

# Pressure from U.S. suggested in memo on fate of Arrow

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## QUOTE OF THE DAY

"He didn't grow old with us, which makes him even more attractive." — Alabama history professor **William Barnard** examines the persistence of the John F. Kennedy aura. .... A4

## NEWS

### B.C. NDP wins by-election

The NDP easily regained a provincial seat on Vancouver Island held by the former party leader. It is the Social

BY GREGORY IP  
Special to The Globe and Mail

Pressure from the United States may have contributed to the cancellation of Canada's Avro Arrow jet fighter nearly 30 years ago, a recently discovered document suggests.

A 1960 U.S. Defence Department memorandum indicates that the cancellation of the CF-105 Arrow was a condition for the signing of the 1959 Defence Production Sharing Agreement between Canada and the United States.

The cancellation of the Arrow by John Diefenbaker, then prime minister, in February, 1959, remains controversial. The delta-winged jet interceptor was one of the most advanced fighter aircraft in the world at the time, considered by some to be 20 years ahead of its time.

Cost overruns and obsolescence were cited as the reasons for the cancellation at the time. Pressure from the United States, which had said it would never buy the aircraft for its own air force, has also long been rumored as a factor in the cancellation but always dismissed for lack of evidence.

The unsigned memo was recently obtained from the personal library of former U.S. president Dwight Eisenhower in Washington, D.C., by researcher Paul Campagna, who is a Canadian Defence Department employee and an Arrow enthusiast.

Mr. Campagna discovered the memo while conducting Arrow research at the Eisenhower library. He wrote about the discovery in the September-October edition of *Engineering Dimensions*, the official publication of the Association of Professional Engineers of Ontario.

Entitled *Memorandum on Production Sharing Program — United States and Canada*, the memo says: "Following the visit of the President

## Pressure

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to Canada in July, 1958, Canada took the following actions with the understanding that her defence industry depended largely on the U.S. channelling defence business into Canada: Cancelled the CF-105 and related systems contracts; decided to make maximum use of U.S. developed weapons, integrated into NORAD; worked with the U.S. toward a fully integrated air defence. The U.S. in turn established a Production/Development Sharing Program with Canada. . . ."

The first Arrow flew in March, 1958. In September, two months after his meeting with Mr. Eisenhower, Mr. Diefenbaker announced that the Arrow would not be put into production, although development would continue. He cancelled it outright five months later, throwing 14,000 Avro Canada Ltd. employees out of work. Many skilled engineers and scientists left Canada as a result.

The Defence Production Sharing Agreement was signed that year, and allowed firms from either country to bid on defence contracts from each other's government. From 1959 to 1986, Canada sold \$12.2-billion in products to the United States under the agreement while the United States sold \$14.6-billion worth of goods to Canada.

Mr. Campagna, an electronics engineer, said the United States may have had a motive in forcing the Arrow's cancellation if it thought the Arrow would compete with its own aircraft in export markets.

"For whatever reason, the Americans wanted the Arrow to be cancelled," Mr. Campagna said. "Was it because it was going to take business away from them if it was successful? Was it because they didn't want anyone else to have that type of aircraft?"

He said that other countries have been pressed by the United States to cancel the development of their own fighter aircraft in favor of purchasing U.S. planes. Israel, for instance, cancelled the development of its Lavi fighter at the request of the United States, and Japan was persuaded to buy U.S. F-18's rather than develop its own aircraft.

Mr. Diefenbaker appeared to have reason enough to cancel the Arrow without U.S. pressure — the cost for each plane at the time of cancellation had risen to \$3.5-million from original estimates of \$1.5-million, and development alone had already cost \$151-million.

Mr. Diefenbaker also said the advent of ballistic missiles had made interceptors obsolete, although two years after cancelling the Arrow his government announced it would buy U.S.-made CF-101 Voodoo interceptors.

But Mr. Campagna said none of this explained why the six Arrows that had already been built at the time of cancellation were hacked to pieces for scrap metal shortly afterward.