

Eldorado Nuclear Limited

efficiently, more profitably and more in the interests of the public than a publicly owned corporation. There is no evidence of that.

The fact is that we have never had in Canada at the level of the country as a whole a Government, a CCF Government, an NDP Government, or a Government with social democratic ideas, which believes that in many areas of life in the country public ownership would meet the needs of the people better than private ownership. All the Crown corporations we have in place were established by Liberal or Conservative Governments. Very often they were established because the private operators in those areas, and I am thinking of the railways, were virtually bankrupt and thus unable to fulfil their obligations in terms of meeting the needs of the people of Canada by providing transportation facilities.

At the time to which I refer the Government took over all the private companies which were virtually bankrupt. It paid much more than should have been paid for them. It established the Canadian National Railway as a Crown corporation owned by the people of Canada.

This proposal of the Conservative Government in Ottawa and the Conservative Government in Saskatchewan to take the publicly owned Eldorado Nuclear Limited, which is owned by the people of Canada and the Saskatchewan Mining Development Corporation, which is owned by the people of Saskatchewan, and amalgamate them, privatize them and sell shares in them is not based on factual evidence that these companies will operate better or more efficiently than the presently publicly owned companies, but on the ideological views of the Government.

• (1250)

I should make it clear that those views are not the views of the people of Canada. In recent polls the people of Canada have shown quite clearly that they believe that most, if not all, of the Crown corporations are well run. They believe in public ownership. In a recent poll conducted by Angus Reid the question asked was, "Are the following Crown corporations well run or not well run?" For Air Canada, 63 per cent believe it is well run; 20 per cent believe it is not well run. For CBC, 62 per cent believe it is well run; 25 per cent believe it is not well run. For Canadian National, which we know has had its problems, as have all publicly or privately owned railway companies, 47 per cent believe it is well run, and 30 per cent believe it is not well run. For Petro-Canada, another company that the former Conservative Government promised to privatize and which this Conservative Government will probably want to bring forward proposals to privatize, 59 per cent of the people of Canada say it is well run, and only 20 per cent say it is not well run.

The Angus Reid poll also asked the question, "Should the Government sell any of the following Crown corporations to the private sector?" The poll lists the following results: Air Canada, sell, 35 per cent, not sell, 53 per cent; CBC, sell, 27

per cent, not sell, 62 per cent; Canadian National, sell, 31 per cent, not sell, 54 per cent; Petro-Canada, sell, 37 per cent, not sell, 49 per cent. That is the view of the people of Canada with respect to privatization of the major Crown corporations in this country. They are opposed to it.

We oppose the sale of Eldorado Nuclear because we believe it is a bad deal. Why? Because the deal is so structured that the public sector takes the risks and obligations, as it has up until now, and the private sector will get the profits, not only from the commercial activities of the company when Eldorado and Saskatchewan Mining Development Corporation are merged, but also from the heavy public subsidies which are given the uranium mining industry in the form of favourable taxation, marketing arrangements, and sweetheart contracts.

We have had no assurances from the Government that it recognizes the sacrifice of the public sector and the public interest in this deal. It is clear that this deal has been structured so that the Government can say that privatization works. One only need look at the share price. What the Government does not say, and what it wants the public to ignore, is that in order for this stock flotation deal to succeed, which is all it really is, the public sector will underwrite the risks by assuming the debt of Eldorado Nuclear and the Saskatchewan company, and the federal Government will assume the further liability of Eldorado's nuclear waste problems at Port Hope at a cost of perhaps up to \$75 million.

This take-back of debt has been described by the financial advisers to the Government as necessary for the flotation. I wish to remind Members of Parliament that Eldorado's debts are substantial. They are in the range of \$550 million. The federal Government will receive from the newly merged company approximately \$250 million leaving \$300 million that must be made up in the sale of shares in the new company before the Government breaks even on its debt obligation alone. This says nothing about the cumulative investment which has been made in Eldorado in the form of government equity.

The Government needs a high share price or else it will wind up with a brick in its hands. We know what happened in British Columbia with BCRIC, the privatization of the Bennett Social Credit Government; it issued shares at \$5 which now trade at 90 cents.

Is there any certainty of a high share price? No, because uranium markets are currently in chronic over-supply and prices are depressed. If the United States were once more to close its market to foreign producers, in response to the distress of its own suppliers, conditions would be chaotic. Of course, the trade deal that we talked about would do nothing for Canadian producers caught in this bind.

For proof of what I have stated, let me refer to an article which appeared in *The Globe and Mail* on March 31, 1988. The article was entitled, "U.S. Senate passes bill on uranium that would undercut free-trade pact", and it is under the by-