

Defence Production Act

strict as that in connection with countries behind the iron curtain. I can assure the hon. member that nothing of any strategic importance has been shipped to Russia or any of the satellite countries for a long time.

Mr. Fraser: Outside of some scrap metal that was sent.

Mr. Howe: No.

Mr. Higgins: I understand that under this section the minister would have the power to set up hydroelectric plants.

Mr. Howe: We have the power, but we never do it.

Mr. Higgins: I am sure the minister is fully aware that the Hamilton river in Labrador has a potential capacity equal to 60 per cent of the electricity now used in Canada. There is a tremendous possible development in northern Quebec as well. With respect to this iron ore deposit I was wondering whether there was any possibility of the electricity being used. Does the minister have anything of that kind in mind?

Mr. Howe: Not the slightest. I might say that water powers are the property of the provinces. All development of water powers, other than private development, is carried out by the provinces. Theoretically we may have the power to build hydro projects but practically we do not.

Mr. Higgins: There is nothing in mind?

Mr. Howe: No.

Mr. Fulton: I think the minister said that magnesium is one of the essential materials. There was an item in a Canadian Press report yesterday, I think it was, that a \$2,500,000 capital assistance grant has been approved by order in council to expand the production of magnesium castings for North America's most powerful jet engine, the Orenda. I understand that is regarded as an essential material. Would the minister tell me under what powers that order in council was passed?

Mr. Howe: Capital assistance provided from the military vote.

Mr. Fulton: I am sorry, I did not hear the minister.

Mr. Howe: It is capital assistance provided out of the vote for the armed services.

Mr. Fulton: From the national defence vote?

Mr. Howe: That is right.

Mr. Macdonnell (Greenwood): The minister takes these powers, which to most of us seem so astounding, in his stride. I listened to his [Mr. Howe.]

explanation of the necessity of controlling, let us say, a certain power project which was manufacturing one thing and which was desired to manufacture another. Once you can perform the astonishing feat of accepting these powers I can understand the need for that, but as I understand it, it means that the minister can take over the Ontario hydro electric power commission, and under section 31 he could then require persons to obtain permits and so on to receive power under the act. Does the minister think it is necessary to have that terrific power? Does he not think that power to take over local plants would be sufficient and that the section could be limited in that way?

Mr. Howe: My hon. friend will be surprised to learn that we operated the Ontario hydro electric power system for about three years during the last war. We did so at the urgent request of the commission itself. The chairman of the commission was the deputy power controller for that area. The reason we operated the system was that the commission was badly in need of emergency powers that the federal government had under the War Measures Act, and that the province did not have at that time, although they have them now in large measure.

Mr. Macdonnell (Greenwood): I appreciate that the minister has scored a debating point with me but nevertheless I suggest that is the complete reverse, and that it does not really apply to what we are considering here. I still leave that question with him.

Mr. Fulton: Would the minister permit me to follow up the question of assistance for the production of those things based on essential materials? Is it the intention when the bill is passed that instead of these advances being made directly from the Department of National Defence appropriation it will be done under an estimate in this department, or still under the Department of National Defence Act?

Mr. Howe: It is proposed that it be done under estimate of this department when we have the estimate. It will not be until the coming fiscal year.

Mr. Fulton: In the meantime you will have to carry on under the Department of National Defence?

Mr. Howe: That is right.

Section agreed to.

On section 31—*Control over essential supplies and projects.*

Mr. Green: Section 31 lists the details of the things that may be done by the minister under the authority of the governor in