

in accordance with the requirements of the B.C.A.T.P. Agreement, as readjusted, and for construction of the Mosquito O.T.U., on the understanding that proposals for an A.S.V. school and for any further requirements of the Admiralty be considered, if necessary, at a later date.

16. The Minister of Finance expressed concurrence in the recommendation made by Mr. Power.

17. The War Committee, after further discussion, approved in principle expenditure of \$18,080,000 for construction for the Combined Training Organization in accordance with the Minister's recommendations.

Timber production in British Columbia

18. The Minister of Finance reported that, following the War Committee's meeting on December the 23rd, a decision had been reached with the Minister of Munitions and Supply by which it was agreed to grant to timber producers on the West Coast an additional \$1.00 depletion allowance, plus a further \$1.00 allowance for production in excess of sixty per cent of the 1941 cut.

It was hoped that this decision would provide an effective incentive to greater production.

19. The War Committee noted the report of the Minister:

Canadian Broadcasting Corporation - shortwave radio station

20. The Prime Minister reported that the General Manager of the Canadian Broadcasting Corporation had written to him saying that construction of the Canadian shortwave station was being delayed through difficulties in obtaining U.S. priorities on essential materials, and requesting Mr. King's assistance. It was suggested that the only hopeful course would be to communicate personally to the President, to invite his help. If there were no objection, Mr. King was disposed to agree, in view of the importance of the project.

21. The War Committee, after discussion, agreed that the Prime Minister communicate directly with the President, in this connection, unless the Minister of Munitions and Supply saw some objection to this course.

Canada-U.S. Joint Economic Committees - proposed study of North Pacific area

22. The Secretary reported that, in accordance with the decision of the War Committee on December the 23rd, he had communicated with the Chairman of the Canadian Committee. A letter from Dr. Mackintosh had now been received, together with an amended draft press release.