

and Resources (Mr. Macdonald) with the Minister of Industry, Trade and Commerce (Mr. Gillespie) I suggest should immediately establish a task force, largely comprised of representatives of the petrochemical industry itself, because they know what this is about—I know that some of my friends opposite will say, “But they are corporations”. Corporations run businesses and seem to run them successfully. That is their job and they are the people who should be on our side in this case. This task force should establish priorities and allocate projects for the maximum benefit of all. We should then give every encouragement to them and make every reasonable facility available to engage in a crash program to shorten the leadtime to build new facilities in order to get a jump on our international competitors.

This is the time to take a leaf from Alvin Toffler's book “Future Shock” in which Toffler says:

It is more important to be imaginative and insightful than in trying to be 100 per cent right.

Polysar, in the constituency of my friend from Sarnia-Lambton owned by the Canada Development Corporation—and thus the Canadian people—offers a unique opportunity for growth. The Dow-Dome project to deliver Alberta-produced ethane to the giant petrochemical complex at Sarnia should proceed with all haste. The Sarnia Olyfins and Aromatics, or “SOAP” project, should also get underway without undue delay. Further integration of the petrochemical industry in Alberta and Saskatchewan can and should bring new and large scale economic benefits to western Canada. The Montreal refinery and petrochemical complex, plus another proposed near Quebec City and the potential from the refineries of the Atlantic provinces, should be integrated into a rationalized and regionalized industry.

Staging of these developments will be essential. Details, sometime small details, such as the training and availability of key tradesmen, such as highly skilled pipefitter-welders that are needed in building chemical plants, can be stumbling blocks but, with proper planning, can be overcome. Other than Polysar, the giants in this field are major multinational corporations, most, but not all, United States based. They have the know-how and existing world markets, plus capital to invest. I think this is one time that we should give them every reason to invest this capital and know-how in Canada rather than elsewhere. The degree to which they permit Canadian equity participation should determine the extent of the extraordinary incentives or assistance we provide. Indeed, I would suggest that we look carefully at joint ventures under Canadian control, something in which they frequently engage in other countries without nearly the resources, stability or markets available to them in a Canadian venture.

● (1520)

In speaking to these people from multinational corporations in their New York and other bases, we find they are not afraid of going in where there are strong regulations. They do this in every other country in the world. They want to know what those regulations are and they cannot afford to stay out, particularly since we have the fundamental resources. So long as it is profitable, they will come

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in. Other countries have much more stringent regulations than do we. The opportunity is a current and unique one. In its ultimate form, it will not always be an available and viable option. We will always have markets for our oil and gas, both domestically and in the United States. Japan will likely be an ever present market for our coal. We will likely be able to sell all the available benzene and ethane as feedstock in the more sophisticated petrochemical and secondary manufacturing industries of other countries. We might not have another equivalent opportunity to build an integrated, viable petrochemical industry and downstream process and manufacturing industries here in Canada controlled by and employing Canadians. I suggest that we have that opportunity now but not for too long.

There are other factors with which we must deal in concert with such a program. The question of tariffs is a key one. We will have to negotiate these with skill and toughness in the current GATT round of tariff negotiations. Even a carefully staged program done on a crash basis might see huge plants completed when markets are not precisely phased in. Short term but large investments can be costly if the product is not immediately saleable. Indeed, this is part of the reason that there has been some reluctance to expand adequately in the past. Another reason is that in some cases too much production awaiting markets drove prices down to the point where the profitability did not justify expansion.

No one can foresee all of the possibilities and as this program must be a bold one, some chances must be taken and backup support in the form of credits and tax relief on temporary unused capacity should be negotiated between the industry and the government. My friends in the NDP will, of course, think that this is heresy, but I can guarantee the professor from Oshawa-Whitby—whom I do not see here today—the one man band player from Fraser Valley West, my friend the poet from Scarborough West, the parson from Winnipeg North Centre and that barrister from York South, that it cannot and will not be done by any government alone or without creating the atmosphere or incentives to make it work. Certainly, there will be profits. There had better be. But the majority of these will be reinvested in new plants, more research and development, better wages for more skilled workers, and dividends for shareholders on which to pay taxes and reinvest in still more development.

The biggest share of profits will be paid in corporate taxes for better education, better health services, better housing and pensions for senior citizens which will allow them to live in security and dignity. Without profits, or with a socialistic type of managed or mismanaged economy, these things are not likely to happen. Indeed, I would guarantee that they will not happen on as great a scale and with the same speed and efficiency, if at all. I know it makes my NDP friends furious to think that someone with ability might make some money, more money than someone without the drive and dynamics to make things happen.

Some hon. Members: Oh, oh!

Mr. Danson: Well, that is a downstream by-product that produces many things, including the green envy of the NDP. They think that profits are sinful. A greater sin, in