

Eldorado Nuclear Limited

It is no longer just a regulatory matter. Political leaders can be approached. As I indicated when I spoke earlier, we have the record of Mr. Roman and his complete opposition to taking known steps to protect the workers in his companies against the danger of being seriously and adversely affected health-wise in uranium mines.

The workers realize that there is tremendous political sensitivity to the nuclear industry. They know they can expect some justice in dealings with the employer when the employer is the Government, federal or provincial, because of this awareness. They know that the closure of the Eldorado mine at Uranium City in 1981 brought attention to the problem of what happens, when a mine closes, to workers living near the mine site who are carrying mortgages on the homes they have purchased. These homes are their only real savings. When the mine suddenly closes down they are left with nothing. They cannot sell their homes because very few people will be living in the area. Because the mines were publicly owned, the workers who had to leave Uranium City obtained a fairer settlement. It was not only a few who had to leave Uranium City; the whole population had to leave. The settlement at Uranium City was superior to what employees received when the Pine Point mine closed. It was operated by Cominco, a subsidiary of a great corporation which over the years has demonstrated little concern for its employees or the people of Canada—Canadian Pacific.

There is a great fear that in this deal the new private owners will be able to walk away from any facility which does not fit the corporate plan—in other words, any facility which does not provide adequate profits in the view of the new private owners—and the workers will have to pay the price.

There are two obvious examples—

The Acting Speaker (Mrs. Champagne): I apologize but I must interrupt the Hon. Member as his time has expired.

Mr. Maurice Foster (Algoma): Madam Speaker, I want to say a few words about Bill C-121, an Act to authorize the reorganization and divestiture of Eldorado Nuclear Limited and to amend certain Acts in consequence thereof.

The Bill which was put forward by the previous Minister of State for Privatization and Regulatory Affairs would certainly make dramatic changes to the structure of the Canadian uranium mining industry. It would create a large new corporation by merging the Saskatchewan Mining Development Corporation and Eldorado Nuclear Limited. Both companies have mining operations or shares in mining operations in Saskatchewan, as well as major refining and upgrading facilities at Blind River and Port Hope in Ontario.

This would create a major world-class Canadian uranium mining and processing company. I understand it will have some of the largest and lowest priced reserves in the country and will be able to compete on an international level. This is important for an industry which has been going through an extremely adverse period of time over the last several years

during which world prices have dropped from the 1970 level of \$40 to \$50 per pound to around \$17 U.S. per pound today. Of course this puts many companies in a position of not being able to compete in a world market situation, whereas the proposed Eldorado-Saskatchewan Mining Development Corporation will be able to compete with low world market prices at the present time.

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I understand from information provided to Members that the new company would have some 1,000 employees as well as some 400 employees in the Key Lake Mining Company. The over-all assets are estimated to be \$1.6 billion with sales annually of some \$500 million. The legislation does provide that the shares will be divested over a 7-year period and no Canadian shareholder will have more than 25 per cent of the shares and no non-Canadian will hold over 5 per cent of the shares.

We have here a merger of two major uranium mining companies. When we look at the documentation provided, though, we wonder why the Government was so generous in its arrangements with the Premier of Saskatchewan, Mr. Devine. It appears that even though Eldorado resources have close to the same amount of assets, it ended up with a very small percentage of the ownership of the proposed new company. Eldorado has assets worth \$950 million and the Saskatchewan Mining Development Corporation has assets worth \$973 million. Yet, the percentage of ownership in the deal will leave Eldorado with only 38.5 per cent and the Saskatchewan Mining Development Corporation and Saskatchewan Government with some 61.5 per cent of the ownership in the company.

We must look at the Government's strategy in most of these privatizations. The strategy which applies to the Eldorado case is to sell the operating company and its assets, in this case for cash, and leave the debt with the Government of Canada. In that way the Minister of Finance (Mr. Wilson) is able to take the cash realized from the sale of the shares and apply it to the current year's operation to reduce the deficit of the year. That was done in the Teleglobe case. The Minister was able to lower the deficit a year ago to below the \$30 billion mark by selling off \$500 million or \$600 million worth of shares. I understand that that is the technique being used in this case, to leave the debt with the Government of Canada and apply whatever cash can be realized from the sale to the current operating year's deficit in order to reduce it.

In this case there is one other twist in that Eldorado resources has large environmental responsibilities in the town of Port Hope and surrounding townships for low-level nuclear waste from its refining and upgrading operations over the past years which must be cleaned up. The Government has made a commitment to do that. In this procedure the Government is selling the operating company to the private sector and leaving the financial responsibility for the environmental clean-up with the Government of Canada. Some of the documentation