net Corporation Income Tax collections from companies whose main business is the generation of electrical energy, gas or steam. In the case of Saskatchewan, the guaranteed minimum annual payment was to be \$13,400,000.

At this point I might state that the proposed payments were not based on the principle of fiscal need. The Province of Saskatchewan has always claimed that a great deal of the wealth and income of this Dominion is concentrated in two or three large provinces, and that most of the head offices of corporations are situated in Ontario and Quebec. We have felt that these provinces get an unfair share of the tax revenues based on the profits of these corporations and on the personal incomes and estates which been earned in all parts of the Dominion. While we realize that the Dominion's offer did not provide for a fiscal need subsidy, yet, we do recognize the fact that it is more equitable than the old system of allowing each Province to collect what it can. The Government of Saskatchewan was the first to notify the Dominion Government that we were prepared to meet with them to work out an agreement on the basis of the terms laid down by the Minister of Finance in his Budget Speech.

Several conferences were held with the Dominion during the next few months. On November 9th, we completed the details of a

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Taxation Agreement to be recommended to this Legislature. Since that time, however, certain amendments have been made to the Dominion's offer. These have resulted in increasing the amount received by the provinces from the Dominion. In the case of Saskatchewan, under the latest proposals, which will be submitted to this House within a few days, the Province will receive a minimum guaranteed payment of \$15,257,000.

I would like to emphasize that the acceptance of this proposal will not mean that Saskatchewan has been able to receive what we would have had if the original proposals of the Dominion Government in August, 1945, had been accepted. This agreement only covers the field of taxation. The original offer, in addition to the fiscal arrangements, also provided that the Dominion Government would accept the full responsibility for old age pensioners over 70 years of age. The Dominion also agreed that they would contribute 50 per cent of the cost of an Old Age Pension Plan for persons from 65 to 69 years of age who are unable to care for themselves. The proposals also provided for a Dominion contribution of 60 per cent of the cost of a health program including hospitalization and medical care at an estimated cost of \$21.60 per capita.

The Dominion also agreed to accept the full responsibility for caring for all those persons who were able to work but could not find employment. They agreed also to contribute a percentage of the cost of Public Works programs to be arranged by the municipalities and the provinces.

Failure to achieve agreement with the Provinces at the Conference, last April, has been very costly not only for Saskatchewan but for every province in Canada. It has resulted in the provinces not having been able to attain that degree of social security that is necessary to face the post-war period through which we are now passing. There is one ray of hope, however. The Dominion Government on several occasions in recent months has declared that the social security measures still remain an essential part of the program of the Federal Government. It is my hope that, in the immediate months that lie ahead, the Dominion Government will proceed with these measures that are so essential to the welfare of our people.

I am very happy to be able to announce to the House, tonight, the settlement of two other long outstanding problems. One of these is the settlement with the Dominion Government in connection with the payment for the natural resources alienated by the Dominion from 1905 to 1930. By an agreement dated March 20, 1930, Saskatchewan received from the Dominion all the unalienated resources. At the same time a commission was appointed to report as to what sum should be paid to the Province, in order that Saskatchewan could be placed in a position of equality with the other provinces of Confederation. This commission was appointed in September, 1933, and reported in March, 1935. Two of the members of the commission recommended a payment of \$5,000,000 to the province by the Dominion as compensation for the retention by the Dominion of the province's natural resources. Mr. Justice Bigelow, in a minority report, recommended payment by the Dominion to the Province of over \$58,000,000.

It is interesting at this time to note that the agreement of March 20, 1930, made provision for an agreement to be entered into between the two Governments following the receipt of the commission report. Up to November, 1946, no agreement had been

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reached and the payment of compensation in respect of the natural resources of Saskatchewan had remained unsettled. Previous governments have taken the stand that the amount of the award of the commission was insufficient. The Dominion, on the other hand, has refused to consider payment of any additional amounts. Thus, for many years, the Dominion and the Province have remained in state of deadlock.

The Government of Saskatchewan has now agreed to withdraw all claims for any further compensation from the Dominion Government over and above the amount of \$5,000,000 plus interest, the total now amounting to almost \$8,000,000. We have done this in conjunction with the settlement of another long outstanding problem, namely the Treasury bills given by the Province to the Dominion during the '30s. It was felt by both Governments that the two problems should be linked together in any settlement. I am thus unable to tell you exactly what amount has been accepted in final settlement of the natural resources problem. We have received the amount of the original award plus an agreement by the Dominion to cancel a substantial amount owing by Saskatchewan on the treasury bills. In other words this agreement in respect of natural resources is linked up directly with the settlement of the treasury bills.

I am very happy also to be able to announce to the Legislature, tonight, that this very ancient and contentious problem of relief treasury bills has at last been settled. The Province and the Dominion have agreed that the Province shall pay to the Dominion the sum of \$36,000,000 in full settlement of the \$80,000,000 of treasury bills held by the Dominion Government. In arriving at this settlement it was agreed that the 1938 seed grain treasury bills, having been settled the previous year, would not receive any further consideration.

For many years the Province of Saskatchewan has contended that the drought and depression of the 1930s was such as to constitute a national emergency and that relief treasury bills should have been wiped out. On the other hand, the Dominion Government believed that they had already made their contribution to the emergency by providing over \$120,000,000, in addition to the advances made to the Province in return for the treasury bills. I need hardly remind the Members of this House that these treasury bills were for the most part given by the Province to the Dominion for advanced made to Saskatchewan in the early '30s when people here found themselves in the position where they could not care for themselves. During this time, the people of Saskatchewan suffered a reduction in income, unparalleled in peacetime, in any other civilized country. The net agriculture income of \$200,000,000 a year had fallen to an actual negative amount in 1931 and 1932. Provincial income fell by as much as two-thirds. Rural Relief expenditures amounted to nearly two-thirds of the total municipal and provincial revenues from 1931 to 1939. Thus, it became necessary for the Dominion to advance moneys to the Province both for direct relief payments and for agricultural relief.

No province in Canada required assistance to the extent that did Saskatchewan. Every other province was able to finance a much greater portion of its own costs out of its own funds.

The settlement made with the Dominion Government provides that the Dominion will cancel the outstanding interest on direct relief, amounting to \$5,700,000. It provides also that the

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Dominion will cancel 50 per cent of the \$61,300,000 for direct relief.

The Province's share of \$30,650,000 will be repayable in equal annual instalments over the next thirty years, without any interest payments.

The Province must assume the full responsibility for payment of all moneys advanced by the Dominion, for works programs and for moneys advanced for capital and other ordinary government purposes, amounting in all to \$13,400,000. From this amount we deducted the amount of the natural resources award which, with interest, amounted to \$8,000,000. Thus, there remains \$5,400,000 of treasury bills which are the responsibility of the Province alone. These will be paid off in equal annual instalments in the next thirty years, with interest at 2 5/8 per cent.

Thus it is that, by payment approximately \$1,250,000 annually for the next thirty years, we shall be able to liquidate completely the indebtedness of \$80,00,000 which was bearing interest at 3 per cent annually. The total annual payments to be paid by the Province are approximately one-half of what the interest alone amounted to on the treasury bills.

The settlement of these two problems has not been all that I would have like it to be, but I want to assure every Hon. Member of this House that it was the very best we could do. I believe we can agree that the settlement was fair and reasonable. It is one which will enable the Province to be on a more even footing with many of the other provinces of Canada insofar as our debt structure is concerned and one that already has resulted in a great improvement in our credit position.

This afternoon, I tabled the estimates for the coming fiscal year. These estimates provide for a considerably higher budget than last year. Estimated receipts are \$45,591,101 compared with \$40,031,335, last year, while expenditures at the same time are estimated at \$45,571,114 compared with \$39,996,889, last year. Again, we are budgeting for a surplus.

I recognize that there may be some misgivings about our ability to raise this amount of revenue. I want to assure the House, as I have done on two previous occasions, that, based on careful examination of present receipts and economic conditions, I believe these revenues will be attained.

At the same time I would be failing in my duty as your treasurer, if I did not point out to you that we have been living in a period of great prosperity when revenues were buoyant, and that I anticipate that the revenues of the Province will not enable us to go any further in the extension of social services and economic development, unless the Legislature is prepared to find some new source of revenue.

The increased receipts are due mainly to the increased subsidy as a result of the Dominion-Provincial agreement, rather than to any overall increase in taxation.

In addition to the increased subsidy, the Dominion Government has withdrawn from the gasoline tax field. During the Dominion-Provincial Conference the Dominion was urged to give up those fields of taxation which they had entered during the war. The provinces requested that the Dominion do not levy gasoline tax, amusement tax, sales tax on electricity, and the pari-mutual tax. In December, the Hon. D.C. Abbott announced that

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the Dominion was withdrawing from the taxation of gasoline stating that the Dominion recognized that this was more logically a tax for the provinces who were responsible for highway construction. The Dominion will be vacating this tax field on March 31 next.

Commencing on April 1st the Provincial gasoline tax rate will be increased by 2 cents a gallon, making a total tax of 10 cents. The additional revenue to be secured will be used entirely for highway construction work. This will enable us to accelerate our program of providing an adequate system of all-weather highways.

The Province of British Columbia has already announced that it will levy a 10 cent gasoline tax. It is expected that the other provinces will use this field of taxation which is being vacated by the Dominion Government.

As announced in the Legislature last week, if the municipalities request the Province to do so, we are prepared to levy a tax of 2 cents a gallon on all gasoline, diesel fuel and distillate used for agricultural purposes, with the understanding that moneys raised in this manner will be distributed to the municipalities and Local Improvement Districts to be used in the construction of roads.

No budget address of a Saskatchewan Provincial Treasurer would be complete without some reference to the Education Tax. The tax has been objected to for three reasons:

(a) It is a regressive tax. (b) It is a nuisance. (c) The money is not used for Education.

Two years ago I agreed the tax was a regressive one, because any tax applied on foodstuffs is regressive. At the last session, however, the tax was removed on foodstuffs and meals. This has made the tax a great deal less regressive, for now the tax paid is more directly related to income.

The tax was certainly a nuisance when it had to be paid every time a person bought a meal or a few groceries. Now, it is required to be paid much less frequently, and so a portion at least of the nuisance value has been removed.

Provincial expenditures on Education have increased very greatly in the past three years, with the result that now the Education Tax is being used to pay a much greater share of educational costs, as evidenced by the following table of Provincial expenditures on Education.

1943-44	\$4,073,089;	1944-45	\$4,500,789;	1945-46	\$5,389,600;	1946-47	\$5,578,655;	1947-48	\$6,880,154.
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From this it can be seen that educational costs have increased by 70 per cent in the past four years.

It has been decided to make available for Education an additional \$1,300,000 rather than to abolish the Education Tax and be forced to reduce our expenditures. We realize there is a demand in certain quarters for this tax to be abolished, but feel the needs of education far outweigh the political advantage to be gained by abolishing the tax.

We are, however, proposing certain amendments in conformity

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with our policy of removing the more regressive features of the tax. These will include the removal of the tax on all drug prescriptions, patent medicines, soaps, cleansers, second-hand goods, weed control chemicals, weed control chemicals, weed sprayers and animal feeds.

Other than the increase in Gasoline Tax and the increased list of exemptions from Education Tax, there will be no changes in taxation this year.

The expenditures on current account for the next fiscal year are \$45,571,114 compared with \$39,996,889 for the current year, an increase of \$5,574,225. It is expected that every province of Canada will have increased budgets for the next fiscal year. Already British Columbia has announced an increase in expenditures from \$42,089,608 to \$58,781,334, an increase of \$16,691,726 in one year.

The main items responsible for the increase in our expenditures are:

(a) Refunds to farmers on 1938 seed grain -- \$700,000. (b) Payment to Ottawa on treasury bills -- \$1,200,000; (c) Increases in Civil Service salaries -- \$1,000,000; (d) Highways -- \$1,000,000; (e) Education -- \$1,300,000; (f) Agriculture -- \$800,000.

The settlement of the treasury bills problem has undoubtedly improved the Capital position of the Province, but has added a burden of \$1,200,000 to our current expenditure budget, for which we can show no additional service.

The same is true of the refunds being paid on the 1938 seed gain. In addition to the \$700,000 shown last year, and again this year, as being paid to Ottawa in settlement of this problem, we have included an item of another \$700,000 for refunds to those farmers who paid more than 50 per cent of their 1938 seed grain accounts.

Under the policy announced previously, the Government is collecting 50 per cent of the principal advanced for the 1938 seed grain. Out of a total of \$6,626,664 to be collected to January 31st, the total receipts were \$3,163,933. It is our hope that collections can be speeded up during the next few months. In addition to the above amount there has been paid to the Dominion Government from Provincial funds, \$745,123.72.

As at January 31, a total of 13,975 applications for refunds under the 1938 seed grain adjustment policy had been accepted, and remittances totalling \$1,037,731.17 had been made.

For many years it has been recognized that the salaries paid Civil Servants in Saskatchewan have been disgracefully low. The \$1,000,000 provided in the budget for increases will put the salaries paid by Saskatchewan in a position comparable to those paid by other provinces and by the Dominion, with few exceptions. It is my hope that the result will be a much higher degree of efficiency and a much greater permanency in the civil service.

During the next year, the Province will spend \$5,539,000 from current account and \$1,405,955 from capital account, a total of \$6,944,955, on highway construction and maintenance. The condition of the roads in Saskatchewan had made it necessary for the Government to increase expenditures for this purpose. In the past two years we have been unable to spend the entire

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amount of the vote because of shortage of equipment, materials and labor. This situation, however, has improved, and we are confident that the entire vote will be used this year.

A comparison of expenditures shows that a great deal more is being spent on highways now than formerly.

1943-44, \$2,852,060; 1944-45 \$3,294,788; 1945-46 \$3,908,367; 1946-47 \$5,600,000; 1947-48 \$6,944,955.

In addition to the above there are the capital charges amounting to \$1,460,371 annually, for highways constructed many years ago, and which were never paid for. The bonded debt outstanding for highway construction now amounts to \$31,204,830.

The Province, next year, will spend a total of \$8,405,326 on highways, including the carrying charges on our debt. We expect to receive \$8,500,000 in Gasoline Tax receipts and automobile licence fees. From this it is quite apparent that we cannot spend more on our roads than we are now doing, unless we use other revenues.

It has been our policy to construct the highways from current account as much as possible. Any large increase in highway construction, however, will make it necessary to reconsider this policy.

In accordance with our announced policy of assuming greater responsibility for education, the present budget makes provision for increased grants for schools of \$1,120,000, and for the university of \$80,000. We realize that, in many districts, educational costs are still high; but are confident that the increase to be made this year, amounting as it does, to an average of over \$200 per school district, will remove much of the burden. This will be particularly true in the poorer districts as the increased grants will be given largely on an equalization basis.

In recent years we have heard a great deal about the present Government's lack of interest in agriculture. It has been stated that the agricultural expenditures were entirely too small in relation to the total budget. A comparison of current agricultural and co-operative estimates with expenditures of 1943-44 is of interest:

1943-44 -- Agriculture \$470,180; Cooperatives \$23,473;
1947-48 -- Agriculture \$1,609,792; Co-operatives \$189,273.

These figures indicate that there is \$1,305,412 more to be spent on agriculture than in the year ending April 30, 1944. But this only tells a part of the story. As indicated earlier, seed grain debt payments of \$1,400,000 will be made next year, and, in addition, large sums will be spent by different Departments on various services which will be of direct benefit to agriculture.

The estimates do not provide for any great increase in health and social welfare expenditures, the total being \$15,260,189 compared with \$14,399,473 last year, an increase of \$860,716. These figures take into account the proposed transfer of the mental institutions from the Public Works' Department to the Health Department.

This year we have divided the Health vote into two parts, the first vote being for the matters under the control of the

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Department, and the second vote for those functions administered by the Health Services Planning Commission.

For some time now, we have been aware of the necessity of increasing the payments to our old age pensioners. Shortly after our election to office we made provision for free hospitalization, medical care, drugs, dental care, optical care and nursing services for the old age pensioners. We also increased the pension from \$25 to \$287 per month, with no additional assistance from the Federal Government.

We have endeavoured, without success, to have the Dominion Government increase the amount of the pension and reduce the age. We are still hopeful that we can get the Dominion to pay their regular 75 per cent of the cost on the basis of at least \$30 per month. We do not think we can allow this class in the community to struggle along on \$28 per month any longer, particularly in view of the increased living costs.

Therefore, the Province is prepared to raise the maximum pension payable to old age pensioners and blind pensioners to \$30 per month, effective April 1st next.

We have hear in recent weeks of the assistance being given in other provinces to municipalities and schools, as a result of the Dominion-Provincial agreements. In this connection, I would like to quote a statement in the Regina Leader-Post on February 28 as follows:

Manitoba was proposing to pay out approximately \$3,000,000 a year from its federal grant to provide assistance to municipalities, school boards and other local governing bodies. Alberta planned to abolish the provincial tax on land, thus easing the burden of land taxation by over a million dollars. And British Columbia had indicated steps would be taken to implement a report which recommended substantial additional financial assistance to the municipalities.

I am sure we all commend these governments for what they have done to assist the local governing bodies, recognizing as we do that the increased cost of government affects the municipalities and school boards adversely, as it does senior governments. At the same time, I am afraid the author of the statement is woefully ignorant of what the Province of Saskatchewan has done, and is doing, this year, to assist the municipalities and school boards. We have not waited until the completion of the Dominion-Provincial agreement to recognize their problems. During the past two years the Province has relieved the municipalities of many responsibilities which have assisted them very greatly, and this year we propose to assist them still further.

I would remind Hon. Members that school grants have increased by over \$2,000,000 in the past three years. The provision of health services, formerly a municipal responsibility, has been undertaken by the Province at a cost of \$2,000,000 above that of 1943-44. Grants for municipal roads have increased by \$320,000 during the same period. Increased social welfare services for mothers and neglected children have relieved the municipalities of a burden costing the Province \$850,000 more than was spent in 1944.

This year, we shall spend \$1,400,000 on the 1938 seed grain settlement, a direct responsibility of the rural municipalities.

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We shall also be required to find a total of \$1,200,000 this year, in settlement of treasury bills given in the depression years to relieve the municipalities of a responsibility that was too great for them.

These few items alone total \$7,770,000, an amount considerably greater than the additional subsidy that is being received this year from Ottawa. No government in Canada has done what we have to assist the municipalities. We recognize at the same time that they have a very serious problem which will require much attention. I want to assure you, Mr. Speaker, we shall do all in our power to help find a solution for this problem.

In addition to these items mentioned, the Board of Revenue Commissioners has issued orders, during the first ten months of this year, cancelling direct relief accounts owing by the municipalities to the Province to the amount of \$135,892.

It has already been announced that legislation will be introduced at this Session to cancel 1935, 1936 and 1937 seed grain advances, amounting in all to \$21,833,000. The 1938 seed grain advances, which were cancelled in 1945, amounted to \$9,973,000. Other cancellations of seed grain and relief accounts incurred back to 1917, amounted to \$7,381,232. These three items alone amount to \$39,187,232. But these are not the only debts that we cancelled. In November, 1944, we cancelled our share of the direct relief advanced to those in need during the depression years amounting in all to \$33,000,000.

I trust, therefore, it will not be forgotten that we have cancelled accounts totalling \$72,187,232, when comparisons are made with the generous actions of other provinces.

Relieving the municipalities of a burden of \$39,187,232 has meant additional revenues for them and, in fact is equivalent to a very large annual grant – much larger than what is being proposed in adjoining provinces. When considered along with the \$7,770,000 annual payment for municipal responsibilities, as previously mentioned, it can be seen quite easily that Saskatchewan is doing far more than any other Province to assist local governing bodies.

In previous years I have emphasized the fact that we were passing through a period when revenues were very buoyant. We have been told we should establish reserves for the future. It is my opinion that one of the best ways to do this is to reduce the public debt and improve our credit position, so that, if it becomes necessary to borrow money, it can be done at reasonable rates of interest. In conformity with this policy, our debt has been steadily reduced during the past three years as is indicated in the following table:

	<u>Apr. 30/44</u>	<u>Apr. 30/45</u>	<u>Apr. 30/46</u>	<u>Dec. 31/46</u>
Bonded Debt	\$125,244,945	\$127,455,993	\$119,793,133	\$117,030,213
Treasury Bills	99,910,900	106,272,254	100,237,246	99,193,808
Contingent Liabilities	<u>20,016,607</u>	<u>1,904,002</u>	<u>1,851,512</u>	<u>1,395,654</u>
Gross Debt	\$238,172,452	\$235,632,249	\$221,881,891	\$217,619,675
Less Sinking Funds	<u>23,919,341</u>	<u>31,000,477</u>	<u>28,708,827</u>	<u>29,946,705</u>
Net Debt	\$214,253,111	\$204,631,772	\$193,173,064	\$187,672,970

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From these figures it can be seen that the total net debt has been reduced by \$26,580,141 since April 30, 1944.

To this amount may be added the \$44,000,000 by which the treasury bill indebtedness will be reduced as a result of the settlement with the Federal Government, making a total reduction of over \$70,000,000 in two and one-half years.

The foregoing figures do not take into account the bank balances. My hon. friends opposite will be pleased to learn that the \$8,000,000 they left in the bank is still there. Indeed, it has actually grown to over \$10,000,000, in spite of the debt reductions and heavier expenditures of the past two years.

During the present fiscal year the following maturities were paid off:

June 15	\$200,000	3½ per cent	Short-term debentures.
Sept. 15	\$150,000	3½ per cent	Short-term debentures
Nov. 1	\$108,900	4 per cent	Short-term debentures
Nov. 15	\$2,000,000	5½ per cent	25 year debentures.

In addition, on November 15, we refunded \$3,000,000 of the 5½ per cent debentures with a new 16-year 3¼ per cent issue, at a cost to the Province of 3.52 per cent.

As announced in the Legislature on February 20 last, arrangements have been completed to refund the April 15th maturities totalling almost \$5,000,000. These were short-term bonds bearing 3¾ per cent interest, and a cost to the Province of 3.18 per cent. These refunding have resulted in new all-time low interest rates for bonds issued by any Saskatchewan Government, and have brought the average rate on our bonded debt down to approximately 4.4 per cent.

The removal of the 10½ per cent exchange on the American dollar in July, 1946, was of great assistance to the Province in the past year. It enabled us to carry out the November 15th refunding operations in Canada.

In additional to this, it gave us an opportunity to re-pay \$2,250,000 borrowed in New York in July, 1945, without having to pay a premium. This money was borrowed in American funds at that time in order to pay off the \$2,250,000 of 4½ per cent, 20-year debentures. The net cost to the Province of the borrowed money was ¾ of 1 per cent per year.

At the time the money was borrowed, the exchange on American funds was 11 per cent, so that this action of the Government resulted in a net saving to Saskatchewan of \$230,000.

I am pleased to report that the market for Saskatchewan bonds continues to improve. Two years ago our 5 per cent bonds due in 1958 were selling at 91½. They had risen to 113 one year ago. Today they are selling readily at 116. This is further evidence of the investing public's confidence in Saskatchewan – a confidence that will not be misplaced. It will continue to be the policy of this Government to protect the interests of those who invest their savings in the resources of the province.

A year ago I stated: "The people of Saskatchewan will not be frightened by a \$50,000,000 budget or a \$60,000,000 one if necessary. They will measure a Government by the way it spends the money, and by the people's economic and social position as a

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result of the spending. If they realize that money is being spent on public development and socialized undertakings that will improve their position economically and increase their security, they will gladly support such expenditures.”

It is my belief that if we are going to utilize and co-ordinate the resources, man-power, and finances to effectively provide security it will be done only through a planned economy. We recognize that private enterprise has never been able to provide enough jobs for all except in wartime. Our people have learned, through the sacrifices and sufferings of war, that it is possible to achieve full employment and the economic security that goes with it. This was done by planning the Canadian economy in wartime. It is going to be very difficult to convince the people of Saskatchewan that, if economic planning was necessary in wartime, it should not be essential, also, in times of peace. We recognize that the social and economic security of our people can be guaranteed only through a Federal Government operating democratically in the interests of society.

Nevertheless, we believe it is our duty to do what we can, as a Province, to assist in attaining that security for our people. It is a definite obligation on our part to see that the economy is functioning to its greatest capacity, insofar as we can. For this reason we are prepared to increase very greatly our expenditures on agriculture and natural resources, believing, as we do, that these expenditures will provide us with a wider base upon which industry can expand. For this reason, also, we are prepared to increase our expenditures for public development and socialized industries, particularly in the field of power, highways and telephones.

During the past two years we have invested in many new industries in the Province, with a view to assisting our primary industries and providing a more diversified economy for the Province. I am confident that these policies have been and will be of great assistance in stabilizing the income of the people of the Province. Economic activity largely determines the amount of revenue available for governments.

In presenting this budget, I do so confident that my hon. friends opposite, as in the past two years, will declare that it will ruin the Province, and that it will drive us deeper into debt. To them I would repeat what I said in 1945:

The Province cannot be ruined as long as every person in need is being cared for; as long as every human being has an opportunity to develop to the limit of his or her ability, and as long as health services are available to those in need.

What we require today is a revolution in our attitude toward the purpose of public finance. I refuse to accept the idea that a balanced budget is the only factor in our financial proposals. I agree that a balanced budget is desirable, and am presenting such a one tonight. But the

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real task is to assure the security of the people. A budget may be balanced on their poverty or their misery. As long as I occupy the important position of Provincial Treasurer, it shall be my aim to balance the budget, keeping in mind the needs of the people of the Province. The budget, rather than being a 'monetary budget' alone, must also become a 'human budget' which will guarantee a minimum of social security to all.

Mr. Speaker, I want to assure you tonight, this policy has been maintained. At the same time we have honoured every obligation of the Province, and by so doing have restored our credit.

And so it is with confidence that I present these financial proposals for your consideration at this time – proposals that look forward to a new world that is in the making, and not backward to the old world that is passing away; proposals that recognize new responsibilities...

New occasions teach new duties: Time makes ancient good uncouth;
They must upward still, and onward, who would keep abreast of Truth.

Debate adjourned.

The Assembly adjourned at 9:30 o'clock p.m.