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Volume #26 - 166.

CHAPTER IV

RELATIONS WITH THE UNITED STATES

PART 1

DEFENCE AND SECURITY ISSUES

SECTION A

CF-105 (AVRO ARROW) CANCELLATION

166.

PCO

Extract from Cabinet Conclusions

SECRET

Ottawa, February 4th, 1959

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Minister of Public Works (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Veterans Affairs (Mr. Brooks),
 The Minister of Transport (Mr. Hees),
 The Solicitor General (Mr. Balcer),
 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 Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Minister without Portfolio (Mr. Macdonnell),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Northern Affairs and National Resources (Mr. Alvin Hamilton),
 The Secretary of State for External Affairs (Mr. Smith),
 The Secretary of State (Mr. Courtemanche),
 The Assistant Secretaries to the Cabinet (Mr. Fournier), (Mr. Martin).

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CF-105 ARROW PROGRAMME
(PREVIOUS REFERENCE FEBRUARY 3)

6. *The Minister of National Defence* reported again on the present state of the CF-105 Arrow programme. In addition to the information he had given previously, he noted that, from the end of September 1958 until the end of January 1959, \$60 million had been spent on the development of this aircraft and that, if development continued until March 31st,

\$45 million more would be expended. The average cost per weapons system for a programme of 100 operational aircraft was now estimated to be \$7.81 million. This excluded termination charges for the Astra/Sparrow from September 1st, 1958, which were estimated to be \$28 million. Although the cost had been reduced from \$12.6 million to this figure, he still considered that the production of 100 such aircraft could not be justified at this price. The Chiefs of Staff were, as directed last September,³⁶⁹ urgently investigating requirements, if any, for additional air defence missile installations in Canada, and for interceptor aircraft of the nature of the CF-105 or alternative types.

He recommended that development of the CF-105 be discontinued and that the Chiefs of Staff present at an early date the recommendation they had been requested to make.

An explanatory memorandum was circulated, (Minister's memorandum, Jan. 30).?

7. *Mr. Pearkes* added that, at the moment, there did not appear to be anything in the U.S. inventory of aircraft that would justify a decision to purchase. The Chiefs of Staff were considering the possibility of having some Bomarc squadrons moved from south of the border in the central U.S. to areas in western Canada. If it were felt that the manned bomber threat was decreasing, then it was obviously preferable to concentrate on defensive missiles rather than to continue with the production of interceptors.

8. *The Prime Minister* said it would be necessary to have a meeting of the Cabinet Defence Committee before making the final decision on the Arrow.

9. *During the discussion the following points emerged:*

(a) If a question on the future of the Arrow were raised when the estimates were tabled, it should be answered in a way which would show that a decision on the programme would be taken before March 31st. There was sufficient money in the estimates to pay for cancellation charges or to continue development for a while.

(b) If the Arrow development were cancelled and no alternative interceptors were produced in Canada or purchased elsewhere, then, in the event of a war, and when the CF-100 was no longer in service, Canada might have to rely on the U.S. to provide manned fighter defence. Under the terms of the NORAD agreement, U.S. squadrons could be stationed temporarily on Canadian airfields.

(c) The personnel in the R.C.A.F. which would have otherwise been employed in flying the CF-105 and servicing it would be absorbed in work in connection with S.A.G.E., additional radars and on other duties.

(d) The re-equipping of the Air Division in Europe was a separate problem. At the moment, the most urgent aspect of the situation was a replacement, if any, for the F-86 Sabre which was obsolete. The Cabinet Defence Committee would be considering this problem and would make recommendations in the near future to the Cabinet about it. Replacing the Sabres overseas would cost at least \$350 million.

10. The Cabinet noted the report of the Minister of National Defence on the CF-105 Arrow programme and the ensuing discussion, and agreed that the matter be considered by the Cabinet Defence Committee the following day.

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³⁶⁹Voir/See Volume 25, Document 88.

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CHAPTER IV

RELATIONS WITH THE UNITED STATES

PART 1

DEFENCE AND SECURITY ISSUES

SECTION A

CF-105 (AVRO ARROW) CANCELLATION

167. DEA/50046-40

*Memorandum from Under-Secretary of State for External
Affairs
to Secretary of State for External Affairs*

SECRET

Ottawa, February 5th, 1959

122ND MEETING OF CABINET DEFENCE COMMITTEE - ITEM I
- THE CF-105 ARROW PROGRAMME

The Cabinet Defence Committee is to give further consideration this afternoon to the CF 105 Programme. No paper has been submitted for the Committee's consideration. We do not, therefore, know to what main factors of the problem the Committee's attention will be directed. In the circumstances we hope that the following general comments may be of some value to you.

The submission from this Department to the Cabinet Defence Committee in August of last year³⁷⁰ with respect to continental air defence was designed primarily to draw Ministers' attention to the context in which immediate decisions with respect to the CF-105 were being taken. The main points made in that paper were the following:

(a) The United States is determined to erect defences in North America against the most diversified attack of which the Soviet Union is capable, i.e. a mixed bomber and missile attack. As a matter of agreed policy Canada shares responsibility with the United States Government for the joint defence of the continent. In the light of the increasing expenditures required to build suitable defences, Canada's alternatives may be to increase the Canadian defence budget

or accept a greater degree of United States assistance. Canada's freedom of action will be affected less by whether or not Canada accepts additional United States assistance than by the relationship between Canadian and United States defence expenditures. If a respectable ratio between Canadian and United States expenditures for the defence of North America can be maintained, Canadian influence on United States planning is not likely to be diminished.

(b) In any appraisal of the resources which Canada can devote to the air defence of North America, consideration of our commitments to NATO in Europe is important. The political importance to Canada of stationing forces in Europe in terms of the consequential effects in our relations with our European Allies should not be underestimated.

(c) Requests for assistance from the United Nations of the type Canada has already met in UNEF are likely to increase rather than diminish in future. In this Department's view it is essential to our foreign policy that a Canadian capability in this respect be maintained.

(d) There is evidence that growing Soviet economic strength throughout the world poses a substantial threat to the West which must be considered with the same quality of concern as that arising from the purely military threat from the Soviet Union. If Canadian foreign policy is to be realistic, it would seem essential that Canada be able, from time to time, to participate effectively in any coordinated Western attempts to meet adequately the non-military threat from the Soviet Union in the political and economic fields.

These main arguments remain valid. There have, however, been a number of developments since August 1958 which must be taken into account in any further consideration being given to the CF-105 programme.

The first of these is the Government's decision to share the costs of an improved continental air defence system by way of expenditures in connection with the improvement of the Pine Tree Radar System, the installation of SAGE and the establishment of BOMARC missile sites in Canada. The Government is giving consideration as well to the introduction of nuclear capability into the air defence of Canada. So far as costs are concerned, the Government has reconfirmed its intention to pay its fair share for improvements required in the air defence system. The second point to be considered is the Government's plans with respect to the re-equipment of the Air Division in Europe.

At this same meeting of the Cabinet Defence Committee, Ministers will be considering a recommendation from the military for the re-equipment of the Air Division in Europe with a new aircraft. Whatever decision is taken by the Government in this respect will have some relevance to its action with respect to the CF-105 Programme. The Government has already indicated that it intends to equip the Canadian Brigade in NATO with the LACROSSE missile.³⁷¹

The third important development since last Autumn has been the submission of CINCNORAD's immediate and long-term plans for the defence of North America. These plans, submitted late last year, cover the period until 1969. The plans are still being examined by the Department of National

Defence and cannot, therefore, be considered as yet to have any status beyond that of recommendations from the responsible military commander, CINCNORAD. It is, however, relevant to the Cabinet's consideration of the CF-105 programme that CINCNORAD has outlined the need for interceptor aircraft within the air defence system beyond 1969. Not only does he foresee in his recommendations the need for interceptors superior in quality even to the CF-105, but he envisages a need for the siting of greater numbers of these improved interceptors in Canada. Presumably the Minister of National Defence will have CINCNORAD's recommendations in mind when he formulates his recommendations with respect to the CF-105 or some alternate interceptor.

D.V. LEP[AN]
for Under-Secretary of State
for External Affairs

³⁷⁰Voir/See Volume 25, Document 74.

³⁷¹Le Cabinet a approuvé l'achat d'une batterie de missiles sol-sol Lacrosse le 1er octobre 1958. Cabinet approved the purchase of one Lacrosse battery of surface-to-surface missiles on October 1, 1958.

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CHAPTER IV

RELATIONS WITH THE UNITED STATES

PART 1

DEFENCE AND SECURITY ISSUES

SECTION A

CF-105 (AVRO ARROW) CANCELLATION

168.

PCO/C-20-9(a)-M

*Extract from Minutes of Meeting
of Cabinet Defence Committee*

TOP SECRET

Ottawa, February 5th, 1959

Present

The Prime Minister, (Mr. Diefenbaker), in the Chair,
 The Minister of National Defence, (Mr. Pearkes),
 The Acting Minister of Defence Production, (Mr. Green),
 The Minister of Finance, (Mr. Fleming),
 The Secretary of State for External Affairs, (Mr. Smith).
 The Secretary (Mr. Martin),
 The Military Secretary (Group Captain Weston).
 The Chairman, Chiefs of Staff, (General Foulkes),
 The Chief of the Naval Staff, (Vice Admiral DeWolf),
 The Chief of the Air Staff, (Air Marshal Campbell),
 The Chief of the General Staff, (Lieutenant General Clark),
 The Chairman, Defence Research Board, (Dr. Zimmerman).
 The Secretary to the Cabinet, (Mr. Bryce),
 The Under-Secretary of State for External Affairs, (Mr. Robertson),
 The Deputy Minister of Defence Production, (Mr. Golden),
 The Assistant Under-Secretary of State for External Affairs, (Mr. LePan),
 The Assistant Secretary of the Treasury Board, (Mr. MacNeill).

I. CF-105 ARROW PROGRAMME

1. *The Minister of National Defence* said that the Chiefs of Staff had reported that there were no new military factors regarding the manned bomber threat, or new developments to meet this threat, which they considered would have an additional bearing on the matter under discussion. He recalled the announcement made by the Prime Minister last September that the development of the CF-105 and the Iroquois engine would be continued until the end of March when the situation would be reviewed again. Modifications of the CF-105 were to be made to permit the testing of a fire

control and weapons system already in production for use in U.S. aircraft.

From the end of September, 1958 to the end of January, 1959, \$60 million had been spent on the development of the CF-105 and if development continued until March 31st approximately \$45 million more would be spent. During its tests the aircraft had flown at Mach 1.96 at 50,000 feet and had reached an altitude of 58,000 feet. The adoption of the MA1/Falcon/MB1 weapons system in place of the ASTRA/Sparrow had had the effect of increasing the CF-105's radius of action in a supersonic mission from 238 to 354 nautical miles, and in a subsonic mission from 347 to 506 nautical miles. The adoption of the system had also reduced the development time and would permit additional aircraft to be delivered for squadron service by September, 1960 instead of the spring of 1961.

The AVRO Aircraft Company had now submitted a new proposal which estimated the cost of 100 operational aircraft as being \$781 million, or \$7.81 million per aircraft. This excluded termination charges for the ASTRA/Sparrow system from September 1st, which were estimated to be \$28 million. Although these costs had been reduced from \$12.6 million per aircraft to this figure, it was still considered that the production of 100 such aircraft could not be justified at this price.

The United States had 800 supersonic interceptors in service and were providing sufficient funds to procure a minimum of 650 additional aircraft of these types. With this inventory on hand and in sight, the U.S. had decided to cancel the proposed production of the F106 C & D and to divert the funds saved to development of the F108.

When the Cabinet considered the Arrow on September 21st, 1958, it was agreed that the Chiefs of Staff should investigate and report upon the requirements, if any, for additional air defence missile installations in Canada and for interceptor aircraft of the nature of the CF-105 or alternate types. Since then, the Chiefs of Staff had been carrying out their investigations as a matter of urgency.

The Minister recommended that the further development of the CF-105 be discontinued and that the Chiefs of Staff present the recommendations for air defence requirements that they had been requested to make.

(Memorandum, Minister of National Defence, January 30th, 1959, "CF-105 Avro Arrow Programme").?

2. *The Chairman*, Chiefs of Staff said that the Chiefs of Staff had reviewed their position regarding going into production on the CF-105 that morning. They reviewed the advice they had tendered to the Cabinet on this subject last August 22nd and they were still of the opinion that the changing threat and the rapid advances in technology, particularly in the missile field, along with the decreasing requirements for manned interceptors in Canada, created grave doubts as to whether a limited number of aircraft of such extraordinarily high cost would provide a defence return commensurate with the expenditures. Therefore, the Chiefs of Staff went along with the recommendation that had been made, on the understanding that they should present at an early date their recommendations for air defence requirements, based on the

investigations which they were now making as a result of the direction given to them by the Cabinet last September 21st.

3. *The Acting Minister of Defence Production* said that it was estimated now by the officials of the Department of Defence Production that if the CF-105 were cancelled on February 15th, development costs would have totalled \$325 million and cancellation charges would be an additional \$45 million. If it were cancelled on March 31st, these costs would be \$342.2 million and \$40 million respectively. The total saving by cancelling now would thus be about \$15 million.

4. *The Secretary of State for External Affairs* said he agreed with the recommendation that the development of the CF-105 should be discontinued now.

5. *During the discussion the following points emerged:*

(a) In the Prime Minister's statement of last September, concerning the future of the Arrow, one of the reasons given at that time for continuing the development was the international situation. Discontinuing development now would raise the question of whether the outlook was less clouded. The situation then in mind was related to Quemoy and Matsu; now, that appeared to be better. On the other hand, the Berlin problem was looming larger than it had for some time. How far the Russians would go in cutting off access to West Berlin to the Western Powers remained to be seen. The Prime Minister of the United Kingdom was going to the U.S.S.R. later in the month to ascertain as precisely as possible the Soviet attitude and thus be in a position, if war came, to convince the U.K. public that every possible step would have been taken to avoid it. Now, in regard to the Arrow, it would be possible for the Canadian government to say that, whatever decision was reached, there would be little if any demobilization of the technical team at AVRO before March 31st.

(b) In the course of the investigations which the Chiefs of Staff had been directed to undertake as to additional air defence missile installations or alternative interceptor aircraft, consideration was being given to increasing the number of Bomarc installations in Canada. It might be possible to move two Bomarc stations planned for western United States into western Canada to provide greater protection for that area. Thought was also being given to installing Bomarc units on the Atlantic coast and on the Pacific Coast. A report had been received from NORAD that two such stations could be moved to the areas of Calgary and Swift Current, but this possibility had to be studied further to see if the present radar could be extended as well to tie in with any changes in the Bomarc pattern.

(c) In reply to a question whether interceptors would be needed, as well as Bomarc, The Chief of the Air Staff said it was his opinion that they would be. He was thinking in terms of 100 to 115 aircraft, which would provide the necessary fighters for six squadrons and the usual back up. Where they would be obtained was the big question, if the development of the Arrow were discontinued.

(d) Canada could not be expected to provide every type of defence for her own territory. The defence of North America was a matter of mutual defence and Canada was making her contribution by the provision of air space, expenditures on

warning systems, communications, Bomarc and with respect to a share in the ballistic missile early warning system. The NORAD agreement would enable U.S. squadrons of interceptors to be stationed temporarily in Canada, but if the risk of attacks from manned bombers was declining quickly, as many believed it was, such stationing might never be required, let alone the provision of interceptors by Canada herself.

(e) If the CF-105 were discontinued, the public would wish to know what form of defences would be provided in its stead. To this it could be said that the CF-100 would remain in service for a time and that arrangements were being made for defence in other forms than that provided by interceptors.

(f) Although it was not the same sort of problem, the public might take it amiss to see Canada supplying aircraft to the Air Division for the defence of Europe, and yet not having any interceptors available for the defence of the homeland. On the other hand, no decision had yet been reached to re-equip the Air Division. By the time the CF-100 was out of service, the threat of the manned bomber may have disappeared altogether, or at least diminished to the point where no successor interceptor was considered desirable.

(g) The difficulty in the situation was the changing nature of the threat and the fact that the services had to consider now what might be required for 1961-62-63 and up to 1965. If an attempt were made to obtain the best possible defence against the manned bomber, and assuming that the defence budget would be roughly the same order of magnitude as at present, no provision could be made for defence against missiles which most regarded as the principle threat three and four years hence. It seemed that a calculated risk had to be taken for the period 1961-63, to be in a better position to meet the missile threat which would follow that period. At present it was estimated that, to provide 100 CF-105s, with the MA1/Falcon/MB1 weapons system, would cost \$781 million. It was still not possible to estimate precisely the cost of re-equipping the Air Division, but it could well be in the neighborhood of \$500 million and this could not provide for a replacement for the CF-100.

6. *The Committee* agreed to recommend to the Cabinet that further development of the CF-105 aircraft be discontinued now and that the Chiefs of Staff be asked to present at an early date their recommendations on what requirements, if any, there were for additional air defence missile installations in Canada and for interceptor aircraft of the nature of the CF-105 or alternate types.

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CHAPTER IV

RELATIONS WITH THE UNITED STATES

PART 1

DEFENCE AND SECURITY ISSUES

SECTION A

CF-105 (AVRO ARROW) CANCELLATION

169.

PCO

Extract from Cabinet Conclusions

SECRET

Ottawa, February 10th, 1959

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Minister of Public Works (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Transport (Mr. Hees),
 The Solicitor General (Mr. Balcer),
 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 Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 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 National Health and Welfare (Mr. Monteith),
 The Minister of Northern Affairs and National Resources (Mr. Alvin Hamilton),
 The Secretary of State for External Affairs (Mr. Smith),
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretaries to the Cabinet (Mr. Fournier), (Mr. Martin).

CF-105 ARROW PROGRAMME; REPORT OF CABINET
 DEFENCE COMMITTEE
 (PREVIOUS REFERENCE FEBRUARY 4)

1. *The Minister of National Defence* reported that the Cabinet Defence Committee had considered the recommendations he had made to the Cabinet that further development of the CF-105 be now discontinued and that the Chiefs of Staff be asked to present soon their recommendations on what requirements, if any, there were for additional air defence

missile installations in Canada, and for interceptor aircraft of the nature of the CF-105 or alternate types. During the meeting, the Chairman of the Chiefs of Staff Committee reported that the Chiefs of Staff had reviewed the position concerning the production of the CF-105, and were still of the opinion that the changing threat and the rapid advances in technology, particularly in the missile field, along with the diminishing requirements for manned interceptors in Canada, created grave doubts as to whether a limited number of aircraft of such extremely high cost would provide defence returns commensurate with the expenditures.

The committee concurred in the recommendations and agreed that they be submitted to the Cabinet for consideration at an early meeting.

An explanatory memorandum was circulated, (Memorandum, Secretary, Cabinet Defence Committee, Feb. 6 - Cab. Doc. 46-59).?

2. *Mr. Pearkes* added that it was impossible to give any assurance that manned interceptors for the defence of Canada would not be bought in the United States some time in the future, if the CF-105 programme was discontinued. It was his own opinion that the threat of an attack on North America by manned bombers was rapidly diminishing. He felt that Russia would not consider launching an attack until it had a large arsenal of intercontinental ballistic missiles. Against these, manned interceptors were useless. If, however, new evidence became available that the Soviet Union was developing more modern manned bombers, then interceptors might have to be bought. The question naturally arose as to why Canada was installing Bomarc when it was effective only against manned bombers. The answer was, that some insurance premium had to be paid against the possibility of bomber attack and this premium was cheaper by far than the CF-105. The U.S. had agreed to pay \$91 million out of a total of \$110.8 million for the installation of the two Bomarc squadrons in Northern Ontario and Quebec.

3. *During the discussion the following points emerged:*

(a) At the meeting of the Cabinet Defence Committee, the Chief of the Air Staff had stated that the R.C.A.F. would need 100 to 115 interceptor aircraft for several years ahead. These would have to be bought in the U.S. or, failing that, presumably U.S. squadrons would provide interceptor defence for Canada. This would be particularly awkward when, at the same time, the 1st Canadian Air Division might be in the process of having its F-86 aircraft replaced by more modern machines at a cost of about \$400 million to \$500 million. In effect, Canada would be defending Europe, and the U.S. would be defending Canada.

(b) On the other hand, the role of the Air Division was different from that of the R.C.A.F. in Canada. Furthermore, if the F-86 were not replaced, the Air Division might just as well be withdrawn from Europe, and the implications of this for the N.A.T.O. alliance were very serious indeed. The proposal now being considered was to assign the Air Division a strike-attack role and equip it with aircraft suitable for the purpose.

(c) It was not true to say that the U.S. would be defending Canada if the CF-105 were discontinued. Canada would be

manning the Bomarcas, the warning lines, S.A.G.E. and other installations. The U.S. would man the aircraft which, after all, was a steadily decreasing part of the defence, as the nature of the threat changed; this would mean that the presence of U.S. servicemen would be less apparent than it they were employed in different capacities.

(d) The U.S. intended now to develop the long range F-108 interceptor, which would operate from Greenland and Alaska. It was a large aeroplane, less dependent on ground environment, and very expensive. It would be defending Canada just as squadrons of the U.S.A.F. were doing today in complementing the R.C.A.F. squadrons.

4. *The Cabinet* deferred decision on the recommendation of the Cabinet Defence Committee that the development of the CF-105 Arrow be discontinued.

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RELATIONS WITH THE UNITED STATES

PART 1

DEFENCE AND SECURITY ISSUES

SECTION A

CF-105 (AVRO ARROW) CANCELLATION

170.

PCO

Extract from Cabinet Conclusions

SECRET

Ottawa, February 14th, 1959

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
The Minister of Public Works and Acting Minister of Defence Production (Mr. Green),
The Minister of Finance (Mr. Fleming),
The Minister of Veterans Affairs (Mr. Brooks),
The Minister of Transport (Mr. Hees),
The Solicitor General (Mr. Balcer),
The Minister of National Defence (Mr. Pearkes),
The Minister of Trade and Commerce (Mr. Churchill),
The Minister of Justice (Mr. Fulton),
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 National Health and Welfare (Mr. Monteith),
The Secretary of State for External Affairs (Mr. Smith),
The Secretary to the Cabinet (Mr. Bryce).

...

ARROW (CF-105) AIRCRAFT; UNDERTAKING TO PAY
DEVELOPMENT COSTS;
DECISION TO TERMINATE DEVELOPMENT
(PREVIOUS REFERENCE FEBRUARY 10)

5. *Mr. Green*, as Acting Minister of Defence Production, stated that it was necessary to reach a decision as to whether or not a clear undertaking should be given to the Avro Aircraft Company that the government would meet the expenses involved in continuing development until notice of termination of the contract was given. The company had

noted that the costs of this development were, in fact, likely to exceed the financial limitations that had been previously set on the programme, and that, unless these financial limitations were increased, it would be necessary for them now to begin laying off personnel until such time as the contract was extended or terminated. The Minister proposed to reply saying that the company would be paid reasonable and proper costs incurred under the development contract until it was terminated.

6. *The Minister of Finance* said the Treasury Board had withheld approval of proposals of this kind in recent weeks and should not be over-ridden in this matter but should be allowed to consider it again. He noted that the board was confronted with too many such faits accomplis by ministers or departments in taking on commitments that exceeded the financial limitations that had been previously established.

7. In the discussion of this proposal, the opinion was expressed that, if this undertaking were now given to Avro, it would increase the government's expenditure undesirably on this contract; no such undertaking should be given but, instead, a decision should be taken forthwith on the termination of the development contract. On this latter proposal it was noted that the Cabinet was clearly of one mind that work on the Arrow should be discontinued. A decision on the matter had practically been taken some weeks ago, but it had been thought that the Cabinet Defence Committee should meet and discuss it again with the military advisers of the government. This had now been done and the committee had recommended termination.

8. *In further discussion the following points emerged:*

(a) When a decision was announced it would be desirable to say as much as possible about arrangements with the United States on production sharing. It was not clear why the statement on that subject had been delayed. It should be recognized, however, that it was not possible to give Parliament any firm assurance as to the scale of the orders that the United States would, in fact place under the production sharing arrangements, even though the Secretary of Defence and others in the U.S. administration were well disposed to place such orders.

(b) No member of Cabinet present was opposed to the termination of the development of the Arrow, although it was recognized that the Minister of Labour, who was not present, was impressed with the employment problem that such action would create.

(c) In the statement on this matter in September,³⁷² it had been said that development would be continued until March. It was noted, however, that the circumstances which had been spoken of in that statement had changed in the meantime, particularly in regard to the crisis over Quemoy, and the government, in the present circumstances, would be justified in deciding to terminate now the development programme.

(d) It was pointed out that the government faced a serious decision in regard to the equipment of the Air Division of the R.C.A.F. in Europe. The replacement for the F-86 in the Air Division might cost over \$500 million. In fact, no decision had yet been taken by the Chiefs of Staff or the Minister of

National Defence to recommend replacement, and it might be that missiles would be used instead, or some other course followed.

(e) It was also pointed out that the government faced the possibility that the R.C.A.F. might be using interceptor aircraft to defend Europe but not to defend Canada itself, which would be defended by American interceptors. This would create quite a political issue. On the other hand, it was noted that the R.C.A.F. would be using Bomarc's to defend Canada, and no decision was being proposed now to use aircraft in Europe. This issue was not directly related to the decision on the Arrow.

(f) It was agreed that other ministers should be present for this major decision, particularly the Minister of Defence Production. The final decision should therefore be taken on Tuesday next and Mr. O'Hurley be asked to be present, even at the cost of having to cancel his appointment in Halifax that day.

(g) A statement should be made in the House of Commons at the same time that the company was notified of the termination, and that statement should be ready when the final decision was taken on Tuesday.

9. *The Cabinet* agreed that the final decision on discontinuing the development of the Arrow (CF-105) aircraft should be taken at a meeting of the Cabinet on Tuesday, February 17th, and the decision when made should be announced forthwith to Parliament at the same time that the company was informed of it.

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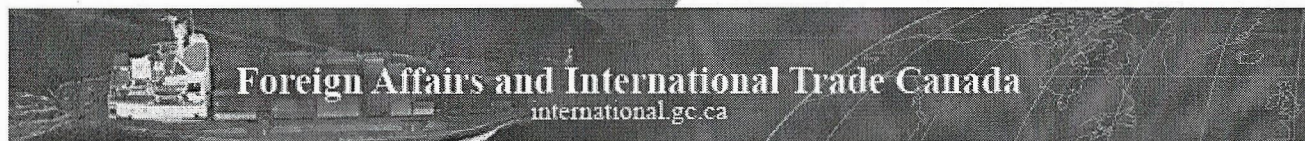
³⁷²Voir le volume 25, document 89, note 136./See Volume 25, Document 89, footnote 136.

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Volume #26 - 171.

CHAPTER IV

RELATIONS WITH THE UNITED STATES

PART 1

DEFENCE AND SECURITY ISSUES

SECTION A

CF-105 (AVRO ARROW) CANCELLATION

171.

PCO

Extract from Cabinet Conclusions

SECRET

Ottawa, February 17th, 1959

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
The Minister of Finance (Mr. Fleming),
The Minister of Veterans Affairs (Mr. Brooks),
The Minister of Transport (Mr. Hees),
The Solicitor General (Mr. Balcer),
The Minister of National Defence (Mr. Pearkes),
The Minister of Trade and Commerce (Mr. Churchill),
The Minister of Justice (Mr. Fulton),
The Minister of Citizenship and Immigration (Mrs. Fairclough),
The Minister of Fisheries (Mr. MacLean),
The Minister of Labour (Mr. Starr),
The Postmaster General (Mr. William Hamilton),
The Minister without Portfolio (Mr. Macdonnell),
The Minister without Portfolio (Mr. Browne),
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 to the Cabinet (Mr. Bryce),
The Assistant Secretaries to the Cabinet (Mr. Fournier), (Mr. Martin).

...

ARROW (CF-105) AIRCRAFT; REPORT OF CABINET DEFENCE
COMMITTEE;
DECISION TO TERMINATE DEVELOPMENT

(PREVIOUS REFERENCE FEBRUARY 14)

12. *The Prime Minister* said a draft announcement on the termination of the development contract for the Arrow had been prepared. It included a section on arrangements with the United States for production sharing and a section on the acquisition by Canada of nuclear weapons for defence. He had gone over the draft in great detail but it was not yet in the right form to be made that day.

13. *The Minister without Portfolio* (Mr. Macdonnell) reported that, the previous day in Toronto, the Premier of Ontario had spoken to him in strong terms about the effects of terminating the Arrow contract upon the municipalities in the vicinity of Malton.

14. *The Minister of Finance* said Mr. Frost had also spoken to him in pungent language about work on the Arrow being stopped. Mr. Frost had complained about so little notice being given to Avro, and had asked why other contracts could not be given to the company. He had replied that the matter had been exhaustively considered, that all possible alternatives had been reviewed, and that the decision would be taken in the light of the best military advice available. He had also told Mr. Frost that, right from the outset, it had never been said that actual production would proceed and that everyone understood that the matter was to be reviewed year by year.

15. *During the discussion the following points emerged:*

(a) The sooner the announcement could be made the better, because the decision to terminate was bound to leak out and the longer the announcement was delayed the more would be the cost.

(b) The most appropriate time for the announcement appeared to be the following Friday. This, as proposed, should refer not only to the Arrow termination but also to production sharing and to the acquisition of nuclear weapons. The Prime Minister's statement should be followed by one by the Minister of Defence Production, which would deal in greater detail with production sharing. In considering this question of timing, the possibility of a motion to adjourn the house to discuss a matter of urgent public importance should not be overlooked.

(c) It would be desirable that notes be exchanged with the U.S. to implement the agreed arrangements on sharing the costs of the new radars, gap fillers, S.A.G.E. and the two Bomarc stations in Ontario and Quebec.

16. *The Cabinet,*

(a) agreed that the development of the Arrow aircraft and Iroquois engine be discontinued, effective as of the time of announcement;

(b) that an announcement concerning this decision, the production sharing with the United States, and the acquisition of atomic weapons be made in the House of Commons, probably on Friday;³⁷³

(c) that the contractors be notified of the termination of their

contracts at the same time; and,

(d) that an agreement be made with the United States, in the form of an exchange of notes, for the implementation of the agreed arrangements on the sharing of the costs of Bomarc and S.A.G.E. installations in Canada and the associated extension of radar coverage.

...

³⁷³Le premier ministre a fait cette déclaration le 20 février 1959. Voir Canada, Chambre des Communes, Débats, 1959, volume II, pp. 1279 à 1282.

The Prime Minister issued this statement on February 20, 1959. See Canada, House of Commons, Debates, 1959, Volume II, pp. 1221-1224.

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NUCLEAR WEAPONS

SUB-SECTION I

STORAGE AT LEASED BASES IN CANADA

172.

DEA/50195-40

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WISER 72

Washington, April 9th,
1959TOP SECRET. WISER.
OPIMMEDIATE.

USA PROPOSALS RELATING TO (A) WISER PROCEDURES, (B)
THE REVISION OF THE MB-1 OVERFLIGHT AGREEMENT AND
(C) CERTAIN MATTERS RELATING TO FACILITIES IN CANADA
FOR THE STORAGE OF NUCLEAR WEAPONS

At the request of the State Department I called today on Merchant (Assistant Secretary, Bureau of European Affairs) to receive three main USA proposals with respect to the subjects indicated above. Merchant indicated that these proposals had their background in the original USA proposals of December 12, 1957 relating to the closer integration of atomic capabilities in the defence of North America (see our Telegram #2630, December 12, 1957)³⁷⁴, the meetings of consultation held in Washington November 19, 1958³⁷⁵, and the Ministerial Meetings in Paris on December 15³⁷⁶. Certain aspects of the proposals had further been discussed directly between the Chiefs of Staff of the two countries. In the light of this background and these recent discussions, Merchant handed to me for consideration by the Canadian Government the following documents:

(1) Text of a revised Schedule B dealing with the movement of aircraft across the border and with methods of clearing flights of USA service aircraft over Canadian territory (Wiser procedures). The text of Schedule B is contained in my immediately following telegram.?

(2) Text of a draft USA note on the need for revision of the M.B.-1 Overflight Agreement relating to tactical weapons which is to expire July 1, 1959. The text of this note is also contained in my immediately following telegram.?

(3) Text of a USA Aide-Mémoire setting forth the interest of the USA in the early completion of arrangements for the storage of MB-1 rockets in support of the USAF squadron at Goose Bay. This Aide-Mémoire further expresses the hope that the Canadian Government will be able to respond favourably to the USA Government's Aide-Mémoire of December 12, 1957 concerning the storage of nuclear weapons at Goose Bay for SAC. Finally the Aide-Mémoire outlines what is described as an urgent operational requirement for the storage of naval nuclear anti-submarine weapons at Argentia. The text of this Aide-Mémoire is contained in an immediately following telegram.

2. With reference to the first two items, i.e. the revision of Wiser procedures, and the MB-1 agreement, the position as outlined to us in an informal USA document may be summarized as follows:

A. Need for Revision of XYZ Procedures Governing Nuclear Overflights of Canada by SAC

(1) The present procedures cover overflights with nuclear weapons only by SAC aircraft. We believe the arrangements should be amended to cover nuclear overflights by any US military aircraft.

(2) We believe that category "X" of the procedures, concerning overflights with non-nuclear components could be eliminated, making such flights subject to the more routine clearance arrangements of Schedule A of Order-in-Council 2307.

(3) We propose to revise category "Y" clearances to permit clearances of 6-month programs to be made at the governmental level with individual flights and any modifications to the original program to be cleared in advance between the Chiefs of Air Staff.

B. Need for Revision of MB-1 Overflight Agreement - The present agreement is of an interim nature and will expire July 1, 1959. In its present form the agreement is limited to -

(1) USAF interceptors equipped with the MB-1 rocket;

(2) overflights of Canadian territory extending only as far north as the 54th parallel, and

(3) nuclear overflights under conditions of Red or Yellow alerts.

These restrictions in effect limit the capability of USAF interceptors based in Alaska and the United States to

respond effectively to an approaching hostile air attack. Therefore, we now propose to replace the present arrangement with a long-term agreement which would:

(1) continue in force for the period of operation of the North American Air Defense Command (NORAD);

(2) eliminate the term "MB-1 Rocket" in describing the nuclear weapon to be carried by USAF interceptors in view of the probable development of more advanced weapons with different nomenclatures;

(3) remove the present limitation on nuclear overflights beyond the 54th parallel to permit the overflight of all Canadian territory and landing and take-off rights from bases in Canada. Such landing and take-off rights would apply only to US interceptors launched from bases outside Canada and would not apply to USAF interceptors based in Canada;

(4) extend the authorization for such nuclear overflights of Canadian territory from conditions of Red or Yellow Alert to a condition of Air Defense Readiness declared by CINCNORAD. This would permit the interception of hostile aircraft before they had penetrated the North American Air Defense Zone.

3. With reference to the Aide-Mémoire on USA storage requirements on Canadian territory, no supplementary explanations were offered although two Pentagon officials were present to provide elucidation and to answer questions.

4. In view of the history of the matters raised by Merchant and the need to study carefully the new USA proposals, I said simply that they would be forwarded to you for consideration and study and that we might wish to consult with USA experts on the problems raised in the interest of clarification when we had an opportunity of examining these requests carefully.

5. Your early comments on the foregoing would be appreciated. Copies of these messages are being sent for information to the Chairman of the Canadian Joint Staff.

[A.D.P.] HEENEY

³⁷⁴ Voir/See Volume 25, Document 26.

³⁷⁵ Voir/See Volume 25, Document 133.

³⁷⁶ Voir/See Volume 25, Document 135.

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173.

DEA/50195-40

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WISER 74

Washington, April 9th,
1959TOP SECRET. WISER.
OPIMMEDIATE.

Reference: Our Tel Wiser #72, April 9, 1959.

TEXT OF USA AIDE-MÉMOIRE RE STORAGE OF MB-1
ROCKETS
IN SUPPORT OF USAF SQUADRONS AT GOOSE BAY

Following is text of a USA Aide-Mémoire dated April 9, 1959 setting forth the interest of the USA in the early completion of arrangements for the storage of MB-1 rockets in support of USAF squadrons at Goose Bay, Begins:

/p>"Discussions have recently taken place between military representatives of the United States and Canadian Governments during which the desirability of immediate fulfillment of a NORAD requirement for storage of MB-1 rockets in support of a NORAD F-89 (U.S.) squadron at Goose Bay was mutually recognized. The United States Government endorses this conclusion of the military representatives and, further believes that such other nuclear air defense weapons as are necessary to meet NORAD

requirements from time to time should also be deployed at Goose Bay. The United States Government trusts that the Canadian Government will concur in these proposals and, upon notification to that effect, the United States is prepared to proceed immediately with the deployment of MB-1 rockets at Goose Bay.

In addition, the United States Government hopes that the Canadian Government will be able to respond favorably to the United States Government's Aide-Mémoire of December 12, 1957, concerning the storage of nuclear weapons at Goose Bay for the purpose of maintaining the operational effectiveness and readiness of the United States Strategic Air Command.

It has also been determined that there is an urgent operational requirement for the storage of naval nuclear anti-submarine weapons at the United States Naval Base in Argentia, Newfoundland, and the United States Government trusts that this requirement will be able to be fulfilled in the very near future.

It would seem to the United States Government that in view of the recognized desirability of meeting these mutual defense objectives as quickly as possible that the two Governments should proceed with the implementation thereof without awaiting the formal conclusion of other pending arrangements on atomic matters." Text ends.

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174.

DEA/50210-F-40

*Memorandum from Head, Defence Liaison (1) Division,
to Under-Secretary of State for External Affairs*

TELEGRAM WISER 74

Ottawa, June 9th, 1959

SECRET

**STORAGE OF NUCLEAR WEAPONS FOR UNITED STATES AT
GOOSE BAY AND HARMON AIR FORCE BASES**

This subject is likely to come up for discussion at your meeting today with General Foulkes and Mr. Bryce.³⁷⁷ General Foulkes, in his memorandum of June 4 to his Minister, a copy of which you have, indicated that a draft agreement on this matter might be ready for the Government's consideration within two weeks. He recommended that consideration be deferred on the United States request for permission to store SAC weapons at Goose Bay and nuclear anti-submarine weapons at Argentia.

2. The most recent United States approach on this subject was reported in Washington's telegram WISER 74 of April 9, a copy of which is attached. It might be useful to recall briefly the history of the Government's consideration of this and related United States proposals. The original United States approach was made in December, 1957. At that time, the United States sought permission to store SAC weapons at Goose and sought political clearance for discussions in

both civilian and military channels of problems connected with the "closer integration of Canada-United States atomic capabilities in continental air defence." The United States proposals were first considered by Cabinet on January 10, 1958.³⁷⁸ Ministers agreed that the United States Government be informed that the Canadian Government agreed that there might be further discussions between Canadian and United States officials without prejudice to any future decisions of the Canadian Government concerning the closer integration of atomic capabilities in continental defence and the deployment of nuclear weapons to existing storage facilities. Again, on April 28, 1958, Cabinet considered the question and again deferred decision "pending further consideration of the issues involved and further discussions with the United States authorities required."³⁷⁹ The last time these questions were considered formally by Cabinet was on October 15, 1958. Again the Cabinet authorized the continuance of negotiations on the understanding "that every effort be made to ensure that the Canadian Government or its designated representatives would also have to authorize the use of these weapons in or over Canada by United States as well as by Canadian forces."³⁸⁰

3. The other important Government action in this respect was the Prime Minister's statement in the House on February 20, 1959, in which he indicated that the Government was examining with the United States Government "questions connected with the acquisition of nuclear warheads for BOMARC and other defensive weapons for use by the Canadian forces in Canada and the storage of warheads in Canada." There is attached the important paragraph from that statement which deals with the problem of control.

4. It is evidently the intention of the Chairman, Chiefs of Staff, to seek separate Cabinet consideration now of the United States request for permission to store nuclear weapons at Goose and Harmon for use by the USAF interceptor squadrons there, and not to present Cabinet at the same time with problems connected with the acquisition of nuclear weapons for use by Canadian forces.

5. We understand that the draft agreement spoken of in General Foulkes' memorandum of June 4 is essentially a technical document. His office is currently discussing with the Atomic Energy Control Board and the Departments of Mines and Technical Surveys, National Revenue and Trade and Commerce, the legislative requirements for the import and export of fissile material. Other features of the agreement are likely to be concerned with safety features at the storage facilities, financing of the facilities, and the requirements that Canadian personnel guard the facilities. We have picked up this information orally, but have not seen the draft document. It is not clear to us what provisions, if any, are to be included in it concerning control of the use of these weapons.

6. It is this feature of the proposed arrangements, i.e. control of use, to which you may wish to devote most of your attention. One obvious method of dealing with the question would be to adopt the philosophy underlying the MB-1 Overflight Agreement. That agreement, as it stands, applies only to interceptors based in the United States. It would not, presumably, be too difficult to have its provisions apply to USAF interceptors based in Canada. If this were the case, it

would mean that the Canadian Government would give CINCNORAD or his designated representative advance authority to use defensive nuclear weapons from Canada bases in specified conditions of air defence alert. The "designated representative" in this case is likely to be a Canadian since NORAD air defence operations from Goose and Harmon come within the sub-area controlled by the RCAF Air Defence Command at St. Hubert.

7. Ideally, the political authorities in both Canada and the United States should hold the tightest practical rein possible on the military Commanders' use of atomic weapons. On the other hand, there is the requirement seen by the military to clear away in advance as many obstacles as possible to the unfettered use of the best weapons at their disposal to meet an enemy attack. This problem of the relationship between political and military authority existed even when technological factors allowed for relatively leisurely decisions. It becomes ever more pointed as the speed of modern means of weapon delivery increases. In this particular case, it is further complicated for Canada by the fact that certain features of the system are under the control of a foreign government. It is difficult to maintain the position with any degree of realism that the use of nuclear warheads in a purely defensive role in an emergency should have to wait for specific authority from civilian Ministers.

8. There are other presentational problems involved for the Government in decisions taken to permit the storage of nuclear weapons for United States use in Canada, but these will be apparent to Ministers without any special advice from officials.

PAUL TREMBLAY

³⁷⁷On a pas retrouvé d'enregistrement de la rencontre./A record of this meeting was not located.

³⁷⁸Voir/See Volume 25, Document 34.

³⁷⁹Voir/See Volume 25, Document 55.

³⁸⁰Voir/See Volume 25, Document 95.

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STORAGE AT LEASED BASES IN CANADA

175. DEA/50046-B-40

*Memorandum from Under-Secretary of State for External
Affairs
to Secretary of State for External Affairs*

TOP SECRET

Ottawa, July 31st, 1959

125TH MEETING OF THE CABINET DEFENCE COMMITTEE,
AUGUST 4, 1959

*ITEM 1 - Storage of Defensive Nuclear Weapons at Bases in
Labrador and Newfoundland for Use of United States Air
Force Squadrons.*

The attached submission on this subject by the Minister of National Defence has been discussed at length with officials of this Department. The substance of the question, i.e., the extension of nuclear weapons to Canadian soil, has been discussed on three previous occasions by Cabinet, on January 10, April 28 and October 15, 1958. On each occasion Cabinet deferred decision pending further consideration of the issues involved.

2. The other important government action in this respect was the Prime Minister's state-ment in the House on February 20, 1959, the most relevant sections of which are included in National Defence's submission. The full text of the Prime Minister's remarks at that time is attached? for your convenient reference. The relevant portion begins at the

bottom of page 5 of the attachment.

3. The "negotiating draft" attached as "Appendix B" to National Defence's submission was prepared in consultation with this Department and contains, I believe, the minimum essential conditions to ensure Canadian participation in the control of use of the weapons. The draft is as well consistent with the Prime Minister's statement of policy of February 20. It is this feature of the proposed arrangements, i.e., control of use, to which you may wish to devote most of your attention in the course of the Cabinet's consideration of the paper. The military need for the provision of defensive air-to-air nuclear weapons has been fully established. In addition, the Canadian Government has already, in the MB-1 Overflight Agreement, given its advance authority for the use from bases in the United States of defensive nuclear weapons in Canadian airspace in conditions of grave emergency. It can be argued with a good deal of force that the United States proposals dealt with in the submission are simply a logical extension of the agreement already given by the Canadian Government for use under certain circumstances of similar air-to-air missiles in Canadian airspace.

4. The distinguishing feature, however, is that, for the first time, nuclear weapons would be stored on and used from Canadian territory, albeit in a strictly defensive role and only when there was no doubt that an attack had been mounted against Canadian territory. This significant factor has led me to attempt to set out briefly the worries which I have felt for some time about the gradual drift of the Western Alliance toward a position where nuclear weapons are coming to be considered as conventional. I am therefore attaching a brief outline of my thinking on the policy implications of what may be called the "domestication" of nuclear weapons. These general thoughts have some relevance to the particular decision which Cabinet is being asked to take. I wish to emphasize, however, that I believe that the recommendation in this particular instance from National Defence is justified and, if approved, will strengthen the common defences of North America.

5. *The Prime Minister*, in his February 20 statement, said he would inform the House within the limits of security of the general terms of understanding which could be reached between the Canadian and United States Governments on the "acquisition of nuclear warheads for BOMARC and other defensive weapons for use by the Canadian forces in Canada and the storage of warheads in Canada." In the circumstances, I would recommend that public mention be made of the storage of nuclear weapons for American use at Goose Bay and Harmon whenever final agreement between the two Governments is reached on the terms and conditions of such storage. My recommendation in this regard is based on my assessment of the significance of the first occasion on which nuclear weapons are stored on Canadian territory. I would have serious doubts that such a development could be kept secret for any length of time. I am inclined to believe, therefore, that if public reference is to be made to the storage, the wisest course would be to release the texts of the exchange of notes between the two Governments concerning that storage. This is an instance in which presentational factors may be equally, if not more important, than military factors.

6. There is one further idea concerning the immediate

proposal for storage of weapons at Goose which I would like to draw to your attention. It concerns the question of whether or not Canada should seek to share with the United States responsibility for the release of the atomic weapons from storage - in other words, the "double key" formula.³⁸¹ A change in United States atomic legislation probably would be required if Canada were to insist on this point, and that may constitute the major stumbling block. We are, however, inclined now to believe that such a Canadian stand should not necessarily be an impossible task for the United States. We already insist that joint responsibility must be shared by the two Governments for the use of the nuclear weapons, and we have no reason to believe that the United States will object. If the United States is prepared to share control over the use of the weapons, why should there be United States objection to joint control over release of the warheads from storage? If a United States concession were made in this latter regard, it might ease the problem of the Government in domestic terms to some degree at least. To put the question in Canadian terms - why should there be any greater infringement of Canadian sovereignty (by reason of United States custody of the nuclear stockpiles) than is absolutely necessary and consistent with Canadian Government policy as stated by the Prime Minister? The "double key" formula would not require the United States to reveal to Canadians the secrets of the construction of the weapons which are denied by United States atomic legislation. It would, however, permit the Canadian Government to argue more forcibly that we did, in fact, share joint responsibility for the control and use of these weapons with the United States. Such a stand might as well make some small contribution to the change in the climate of opinion which I have dealt with in my attached paper on policy considerations related to nuclear weapons.

7. I suggest that if the Cabinet Defence Committee sees merit in this "double key" formula, we should be authorized to explore the possibility of its implementation with the United States authorities, but that we should not necessarily insist upon it is this instance if the United States can make a legitimate case to prove its unworkability.

N.A. R[OBERTSON]

[PIÈCE JOINTE/ENCLOSURE]

*Note du ministre de la Défense nationale
pour le Comité du Cabinet sur la défense*

*Memorandum from Minister of National Defense
to Cabinet Defence Committee*

CDC DOCUMENT No. D-8-59

Ottawa, July 24, 1959

TOP SECRET

STORAGE OF DEFENSIVE NUCLEAR WEAPONS AT BASES IN
LABRADOR
AND NEWFOUNDLAND FOR THE USE OF UNITED STATES AIR
FORCE SQUADRONS

1. It will be recalled that at the meeting of Cabinet on 15 October 1958, the Cabinet noted the report of the Minister of

National Defence on the proposed negotiations with the United States for the acquisition and storage of defensive nuclear weapons and warheads in Canada.

2. The anticipated requirements and proposals were listed as follows:

- (a) nuclear warheads for BOMARC missiles stationed in Canada;
- (b) storage of nuclear air-to-air rockets for use by the RCAF in Canada;
- (c) storage of nuclear anti-submarine weapons for Canadian and United States use in the North Atlantic;
- (d) nuclear warheads for LACROSSE weapons stationed in Europe; and
- (e) storage of nuclear air-to-air weapons for United States use at Goose Bay, Labrador.

3. The Prime Minister, in his announcement of Government policy on Air Defence, made in the House of Commons on 20 February 1959, stated:

"Believing that the spread of nuclear weapons at the independent disposal of individual nations should be limited, we consider that it is expedient that ownership and custody of the nuclear warheads should remain with the United States. The requirements of Canadian and United States legislation on atomic energy will continue to apply, and there will be no change in Canada's responsibility to regulate all flights of aircraft over Canadian territory.

Our two governments have assumed joint responsibility for the air defence of Canada and the continental United States, including Alaska, and have implemented their responsibilities through the establishment of the North American Air Defence Command. The Canadian government exercises with the United States government joint responsibility for the joint operations of the command, including the use of defensive nuclear weapons if necessary. In the event that these defensive weapons are made available for use by NORAD, they could be used only in accordance with procedures governing NORAD's operations as approved in advance by both governments. Such weapons, therefore, would be used from Canadian territory or in Canadian air space only under conditions previously agreed to by the Canadian government."

4. *The United States Chiefs of Staff* have approved in principle the provision from United States holdings of defensive nuclear weapons for the use of Canadian forces and negotiations are now taking place to work out the necessary proposals, which will be submitted to Cabinet Defence Committee for approval in due course.

5. It will be recalled that, by an exchange of notes of 30 June 1959, the Government agreed to US interceptor aircraft armed with nuclear missiles being allowed to operate from US bases through Canadian airspace under conditions of an impending attack. It is now thought advisable to give consideration to the arrangements necessary to allow the

two US interceptor squadrons now stationed in Canada in support of NORAD, to operate under similar conditions.

6. In an aide mémoire of 9 April 1959, the US authorities requested permission to stockpile certain nuclear weapons at bases in Canada for the use of the United States forces. A copy of the aide mémoire is attached as Appendix "A".³⁸² In this US aide mémoire of 9 April were included the following proposals:

(a) the storage of air-to-air defensive missiles at Goose Bay, Labrador;

(b) the storage of anti-submarine weapons at Argentia, Newfoundland, for Canadian and US use;

(c) the storage of nuclear weapons at Goose Bay, Labrador, for the use of the US Strategic Air Command aircraft which may land at Goose Bay.

Since forwarding this request, the US military authorities have also requested authority for the storage of nuclear air-to-air missiles at the US leased base at Harmon Air Force Base, Newfoundland, for the use of the US Air Defence squadron stationed there.

7. As certain details of the storage of nuclear anti-submarine weapons for use of the US forces and for the storage of weapons for the Strategic Air Command are not yet available for examination, it is not proposed to put forward these proposals at this time. There is, however, an urgent requirements for consideration of the storage of nuclear air defence weapons in Newfoundland and Labrador for use by the two US interceptor squadrons assigned to NORAD.

8. These two interceptor squadrons, one deployed at Goose Bay, Labrador, and the other at Harmon Air Force Base, Newfoundland, are under the operational control of the Commander, Northern NORAD Region, St. Hubert, Quebec, and represent his capability to defend the northeastern air approaches to North America.

9. The squadron at Goose Bay now has the capability to carry air-to-air missile weapons and the squadron at Harmon will shortly have such a capability. However, maximum advantage of this qualitative improvement to our air defence capability and optimum effectiveness of these NORAD-assigned squadrons can only be obtained if air-to-air nuclear weapons are stockpiled at Goose Bay and Harmon, ready for immediate use.

10. The weapons to be carried by these interceptors will initially be the MB-1 air-to-air atomic rocket and it is proposed that this agreement will cover storage of this weapon and any future development of nuclear air-to-air defensive weapons accepted by NORAD for the defence of North America.

11. It is understood that storage facilities for these weapons are already in existence on the property leased by the US government at Goose Bay and Harmon and in any case the provision of storage facilities will be entirely the responsibility of the US government.

12. Physical security for the storage sites will be the responsibility of the US government and they will provide the necessary safeguards against accidental explosion and for the protection of lives and property.

13. The delivery of these weapons to Goose Bay and Harmon will be governed by the conditions of the Canadian regulations governing overflight of Canada by aircraft carrying nuclear weapons and components. Use of the weapons and the flights of interceptor aircraft carrying these weapons in Canadian airspace will be subject to the same conditions as apply to United States aircraft stationed outside Canada, as detailed in the Interceptor Nuclear Over-flights Agreement of 30 June, 1959.

14. It is proposed that this agreement continue in force as long as the Interceptor Nuclear Overflights Agreement of 30 June, 1959, remains in force.

15. It has been ascertained that appropriate authority for importing and exporting nuclear weapons and for the storage of such weapons in Canada by US forces can be obtained from the Canadian government department concerned without change in existing regulations.

Recommendations

16. *The Chiefs of Staff* recommend, and I concur, that approval be given to the request by the United States Government to stockpile Air Defence Nuclear Weapons at Goose Bay, Labrador, and Harmon Air Force Base, Newfoundland, for the use of United States Air Force squadrons under control of NORAD and under conditions as specified above.

17. If approval is given, the terms and conditions will be negotiated with the US Government and agreed to by an exchange of notes. A draft copy of a proposed Canadian note to the US Government is attached as Appendix "B".

[GEORGE PEARKES]

[PIÈCE JOINTE 2/ENCLOSURE 2]

APPENDICE " B " / APPENDIX "B"

*Projet d'une note du secrétaire d'État aux Affaires
extérieures
pour l'ambassadeur aux États-Unis*

*Draft Memorandum from Secretary of State for External
Affairs
to Ambassador in United States*

SECRET

[Ottawa], July 29, 1959

STORAGE OF DEFENSIVE NUCLEAR WEAPONS AT GOOSE
BAY
AND HARMON AIR FORCE BASE
NEGOTIATING DRAFT

I have the honour to refer to discussions between

representatives of the Canadian and United States Governments concerning the strengthening of the continental air defences by a gradual increase in the numbers of air defence weapons with nuclear capability. These discussions have taken into account recommendations by CINCNORAD as to the immediate military requirement for the storage at certain points in Canada of nuclear air-to-air defensive weapons.

Recognizing the need to strengthen the continental air defences against the threat which exists, and realizing that the full potential of air-to-air defensive weapons is achieved only when they are armed with nuclear warheads, the Canadian Government is prepared to permit the storage of nuclear air-to-air defensive weapons in Canada in accordance with the conditions set out in the attached Annex.

I have the honour to propose that if these conditions are acceptable to your Government, this Note and your Reply shall constitute an Agreement between our two Governments, to take effect on the date of your reply.

[ANNEXE/ANNEX]

SECRET

1. The weapons under consideration are such defensive nuclear air-to-air weapons as may from time to time be made available to the forces under the command of CINCNORAD.
2. These weapons will be stored at Goose Bay, Labrador, and Harmon Air Force Base, Newfoundland. The cost of the establishment, maintenance and operation of the storage facilities shall be the responsibility of the United States Government.
3. Physical security for the storage sites will be the responsibility of the United States Government. Safeguards in the design and handling of these air defence weapons to minimize the possibility of accidental explosion and to afford the maximum protection of lives and property will be the responsibility of the United States Governments and will be acceptable to the Canadian Government.
4. Ownership and custody of the nuclear warheads shall remain with the United States Government in accordance with United States law.
5. Transportation to or from storage facilities of these weapons and warheads through Canadian airspace will be governed by Canadian Government regulations. Import and export of these weapons will be subject to Canadian Government regulations, and detailed procedures will be negotiated between the appropriate Government Departments.
6. Joint responsibility for the use of these weapons will be shared by the Canadian and United States Governments. They will be used only in situations of grave emergency and in accordance with plans and procedures governing the operations of the North American Air Defence Command as approved by the two Governments

7. Any test firing of these weapons which may be required will take place outside of Canada.

8. The terms of this Agreement will be reviewed annually by the two Governments and may be terminated by either Government upon six months' notice.

9. Supplementary arrangements or administrative agreements between authorized agencies of the two Governments may be made from time to time for the purpose of carrying out the intent of this Agreement.

³⁸¹Note marginale :/Marginal note: not a duplicate [Norman Robertson]

³⁸¹Voir/See Document 172.

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CHAPTER IV

RELATIONS WITH THE UNITED STATES

PART 1

DEFENCE AND SECURITY ISSUES

SECTION B

NUCLEAR WEAPONS

SUB-SECTION I

STORAGE AT LEASED BASES IN CANADA

176.

PCO/C-20-9(a)-M

*Extract from Minutes of Meeting
of Cabinet Defence Committee*

TOP SECRET

Ottawa, August 4th, 1959

Present

The Minister of National Defence, (Mr. Pearkes), in the Chair,
The Secretary of State for External Affairs, (Mr. Green),
The Minister of Finance, (Mr. Fleming),
The Minister of Defence Production, (Mr. O'Hurley).
The Acting Secretary (Mr. Dewar),
The Military Secretary (Group Captain Weston).
The Chairman, Chiefs of Staff, (General Foulkes),
The Chief of the Air Staff, (Air Marshal Campbell),
The Secretary to the Cabinet, (Mr. Bryce),
The Under-Secretary of State for External Affairs, (Mr. Robertson),
The Assistant Deputy Minister of Finance, (Mr. Plumptre),
The Assistant Deputy Minister of Defence Production, (Mr. Hunter),
The Assistant Secretary of the Treasury Board, (Mr. MacNeill).

1. *The Minister of National Defence* said that the Prime Minister was unable to be present for the meeting, but that he had read the papers on the agenda items and had expressed the wish that the Committee consider them.

I. Storage of defensive nuclear weapons at bases in Labrador and Newfoundland for the use of United States Air Force squadrons

2. *The Minister of National Defence* recalled that on October 15th, 1958, the Cabinet had noted the report of the Minister

of National Defence on the proposed negotiations with the United States for the acquisition and storage of defensive nuclear weapons and warheads in Canada. The Prime Minister had informed the House of Commons on February 20, 1959 that the government was examining with the U.S. government questions connected with the acquisition of nuclear warheads for Bomarc and other weapons for use by the Canadian forces in Canada and in Europe, and the storage of warheads in Canada. The Prime Minister had said the government believed that, in the interests of limiting the spread of nuclear weapons at the disposal of individual nations, the ownership and custody of the nuclear warheads should remain with the United States.

Nevertheless, in the event that defensive nuclear warheads were made available for use in Canada by forces under the command of CINCNORAD, they would be used from Canadian territory or in Canadian air space only under conditions previously agreed to by the Canadian government. The United States Chiefs of Staff had approved in principle the provision of defensive nuclear weapons for the use of Canadian forces and the necessary negotiations were now being carried out.

At its last meeting, the Committee had agreed to permit U.S. interceptor aircraft armed with nuclear missiles to operate from U.S. bases through Canadian air space under conditions of impending attack. It was now thought advisable to give consideration to the arrangements necessary to allow the two U.S. interceptor squadrons now stationed in Canada in support of NORAD, to operate under similar conditions.

In an aide mémoire of April 9, 1959, the United States had requested permission for the storage of nuclear weapons in Canada as follows,

- (a) the storage of air-to-air defensive missiles at Goose Bay, Labrador;
- (b) the storage of anti-submarine weapons at Argentia, Newfoundland, for Canadian and U.S. use;
- (c) the storage of nuclear weapons at Goose Bay, Labrador for the use of the U.S. Strategic Air Command aircraft which might land at Goose Bay.

Subsequently, the U.S. military authorities had also requested permission to store nuclear air-to-air missiles at Harmon Air Force Base, Newfoundland, for the use of the U.S. Air Defence Squadron stationed there. It was not proposed at this time to seek a decision on the request to store in Canada nuclear anti-submarine weapons or nuclear weapons for the use of the Strategic Air Command, but there was an urgent requirement for consideration of the storage of nuclear air defence weapons for the use of the two U.S. interceptor squadrons assigned to NORAD and stationed at Goose Bay, Labrador and Harmon Air Force Base, Newfoundland.

The squadron at Goose Bay, Labrador had now the capability to carry air-to-air missile weapons, and the squadron at Harmon would soon have that capability. But the maximum effectiveness of these squadrons could be obtained only if air-to-air nuclear weapons were stockpiled at the two bases ready for immediate use. It was understood that storage

facilities were already in existence on the property leased by the United States at Goose Bay, Labrador and in any case the provision of storage facilities would be entirely the responsibility of the United States, as would physical security for the sites and the provision of safeguards against accidental explosions. The weapons to be stored would initially be the MB1 air-to-air atomic rocket, and it was proposed that the agreement should cover storage of this weapon and any future development of nuclear air-to-air defensive weapons accepted by NORAD for North American air defence. The delivery of the weapons to Goose Bay and Harmon would be governed by the conditions of Canadian regulations concerning overflight of Canada by aircraft carrying nuclear weapons and components, and the use of the weapons and the flights of interceptor aircraft carrying these weapons in Canadian air space would be governed by the same conditions as applied to U.S. aircraft stationed outside Canada as detailed in the Interceptor Nuclear Overflights Agreement of June 30, 1959. It was proposed that the agreement on storage of these air defence weapons at Goose Bay and Harmon continue in force as long as the Interceptor Nuclear Overflights Agreement remained in force.

3. *The Minister of National Defence*, on the advice of the Chiefs of Staff, recommended that approval be given to the request by the U.S. government to stockpile air defence nuclear weapons at Goose Bay, Labrador and Harmon Air Force Base, Newfoundland, for the use of U.S. Air Force squadrons under control of NORAD and under the conditions specified above.

An explanatory memorandum had been circulated.
(Minister's memorandum, July 24, 1959 - Document D8-59).

4. *Mr. Pearkes* said that a draft Note had been prepared as a basis for negotiating an agreement with the United States on the storage of nuclear air defence weapons. The Annex to the draft Note set out the proposed conditions of the agreement.

5. *During the discussion the following points emerged:*

(a) Although the Annex to the draft Note stated that joint responsibility for the use of these weapons will be shared by the Canadian and United States Governments and that they would be used only in situations of grave emergency and in accordance with plans and procedures governing the operations of the North American Air Defence Command as approved in advance by the two Governments, no specific reference was made to joint control over the removal of the weapons from storage. It was proposed that the words "the removal from storage and" should be included after "joint responsibility for" in the first sentence of para. 6 of the Annex to the draft Note, to ensure that the conditions of removal of the weapons from storage as well as of their use should be a matter of joint decision by Canada and the United States. As an alternative it was suggested that in place of insisting on conditions of joint removal from storage, the United States should be requested to advise the Canadian government prior to a decision being taken to release the weapons from storage.

(b) For greater clarity, the second sentence in para. 3 of the Annex to the draft Note should be amended to read:
"Safeguards ... will be the responsibility of the United States Government and will be subject to approval by the Canadian

Government."

(c) It had been agreed by Canada and the United States that nuclear air defence weapons would not be released for use until after a state of maximum Air Defence Readiness had been declared by CINCNORAD. The declaration of such a state of readiness would not normally be made without consultation between the two governments, but CINCNORAD had authority to make the declaration himself under emergency conditions, if hostile aircraft had penetrated the air defence system. The decision whether to use nuclear air defence weapons, after the declaration of the state of Maximum Air Defence Readiness had been made, would also be a subject for consultation between the two governments. Some Ministers believed that this decision should not be taken without the agreement, for Canada, of the Prime Minister or the Acting Prime Minister, and were of the view that this safeguard was necessary to prevent unjustified use of the weapons. It was pointed out, on the other hand, that if the agreement of the Prime Minister or the Acting Prime Minister were necessary before the weapons could be used, the Ministers concerned would need to exercise great care and be subject to considerable inconvenience in order to ensure that they would be available to approve the decision in the very short time available. In any case, it was doubtful whether, under emergency conditions, U.S. authorities would delay taking what they thought was necessary action in regard to their use of nuclear weapons even if Canadian approval had not been given. It might be better to set out very carefully beforehand the conditions under which CINCNORAD could himself take the decision whether to use these weapons. It did not seem possible that a mistaken release of these weapons could precipitate a nuclear war, because they could be used only over North America if enemy bombers had committed a hostile act or penetrated many miles of Canadian air space.

(d) It would be unwise to make public the Annex to the draft Note because it designated the locations of the weapons storage sites in Canada, which would surely be important targets for an enemy. On the other hand, the disclosure that physical security of the sites in Canada would be a U.S. responsibility, without stating where the sites were, might create unjustified public concern. It was considered that the undertaking of the Prime Minister to give the House of Commons what information could be disclosed within the limitations of security could be carried out without tabling the Exchange of Notes if a statement were made on the subject in the next Parliamentary session. It would be desirable to make a statement at the same time about the arrangements made for obtaining nuclear weapons for the use of Canadian forces; for this reason, the necessity for avoiding any publicity about the agreement on storage of weapons in Canada should be impressed upon U.S. authorities.

6. The Committee agreed to recommend:

(a) that the request of the United States government to stockpile air defence nuclear weapons at Goose Bay, Labrador, and Harmon Air Force Base, Newfoundland, for the use of United States Air Force squadrons under control of NORAD, under the conditions set out in the Minister's memorandum, should be approved:

(b) that the following amendments should be made to the Annex to the draft Note:

- (i) second sentence of para. 3 to be amended to read "Safeguards ... will be the responsibility of the United States Government and will be subject to approval by the Canadian Government;"
- (ii) first sentence of para. 6 to be amended to read "Joint responsibility for the removal from storage and the use of these weapons will be shared by the Canadian and United States Governments."
- (c) that the draft Note and Annex as amended, should be used as a basis of negotiation with the United States;
- (d) that the Exchange of Notes should not be tabled in Parliament but that a statement setting out the situation, within the limitations of security, might be made to the next session of Parliament;
- (e) that United States authorities should be informed of the need for avoiding publicity on the matter at the present time.

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