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::: Diefenbaker's Law :::



Diefenbaker's Law...is the economic law of grossly unintended and unforeseen economic fall-out which can occur when one embarks on a singular, but myopic, course of economic action.

One, of course, initiates such an action to achieve a particular positive result (to cut program costs, to save taxpayer's money, etc.), but fails to foresee the looming, and adverse link to the bigger picture. And the even greater loss, or losses that will result from the initial action!

Yes...what actually happens instead from the seemingly innocent first action...is a catastrophic negative fall-out that is huge in scope...and which was neither expected, planned for, nor wanted.

Named after then-novice Prime Minister of Canada, John G. Diefenbaker, for cost-cutting actions he led the federal government to take in regards to the Avro Aircraft Company of Canada in 1959.

Diefenbaker cancelled all Avro Canada military projects which mostly included (but were not limited to) the Avro Arrow interceptor and the Orenda Iroquois jet turbine engine...to save taxpayers a few bucks.

Unfortunately, Avro...only had military contracts!

The fall-out from this singular cancellation would obviously be enormous, since the federal government of Canada was the chief purchaser of the company's offerings.

No contracts, no work, no choice!

Avro Aircraft of Canada immediately laid their whole workforce off, only three hours after the federal government's chilling announcement.

So, on the very day of Diefenbaker's cancellation...**fourteen thousand** bewildered Avro employees are dismissed by Avro.

An additional 11,000 employees in supportive aerospace companies are also laid off within days...and this ratchets the unemployed total up to **25,000**...in a province of only 3 million folk!

300 million taxpayer's dollars had been spent by the Canadian government on the Avro projects thus far...but because Diefenbaker opts out early...the feds are then hit with enormous penalties! Thousands of contract cancellations add another 125 million dollars to the Avro production cost—**bringing the alarming total footed by Canadian taxpayers to grand total of \$425 million!**

Twenty-seven Arrow interceptor aircraft are in various stages of completion which could have been soberly finished and sold off (and are even requested for purchase by the British and the Americans)...but, in true small-town thinker's style...all are rapidly scrapped...for the quick cash! A mere \$265,000.

Nothing says stupid...like Diefenbaker stupid!

Several prototypes of the world famous Orenda Iroquois jet engine were in the final stages of testing and a contracted purchase order for 12,000 Iroquois had been inked since 1956, but Diefenbaker shamelessly cancels this outstanding order as well!

Huh?!?!

The build Iroquois engines under licence contract ALONE would have paid all of Avro's development costs to date...for both exemplary projects! Instead, in an action that STILL SUSPENDS belief...to this very day...all existing cutting-edge Iroquois engine prototypes are also scrapped...and all existing engines torched!

But the fall-out isn't over, people.

And, as they say..."it ain't over until it's over" and the fall-out wasn't over at all...for Avro OR Canada, by any means. No sir!

Just watch what happens next!

News travels fast in the aviation industry.

Avro Canada's unexpected demise travels to all four corners of the earth. The same day.

It's the new Olympics, folks.

How fast can aviation and aerospace companies make it to Toronto, and poach former Avro employees?

The race is on!

The very first...and historically biggest 'brain drain' occurs in Canadian history as Canada's most skilled and most creative research and development engineers ever, EVER!...leave Canada heading to new jobs, and to parts unknown, all over the globe.

They will never return.

These departees will become project leaders on several of the US space programs including the one that puts America in space first...and then on the moon. Some go on to assist in development of the Concorde, and various American and British civil and military classics. A working flying saucer was even created.

Diefenbaker must live with the Arrow cancellation debacle for the rest of his life. John G. is openly mocked wherever he goes. More than one attempt is made on his life. And its all because of the Arrow.

The hugest of Canadian losses is never forgotten as Diefenbaker becomes the most hated Canadian in history! The trashing of the Arrow is still heartily felt by Canadians, even five decades later. Books, documentaries, movies, and conspiracy theories haunt searching Canadians who still try to comprehend what exactly went wrong at Avro Canada.

All—to no avail.

Diefenbaker only intended to cut some defence spending...to save a few bucks...but he ended up wracking up an additional 50 per cent in taxpayer-incurred expenses and unravelled Canada's aerospace industry to boot!

Canada would never recover.

At the end of the day we had no Arrow, no Iroquois, no engineers...and a \$450 million price tag with ABSOLUTELY NOTHING to show for it!

All good moves, Dief! Only you, buddy, only you...