

## STATEMENTS AND SPEECHES

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### PETROCHEMICALS IN THE CANADIAN ECONOMY

An address by the Minister of Resources and Development, Mr. Robert H. Winters, at the opening ceremonies of the petrochemical plant, BA-Shawinigan Ltd., Montreal, East, Montreal, P.Q.

...There is more than one reason for commending the vision and enterprise shown by the British American Oil Company and Shawinigan Chemicals Limited in undertaking this project. It represents a linking of interests between the petroleum industry and the chemical industry whereby the knowledge and organization of two great companies are pooled to their advantage and to Canada's. I understand that a petrochemical plant of this particular kind is an entirely new development, and not for this country alone. For here a chemical process for converting cumene to phenol and acetone is being put into commercial operation for the first time in the world. That is why this plant is, we may be sure, the focus of more than usual interest and attention both in Canada and in other countries. It is not only introducing the first large-scale manufacture of phenol in Canada, but it is at the same time bringing down the cost of producing acetone. It will also make this country self-sufficient in both phenol and acetone. These products may properly be called "building blocks" of the chemical industry, because they enter into the manufacture of items ranging from paints and plastics to pharmaceuticals and textiles. The variety of their uses is a measure of the importance of this new enterprise.

#### The Canadian Petrochemical Industry

These ceremonies today have still further significance. They tell us that another stage has been reached in the growth of Canada's young and energetic petrochemical industry. The increasing use of oil refinery by-products is one of the most striking features of the chemical industry's recent history. Here in Canada this petrochemical industry experienced its first major development during the Second World War, when the Canadian Government established the Polymer Corporation at Sarnia to make synthetic rubber out of refinery gases. More recently, the rapid expansion of the Canadian chemical industry and our rising production of petroleum have encouraged petrochemicals to take on new dimensions. I have seen a figure indicating that capital expenditures on petrochemical plants in recent years may have amounted to something like \$125,000,000. That is over 60 per cent of the total figure for the entire chemical industry. Plants have been located in three main areas: in Alberta, depending on supplies of natural gas; in Sarnia, depending on the refineries at that point; and in Montreal East, depending on the four large refineries here. Not all of these plants have reached the production stage.