

National Economic Development Board

It might be opportune at this time to mention a few facts about which people outside the chemical industry have little knowledge. In the year 1961 goods to the value of approximately \$6.7 billion, one third of the gross national product, were produced by Canada's chemical process industries. This, of course, includes not only the products of the chemical plants and the oil refineries but also the products of many of the milling operations which extract metals from our ores, and also products of our synthetic textile factories and other major industries.

Along with that fact one should keep in mind that the annual consumption of chemicals and allied products by Canadian industry stands at approximately \$1.4 billion per annum, and it has been reliably estimated that such consumption will increase fourfold in the next two decades. At present we have 60 major plants producing chemicals in Canada as compared with only 25 or 26 smaller ones, with a very limited range of production, operating before world war II. By major plants I mean plants that represent an investment between \$2 million and \$130 million, and it is noteworthy that 30 of these new industries, more than half the industries we now have, were built during the period 1942 to 1956, and most of them between 1945 and 1956.

During that period we did have effective economic development boards of a kind, functioning in Canada. We had our wartime industries control board; we had our wartime prices and trade board, and from 1945 to 1950 we had the advisory board of the department of reconstruction and supply, which was brought in to take care of that period of transition. Later we had an advisory board when the Department of Defence Production was established following the outbreak of the Korean war.

We have factories now which turn over, to our secondary manufacturing industries, chemicals to the value of nearly \$1.5 billion per annum, and in addition to that we export chemicals to the value of \$200 million per annum. But, Mr. Chairman, while we are producing a wide range of chemicals, none of which were produced in Canada 20 years ago, we still import approximately \$500 million worth of chemicals every year and, as industrialization increases, we shall have to import more and more unless we act quickly to solve this situation.

One of the most significant facts about Canada's chemical industry is the amazing development in the field of petrochemicals which took place during the period when we had what I have referred to as these economic

development boards of a kind. This development took place when we had efficient and experienced advisers recruited from industry, commerce, the universities and the professions by that great organizer and planner, the late C. D. Howe. These men were brought in from outside to do a difficult job, and they did a magnificent one. I am quite sure that the minister's new cabinet colleague, the minister without portfolio, will agree with me in what I have just said. He will agree that these business and professional men, with that organizing genius behind them, were not only largely responsible for the amazing job we did in production during wartime years but to no small degree they were also responsible for the amazing and tremendous development that took place during the 10 or 12 years immediately following the war. For instance, Sarnia, a quiet town in southwestern Ontario before Pearl Harbour and relatively unknown except for its once famous football team, the Sarnia Imperials, has now been converted into an industrial metropolis of over 60,000 people. Today we have a series of integrated petrochemical plants built at a cost of approximately two thirds of a billion dollars. Not one of those plants existed at the time of Pearl Harbour, and relatively few of them existed when the war ended in 1945.

These new factories in Sarnia today are all busy. They produce not only the four or five kinds of rubber that are essential to a wartime or a peacetime economy, including latex for chewing gum, but they also produce a very wide range of chemicals, plastics and other products that were never before made in Canada. The wartime rubber plant that was designed to produce approximately 40,000 tons of rubber per annum is today operating at a level of approximately 200,000 tons per annum. It employs 2,500 men and women, and approximately 70 per cent of its production is exported to 40 or more different countries.

Furthermore, Mr. Chairman, as part of a well planned program a group of integrated chemical plants in the Sarnia area employs an additional several thousand people producing polystyrene, the lightest and cheapest plastic known; they produce polyvinyl chloride, a plastic which is widely used in the manufacture of artificial leather; they produce polyethylene, the versatile and increasingly popular packaging material; they make antifreeze, fiberglass, carbon black, tetraethyl lead—that is the anti-knock compound in our gasoline—and several other products, none of which was made in Canada prior to 1946.