

The CHAIRMAN: We will proceed. Would you read the brief, Mr. Gilchrist?

Mr. GILCHRIST: Mr. Chairman and gentlemen of the committee on research:

This is my first appearance before a committee of the House of Commons as president of Eldorado Mining and Refining Limited and I welcome the opportunity it presents to me of bringing to your attention what I regard as the more important features of the company's operation since it became the property of the crown seventeen years ago. While my remarks will be devoted principally to the affairs of Eldorado and its relation to the uranium industry, I shall also make a number of references to Eldorado's two wholly-owned subsidiary companies—Eldorado Aviation Limited and Northern Transportation Company Limited—with which its operations are very closely linked.

2. Eldorado is a crown corporation and for your better understanding of the way in which it operates, the order-in-council authorizing the creation of the company is quoted in part as follows:

... having regard to the fact that the main business of the corporation consists of the exploration, development and operation of mineral properties and the production, refining and sale or disposal of radium and other products, it is desirable and in the public interest that the said business should be carried on as nearly as possible in the same manner as the business of an ordinary trading or commercial company with share capital.

3. Accordingly, the directors and management of the company who are responsible to the government for directing the day-to-day business of the company, consider it their duty to pursue those policies which, in their judgment, are designed to carry out this concept. It follows that, in planning the affairs of the company, the management must work on the assumption of a continuing life for the enterprise. This means that, among other things, careful attention is given to anticipated future developments in the uranium business. Because the present and foreseeable markets for uranium for nuclear purposes are limited by the military demand and by world nuclear power programs a search has been initiated for non-nuclear uses of the metal; every effort is being made to reduce costs; development necessary to the maintenance of ore reserves at the mine is carried out in accordance with good mining practice; capital expenditures required to increase efficiency are being made, even though such expenditures will not be completely amortized by the end of the company's existing sales contracts; a vigorous program of sales promotion is being carried out to acquaint potential users with the fact that Eldorado has large and continuing sources of uranium in all necessary forms other than enriched uranium, at competitive prices; and a program of exploration for new mining properties has been undertaken, to avoid wastage or abandonment of the valuable facilities and extensive organization which will be available after the present uranium contracts have been completed.

4. The company's only mining operation is now carried on at Beaverlodge in northern Saskatchewan, the original mine at Port Radium on Great Bear lake having been closed in September 1960 after a long and notably successful record in the production of uranium. The company also owns and operates at Port Hope, Ontario, the only uranium refinery in Canada. The research and development division of the company's activities is centred at Tunney's Pasture in Ottawa where a modern and well-equipped laboratory is maintained and operated in close liaison with the mines branch of the Department of Mines and Technical Surveys.

5. In addition to its function as a producer of uranium, the company has a second function. Beginning in 1948 it was charged with the responsibility of acting as the government's official purchasing agency for the purchase of