

Senator MacEachen: Exactly, like heavy water plants. Thank you for the lead-in.

Senator Frith: Are you guys working together?

Senator MacEachen: I attended a meeting on the weekend—

Senator Flynn: We read about it.

Senator MacEachen:—in communities that are now facing almost an economic catastrophe because the government has decided to close out these two heavy water plants. The Honourable Senator Barootes has said, “like the heavy water plants.” I agree with, “like the heavy water plants.” But de Havilland is not being closed. de Havilland is being kept afloat, as the committee report says, by the infusion of \$250 million. Why is not the same treatment possible for these two plants in the province of Nova Scotia on the Island of Cape Breton, where there is the highest unemployment rate in all of Canada, barring Newfoundland.

● (1610)

Senator Doody: A great distinction!

Senator MacEachen: I said at that meeting that it is a difficult decision for the Government of Canada, and it was a difficult decision when the former government resisted and refused the recommendation several years ago of the Board of Directors of AECL to close out those plants. I resisted the closing of those plants, and I would like to tell honourable senators why, and why I felt it was essential that these plants remain open. The reason is really very easy to understand. The closure of those plants would mean a virtual economic catastrophe for the communities in which the plants are located. In Port Hawkesbury on Friday the President of the local Chamber of Commerce said to us that the closing of these plants could, in his words, demolish the fragile economy of Port Hawkesbury and, to use his words again, that 330 families would be forced to leave that community. We heard testimony from the workers at AECL to the effect that they were at their wits end and that no plans were in place to look after the additional unemployment, additional displacement and additional suffering that will result in those communities. Glace Bay, an area that is familiar to Senator Muir, has a very high unemployment rate. And the people there have almost a despairing attitude as a result of this decision, and the same adverse economic impact will be felt. It is for those reasons that I opposed the closing of these plants and succeeded in persuading my colleagues to keep them open.

Not only did I believe that the distress would be profound but I believed there was a possibility that this commodity, which is now in storage, would be marketable. There is no doubt that there is a big inventory of heavy water. But despite a very difficult start, these plants are now good producers. They have a good labour force which is highly skilled and highly trained. No one complains about the labour force or the productivity of the plants. What is lacking is a market for the heavy water and, as a result, it has accumulated. I have always said that there will be a market for the heavy water, that we ought to be patient and that we ought not to permit this

distress to happen because the day will arrive when that market will be available and the inventory will clear. I said to the people present in Port Hawkesbury that they will not have to live for very long before that inventory will be cleared, and that when additional new production of heavy water is required it will not come from Nova Scotia but from Ontario.

That is the plan of Atomic Energy of Canada Ltd. When they close the plants and when they ultimately clear the inventory, future requirements will be met from the facilities in the province of Ontario. This is not only a question of the closing of two plants; it is a question of the removal of a facility from the province of Nova Scotia to the province of Ontario. I cannot understand why enough vision or enough sympathy was not shown to permit the continued operation of these plants. Yesterday, the Leader of the Government tabled the corporate plan summary for Atomic Energy of Canada Ltd. Under the portion outlining their long-term strategy, Atomic Energy of Canada, after a justified tribute to the accomplishments of the nuclear industry in Canada and in light of its future possibilities, talks about its strategy over the long-term perspective. That strategy is focused on its internationally recognized and diversified technological base in nuclear and related sciences. Then in the next sentence the corporate plan says:

The company's key “product” to date and in the future is the CANDU system and its support technology. The further development and evolution of this technological base will provide the essential competitive depth required to keep CANDU in the forefront—

I repeat, “in the forefront”

—of a resurgent and power reactor market and will generate commercial spinoffs which will result in new marketable products in the future.

Atomic Energy of Canada says in its corporate plan that there is a resurgent power reactor market. It will take only three or four reactors to clear that inventory in Cape Breton, and I have enough confidence in Candu to believe that those sales will be made.

Just as we were meeting in Cape Breton, the President of AECL was saying that we are pretty close to making a sale to Turkey. I do not know whether he has one now. I think there is a reasonable case, knowing that it is a difficult decision and knowing that the purely economic commercial consideration would recommend a decision to close, for keeping these plants open. The Senate thought that the commercial economic consideration would be to deny de Havilland \$250 million. Why was the same commercial economic test that was applied to Cape Breton and the heavy water plants there not applied to de Havilland? Is there a double standard in Canada? Is there one rule for Ontario and another for beleaguered Cape Breton?

Senator Flynn: Oh, oh.

Senator MacEachen: I am not pushing, because there is nothing solvent about de Havilland, and we are being asked to put another additional \$110 million into the plant. As I said, I am not against the aircraft industry or maintaining employ-