

of \$4.00 per net ton on the amount of assistance payable in all areas.

He had now been informed by the Canadian Pacific Railway Company that no further purchases could be made by that company on the 5-mill rate basis. The Railway had suggested that the rate be increased to 7 mills retroactive to April 1st, 1954. It was noted that higher rates were allowed to the Canadian National Railways in calculating subventions on coal purchased for use by that Company.

He agreed that the request for an increase from 5 mills to 7 mills was reasonable but did not feel that the higher subvention should be paid on coal purchased by the C.P.R. between April 1st and November 1st.

15. The Cabinet agreed that the subvention on Canadian Pacific Railway Company purchases of Canadian coal be based on a 7-mill O.C.S. rate, with a maximum of \$4.00 per net ton on the amount payable, effective November 1st, 1954; Orders in Council to be passed accordingly.

(Orders in Council P.C. 1954-1832, 1833 and 1834, Nov. 24).

Cabinet Defence Committee; report by Minister of National Defence

16. The Minister of National Defence reported on matters considered by the Cabinet Defence Committee at its meetings held on the 12th and 24th of November. A report on the distant early warning line had already been made and approved by the Cabinet at its meeting of November 18th.

There was a need for a high-speed wind-tunnel for general research, and particularly for the development of CF-105 aircraft and guided missiles. Such a proposal had the support of the National Aeronautical Research Committee and the President of the National Research Council. It was now recommended by the Defence Committee. The cost would be approximately \$3.5 million spread over the current and next two fiscal years.

The Committee had also recommended for inclusion in the current Mutual Aid Programme certain one-mile wireless sets, the transfer of a number of shell components produced recently and certain equipment acquired prior to March 31st, 1950. With these additions, the 1954-55 programme would amount to \$261 million. In addition, the suggestion had been approved that Canada offer now for inclusion in the 1955-56 Mutual Aid Programme certain trucks, trailers, wireless sets, rockets and mortar bombs, totalling about \$5.5 million in value.

RG 2, A5a,  
Vol. 2656

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