

*Inquiries of the Ministry***IRRIGATION****SOUTH SASKATCHEWAN RIVER—INQUIRY AS TO
PRESENT POSITION**

On the orders of the day:

Mr. J. G. Diefenbaker (Leader of the Opposition): Would the Prime Minister bring the house up to date in connection with the further negotiations with the Saskatchewan government concerning the South Saskatchewan river dam and irrigation project? Has the government given any consideration to the adoption in Saskatchewan of policies similar to those which have been announced for British Columbia and the maritimes, so that power will be made available through this instrumentality?

Right Hon. L. S. St. Laurent (Prime Minister): The situation in Saskatchewan could not be met by the policy that has been announced as a policy we would recommend for the maritimes and for British Columbia.

With respect to bringing the house up to date, I may say that the last letter I received from the premier of Saskatchewan was in response to a letter I had written to him about a newspaper report concerning a statement said to have been made by Mr. Fines about the contributions of the province of Saskatchewan to that scheme. In my letter I referred to two matters that were still undetermined so far as the government of Saskatchewan was concerned. One was the way in which a contribution of a certain percentage, amounting to practically \$25 million, would be made.

Mr. Diefenbaker: By whom?

Mr. St. Laurent (Quebec East): By the government of Saskatchewan. The other was with respect to the full cost of the penstocks required for power purposes. I added in my letter that the matter came up for discussion from time to time, and if there were that change in the attitude of the Saskatchewan government it would naturally be a factor that would enter into the discussions among ourselves about the project, and would be an indication of the importance the government of Saskatchewan attached to the project.

The reply was that, with respect to the method of payment of the contribution to the cost of the dam, the government of Saskatchewan would be prepared to meet whatever the conditions were, but still hoped that there might be some modification in lieu of a progress payment as payments had to be made.

With respect to the other matter, if they were to pay for the cost of the penstocks

their engineers would want to study and possibly revise the plan to see if shorter penstocks could not be provided at a lesser cost than would be required to line the unwatering tunnel that the original plan indicated as one of the features of the construction. He expected that if and when we came to the conclusion that we were prepared to recommend to parliament an appropriation for the project, there would be no obstacle resulting from that portion of the arrangement that might have to be made.

There has been nothing further since then, beyond a request which came either yesterday or the day before for our acquiescence in a demand that had been made that the correspondence be tabled. Of course we immediately replied there was no objection to the correspondence being tabled in the legislature of Saskatchewan.

Mr. Diefenbaker: In view of the apparent reopening of negotiations, and the lengthy statement made by the Prime Minister—

Mr. St. Laurent (Quebec East): I would not want that to be taken as the apparent reopening of negotiations. It was—

Mr. Diefenbaker: —the interminable continuance.

Mr. St. Laurent (Quebec East): —the continuance of an exchange by correspondence or orally with respect to the project, but always on the basis that no decision had been arrived at that we would take the responsibility of recommending the project to parliament as one that would return to the economy more than it would require from the economy in interest and amortization charges.

Mr. Diefenbaker: Is the Prime Minister in this position, after that lengthy exposition: that he is yet unconvinced that the project is economically feasible? Is that his position?

Mr. St. Laurent (Quebec East): My position is that I have not yet been able to reach the conclusion that it is something which, constructed at this time, would return to the national economy more than it would require from the national economy in interest and amortization charges.

Mr. Diefenbaker: What evidence is the Prime Minister having collated or gathered to the end that the question as to the economic feasibility will be determined to his satisfaction? What is being done? Is any department of the P.F.R.A. or the P.F.A.A. investigating the matter? Are engineers' reports being secured, or is it just a continuance of the same exchange of correspondence which culminates in a meaningless dead end?