

Nordion and Theratronics

Therefore we have these two arms of AECL as recently as last year: the Medical Products Division which became profitable, and the Radio Chemical Company which accounted for 80 per cent of the net income of AECL.

What did this Government do? It decided that it would break these two divisions away from AECL. It put the two divisions under the Canada Development Investment Corporation and changed the names from Radio Chemical Company and Medical Products Division to Nordion and Theratronics, two entirely different corporations divested completely from AECL.

I mentioned earlier the reduced role of the Atomic Energy Control Board. I would like to talk about the problems within AECL itself. AECL was told by this Government: "We are going to cut back your budget. We want you to get into new areas. We want you to develop new technology." AECL has done that. There have been a lot of spinoffs from AECL which can be spun off into the private sector.

It would be unreasonable to say that all of the new technology that AECL has developed should be kept in AECL or should be kept in a separate Crown corporation. To do that would be asking the private sector to fund AECL and to be in competition with them. That would be highly unfair. There are a lot of companies that could be spun off.

The fact is that AECL has done what the Government has asked it to do. The only requirement that I would make to the Government is that when it splits off these areas from AECL and there are technological breakthroughs, that they at least put the money back into AECL. It is AECL technology that has led to these developments. If it wants AECL to look after itself, the Government cannot on the one hand say: "You have got to sell off these profitable arms", and on the other "put the money into the consolidated revenue account."

That being the case, generally I would say that new technology developed within AECL should be spun off into the private sector. However I make exceptions in the cases of Nordion and Theratronics because these are two unique companies. They deal first in health-related matters. They deal in matters that have been under the arm of AECL for many years. In fact, Radio Chemical, the radio isotopes and the Cobalt-60 technologies go

back to before the actual coming into being in 1952 of AECL itself.

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AECL is dependent for 80 per cent of its net income on Nordion and its predecessor branches. If those two companies are spun off, AECL will not be able to rely on that income from them. In addition to not being able to rely on the funding, AECL will not be given the sale price of the two companies. It is estimated that \$150 million will be brought in for the sale of Nordion and that Theratronics will bring between \$50 million and \$70 million. As far as we know, that money will go into the Consolidated Revenue account. AECL is going to lose its source of income year after year and will not be the recipient of the sale price of these two very important companies.

The Government believes, of course, that it can blunt any criticism about the sale of these two companies by taking them away from AECL before the actual sale and putting them in the Canada Development Investment Corporation. It did so to try to make these sales more palatable. The problem is that that cannot change the facts. These two companies are very important to AECL, they are very important to the future of AECL and they are very important, through the future of AECL, to the health of the nuclear industry in Canada.

Whatever your feelings about the nuclear industry, it is going to stay. We are not going to spend the billions of dollars in Ontario, New Brunswick and Quebec which would be needed to replace the nuclear reactors which exist and are providing that power. First and foremost, we must ensure that our nuclear industry is healthy. We keep it healthy by properly financing the umbrella that looks after the technology of our industry, that being AECL, and we make sure that our supervisory branch, the Atomic Energy Control Board, is properly supervised.

There is another reason why we should not be selling Nordion. That is, because Nordion has now developed the technology for irradiated food and they can sell this technology throughout the world. The problem is that there is a great deal of concern about irradiated food, not only in Canada but in countries throughout the world. There is a great deal of work to be done to ensure that this technology is further enhanced and is developed to remove the concern.