

Item: 19420

Title: Disposal of surplus jet aircraft

Meeting Date: 1960-02-09

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<http://www.bac-lac.gc.ca/eng/discover/politics-government/cabinet-conclusions/Pages/item.aspx?IdNumber=19420>

Accordingly, the Minister of Northern Affairs and National Resources had recommended that he be authorized to sign an agreement with the province in the form previously submitted, i.e., without recitals regarding the Prince Albert Bridge, and sent it to the appropriate provincial Minister for signature by him, with an accompanying letter. This letter would state that Mr. Hamilton had executed the agreement and would point out that the deletion of the recitals did not affect the legal position. The whole roads programme in Saskatchewan included the bridge; the maximum total federal contribution of \$7.5 million was the same as for the other provinces.

An explanatory memorandum had been circulated, (Minister's memorandum, Feb. 4, Cab. Doc. 39-60)

28. During the discussion the following points emerged:

(a) Signing the agreement and then giving a unilateral interpretation to it would be a mistake. If this were repudiated, the government would be made to appear in a bad light.

(b) The proposed agreement showing the figure of \$6.25 million as the Federal government's share was drawn up on the assumption that the share of the bridge expenditures would be \$1.25 million. If the bridge cost less than the estimated \$2.5 million, Saskatchewan would receive less than the \$7.5 million which other Provincial governments would obtain under their roads to resources agreements.

29. The Cabinet postponed consideration of the roads to resources agreement with Saskatchewan until a subsequent meeting.

Disposal of surplus jet aircraft

30. The Minister of Defence Production said that ten Mark 5A Sabre jet aircraft with Orenda engines had been declared surplus and offered for sale by Crown Assets Disposal Corporation. An additional 84 would become surplus in the near future. The Corporation had several offers to purchase these aircraft, the principal ones being one on behalf of Cuba at a price roughly equal to one-half the original purchase price of \$285,000 per aircraft, one from New York of \$100,000 for the ten with the ultimate destination unknown and an offer from a Canadian firm of \$10,600 per aircraft with the probable destination being the United States.

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None of these offers indicated that the aircraft would be converted for commercial usage. They did not preclude the possibility that they might be sold to unfriendly governments or to countries in a state of unrest.

He had suspended sales action pending the direction of Cabinet on the disposal policy to be adopted.

An explanatory memorandum had been circulated, (Minister's memorandum, Jan. 28, 1960 - Cab.Doc. 31-60)

31. Mr. O'Hurley said it was his opinion that this aircraft should be dismantled or mutilated and sold for scrap.

32. During the discussion several Ministers expressed their agreement with this view but added that the scrap sales should not take place for a few months. On the other hand, they might be disposed of as mutual aid. The Turks or the Greeks might be interested in them.

33. The Cabinet agreed that the Minister of National Defence discuss with the Greek and Turkish authorities at N.A.T.O. the possibility of their countries accepting as mutual aid surplus Mark 5A Sabre jet aircraft, equipped with Orenda engines.

Export of Harvard aircraft to Austria

34. The Cabinet agreed that a permit be issued authorizing the export of ten Harvard aircraft to Austria for the use of the Austrian Air Force.

National Capital Commission; resignation

35. The Cabinet agreed that the resignation from the National Capital Commission of Mrs. Olive L. Irvine, of Winnipeg, who had been summoned to the Senate be accepted.

(An order in council was passed accordingly; P.C. 1960-158, Feb. 11.)

Closing down of uranium mines; Elliot Lake area

36. The Prime Minister said he had received a good deal of correspondence about the situation likely to develop at Elliot Lake due to the closing down of some uranium mines and the stretch-out of contracts. He wondered what could be done and said about the matter.

37. The Minister of Trade and Commerce pointed