

Canadian Economy

benchers, if that is at all possible. I see the hon. member for Nipissing (Mr. Blais) smiling.

Let us go back a few years when almost all of the potash industry in Saskatchewan was owned by foreign companies with headquarters in Denver, Toronto, Europe, Houston and many other places except the province of Saskatchewan. The mines that were developed during the last few years have in the last few months been enjoying very high prices for their production of potash. I am glad to see the hon. member for Battleford-Kindersley (Mr. McIsaac) back in the House. Let me point out that they have brought the price of potash up from \$20 a ton which was the situation back in 1969.

Let me give some reasons to support the idea that public ownership is very economical. In 1975, the price of potash went up from \$20 a ton to \$75 a ton, and the estimate of most people is that it will reach about \$100 a ton by 1980. The demand for potash will probably double in the next 15 years. The mines in Saskatchewan are operating at nearly full capacity and there is a dire need to expand their capacity. In Saskatchewan there is around 40 per cent of the world's reserves of potash—the greatest reserves in the world, except possibly for the Soviet Union. We have those reserves in our province and they should be developed publicly for and on behalf of all the people.

● (1610)

I recall that when the hon. member for Battleford-Kindersley was sitting in the Saskatchewan legislature a few years ago there was an oversupply of potash and the IMC mine operated by the Americans, with a subsidiary in Mexico, had to cut down its production because of the oversupply. They cut down about 60 per cent of their production in my constituency, while in the United States they cut down by only 10 per cent or 15 per cent. Thus, people in my riding joined the unemployment rolls and were thrown out of work while jobs were saved for the Americans. That was a natural reaction by IMC and it is a natural consequence of foreign ownership. It is the branch of the plant that will be cut down and thrown away first. But now we find in Saskatchewan an industry that will grow, a product the price of which will continue to rise and the market for which will increase.

Potash is used primarily for fertilizer; about 95 per cent of it is used for that purpose. As the world's agricultural economy becomes more sophisticated, as knowledge increases and the developing nations become more wealthy, the demand for potash will increase. The profits of the privately-owned potash companies in Saskatchewan went up and the Saskatchewan government naturally increased the taxes, but many of these mining companies refused to pay the taxes and took our government to court on the issue. They were not ready to expand, and several mines announced that the plan for expansion was either cancelled or postponed until the court cases were heard. They are withholding their taxes. Mr. Speaker, you could not do that without the Department of National Revenue taking action against you.

The potash companies are holding the government to ransom. They will not expand, thus denying jobs, and they will not pay taxes, thus denying revenue to the Saskatchewan people. So the premier of our province did the only

[Mr. Nystrom.]

logical and sensible thing; he announced that the mines would be nationalized and taken over by the people of Saskatchewan. We have the money for that; much of it is right in the province of Saskatchewan, and the rest will be borrowed and paid back over the years. In years to come the Saskatchewan people will have an asset which will appreciate by literally hundreds of millions of dollars for the people of our province, not just for me but for my children's generation and for their children and generations to come.

It will be a resource owned wholly by the people of Saskatchewan and by all Canadians. It will be the only resource company in this country on a large scale which will have its head office in Saskatchewan—and the jobs at the head office will be in Saskatchewan, not in Houston, not in Denver, not in Europe. The corporation in Saskatchewan will be able to open new mines and expand. That is one of the first things it will do. This would not happen under private enterprise in Saskatchewan. The hon. member for Battleford-Kindersley knows that the potash companies were going to cancel or postpone their plans to expand the mines because the taxes were too high.

There are two choices which you have: you can either say, "We will lower the taxes and you, poor company, will expand, but we will get less revenue from the taxes," or you can take them over and expand and develop the mines. If you make that decision, you keep the money. That is a much better investment for the people of Saskatchewan. Why will this government not do this with the tar sands in Alberta? They have an obligation to develop such a resource on behalf of all the people of Canada. In Saskatchewan we will have these head office jobs, we will have research and development jobs, we will expand our industry, we will keep the profits in the province and we will control the biggest resource company in Canada that is Canadian-owned—all within the boundaries of a small province.

These are the things this government should be doing on a national scale. Just think what they could do if they seriously tackled the oil industry, in terms of keeping prices down for consumers, in terms of the petrochemical industry and in terms of keeping the profits in this country. These are the things they could do if they would provide economic leadership. But that is something which I am afraid they are not willing to do.

Mr. Alan Martin (Scarborough West): Mr. Speaker, I would like to speak on the motion before us by saying initially a few words in favour of the implementation of an anti-inflation policy in Canada at the present time. Any national economy that is unable to control the value of its monetary exchange unit over the short to long term within some reasonable guidelines is indeed in trouble. The problem, economically speaking, must take priority over other social and economic problems that may be facing the nation at the time, for without a solution to this basic issue, all other government leadership endeavours are bound to be fraught with a good degree of failure. A just society can never be achieved, nor moved in a very positive direction, if we cannot assure members of our society that there is a good degree of strength in the monetary system.

The old age pensioner on a fixed income, the young widow receiving a static allowance or pension as the sole