

No. 132-58

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CABINET CONCLUSIONS

A meeting of the Cabinet was held in the Privy Council Chamber on Wednesday, December 31st, 1958, at 2:30 p.m.

Present:

The Prime Minister
(Mr. Diefenbaker) in the Chair,
The Minister of Veterans Affairs
(Mr. Brooks),
The Minister of Transport
(Mr. Hees),
The Minister of National Defence
(Mr. Pearkes),
The Minister of Trade and Commerce
(Mr. Churchill),
The Minister of Justice
(Mr. Fulton),
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 without Portfolio
(Mr. Macdonnell),
The Minister without Portfolio
(Mr. Browne),
The Minister of Mines and Technical Surveys
(Mr. Comtois),
The Minister of Northern Affairs
and National Resources
(Mr. Alvin Hamilton),
The Secretary of State for External Affairs
(Mr. Smith),
The Minister of Defence Production
(Mr. O'Hurley),
The Secretary of State
(Mr. Courtemanehe).

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

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Invitation to Soviet leaders to visit Canada

6. The Prime Minister, referring to the forthcoming visit of the U.S.S.R. First Deputy Premier to the United States, asked whether Mr. Mikoyan should be invited to come to Canada following his U.S. visit. He also wondered whether Mr. Khrushchev should be invited.

7. During the brief discussion there was general opposition expressed to inviting either Mikoyan or Khrushchev. The purpose of Mikoyan's visit to the U.S. was still not clear. There was some hope that he might be prepared to discuss the Berlin situation. During the recent Soviet-Canada trade discussions, the Soviet delegation had suggested that the resulting agreement, this time, be signed in Moscow. If this met with the government's approval, Mikoyan might be invited here as a friendly gesture. However, unless the government had in mind achieving some real benefits from a Russian visit, invitations had better not be made. Opposition would certainly come from Quebec and groups of new Canadians, etc. It was recalled that when Khrushchev had visited the United Kingdom, he had appealed directly to the British people over the head of the U.K. government.

8. The Cabinet agreed that no action be taken to invite Soviet leaders to visit Canada at this time.

Civil Service; time off for Roman Catholics on Epiphany

9. The Secretary of State said he had sent a letter to the Prime Minister that day about a request from the Civil Service Commission that Roman Catholic civil servants be given time off to attend church services on Epiphany. He explained that this request had always been granted in the past. It was a purely routine matter.

10. The Cabinet agreed that the Civil Service Commission be allowed to grant to Roman Catholics time off to attend church services on January 6th, Epiphany Day.

CF-105 (Arrow) programme; cancellation
(Previous reference Dec. 22)

11. The Prime Minister asked whether any member of the Cabinet wished to change the decision which had been made on the Arrow programme.

12. The Minister of National Defence said that there was no change in the opinion of his advisers on the matter and he pointed out that, if the government decided to make an announcement before March 31st, the sum of \$10 million could be saved from the following year's estimates. Only \$50 million had been included in these estimates to cover cancellation charges or to enable the development to be carried on for a three-month period should the decision go the other way. He added that the latest cost figures provided by Avro (with the Falcon and Hughes fire control and missile system) indicated that the best cost possible per aircraft would be \$5 million.

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13. During the discussion it was hoped that something could be done for the aircraft industry to soften the blow which would result from the cancellation of the Arrow programme. It was pointed out that, if the Convair-Canadair bid were accepted by the United States, the business would not go to Avro but to Canadair in Montreal.

14. The Cabinet noted the comments of the Minister of National Defence on the question of cancelling the Arrow programme.

R. B. Bryce,
Secretary to the Cabinet.