

respect of new mills in a number of regions, transplanting employment.

One of the problems could be solved by tax relief, so that pulp and paper mills could renew old equipment. More investment could be made in the industry in this way. Other problems exist in marketing. I am asking the minister, for the benefit of Canadians, to give us something more than the reports we see in the newspapers and those emanating from the pulp and paper associations regarding the progress being made at these meetings. In this way the workers being laid off without hope of finding new jobs may have some hope in the future.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, as the Minister of Industry, Trade and Commerce (Mr. Pepin) has reported to the House from time to time, several members of the government have held discussions with senior executives of the pulp and paper industry to discuss the marketing and production situations which face this industry. Following these discussions, concentrated work is being done at the official level in close co-operation with the industry and its associations. Several departments of government are working together as may be required to bring the right expertise to bear on the problem. The government is fully aware of the industry's current difficulties and the necessity to ensure its viability in

Proceedings on Adjournment Motion

the long term so it can contribute to Canada's economic growth.

With reference to current conditions, although the government considers the situation to be difficult and is taking steps to develop policies to help the industry and Canada's economy, the situation is improving somewhat at the moment. Shipments of the industry to date this year are 3.5 per cent higher than those of a year ago. The production of a number of products, such as linerboard, has improved substantially. Demand for pulp has tightened up considerably in the last two months, and prices should improve. There is also some optimism in regard to newsprint sales to the United States for 1972.

In relation to the particular plant to which the hon. member has referred, I understand that the major reason for closure of the mills involved obsolescence, heavy transportation charges affecting the cost of raw materials, maintenance and service and the relative isolation of the plants. This has resulted in chronic deficits and has placed these plants in economic difficulty. With the programs being developed by the companies, in co-operation with the associations and the government, it is hoped that the situation of the industry as a whole will improve, with the result that employment potential and jobs available to workers will improve.

Motion agreed to and the House adjourned at 10.22 p.m.