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Ottawa, Feb. 22—Canada's national defense policies in general and the Royal Canadian Air Force in particular face a vastly changed and still much troubled future as a result of the Government's decision to scrap the Avro Arrow.

The decision really raised as many problems as it settled. Some will be solved, no doubt, in the defense White Paper to be tabled in the Commons in a matter of weeks. Many of them, however, tied inextricably into the question of Canadian sovereignty, will be many months, even years, in working out.

The Arrow decision was based on strategic and budgetary factors; pride and politics—submerged to a large extent in this verdict—are bound to re-assert themselves.

This much is clear for the RCAF; the end of the interceptor defense role around

which the rest of air force turned in recent years is in sight though still possibly two, three or four years away.

USAF interceptors flown either by U.S. or Canadian airmen—the personnel is a basically political decision not yet made—will fill the gap until the F-108, the chemically-fueled aircraft, is ready to supplement what will be by then the primarily missile defenses of North America.

Even the future of Canada's 12-squadron air division in Europe is in doubt for the time being. Confirmation is expected soon that it will be re-equipped with a short take-off fighter with both attack and interceptor capabilities.

Under serious consideration is the U.S. Grumman F11F Super Tiger which would replace the eight squadrons of Sabres with the air division. But whether or not this fighter

or any other the Government might select from the shelf of U.S. hardware would be produced in Canada is one of the big, burning questions of the next few months.

The answer to it is tied into the much bigger and, for Canadian industry, much more important question of sharing of general defense production.

The new agreement in principle on defense production about which Prime Minister Diefenbaker spoke hopefully Friday is couched, it is understood, in much more ambiguous and vague terms than most Canadian officials had hoped it would be.

They have had strong verbal assurances from the United States that U.S. contracts both for the two-thirds U.S. share of the Bomarc-Sage-Pinetree missile and radar complex and other defense items would come to Canada. A few of them already have. But the proof of the principle must be in the dollars spent here because the commitment is only a general one.

In fact there has been considerable speculation in the wake of Friday's announcement that the timing—six weeks before the Government's self-imposed deadline—was geared to support Canada's case as

strongly as possible in the United States where well known and extremely strong pressures are at work to keep U.S. defense dollars flowing into this country at a minimum.

The Government knew it was going to bury the Arrow; it had, in effect, killed it last Sept. 23. It also knew that regardless of the timing, the decision would trigger a tremendous outcry in this country.

With important decisions on possible contracts for Canada—one of them on the big order for Canadair's CL-44 airframes for new radar picket aircraft—to be made in Washington in the next few weeks, the hope is that the furore resulting from the Arrow sacrifice will have a considerable impact on the U.S. capital.

There were other factors; one of them, no doubt, the desire to save the money that might otherwise have been spent on Arrow work in the weeks between now and March 31. This will help Finance Minister Fleming in keeping his deficit close to the \$700,000,000 he predicted.

Another area of great impact of Friday's announcements could involve the relationships of the RCAF and this Government with the United States within the North American Air Defense Command.

From the outset Canadian officers have conceded that this country's junior partner contribution—the potential of nine home defense squadrons plus participation in radar warning lines—really didn't justify the authority exercised by RCAF officers at Norad's Colorado Springs headquarters.

Much hope and pride was staked on the Arrow bringing this situation back closer to balance—a possible indication of why Air Marshal Roy Slemon, NORAD's deputy commander, emphasized the continuing need for manned interceptors of which he said the Arrow appeared to be the best of its kind.

Now, of course, the scrapping of the Arrow seems only to

have tipped the scales more heavily in the other direction. If, as expected, the U.S. Air Force takes over the manned interceptor over Western Canada as it has on the eastern continental flank, Canada's Norad contribution within a matter of two or three years will be reduced to one-third of two Bomarc missile squadrons and their electronic supporting gear plus participation in the early warning radar systems.

The Diefenbaker Government hedged the sovereignty feature of the announced changes by negotiating recently the switch which put RCAF officers in operation control of the four major DEW line stations. But this involved only 20 officers and the administration is still being carried out by the U.S. civilian contractor with the United States still picking up the bill.

As a result, there well may be attempts to diminish the Canadian role at the top of NORAD. The U.S. Army, for instance, which has a substantial commitment to anti-aircraft missiles for the defense of U.S. cities has resented the fact that the RCAF was given such a powerful role within NORAD's highest echelons.