

*Supply—Trade and Commerce*

(a), (b) and (c) of article VI for sale by the United States to Canada of what is described in paragraph A as—

...uranium enriched in the isotope U235 as may be required in the power reactor program in Canada.

And in paragraph B:

Uranium of normal isotopic composition,

And in paragraph C:

Heavy water for use in the NRX and NRU reactors.

Those terms in the agreement cover the sale to Canada of these particular finished products. I believe the heavy water actually is manufactured in Trail, British Columbia, though in a plant which the United States government owns or controls.

Mr. Bennett, president of Atomic Energy of Canada Limited, in a press statement at the time this agreement was made public, indicated that as a result of the agreement Canada might soon be in a position to carry out all three stages of uranium processing at its Port Hope plant. To quote the report:

—thus ending the necessity of paying the U.S. to finish the produce for use in reactors.

Apparently the position is that Canadian uranium is taken to the United States and processed, and Canada buys it back. As I have indicated, it is not exactly the same procedure in the case of heavy water. I do not know what the position is there. Could this agreement result in Canada processing her uranium ore throughout, from the ore right through to the finished material?

**Mr. Howe (Port Arthur):** Yes. As a matter of fact during the last 18 months our refinery at Port Hope has been completely rebuilt. It is now operating under a new process which is as efficient as anything in the United States. We have not yet undertaken to make the rods, the metallic uranium. However, that is not a difficult process. We could do it, but it seems cheaper to buy the rods from the United States in exchange for the refined uranium. It is just a matter of economics. If we got heavily into power development it would pay to make the rods here, but it does require fairly heavy equipment. I do not think there is anything in the refining and processing of uranium, from the ore to the finished rod, wherein Canada is not as efficient as the United States.

As I say, we do not make the rods. However, we do make plutonium here. We have not put in the very expensive process that is necessary for the enrichment of uranium U235. We believe that expenditure is not warranted. It is just a matter of trying to adapt our processes to our purse.

[Mr. Green.]

**Mr. Green:** Is it government policy to do this processing, or has the minister in mind eventually turning some of that work over to private industry?

**Mr. Howe (Port Arthur):** Well, certainly the United States does not turn any of that work over to private industry. So long as uranium is a war potential, as it is today, I do not think anyone would dare turn its processing at any stage over to private industry.

**Mr. Green:** What is the position with regard to the production of uranium in Canada? A year ago I believe there was only one privately owned mine that was actually marketing uranium ore. The rest of the ore was being produced by the Eldorado company. Is that still the case today? Where does Canada stand in relation to other nations in the production of uranium? Are we the second or the third, or where do we stand?

**Mr. Howe (Port Arthur):** Well, the figures are not given. We are either second or third, but I could not prove either because I do not know the total production of other countries, and no one knows the total production of Canada except those who are entitled to the classified information. But we have two or three privately owned companies in the Beaverlodge area actually delivering ore to the government refinery at Beaverlodge, and nearby there is a very large operation expected to come into production this autumn. In the Algoma area there are several mines in the course of production. They will probably come in in 1956, or possibly in 1957.

**Mr. Green:** Is that situation considered satisfactory by the government; that is, is the production of uranium ore considered satisfactory?

**Mr. Howe (Port Arthur):** It seems to me there is plenty of uranium ore being produced; at least, we have undertaken to purchase all the finished product that is produced in Canada up to the present time. At the rate new discoveries are being made, how long we can continue in that position I cannot say.

**Mr. Green:** Just one final question. All the votes for atomic energy development, including the supplementaries, appear to total just under \$35 million, which is quite a sizeable sum. As the minister knows, this is a very restricted field. It is one about which parliament knows very little. I am wondering what the minister has in mind with regard to providing an adequate check by parliament over the expenditures of this money in these developments, which are practically all government developments? It was pointed out