

Adjournment Debate

too late for the government to make a more positive effort in this area.

● (2212)

The inclusion by the minister of the words "hope" and "might" in his reply only reinforces the fears in our plastics industry that the government is not pressing their case forcefully enough in Geneva. Their fears are well founded, Mr. Speaker. If certain GATT member countries get their way and the tariffs on manufactured plastic products are removed or even reduced by as much as 25 per cent, the Canadian plastics industry will be forced out of both the international and domestic markets. Not only will they become non-competitive in the world marketplace for plastic products, but countries like the United States will be able to sell their products in Canada at a cheaper price than we would be able to produce the same articles.

It must be remembered that Canada imports more manufactured plastic products per capita than any other country in the world. We import more than the United States, which has ten times our population. We are trying to overcome that imbalance in plastics products trade, but we need more time.

When Canada first ventured into the plastics industry we had to import virtually our entire requirement for raw plastics from the United States. These raw plastics included polypropylene, polystyrene and polyethylene. When I first spoke out on this problem in December 1973, Canada produced only a fraction of our needs for these raw plastics, and we did not produce any polypropylene at all. In 1973 we imported more than 70 million pounds of that particular plastic.

Our main problem is that raw plastics are a by-product of the petrochemical industry, and we in Canada do not have a petrochemical industry of any real consequence. So we lose on two counts. We lose the jobs which would be created by such an industry, and we lose the opportunity to manufacture our own needs in raw plastics. In short, Mr. Speaker, right now our plastics industry is at the mercy of countries that do have a petrochemical industry sufficient for their own needs and are also able to export the product.

We have been caught on a third count, Mr. Speaker. When the demand for plastic products began to skyrocket a few years ago, the cost of raw plastics also experienced a rise. In 1973 the cost to our manufacturers of U.S.-produced plastics rose by as much as 40 per cent, and it has continued to rise since that time. Here again, Mr. Speaker, we are trying to offset that by expanding our petrochemical industry, but it will be several years before it will come close to meeting our demands for plastic.

To give some idea of the importance of our plastic industry, Mr. Speaker, there are over 1,400 plastics processors in Canada, with plants in 125 federal ridings, and employing over 45,000 people. Capital investment in the plastics industry in Canada is in excess of \$3 billion. Three billion more dollars are being invested which will double our processing capacity and create more than 25,000 high quality jobs.

[Mr. Scott.]

It must not be overlooked, Mr. Speaker, that many other industries hiring many thousands of people depend to some extent on the plastics industry. These jobs, both the direct employment in the plastics industry and the indirect employment in other industries, are in grave peril unless Canada can convince our GATT partners that the tariffs must remain in place for the plastics trade at least for a few more years.

● (2217)

[*Translation*]

Mr. Bernard Loiselle (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the government is very sensitive to the claims of the hon. member. However, certain specific details should be given with regard to the plastics industry. The plastic goods consumption in Canada covers a vast array of goods and materials, which follow fairly closely the trends registered in the United States.

Because it is not profitable to produce a large number of materials from plastics, and other products, consumption being limited, it is no wonder plastic imports can represent as much as 25 per cent of the Canadian demand. However, Canadian exports amount to about 10 per cent of the local consumption. The industry is at a disadvantage with regard to exports and the competition from imports, because there is an insufficient supply of plastics in Canada; in addition, the cost of components is high as tariffs apply to most of them; and finally, because of the limited production of each article as the demand is poor for most of those goods. Those problems could be solved largely by establishing important new plastics ring plants in Canada, by access to foreign markets, and by increased productivity through greater production.

The government is working in conjunction with the industry itself on those three points, precisely to find favourable solutions. As for the GATT negotiations, the numerous representations made by the industry and individual companies have contributed much by giving the government all the available information on the problems and the possibilities for the industry that could stem from multilateral trade negotiations.

However, it would be contrary to the public interest to divulge the details of the Canadian position at those negotiations.

[*English*]

TRANSPORT—GOVERNMENT ACTION TO REDUCE AIRLINE DISASTERS

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, when speaking yesterday on Bill C-4, to amend the Aeronautics Act, I pointed out that flight engineers on Boeing 727 aircraft in Canada were not properly licensed by the Ministry of Transport. A Government of Canada memorandum, signed by the acting regional controller, civil aviation, to the director general of civil aviation in Ottawa, points out and I quote: