

Fear Arrow Decision To Cost \$150,000,000 Wonder Who Pays

Canadians will never know if they had the "hottest" aircraft in the world in the needle-nosed, delta-winged Avro Arrow.

But one thing is certain. The cost of the Arrow and its abandonment will continue as the hottest political controversy of the post-war years.

About \$400,000,000 was spent to produce five flying Arrows and a sixth was perched ready for flight when Prime Minister John Diefenbaker shot down the entire project.

The original Arrows easily hit 1,220 mph in a climb. But they were only a test vehicle for the aircraft the RCAF wanted—the vaunted Mark II. It was the Mark II Arrow, an all-Canadian craft, that was expected to knock the world's speed record of 1,404 mph for a loop. Its Canadian-built Iroquois engines were 25 per cent. more powerful than the U.S.-built Pratt and Whitney J-75 engines of the prototype Arrows.

Ready to Fly

The Mark II was that sixth plane and was scheduled for its maiden flight in a few days. It was rated a Mach 3 aircraft; that is, its expected speed was anywhere from 1,800 to 2,000 mph.

It is estimated that 120,000 men, women and children depended on the millions being poured into the Arrow project. There were 8,760 employed at A. V. Roe's Avro Aircraft plant in Malton and another 5,000 across the highway in the sister Orenda Engines operations.

But across the nation another 10,000 to 15,000 workers were employed in 650 firms who were sub-contracting or supplying the Arrow's insatiable demand for new metals and electronic and technological know-how.

Many in Scarboro

Officials of Lucas-Rotax, Scarboro, electronic instrument manufacturers for the Arrow program, said that a decision will be made at the first of the week after the cancellation of contract is received from Avro. Some 800 persons are employed by Lucas Rotax and it is expected that 400 of them will be discharged as a result of the Arrow decision.

Supported Thousands

These highly skilled and well-paid workers, with their families, supported, in turn, in services and taxes, jobs for thousands of others.

Toronto township alone counted on the sprawling Avro complex for \$16 out of every \$100 it raised in taxes. Every new hospital or community centre in the mushrooming communities radiating out from Canada's biggest single employer on one site expected donations from the company.

In grounding the Arrow, Mr. Diefenbaker has not stopped the cost of the ambitious project ordered by Rt. Hon. C. D. Howe, former minister of trade and commerce, and carried reluctantly until yesterday by the Conservative government.

It is estimated that Ottawa may have to pay up to \$150,000,000 more before the Arrow is completely interred.

Must Settle

In terminating the Arrow and Iroquois contracts, the government left hundreds of plants from coast to coast with components for the supersonic fighter in various degrees of construction. A settlement must be made with these firms for their commitments.

One aviation authority estimated these termination costs conservatively at \$100,000,000.

The government has about \$50,000,000 available to settle with these companies in defence department estimates for the Avro project.

The setting aside of only \$50,000,000 for the Arrow was the tip-off that Mr. Diefenbaker had made up his mind the Arrow was finished. But to the end, Avro officials were confident the government would increase its production order of 37 aircraft to about 100 and allow the Malton firm to continue research and development on the Arrow to ensure it was second to none.

"Can't Make Friges"

But the biggest demand on the Conservative government will come from the British-transplanted aviation firm which propelled Canada into the supersonic jet age.

Avro has about \$50,000,000 of specialized equipment that cannot be turned into manufacturing of aluminum pots and pans. Explained one Avro official: "You can't make refrigerators with a 704 electronic computer."

Recently Avro spent \$7,000,000 in the construction of a bastille-like building to test the ear-shattering Iroquois engines. Another \$5,000,000 was spent in expanding the aircraft plant to handle the Arrow production line.

By BRUCE MacDONALD
Star Staff Correspondent

Ottawa, Feb. 21 — Growing uncertainty about the future of Canada's air defences emerged today in the wake of the government order to scrap the supersonic Avro Arrow.

After months of study, there was still no decision from the government on whether to erect missile bases across Canada to take the place of the CF-105 as a defence against the manned bomber or wait hopefully for the development of some defence against the major threat to North America, the intercontinental ballistic missile.

CF-100 Remains

Last December the government agreed that two Bomarc ground-to-air guided missile bases should be established in Northern Ontario and Quebec. Yesterday's statement in the Commons by the prime minister made no mention of extending the missile barrier across the country.

Mr. Diefenbaker did announce that the nuclear warheads for all Canadian missiles for use on land, sea and air will remain under the "ownership and custody" of the U.S. It follows that the nuclear firepower of Canadian forces in the future may only be used with the consent of U.S. military authorities.

The prime minister told the Commons the government had taken no decision to replace the CF-100 now in operation with the nine RCAF fighter squadrons across Canada.

Mr. Diefenbaker maintained the CF-100 is "still an effective weapon" against the bomber. Experts acknowledge, however, it is rapidly becoming obsolete.

Both Defence Minister Pearkes and Air Marshal Roy Slemon, RCAF deputy chief of NORAD, have contended that fighter planes will be required

for the defence of North America for several years to come.

To Replace RCAF?

There is a strong possibility that U.S. squadrons equipped with supersonic fighters will be moved into existing Canadian bases, to replace the RCAF CF-100 squadrons in a few years. This is made all the more likely by the fact that Canada and the U.S. are now engaged in extending the Pine-tree radar line northward for control of both the Bomarc missiles and fighters.

"Potential aggressors now seem more likely to put their

effort into missile development than into increasing their bomber force," the prime minister continued.

Neither the Bomarc nor the Arrow constitutes a defence against the ICBM, but only against the manned bomber. The crucial and unsolved problem that faces the government is whether to erect substantial numbers of missile bases across Canada to meet this rapidly diminishing threat.

Although both Canada and the U.S. are working on a counter-ICBM defensive weapon, at present there is no known defence against it.

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