

Potash Sale to United States

appears that many of the companies concerned have mines in Saskatchewan and in the United States. There is one German company in Saskatchewan and two Canadian companies; all the rest are United States companies. I believe all but one of those companies also have interests in New Mexico. These companies wish to protect their interests in the New Mexico mines.

Thus, there are a number of questions which need to be answered, and the information sought in this motion would be most helpful in this regard. First, was this a good deal for Saskatchewan? Second, did it protect New Mexico potash rather than Saskatchewan potash? Third, did the Premier of Saskatchewan overstep provincial jurisdiction in engaging in international negotiations on trade matters? Fourth, what representations did Canada make on this question? Fifth, what role did the United States corporations with interests in both Saskatchewan and New Mexico play in these arrangements? It seems to me there is a clear conflict here between the interest of these corporations and the interests of Canada, and in these circumstances I hope the government will see fit to accept the motion I moved on December 3.

Mr. Lorne Nysitrom (Yorkton-Melville): Mr. Speaker, I intend to speak briefly on this motion in support of my hon. friend, believing it is important we should persuade the government to produce the papers and correspondence connected with this issue. A number of telling arguments in favour of doing so have been put forward by my hon. friend from Regina East (Mr. Burton), and I agree with them.

The biggest potash mine in Saskatchewan is located in my constituency near the town of Esterhazy. When a large-scale lay-off took place there last January or February, many people were wondering why potash production was slowing down. Many believed the decision to curtail activity was taken in the interest of the United States companies who wished a quota placed on Saskatchewan potash production because they had mines in New Mexico as well. Since so many people are affected in Saskatchewan, particularly in towns such as Esterhazy, I submit it is essential that the government disclose the correspondence involved. It would give those concerned an opportunity to find out the facts upon which decisions have been based and they would be in a better position to assess the future of the potash industry.

[Mr. Burton.]

The situation in Saskatchewan has produced a minor crisis, the effect of which has been to slow down the economy in towns such as Esterhazy. A large portion of the work force of the province is already unemployed—according to the April figures about 8.8 per cent of the non-agricultural work force is in this position—and one element of this total is, of course, the potash workers, many of whom had been employed until this year. Of course, as all members know, when there is a slowdown in any industry, the whole of the community is affected. This applies to other towns in Saskatchewan such as Largenburg and Churchbridge, to mention only two, where today one can see empty houses and apartments, and where small businesses are experiencing declining sales. This situation is due in part to decreased employment in the potash mines.

According to a statement by Premier Thatcher, the potash mines will be operating next year at a capacity of 42 per cent. The reference is to the next potash year which is from July 1, 1970, to June 30, 1971. This leads me to think that the operation is not as efficient as it could be. Of course, the arrangement means that many people who were working in the mines will no longer be doing so. In a situation like this it is important that we should find out from the government the reasons which led these concerns to make a deal such as this.

● (5:40 p.m.)

Some of the planning which has gone on between the governments concerned had been very poor indeed. I recall that in the fall of 1968 the IMC plant at Esterhazy decided it would truck potash to the United States border instead of shipping it by rail as they had been doing. The reason for this was that Canadian National Railways would not agree with the company to ship potash by express, as the company wanted. They found it more economical to truck potash to the U.S. border and then load it on to U.S. trains for transportation to the market. As a result we have found that the railway workers in the area are afraid of losing their jobs because of the slowdown in rail transportation. At the present time the provincial government is planning to spend \$6 million on maintaining the highway over which trucks carrying potash travel every day. And all this because the potash company could not reach agreement with CNR.