

Adjournment Debate

Fertilizer prices, in many cases, have doubled during the past two years. In many cases they have increased from 30 to 40 per cent from the spring of 1974 to the spring of 1975. Some examples for the record, Mr. Speaker, of commonly used varieties, f.o.b. the plant are 6-18-24 from \$120 to \$160, an increase of \$40 a ton; 10-10-10 from \$100 to \$135, an increase of \$35 a ton; 15-15-15 from \$125 to \$175, an increase of \$50 a ton; ammonium nitrate from \$142 to \$185 a ton, an increase of \$43, and anhydrous ammonia ranged around \$260 a ton.

Why are there these drastic price increases, Mr. Speaker, particularly when shortages do not appear to be any problem? Dealers in my area indicate that supplies are quite adequate.

The minister stated on April 15, 1975, as reported at page 4810 of *Hansard*, and I quote:

We have contacted all the provincial departments of agriculture and our surveys show, as they have in the past, that there will be adequate supplies. In some areas there may even be an oversupply of some varieties of fertilizer.

On March 20 I asked the minister, in view of the fact that the Canadian Fertilizer Institute would not issue a detailed report justifying the rapid increases in price, what action if any he intended to take. The minister indicated that some action had already been taken, that investigations were being conducted under the Combines Investigation Act.

The following day, March 21, the minister took the position that, in the absence of legislation to hold down or roll back prices, the government would use whatever legislation it presently had, and in co-operation with the Department of Consumer and Corporate Affairs would do what could be done. He said that "We are not at all happy with what they are doing."

I want to assure the minister that I am not happy with this situation, nor are the agricultural producers who purchase large volumes of fertilizer to obtain maximum crop yields. In view of other rising production costs, top yields are absolutely essential to meet expenses and to provide even a narrow margin of profit.

If current prices hold, or even worse, escalate, many producers will be forced to cut back and smaller yields will result. It is not only a serious domestic problem, but also an international one.

It is estimated that one billion people, or one quarter of the world's population, already depend on extra crop yields produced by the use of fertilizer for their food requirements. It is reasonable to suggest that the great majority of the extra two billion people to be fed in the next quarter century will depend on the use of this important product.

Most underdeveloped countries found it impossible to purchase their badly needed fertilizer requirements in the past. Thus it is obvious that their present and future difficulties are most serious.

In conclusion, Mr. Speaker, on May 12 I asked the minister in view of the fact that supplies seemed to be adequate, was he satisfied that price increases were justified. He replied to the effect that, according to his infor-

mation, prices were decreasing. I rechecked with the largest supplier of fertilizer in my constituency, Mr. Speaker, only to find that the prices quoted earlier were still in effect. One other dealer indicated to me that an attempt was to be made to move out his entire inventory if possible and to reduce the price by a whopping 2 per cent. In view of the 30 to 40 per cent increases, I would hope that no one would express any degree of satisfaction about a decrease of 2 per cent.

The producers are concerned, Mr. Speaker. They have every reason to feel apprehensive and they are certainly entitled to an explanation. I trust that the hon. member, in his reply, will have some helpful and useful information. I trust he will offer some worthwhile explanation and not select isolated cases reflecting only marginal price increases or "small decreases on some rarely used varieties."

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Thank you, Madam Speaker. In respect to the question raised by the hon. member for Elgin (Mr. Wise), I wish to make one point first of all. Prior to the 1974 election the government introduced into the House of Commons an anti-profiteering bill which would have given it the legislative authority to take action in cases of unwarranted price increases. It is not this party which is responsible for the fact that we have no legislative authority to take the kind of action which the hon. member now seems to think is advisable.

As the Minister of Agriculture (Mr. Whelan) stated when replying to the question of the hon. member for Elgin on Monday, there has been some decline in prices of some brands of fertilizer. In general, however, prices have not declined substantially and the minister is far from satisfied with the performance of the industry to date, particularly with regard to price differentials between east and west.

As you are no doubt aware, Madam Speaker, the Minister of Agriculture met representatives of the basic fertilizer manufacturers recently and warned them that they could find themselves over supplied as farmers—particularly in eastern Canada—were reluctant to pay the high prices being asked for fertilizer.

The Minister of Agriculture—indeed the whole government—is adamant that unwarranted profits by fertilizer manufacturers will not be tolerated. Legislation is being prepared by the Department of Consumer and Corporate Affairs to deal with unjustified price increases when such increases can be clearly identified. With regard to fertilizer, the Department of Agriculture and the Department of Consumer and Corporate Affairs are co-operating in an on-going investigation of the fertilizer industry.

It should be pointed out in fairness to the industry that fertilizer prices in Canada are still substantially below world prices. Recent information indicates that there is some build up of world supplies of fertilizers and this will no doubt have a depressing effect on prices.

Although the minister has not received the co-operation he had hoped for on prices, he is pleased that the industry kept its promise to ensure adequate supplies for Canadian agriculture. In the face of reluctance on the part of manufacturers of fertilizer and those in the manufacturing area