

Potash Sale to United States

There are many other matters I could mention, but in view of the hour and because other members want to participate in the debate I will try and sum up my point very quickly. As I said, during the next year the mines will be operating at only 42 per cent capacity. This is a good indication that something is wrong and that the people of Saskatchewan need to hear about certain facts immediately. People living in these communities should be given as much information as possible about the future of potash mining in Saskatchewan, since many of them are buying homes, sending their children to school and planning to establish roots in the area.

If the government would let us have the correspondence for which we are asking, perhaps it would clarify the situation. Many people seem to think there is a conflict between the mining companies and the people of Saskatchewan. As my colleague for Regina East (Mr. Burton) mentioned, several of the mining companies operating in Saskatchewan also operate mines in New Mexico. It has been pointed out many times that the New Mexico mines are not as efficient as those in Saskatchewan and the supply of potash in New Mexico will probably be exhausted in a few years. Because of this the companies seem to have decided to mine potash in New Mexico rather than in Saskatchewan. If this is the case, I and the people of Saskatchewan want to know. Those who are directly affected want to be able to plan their future like Canadians in other parts of this country.

Mr. Les Benjamin (Regina-Lake Centre):

Mr. Speaker, I rise to support the motion moved by my colleague from Regina East (Mr. Burton) requesting the production of the exchanges, if any, between Canada and the United States concerning potash. I suspect there is very little, if anything, for the government to produce. It was the government of Saskatchewan that did the negotiating. The Premier of that province, acting like an Arab sheik in an oil kingdom, dealt with the governor of one of the states of the U.S.A. and these two gentlemen carried on what was, I submit, the business of the government of Canada and the government of the United States.

We want to know what representations the federal government made to the United States or what discussions were held in regard to the proposed threat to impose tariffs on Canadian exports of potash. I strongly suspect that if this tariff threat was made by the

governor of New Mexico and was put before the United States trade commission, it was more bluff than a threat. If the Premier of Saskatchewan had chosen to make a common cause with the governors, senators and congressmen of 10 to 15 farming states on holding down the price of fertilizer, I submit there would be no likelihood of any attempt being made to impose tariffs on Canadian potash. In fact, I submit any such attempt would have failed.

What happened was the Premier of Saskatchewan and the governor of New Mexico chose to work out a deal between themselves. The Minister of Industry, Trade and Commerce (Mr. Pepin) had egg on his face. He knew he was being imposed upon by the Premier of Saskatchewan. The Premier of Saskatchewan and the governor of New Mexico decided to come to a cosy arrangement between themselves, the benefits of which went to a few corporations that owned potash mines in both New Mexico and Saskatchewan. I should like to know what happened to the study made by the justice department as to the legality of this affair, a matter that is obviously within the jurisdiction of the government of Canada. In this regard I should like to read a short excerpt from the *Ottawa Citizen* of November 22 last, which carried a report on the study made by the justice department and about which we have heard no more. The article reads, in part:

The regulations, which follow negotiations between Premier Ross Thatcher and the New Mexico governor... would limit production from Saskatchewan potash mines and... exercise some control over exports—

According to the article, it would also control the price of the exported commodity. The Premier of Saskatchewan pointed out that this sort of thing had been done by the government of Alberta in regard to oil. But this was strictly for the purpose of conservation; nobody could suggest for one moment that this was the purpose of the production controls in Saskatchewan.

The article continues:

—the agreement between the New Mexico and Saskatchewan that led to the Saskatchewan regulations was the answer to a prayer for New Mexico's Carlsbad-based potash industries—

These were worn out, in course of being phased out and in no way could compete with Saskatchewan production as to price or as to quality. This was a neat arrangement to bail out corporations which had mines in both places, at the expense of Saskatchewan pro-