

*Proceedings on Adjournment Motion*

out that employment in the industry at both CGE and Westinghouse is approximately half what it was two years ago. In November of 1967, 476 production workers were employed at CGE's Dufferin tube plant in Toronto. As of October 24 of this year, this figure was down to 340. At Grimsby, 90 production workers were employed in tube manufacture in November, 1967. By last October, that figure had fallen to 45. This is a serious decline in employment among people who are extremely competent and well trained. Many of them have been working for a long time.

• (10.00 p.m.)

The brief also points out very succinctly that while sales of domestically-produced tubes have been declining, sales of imported tubes have been increasing. So that the minister, wearing both his caps of industry and trade and commerce, has, I think, a very serious responsibility in reference to this matter.

It has been suggested by the group that an immediate ban on the importation of tubes be placed on all such that can be made in Canada. They also make what surely is a familiar suggestion—the immediate removal of the 12 per cent sales tax, as well as the 10 per cent excise duty on Canadian manufactured tubes. They also wish to impress on the manufacturers their responsibility to act more in accordance with Canadian interests. This has reference to the many firms who are foreign-owned.

This question is very important in that it indicates one further area of increasing unemployment. So many of our graduates trained and educated at university are unable to find work. We know a number of civil servants are being forcibly made redundant, and we know what has happened to our military servants. We are also hearing that the western grain growers are now going to pass through a certain form of unemployment.

As I say, we have here an additional area of concern. It should, indeed, be an area of anxiety to anyone who believes that a growing rate of unemployment in any country, under any circumstances, is something that should be opposed vigorously and strenuously. Certainly the minister of industry and all ministers of the cabinet should take this stand.

**Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce):** Mr. Speaker, when this question was raised on December 9 I stressed the fact that electronic tubes used in radio and television receivers are being

[Mr. Macquarrie.]

progressively replaced by transistors. In the past 15 years we have seen phenomenal technological developments in the field of electronics, and this is one of them.

Demands for higher reliability and lower cost components led to the development of the transistor. In recent years these devices have found growing application in radio and television receivers. This is the principal cause of the reduction in tube manufacturing which is taking place both in Canada and abroad. This is not a strictly Canadian phenomenon; it is an international phenomenon. The situation even affects Japan.

I might add that the electronic tube market in Canada has been characterized by limited demand for a large number of different tube types. The Canadian tube manufacturing industry, which has been based entirely on the Canadian market since it could not export in numbers, has therefore concentrated on those types of tubes for which the domestic demand permitted economic production.

The many hundreds of tube types for which Canadian demand is too small to permit economic production have always been imported, mainly from the United States and Europe. Japan has been attracted to the Canadian market specifically for radio and television tube types and has therefore been in direct competition with Canadian producers. In view of the lower labour cost advantages accruing to Japan and potential adverse effects on Canadian producers, the Japanese agreed to voluntary restraint on tube exports to Canada. These arrangements are the responsibility of my colleague the Minister of Finance (Mr. Benson), and to date we have found no evidence that Japan is failing to comply with these voluntary restraints.

Both in the United States and Canada the new technology of transistors and related devices has been dominated by newly-emerging companies and not by the traditional electronic tube manufacturers. The rapidly expanding employment opportunities in Canada in the new technology compensates for the decline in employment in the tube industry. However, these new opportunities occur in different establishments and locations.

In other words, what is taking place at Canadian Westinghouse and at CGE in Toronto is compensated for, in terms of employment, by what is taking place at, for example, Microsystems in Ottawa.

As a matter of fact, there are probably five times more people newly employed in the