

*Labour Adjustment Benefits*

owned by Eldorado have been built in the last five years. Eldorado Nuclear Limited has just purchased a Boeing 737 aircraft to ferry workers in and out of Uranium City. This is the principal purpose of the particular aircraft. The support facility for this aircraft, including the construction of a major building to house the aircraft, was built in Saskatoon, and the support staff have been moved from Edmonton to Saskatoon during the time that I was minister. This is merely by coincidence, I should point out. I would never stoop to any kind of partisan, political change. It is the logical place for the headquarters to be. That hangar facility was built at a cost of \$2.7 million. Rather than having warnings given to the employees and imposing a restriction on hiring, in addition, Eldorado hired men right to the day of the announced shutdown. Reports have indicated—and I think they have been substantiated—that some 45 families were moved into Uranium City within weeks before the announced shutdown. It was indicated to them that their employment would be of an ongoing and continuous nature into the foreseeable future. There was no word of a possible shutdown of this mine operation of Eldorado.

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I should point out that Uranium City is not the type of community from which one can just pack up one's belongings and drive away. The first problem is that normally there is no road, except during the wintertime when one must drive over the frozen surface of northern Saskatchewan. Uranium City is 850 kilometres north of Saskatoon. Virtually the only link to the community is by aircraft from Saskatoon. If one decides to settle in Uranium City, one makes a commitment, a commitment from which it is not easy to back away. One must realize that the social and economic costs to people of the community will be massive in terms of the action taken by Eldorado Nuclear Limited, with the approbation and agreement of the Minister of Energy, Mines and Resources and the government. Recent expansion has been made by a number of businesses in the community. They, along with privately-owned homes, have lost nearly their entire value. On the one hand, the government brings in legislation to aid employees in industrial shutdowns, and on the other hand it provides a devastating Christmas present to the people of Uranium City.

I wish to review the reasons given by the government and by Eldorado for the shutdown. First they indicated that the ore grade has fallen 40 per cent in five years and that production costs are rising faster than inflation. Also they indicated that there has been a drop in the world price for uranium from \$50 per pound in 1979 to \$27 per pound today. I, for one, am not ready to accept blindly the stated reasons as entirely believable. In fact, there are several reasons to call suspect the rationale of the corporation in this particular matter.

I should like to point to the most recent annual report of Eldorado. If one reviews it, one notices the brave projections for the future of the mine. It indicated that ore grade was below average in recent years, but that this was due to an inability to carry out development work because of a shortage of experienced miners. Not one word was said about the mine

running out of uranium. Indeed, the report indicated that development work should allow access to higher ore grades in 1981. In 1980 the ore grade went up from what it was in 1979, from .185 per cent to .188 per cent. A higher tonnage and grade, coupled with an increase in the milling recovery rate from 86.9 per cent in 1979 to 88.6 per cent in 1980, resulted in a 9 per cent increase in production of  $U_3O_8$ . With these signs of improvement, what will happen to the brave projections? The people of Uranium City would very dearly like to know. Have costs of production really soared as high as Eldorado and the Liberal government have claimed? One must wonder what is included in the cost of production figures. Do these costs include all extraordinary expenditures, such as aircraft and hangar buildings, the Charlot River electrical project and the new dinery? The stories told by people who work in the community and in the mine, as evidenced at a visit by the leader of the provincial Progressive Conservative Party to that community during the course of last week, open one's eyes to the litany of wasted expenditure by the corporation.

The people of this community—and I think hon. members of Parliament from all parts of Canada, particularly those of us from Saskatchewan—have so many questions about the management or mismanagement of the Beaverlodge operation that it can only be resolved by a full parliamentary inquiry, for which I have called. The questions multiply when one hears of the prognostications with respect to the international uranium market. On today's news we heard that a private company, Rio Algom, is prepared to offer employment to 450 of the people in Uranium City who were laid off. Does that sound as if the uranium market and the uranium mining industry were depressed? One must ask oneself this question: if Eldorado, in its statements with respect to the shutdown of this mine, is so pessimistic about the future of the uranium industry, why are we now finding that a private concern is able to make a very substantial offer of employment for many people who will be put out of work? Does that speak to the efficiency of Eldorado? Does that speak to the efficiency of the Beaverlodge Mine?

As for the decrease in the price of uranium, it is interesting to note that this is an issue in 1981. In the early 1970s when uranium was valued at under \$6 per pound, and with no sales contracts in the hands of Eldorado, the mine came through because of the formation of Uranium Canada to stockpile uranium for government loans on production. Now, with the price at \$27 per pound, stockpiling is not even considered an option. I ask the following question seriously: is it not possible that this stockpile transferred from Uranium Canada to Eldorado, which is now carried by Eldorado Nuclear Limited, is putting financial pressure on Eldorado, and an easy remedy is to shut down an operating facility so that some of the stockpile on hand may be sold to relieve the obligation on Eldorado?

Another aspect of the question of uranium prices is the quotation of Eldorado of the drop in the spot market price. As the last annual report aptly indicated, Eldorado's uranium is not sold on the spot market. There is no actual spot market for