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He had discussed the matter in a preliminary way with the Minister of National Defence and the Minister of Mines and Technical Surveys with a view to ascertaining whether the heating plants in the new Army establishments to be constructed in New Brunswick could be so designed as to be able to use this type of fuel.

23. The Cabinet, after discussion, agreed that the Minister of National Defence and the Minister of Mines and Technical Surveys give consideration to the possibility of providing a market for New Brunswick soft coal in the new Army establishments to be constructed in that province.

Imperial Oil Limited; application for tax benefits on test-well drilling in Alberta

24. The Minister of Mines and Technical Surveys submitted a recommendation that the special tax benefits for deep oil drilling provided for under the Income Tax Act be made available to Imperial Oil Limited in respect of that Company's new deep test-well (Imperial Leduc No. 530) located in the Province of Alberta.

25. In the course of discussion, it was argued,

(a) that, on the one hand, the original intent of the legislation, which was clearly incentive in character, was to encourage the development of unexplored petroleum-producing areas whereas the present application was related to a deep test-well located in the amply proven Leduc oil fields; and,

(b) that, on the other hand, deep-test drilling was expensive and not necessarily successful even when undertaken in proven areas and that, as a consequence, it seemed inadvisable, so long as the legislation remained in effect, to discriminate against cases which might be considered to be marginal.

26. The Cabinet, after discussion, approved the recommendation of the Minister of Mines and Technical Surveys and agreed that the special tax benefits provided by sub-section (5) of section 53 of chapter 25 of the Statutes of 1949 be made available to Imperial Oil Limited in respect of its Imperial Leduc No. 530 well located in the Province of Alberta; an Order in Council to be passed accordingly.

(Order in Council P.C. 1953-299, Feb. 26).

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