

Some members of the Canadian Fertilizer Institute, the main fertilizer trade association, told the Committee that they believe fertilizer is one Canadian product which has competed reasonably well on an international basis. The industry accepts free trade competition and will even import to keep the price down. Nevertheless, Canadian Industries Limited Inc. (C-I-L Inc.) expressed its concerns to the Committee about the prices of nitrogen products entering the Canadian market, which the firm considers threaten the survival of eastern Canadian urea production. C-I-L's plant is now the sole manufacturer of urea in eastern Canada, two other urea plants there having already closed. Revenue Canada is proceeding with an anti-dumping investigation against imports of solid urea from East Germany and the Soviet Union that are destined for use in eastern Canada. C-I-L Inc. claims the imports have depressed the price of its own urea below the cost of production. The Department has 90 days to determine if the industry has been injured by the imports.

It is apparent that the fertilizer sector is experiencing a downswing in demand and price. The Committee is optimistic that conditions of over-capacity will correct themselves when farm economics improve. In the meantime, the industry must weather the present highly competitive environment. Industry spokespeople indicated they were prepared to do this and were not seeking special government treatment at this time other than that to which they are entitled to seek under the *Special Import Measures Act* in terms of domestic redress concerning injurious imports. This is the procedure C-I-L Inc. is currently following in regard to the urea imports.

We have already seen that competition from abroad and from U.S. products tends to ameliorate Canadian fertilizer price levels. The Committee believes that the open border is advantageous to the farm community in the important Canada-U.S. trade which takes place in relation to fertilizer materials. The Committee agrees that fertilizers should continue to enjoy unrestricted access to world markets with no restrictive trade barriers or tariffs.