

No. 97-58

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CABINET CONCLUSIONS

Meetings of the Cabinet were held in the  
Privy Council Chamber on Monday, September 22nd, 1958,  
at 10:30 a.m. and 4:15 p.m.

Present:

The Prime Minister  
(Mr. Diefenbaker) in the Chair,  
The Solicitor General  
(Mr. Balcer),  
The Minister of National Defence  
(Mr. Pearkes),  
The Minister of Justice  
(Mr. Fulton), (for morning meeting only)  
The Minister of National Revenue  
(Mr. Nowlan),  
The Minister of Agriculture  
(Mr. Harkness),  
The Minister of Fisheries  
(Mr. MacLean),  
The Postmaster General  
(Mr. William Hamilton),  
The Minister of Mines and Technical Surveys  
(Mr. Comtois),  
The Minister of National Health and Welfare  
(Mr. Monteith),  
The Minister of Defence Production  
(Mr. O'Hurley), (for afternoon meeting only)  
The Secretary of State  
(Mr. Courtemanche) (for morning meeting only).

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The Secretary to the Cabinet  
(Mr. Bryce),  
The Assistant Secretary to the Cabinet  
(Mr. Fournier).

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Air defence requirements; Astra and Sparrow  
(Previous reference Sept. 21)

1. The Minister of National Defence referred to the decisions of the preceding day concerning the continuation of development of the Arrow aircraft and Iroquois engine, and in particular the proposal to continue the development of the Astra fire control equipment and Sparrow missile in so far as that could be done within Canada. He said that investigation of the latter proposal this morning indicated that it was necessary either to continue the development programmes in toto for these items or to cancel them, as it was not possible to continue the Canadian portions alone. The major portion of the expenses this winter would be in the United States, particularly in respect of the Astra.

2. During the discussion:

(a) Various suggestions were made for continuation or expansion of electronic work of one kind or another in Canada, including the possibility of a rapid development of the electronic equipment under consideration for the Post Office, and on which some \$3 million had already been spent.

(b) It was agreed that any decision on this matter should be deferred until later in the day when the Minister of Defence Production could be present after returning from the Commonwealth Conference in Montreal.

3. The Minister of Defence Production noted, on resumption of the meeting in the afternoon, that, if the development of the Arrow aircraft were to be carried on, there was great advantage in deciding forthwith about the future of the Astra. He noted that one alternative was to stop development of both Astra and Sparrow and switch to the American counterparts already developed, making the necessary modifications in the air-frame development. Another alternative would be to transfer the whole development of the Astra immediately to Canada, adapt the Falcon missile to it, and close out the development of the Sparrow.

4. The Minister of National Defence expressed the view that if, as seemed likely, the development of the Arrow would be terminated at the end of March, the sensible thing to do would be to terminate the development of the Astra and Sparrow at the present time. Even if it were decided to continue with the production of a small number of the Arrow aircraft, it would still appear sensible to terminate the highly expensive Astra development. The electronic engineers and other technical personnel would be better employed to get to work on missiles and receive special training rather than continue the expensive work on the Astra and Sparrow. It would be necessary to modify the Arrow to use the alternative fire control system in it.

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5. The Cabinet agreed that the programme for the development of the Astra fire control equipment and the Sparrow II missile should be terminated forthwith, and that this decision should be announced the following day along with those decisions on the air defence programme taken the preceding day.

Binding of rates of duty under the British preferential tariff  
(Previous reference Sept. 21)

6. The Prime Minister suggested that the recommendation of the Minister of Finance that the government agree to bind the present British preferential rates of duty on the list of tariff items attached to his memorandum might now be approved, and the decision might be made public in such manner and at such time as the Minister of Finance might decide.

7. The Cabinet, after further discussion, agreed to bind the British preferential rates of duty, in the manner provided by the General Agreement on Tariffs and Trade, on the list of tariff items attached to the memorandum of the Minister of Finance on this subject, dated September 19th (Cab. Doc. 269-58).

Lisbon Conference on the revision of the Convention for the Protection of Industrial Property  
(Previous reference Sept. 8)

8. The Secretary of State reported that it would be in order for Mr. Christopher Robinson, O.C., to be technical advisor and alternate delegate at the diplomatic conference for the revision of the Convention for the Protection of Industrial Property to be held in Lisbon beginning October 6th. He himself was planning to be present at this conference on or about October 15th. Dr. Philippe Panneton, the Canadian Ambassador to Lisbon, would act as head of delegation until he arrived in Lisbon.

9. The Cabinet noted with approval the report of the Secretary of State concerning the Canadian delegation at the forthcoming conference in Lisbon on the revision of the Convention for the Protection of Industrial Property.

Income Tax Appeal Board; appointments

10. The Cabinet approved the recommendations of the Minister of National Revenue,-

(a) that Mr. Cecil L. Snyder, O.C., Assistant Chairman of the Income Tax Appeal Board,\* be appointed Chairman of the board for the period September 22nd, 1958, to January 31st, 1964; and,