

*Eldorado Nuclear Limited*

will be taxable, representing increased revenue potential for the Government since SMDC currently enjoys federal tax exempt status. At the same time the agreement sets out the intention of both Governments to make particular efforts to achieve a broad distribution of shares to individual and institutional investors. In this manner, all Canadians, through individual investment decisions or vehicles such as pension funds, will have the opportunity to participate in the future financial success of this new company.

*[Translation]*

Shared ownership plans for employees have been a major factor in several privatizations. These projects are popular with the employees and represent for them an effective means to achieve ownership of their own agency.

*[English]*

Both Governments have agreed to reduce their share holdings by 30 per cent within two years, 60 per cent within four years, and 100 per cent within seven years. The exact timing, to be clear, will depend on the economic and financial situation at the time, because the Government wants to get the best possible return for Canadians it possibly can. However, both the Government of Saskatchewan and the Government of Canada are committed to the privatization process and wish to see an initial share offering as soon as possible, hopefully within a year of completion of the merger.

● (1550)

In all of this there is a key factor of Eldorado's business which will remain unchanged—and this is very important—that is, health, safety, and environment standards will continue to be strictly maintained and strictly enforced. These issues are a matter of public priority to the Government and to Canadians. They are a priority whether a company is publicly or privately owned. That does not affect the standards.

Eldorado is involved in an industry in which safety is of paramount concern for both employees and the public at large. All Canadians have concerns relating to the management of waste from the mining and the processing of radioactive materials. The requirements of the Atomic Energy Control Act and other federal and provincial laws and regulations apply equally to uranium companies in government hands and uranium companies in private hands. Under the terms of the agreement between the federal and Saskatchewan Governments the federal Government remains committed to developing and contributing to a solution to the low-level waste accumulated by Eldorado near Port Hope.

I have said on many occasions that government ownership is a very poor substitute for effective regulation in the protection of public safety. As it stands now, over 50 per cent of Canada's uranium production originates in the private sector which operates in accordance with an appropriate legislative and regulatory framework. The new company will be required to adhere to the same strict guidelines. Therefore, Canadians and, in particular, employees of Eldorado, can be assured that

environmental protection objectives or public safety needs will not be compromised because of the privatization of Eldorado.

*[Translation]*

Similarly, Madam Speaker, Canada has long supported a policy that stresses the peaceful applications of nuclear energy and technology. Exports of uranium and nuclear products and technology are controlled and carefully monitored to ensure that others observe our policies on nuclear non-proliferation.

These policies apply as much to the private sector as they do to the public sector. The privatization of Eldorado Nuclear will have absolutely no effect on the Government's non-proliferation policies or on its efforts to reduce the non-peaceful use of nuclear energy throughout the world.

*[English]*

The employees of Eldorado and SMDC can look forward with justifiable optimism to the merger and the subsequent privatization process. The new company will be stronger, financially healthier, and in a better position to compete internationally than the two Crown corporations would be if they operated separately.

The Government believes strongly that job security and new employment opportunities are best provided by an aggressive, competitive private sector. To illustrate that I need only point to the state of the Canadian economy today and its job creation record over the last three and a half years—in excess of 1 million new jobs.

The new company will employ over 1,000 people. Those people represent a resource to the company as important as the uranium reserves it owns. I can assure the employees of SMDC and Eldorado that both the Government of Canada and the Government of Saskatchewan have placed a high priority on ensuring that employee concerns are adequately addressed through the negotiations leading to the final merger agreement and through the privatization process thereafter. Maintaining a committed, motivated workforce is clearly in the interests of the corporation and all Canadians.

That is why the agreement stipulates that employees be given the opportunity to participate in the ownership of the company. The details of that plan will be developed as the company moves into the privatization phase. Our record in this area, with companies like FDI and Teleglobe, is very positive and bodes well indeed for the employees of Eldorado. The company will honour all existing collective agreements. Any new union-management negotiations will be carried out in the normal course of business. Existing pension and benefit plans will be taken over by the new company to the benefit of employees.

*[Translation]*

Canada and Saskatchewan insist that the concerns of employees be examined at every stage of the privatization process. The transition team has set up a task force whose mandate will be to consider employee concerns and make the necessary recommendations.