

Eldorado Nuclear Limited

The Government is now putting it to the Canadian people that the public sector, the people of Canada, is ultimately bearing and underwriting all the risk components which might be in this deal because the Government is assuming the potential liability of the nuclear waste problem at the Port Hope refinery at a cost of perhaps \$75 million, and because the Government is assuming financial liabilities that might arise.

The Government would receive from the newly merged company about \$250 million, but that would still leave some \$300 million of debt which the Government is essentially going to have to take over and write down to nothing. Yet that only represents the tip of the iceberg on the investment which has been made in Eldorado in the form of government equity.

The Government is going to take a loss on this transaction. It is going to tell the taxpayers of Canada that now is the time to take the loss. However, it also means that the previous investment is liquidated to zero and that the people of Canada will not share in any future profits which come from the uranium industry.

I wonder, Mr. Speaker, whether there is any certainty for the Government in trying to seek a high share price in order to diminish its losses. Obviously it does not want to end up like that great Socred experiment in British Columbia, the British Columbia Resources Investment Corporation, where the shares were sold to the public at \$5 each and are now valued at 90 cents. If the Government seeks that high share price for this privatization it must face the reality that uranium markets are chronically over-supplied and prices are depressed at the moment. After all, if the United States Government were to go against the spirit of the free trade deal and pass the Bill presently before it concerning penalties on utilities which use foreign-enriched uranium, that would drastically reduce the market for Canadian mined uranium within the United States and would of course, depress the prices.

• (1210)

This gives me the legitimate opportunity, which I shall not pass up, to point out again to the Government the degree to which that trade deal signed with the United States Government is one-sided and unrealistic. While we are even waiting in this House for the introduction of the omnibus Bill which will harmonize all the Canadian legislation with the trade agreement that has been signed, Bills are coming forward in the American Congress that would provide for obvious restraints on trade with Canada.

Therefore, we have a deal that is no deal at all because it does not change the future from the past. All that has changed is that certain programs have been given a blessing or said to be legitimate, yet they can still be treated before the U.S. Trade Commission and in the U.S. Congress as if they were not legitimate. So it is with American legislation. There surely must be a large corpus of American legislation that can be very readily recognized as protectionist.

I do not think I need to go into examples about the Jones Act, about quotas on Japanese automobiles, about some of the military procurement regulations that prevail in the United States. The fact is that the Government has signed a trade agreement that really does very little to reduce not only the protectionist legislation that is in place in the United States but the protectionist legislation which is to come in the United States.

Therefore, to say that we have a trade deal really is flaunting a Pollyanna approach in front of the Canadian public. Much more is left unregulated, uncontrolled and at the mercy of the whims of the U.S. Congress in that deal than is settled in it.

What are the other advantages to this Eldorado privatization? Are there job guarantees? Is there any security for the workers of those two companies that are to be merged? Quite the opposite is true. The Minister spoke of rationalization, which we all know is the Tory code for lay-offs. There are no guarantees for jobs in Bill C-121.

What are the research and development prospects? After all, there are prospects for change in the way in which uranium is enriched. That will require substantial research and development investment but there is no guarantee in this Bill that that research and development investment will be made.

There is no guarantee that if it is made, the research and development will in fact be done in Canada. In the Minister's own words, the future prospects of the entire uranium industry have been heightened by lessening the uncertainty over possible U.S. import restrictions on uranium. But how is that to happen? The trade deal with the United States has us dropping our requirements for the processing of imported oil. How will this happen, beyond the United States saying that they want our unrefined uranium and if they do not get it they will subject the refined version to the countervail provisions of their trade law.

Environmental problems are an issue that could really be the subject of a separate speech. Something that must be remembered and that I do not believe the government side would challenge is that it is far easier for a private company to avoid or evade nuclear regulations and obligations than for a public company to do so. Indeed, I would suggest that it is far easier for a private company to tailor the regulations to its taste than it is for a public company to do so, where of course the board of directors know that they are subject to the Government. That is something that private companies would often chance their arm at. The unions of the facilities believe that private ownership could lead to a reduction in those safety standards.

I believe we should look at privatization in the context of other privatizations that have occurred. The Government is pursuing an agenda of privatization, much the same as the Conservative Government in the United Kingdom. Some of their privatizations have been touted as successful by the Government, but they are only successful in the degree to which they have conferred windfall benefits on private