

A merger between the two will produce a company that is not only viable but will also have the potential to grow and develop because of the synergy of the assets, including reserves, production facilities, research, and personnel. Merging the two companies will produce a world class uranium production facility with the motivation, reputation and assets to play a significant role in the world market-place. Again, the prospect of enhanced economic opportunities is one of the primary reasons we have chosen this route to privatization.

The Government of Saskatchewan sees the same benefits from its own perspective when it visualizes the long-term benefits not only for SMDC but also for the people of Saskatchewan. I am sure all Members of the House will appreciate that what we are proposing is not the selling off of Crown assets, but rather the creation of a new company that will play a significant role in the world uranium mining and refining industry.

[Translation]

The ideology of some of the Members opposite will perhaps prompt them to pretend that these objectives can be met only by maintaining state control over this new company. I am convinced that, during our discussions on this Bill, we shall be hearing their detailed proposals and all the reasons they can invoke in favour of maintaining Government ownership.

However, Madam Speaker, the type of myopic thinking which hangs on to an ideology at the expense of logic is not a political approach which can succeed in convincing those on this side of the House. Thanks to our own approach, we have had one success after the other in the last three years.

[English]

To date, this Government has undertaken 3 privatization initiatives. Over 23,000 employees, formerly employed in the public sector, are now working in the same jobs but in the private sector. Many of them are in better jobs because they are now free to pursue new opportunities for growth. There is no doubt that the Canadian economy has gained significantly through that process as well. I want to give you a couple of examples of the privatization we have done to date as they relate to our achievement with Eldorado.

In 1986, de Havilland was sold to the Boeing Corporation. You may recall the doom and gloom artists on the other side of the House who told us that this merger was doomed to failure. Today at de Havilland there is more employment, more customers, a stronger future for the company, more product development, better marketing and therefore a healthier contribution to the Canadian economy and, most important of all, increased job security for the employees.

Another one is Fishery Products International, something of particular interest to my learned friend on the other side because it has done a lot for the people in his riding on Cape Breton Island. FPI is of critical importance to the Atlantic fishery, and the Atlantic economy generally. It has been sold

*Eldorado Nuclear Limited*

back to the public to the benefit of the constituents of my hon. critic. I know a great many Members in this House will agree that that sale was a very successful and popular public offering, particularly in Atlantic Canada.

I could go on and list the other 11, but I wanted to give you just two examples of the success of our privatization initiatives. I will save the others for another time.

These privatizations resulted in benefits to Canadians in the Canadian economy, and demonstrate that the divestiture of Crown assets, in the right circumstances, makes good management sense as well as spurring the economy, creating jobs, and making Canada more competitive in an increasingly challenging world market-place.

Let me turn to the specifics of this legislation because this will show Canadians we are also meeting our third condition for successful privatization, maximizing the benefits to the Canadian public. First, we want control of this new and exciting company to remain in Canadian hands. It is for that reason that Article 5 of this legislation imposes constraints upon the issue, transfer and ownership of the voting securities in the new company. Article 5 ensures that, one, apart from the founding shareholders, that is the two Governments, no shareholder will be able to own more than 25 per cent of the voting shares. Two, no non-resident will be able to own more than five per cent of the voting shares. In the counting of votes, those cast by non-residents at any meeting of shareholders is to be limited to 20 per cent. In other words, 20 per cent is the maximum that foreigners can accumulate. These provisions will ensure that the new corporation will continue to remain under Canadian control and will be used to strengthen Canada's economy.

Under the terms of the agreement, the new company will initially be owned 38.5 per cent by Canada and 61.5 per cent by Saskatchewan. That split is based upon evaluations by independent financial advisers of the future contributions and profitability of the two current operations. The recommended ownership split represents the basis of an attractive business proposition that will benefit both parties as well as the current principal shareholders, that is the taxpayers of the two Governments. The recommended ownership split represents the basis of an attractive business proposition that will benefit both parties.

With a 38.5 per cent share in the new company, Canadian taxpayers will be receiving fair market value for their Eldorado assets. That is very important. Under the terms of the agreement, the new corporation will undertake a debt issue to repay promissory notes retained by the Governments of Canada and Saskatchewan. Canada will receive 38.5 per cent of the proceeds of this debt issue. The balance will be realized as Canada and Saskatchewan gradually sell their shares of the new company to Canadians.

The anticipated proceeds from these two transactions, the debt issue and subsequent selling of shares, will be used to service and pay off existing debt. As well, the new company