

CABINET MEETING 1959-05-14

SECRET

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Proposal for production by Avro of U.S. interceptor aircraft

1. The Prime Minister said that a question would undoubtedly be asked about the press report that a proposal had been made to Ministers for the production by Avro of Republic Aircraft Corporation's interceptor, the F105D Thunderchief. The report indicated that this aircraft was being considered for the re-equipment of the air division in Europe.

2. During the discussion it was pointed out that an answer which left the slightest implication that a proposal along these lines was being at all seriously considered would be very dangerous. Several other companies had made proposals for production of aircraft in Canada but no decisions had been reached, and none could be taken until all the relevant data had been collected. All that could be said was that the proposal was being considered in relation to a possible R.C.A.F. requirement.

3. The Cabinet noted the report and the discussion on the likelihood of a question in Parliament concerning a proposal that Avro might produce, under licence, Republic Aircraft Corporation's interceptor, the F105D Thunderchief.

Unemployment figures

4. The Minister of Labour reported that the Dominion Bureau of Statistics figure for persons without jobs and seeking work for the third week in April would be published next week and would show a reduction of 80,000 from the previous month. This would be 7.3 per cent of the labour force as compared with 8.6 per cent for the same month last year. The low figure for the present year would probably be in the neighborhood of 250,000. The large drop from March to April was encouraging.

5. The Cabinet noted the report of the Minister of Labour on the unemployment figures for April to be published in a few days time.

National Energy Bill

(Previous reference April 30)

6. The Prime Minister said that, in view of the urgency of proceeding with the government's legislation programme in the House, a decision had to be reached now as to whether the National Energy Bill should require the licensing of exports and imports of oil, or whether it should be left, as it was presently drafted, that this requirement could be brought into effect by proclamation.

7. During the discussion it was argued that it would be preferable to have the bill require licensing and thus avoid the necessity of taking another major decision at some time in the future. The Energy Board might decide to be relatively mild in its attitude towards exports and imports. Against this, it was pointed out that