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### Broken Arrow

By National Aviation Museum, June 28, 1999

#### BROKEN ARROW

Excerpts from the Parliamentary Debates  
On the Termination of the CF-105

Edited from Hansard by Michal Ann Crawley

#### Note to Readers:

These debates have been severely edited. An effort has been made by the editor to create a natural flow while being fair to all participants and major arguments. In doing so, many informative discussions on Canada's broader defence picture -- especially our relationship with NATO and NORAD as well as extensive discussions of the DEW and Pinetree lines have been excised in order to focus on the CF-105, its "alternative" the Bomarc missile, unemployment in the Canadian air defence production industry, and Canadian sovereignty. For a fuller understanding of the significance of these debates the editor suggests that anyone interested request the full debates as reported in Hansard. The debates took place over a two-week period, from February 23 to March 3, following the cancellation of the Arrow project on February 20, 1959. The debate was resumed briefly in early July following the disposal of the remaining Arrows.

#### Black Friday

Friday, February 20, 1959, 9:30 a.m...the Prime Minister rises in the House of Commons, Ottawa

Rt. Hon John G. Diefenbaker (Prime Minister):

Mr. Speaker, with the leave of the House, I should like to make a somewhat lengthy statement on the subject of one facet of the

national defence of Canada. The announcement I wish to make has to do with the decision regarding our air defence which was foreshadowed in the statement made by me to the press on September 23 last. The government has carefully examined and re-examined the probable need for the Arrow aircraft and Iroquois engine known as the CF-105, the development of which has continued pending a final decision. The conclusion is that the development of the aircraft and Iroquois engine should be terminated now.

Friday, February 20, 1959, 4:10 p.m.

Mr. Crawford Gordon, President, A. V. Roe Canada:

Following the Prime Minister's statement, we have received news from the government instructing us to immediately cease all work on the Arrow and Iroquois programs at Malton...Notice of termination of employment is being given to all employees of Avro Aircraft and Orenda Engines pending a full assessment of the Prime Minister's statement on our operation.

We profoundly regret this action but have no alternative since the company received no prior notice of the decision and therefore we were unable to plan any orderly adjustments.

#### THE DEBATES

1. February 23, 1959

Participants:

Mr. Hazen Argue (Assiniboia) , Leader of the Co-operative Commonwealth Federation (CCF)

Hon. Paul Hellyer (Trinity), Liberal

Hon. G.R. Pearkes, Conservative, Minister of National Defence

Hon. L.B. Pearson, Liberal, Leader of the Opposition

Rt. Hon. J.G. Diefenbaker, Conservative, Prime Minister

Hon. G. McIlraith, Liberal

Mr. Hazen Argue (Assiniboia) leader of the CCF:

Mr. Speaker, in the context of the sweeping announcement made last Friday the statement that has now been made to the house by the Minister of Defence Production is exceedingly disappointing, and I am sure will be of little comfort for the 14,000 people who were thrown out on the streets last Friday almost as unceremoniously as garbage is placed on the streets for collection...

The Minister of Defence Production does not talk about contracts of a sizable nature...He talks about potential contracts...he says that after all Canadian industry will have to compete with the Americans on a competitive basis...

In view of the loss to the Canadian economy occasioned by such steps as were taken last Friday, it is hollow and meaningless....

The Minister went on to say that we have a prime contract for the



production of certain parts of the Bomarc missile, totaling \$1.7 million. This, in my opinion, demonstrates to the country that the government has no policy; that this government is incapable of planning in the defence field, and that...the very sovereignty of the Canadian nation is today threatened because our government has not worked out an arrangement with the United States under which we could share in defence production in a realistic manner.

Hon. Paul Hellyer (Trinity):

Mr. Speaker, under ordinary circumstances it would be very appropriate on this day to discuss the history, growth and development of the Canadian aircraft industry. It is just fifty years ago today that the first powered flight of an aircraft in the British Empire was made at Baddeck, Nova Scotia, by... J.A. McCurdy in his Silver Dart. This should be a day of rejoicing. It should be a day of applause...On that day fifty years ago the sun of Canadian aviation rose in the east. Last Friday it went down...

Some of us were shocked by the government's decision to cancel the Arrow program. Most of the surprise and shock was on account of the way it was done, with no suggestion of an alternative project to take its place...

It was reassuring...to hear the Prime Minister pay tribute to the Arrow aircraft and the Iroquois engine...but he went on to say that they had been overtaken by events; that the bomber threat had diminished, and that alternative means of defence, presumably against bombers had been developed much earlier than had been expected.

It is difficult to understand how the threat from manned bombers could have diminished...I am sure... that the present inventory of Russian bombers is greater today than at any time in history...

If the alternative means of meeting the threat...is the Bomarc missile, some of us would have serious reservations about that...The Bomarc has not yet, to common knowledge, been proven, and early models have been less than satisfactory in performance...We should like to know whether it is going to provide us with some semblance of security or if it is true, as some observers have suggested, that the Russian bombers would be able to fly under these missiles, fly around them or perhaps, if they could jam the homing device which the missiles carry, fly through them safely...

The Prime Minister went on to say that in the middle sixties the missile would be the major threat and that the long-range bomber would be relegated to a supplementary role. That is consistent with what most military observers have been telling us, but these observers have also stated that the Russians would still have an inventory of between 1,000 and 2,000 bombers capable of coming over the ice cap and presenting a threat to our national survival. We have been told repeatedly that there is a continuing requirement for manned interceptors...Obviously, the government does not think so. In such circumstances the logical question is who is right, the experts or the government?...

Narrator:

Mr. Hellyer goes on to discuss the plight of Avro workers and the delay in considering alternative projects before termination, as well as our defence relationship with the Americans.

Mr. Hellyer:

When one considers that there is today more unemployment than at any time since the thirties...would [it] not have been better for the government to have negotiated some of these production sharing contracts with the United States before it canceled this program and threw these thousands of workers out on the street?...It was cruel, heartless and incredibly short-sighted.

It is not as though the government has had insufficient time for consideration. It has been in office long enough to have made up its mind. Surely 18 months - or even more, 20 - is sufficient time to evaluate the military requirements of this country, to consider our place in the North Atlantic Treaty Organization, our place in NORAD...

First of all the government should have made some arrangement for the orderly slowing down or discharge of the workers...Some of the individual cases are tragic indeed. A number telephoned me over the weekend and told of their individual circumstances. One man came out from England with his two children aged 12 and 14. He has a house on which he pays \$90 a month in respect of the first mortgage and \$35 a month in respect of the second mortgage. He has a car on which he pays \$100 a month. His gas bill amounts to \$22 a month, his telephone bill \$5 a month and his light bill \$8 a month. How can he possibly prevent personal tragedy by drawing unemployment insurance?

An hon. Member: He will simply have to lose his car.

Mr. Hellyer: An hon. Member has just commented that he will lose his car.

Mr. Benedickson: And his house.

Mr. Habel: He will lose everything.

Mr. Hellyer: Another man... was practically born and raised in the aircraft industry and had lived and talked it all his life... and now he has no place to go unless perhaps the United States...

Another man has a son in law who had his brain injured and is unable to work. This man now has as dependents his wife and daughter, his son in law and two grandchildren...Where does he go from here?

Not long ago [the Prime Minister stated that] while he was Prime Minister no person would suffer because of unemployment. We seriously wish that the Prime Minister would try to live up to that very



important undertaking...

I saw several people over the week end who said, "This is the final blow...We have been hoping; we have been dreaming. We are Canadian through to the core; we are so proud of this achievement...that we could stand on the rooftops and shout, and now the whole thing is disappearing..."

We well remember the speeches that were made about the necessity of building up our secondary manufacturing. We do not want to be hewers of wood and drawers of water; we do not want to dig holes for Bomarc squadrons; we do not want to be relegated just to cutting down trees and bulldozing boulders out of the way. We want to take our part in the community of nations, and this is what the Prime Minister held out to the Canadian people.

We not only have to talk big and speak of a great vision; we must act accordingly. Surely the vision of Canada's future is not a vision of our young scientists marching two by two to the nearest border crossing point...We want to compete with the world, and to do so we must have the technological basis on which to build and expand....national development or national disaster?...The government has canceled one great Canadian achievement. It must present some alternative plan at once if the situation is to be saved.

Hon. G.R. Pearkes (Minister of National Defence):

I cannot share in the dismal forebodings which have been expressed by the hon. member for Trinity...We are entering a new era; we are not closing a book....I am going to trace briefly...the origin and development of this particular project...

We have to think of the days when we were engaged in hostilities in Korea...We were surprised that the Russians had produced their MIG-17 which demonstrated their ability to produce a turbojet aircraft. Shortly after that the knowledge leaked out that the Russians had the atomic bomb...It became very obvious to the senior officers of the Royal Canadian Air Force...that there would have to be a supersonic jet fighter to replace the CF-100, and that requirement would have to be met by the year 1958...It was imperative that we do so, because we had no agreement with the United States. We were standing alone...

The government at that time authorized the sum of \$30 million to go ahead with the development, in the hope that they would be able to produce an aircraft that would run about \$1.5 million to \$2 million per copy for a total of some 500 or 600... In 1955, Right Hon. C.D. Howe, speaking in this house...I quote from Hansard:

I can say now that we have started on a program of development that gives me the shudders, a supersonic plane and a supersonic engine...We have invested \$30 million...Before we get through it will be \$100 million. That is a program that no other country has carried through successfully as yet.

...At that time the company was informed that while there were to be some forty CF-105 airframes produced...and 14 Iroquois engines...it was understood that the program...could be halted and abandoned at any appropriate stages if this was found to be expedient or necessary.

So even as far back as 1955 the company was informed that this was on a year to year basis...

Prior to about 1956 we had not been aware that the United States government were going into production of an aircraft similar to our CF-105. So again it was emphasized that the program...could be altered, or if necessary abandoned at any time.

Early in 1957 the Chiefs of staff reported that while the technical development was continuing satisfactorily, the program was again slipping in time and increasing in cost. The first flight was expected to have taken place in May of 1957...In fact it took place on March 25, 1958.

Then came the change of government, and after this government had had an opportunity to review the situation they continued with the program...It was definitely stated ...[that] the program might be reviewed at any time within that year; it might be stopped, canceled or altered, just as the government found the requirements demanded...

Later on August 8, 1958 I said:

In these estimates we have allocated \$175 million to the further development of this aircraft which...we have the right to discontinue...at any time...

I think that answers very clearly the doubt which may exist in some peoples' mind as to whether this company had any warning of the possibility that the development and production of the aircraft might not be proceeded with...

Mr. Pearson:

My question is: had [the minister] or any officials of his department seen the officials of the company before the announcement made last Friday, to give them some warning that this announcement was coming? Mr. Pearkes:

The officials of the company have been in Ottawa within the last two weeks. They had seen...the statements by officials of my department which were reported in the press when the estimates were tabled clearly showing that there was enough money either to continue the development or to cancel it...There was no attempt to confuse anybody. It was clearly stated that both were possibilities...

Hon. Members will recalled that only a little over a year ago...the first Sputnik was launched, and ever since then phenomenal progress has been made in all forms of missilery in the United States, in Russia and in the United Kingdom.



About that time Mr. Krushchev made the announcement that the manned bomber was obsolete...The indication has been that the Russians are not continuing in the production of any type of bomber more advanced than that known by the code names of the Bear and the Bison...that [their] number in the Russian inventory is extremely limited, and furthermore, that these are the only two types of Soviet bomber which could reach this continent and return again...

It would therefore seem that the basis on which this development was first begun...namely to have an interceptor ready by 1958 to meet what...was expected to be an overwhelming force of enemy bombers capable of attacking this continent, had definitely not materialized...It would therefore not seem to make sense for us to go ahead and develop an interceptor...which could be in squadron operation by 1962, to meet a threat which would hardly exist at that time...

The hon. Member for Trinity [Mr. Hellyer] asked whether an attempt had been made to sell this aircraft to the United States or the United Kingdom. I should like to inform the hon. gentleman that I went down to Washington personally. I saw the secretary for defence...and did my best to interest the United States...Then, when we were attending the NATO conference in Paris we did our best once again to interest the United States...We were told definitely and with finality that the United States could not include the CF-105 in its armament inventory...

We have been in continuous communication with the authorities in the United Kingdom in the hope that perhaps the United Kingdom would be interested in taking over the CF-105...As recently as last week I received a telegram which confirmed again that they were not interested. They stated very definitely that they were not able to consider the purchase of the CF-105...

Mr. Hellyer:

...Would the government have gone ahead with the contract if it had been able to get a reasonable order from the United States or from the United Kingdom or some other country?

Mr. Pearkes:

The government would certainly have given most serious consideration to doing so...

During 1958...very extensive studies were carried out to see what alternatives might be adopted...

We were concerned about the limited range of this aircraft [maximum 500 miles]. We therefore concluded that the maximum number of aircraft which we would require...would be approximately 100...The figures of cost worked out to be \$1,261 million as from the first of September of last year and that figure did not include the previous development costs. That seemed to be a staggering figure. Not only was that cost to be considered but we would have had to introduce - as we will have to for the Bomarc or any other weapon system - the ground environment the cost of which runs into many additional millions...

The company then came up with a new proposal in which they offered a flyaway cost of \$3.75 million per copy [which with additional costs for] support spares and equipment....missiles...the completion of development of some 20 aircraft of which they expected eight would be operational [made] a grand total of \$781 million for 100 aircraft...

The hon. Member for Trinity made some reference to the Bomarc. It is difficult to give precise figures of the ranges of the Bomarc without disclosing classified information on a weapon which has been developed by the United States.

I can only say that the ranges are comparable with the ranges of the CF-105...

The speed of the Bomarc is in excess of the speed of the CF-105 and the height it can reach is higher...

I might add here that it is not going to be a question, merely of digging holes for the Bomarc to go in, as was suggested by the hon. Member. All construction work and all unit equipment will be paid for by Canada and will be bought in its entirety in Canada...

We also have an agreement with the United States that they will as far as possible...place as many of their orders for technical equipment, with Canadian firms...

While I have indicated the extent of the cost of those two Bomarc stations as \$110.8 million, to be shared on the basis of one-third to Canada and two-thirds to the United States, I think hon. Members must compare that with the \$781 million which Canada would have to pay if she had gone on with the CF-105...

Mr. Hellyer:

Before the minister resumes his seat, may I ask him whether it is fair to say that the contract was canceled primarily because of increased costs?

Mr. Pearkes:

No, I certainly would not say that...The main reasons for canceling the CF-105 were the decreasing threat and therefore the lessening need for such an aircraft, the fact that it was taking too much of the defence dollar and that too large a proportion of our contribution toward the deterrent was being concentrated in that particular form.

Mr. Hazen Argue (Assiniboia, Leader of the CCF):

Mr. Speaker, I have listened with a great deal of interest to the speech just delivered by the Minister of National Defence. I do not think he has answered the three main questions that I believe to be in the minds of the people of Canada at this time. Those questions are: What happens to the workers who are today unemployed and out on the street?...

I submit that he has not answered the central question as to what happens to Canadian defence production industries.



The third question that has remained unanswered is what happens to Canadian sovereignty in the very unbalanced partnership that the government has agreed to on behalf of this country?...

It was my privilege over the weekend to go to the riding of Temiskaming and talk to a number of people there...They could not understand how, in a democratic society, the Prime Minister could stand up in parliament and announce something that a few hours later would result in 14,000 Canadians losing their jobs...

We have received telegrams from the trade unions involved...The first was sent to me by [the] business representative of the international association of machinists. It reads as follows:

The unprecedented callous action of the Diefenbaker government in canceling the Arrow...is tantamount to economic treachery. The forfeiture of Canadian sovereignty to the U.S. in our defence created by the government's decision calls for the immediate defeat of the Diefenbaker government.

The other was sent by the president of the draftsmen association of Ontario. It reads:  
Request you use every method available to condemn government for callous treatment of engineering and skilled tradesmen and betrayal to American interests...Demand should be made on Washington for equitable share defence production...If possible force government to go to people to prevent complete takeover by U.S...

The Prime Minister in speaking to the house on Friday had this to say:

Within the principles of production sharing the United States government and the Canadian government expect that a reasonable and fair share of this work will in fact be carried out by Canadian industry...

I say ...that is a statement by the Prime Minister that the partnership is working and that the United States government recognizes the principle of production sharing...

This government is satisfied, according to the record, with what I consider to be shabby treatment by the United States...

For a year and a half they have been in a position to do something about it. What have they done about it? I submit, very little...

I submit, in answer to the second question, " What has happened to the Canadian defence industry?", the answer is obvious: the industry is in great jeopardy...Canadian technicians are being thrown on the street, with the best alternative for many of them to seek employment in a foreign country...

How are we going to share in the production of the Bomarc missile, the production for which the CF-105 has been exchanged? We are

going to make a tremendous contribution, according to the Minister of Defence production. He says:

I am pleased to point out that as a result of production sharing efforts a Canadian company has been selected for the production of wings and ailerons for the Bomarc missile. The present value of this contract is \$1.7 million...

How long have we talked in this country about taking action to make sure that we keep within our borders, so far as possible, highly trained Canadian citizens? ... The Minister of Labour realizes the importance of it. As has already been said he is making a speech. ...It is marked "For release p.m. Monday February 23, 1959". I wonder if he discussed it with his colleagues in the cabinet? He states:

I wonder if many of us realize how important it is that Canada today must have the highest level of industrial skill in the world...I do not want to be dramatic. But Canada, of all the countries, cannot afford to live in a world where she will not have the skill and technological know-how to hold on to what she has got.

That is the statement of the Minister of Labour, and I think that is probably the greatest indictment that will be made of the government this afternoon...

Then what is going to happen to our national sovereignty? How are we going to maintain our independence if we are to surrender the defence of this continent to the United States without insisting on our fair share of industrial production and our taking a full partnership in this whole matter?.....

This government has said that it is satisfied with the principles of cooperation that have been formulated today. Yet on the basis of what has been achieved to date we only receive an insignificant part of United States defence orders...

The Globe and Mail, a great supporter of this government, has said that not only has the action taken so far been evidence of incompetence as far as defence is concerned but - going even further - that it reveals a major and widespread weakness of the government...the newspaper says...:

This weakness has been apparent since the government assumed office 20 months ago, but never, in that time, has it been so dramatically disclosed.

I make a plea to the government...that it should say to the United States in very definite terms: either Canada is given a fair share of defence orders; either we are taken in as a full partner in this defence arrangement or the partnership is off...

Hon. L.B. Pearson (Leader of the Opposition):

It has been our major indictment of the government...that it was guilty of fumbling, confusion and delay in its policies, and guilty of



failure to plan ahead...

Hon. Gentlemen opposite have been pleased ...to jeer at us in the official opposition because when the occasion seemed to require it we have spoken in favour and voted in favour of economic planning. There never was a time when economic planning was more justified and more absent than in connection with the particular business we are discussing today...

The minister [of National Defence] pointed out that it had been made quite clear ... that the decisions...were all tentative and were known by parliament, the people of Canada and the company to be tentative, but there were statements placed on the record at that time which gave a rather different impression from that the Minister created in his statement this afternoon.

The minister will remember...that in the committee on estimates which met last summer...he said:

For several years at least after the introduction of the ICBM the manned bomber will be an effective means of delivering attack with the degree of accuracy required.

At the same meeting he went on to say:

There are important factors necessitating the use of manned interceptors in the air defence system for many years; indeed, as far as we can see into the future.

And later:

The supersonic manned interceptor is the development of a proven weapon, whereas the long range surface-to-air missile is as yet untried.

Those statements were made last summer...

The minister will remember the words he used in a speech delivered at Chilliwack in October in which he pointed out that the CF-105 was finished I believe the words he used were : it is obsolete before it has completed its development...

...but in November there was a statement made by the former chief of Canadian air staff, now the deputy director of NORAD...the CF-105 in his view was an essential weapon in our armory for defence. Certainly that statement gave the impression that perhaps reconsideration was being given to this matter by the government...

In contrast to the statement he had made a month earlier in British Columbia the minister on November 25 in a press conference said that the R.C.A.F. would require a manned interceptor for some years to come. He is also reported in the press as having said:

What we decided last September was not to produce the Arrow under the conditions that surrounded Arrow production at that time. Let the makers re-examine the cost and then we will know where we are going.

I gathered from the minister's remarks this afternoon that the makers did re-examine the costs. I asked the minister whether the results of that re-examination were seriously considered by the government in the presence of those who made them...I am informed...that the last occasion on which Mr. Crawford Gordon of this company saw the Prime Minister was on September 16, 1958. At that time Mr. Gordon gave the Prime Minister a brief in which he warned the prime minister about the consequences of the termination of the contract in terms of jobs...and advanced a number of suggestions [including] that the government and the company set up a joint committee to explore the possibilities of what might be done.

This afternoon I asked the Minister of National Defence whether the government had even discussed this termination with officials of the company before the statement of last Friday and all the minister was able to...reply was that the officials of the company and of the government were going back and forth and were in contact with each other. With great respect I submit that did not answer my question...

That Mr. Speaker is our major indictment...The sudden...almost brutal decision which put 15,000 men out of work in a few hours was made because, said the Prime Minister, "This project was overtaken by events."...

The Prime Minister said:

...the threat against which the CF-105 could be effective has not proved to be as serious as was forecast.

The Minister of National Defence underlined and emphasized this reassuring observation this afternoon, but he did not give us much evidence except that Mr. Krushchev had said that the manned bomber is not as dangerous as it was. I do not believe the Minister of National Defence is so naive that he is going to base the defence policy of our country on statements by Mr. Krushchev. The Prime minister also said, and I am quoting from his statement of last Friday:

During 1959 and 1960 a relatively small number of modern bombers constitutes the main airborne threat.

Perhaps we will be told in plain terms what is meant by the statement that the defence system of North America is adequate to meet this threat...

The Minister said this afternoon - and I am paraphrasing - if the Russians, however, change their plans and their production plans in regard to jet bombers...we can alter our plans too. No doubt by "we" he meant North America. If something is not done, Mr. Speaker, it will



be too late to alter any plans in so far as the CF-105 is concerned...

We would like to know...when will the major threat be nuclear weapons, missiles rather than bombers?

Mr. Pearkes:

I can answer that right now. The best military advice we receive is that they will be a major threat by mid-1960.

Mr. Pearson:

...we are in 1959 now. That is a year and two or three months from now. The major threat will be missiles and bombers would then presumably be a minor threat. But in his statement the Prime Minister said that the major threat will change to missiles by the middle 1960's...Not 1960 but by the middle sixties, from 1965 on...

That, Mr. Speaker, is a very important discrepancy between the Minister of National Defence and the Prime Minister in the analysis of this vital defence picture...

The Minister of National Defence has said that [the missile] will be the major threat 15 months from now...

...This is too important a matter to have that kind of uncertainty.

Now, Mr. Speaker, what is to take the place of...the Arrow in defence against bombers which are now the major threat and will shortly be at least a supplementary or minor threat?...

The Prime Minister said in his statement and the Minister of Defence repeated it this afternoon that the CF-100 is still an effective weapon in the defence of North America...But the Minister of National Defence was not quite as optimistic when he spoke to the committee on July 6 last...he is reported as saying with regard to this plane: In a few years time it may become obsolete.

...That does not give you the impression that the CF-100 in its present form is capable of dealing with the most modern soviet bomber threat...

A defence interceptor that can only engage the majority of enemy bombers surely is not one [on] which we can rely for our defence...They are giving further study to what will take the place of the CF-100, and it is not going to be the CF-105...

Do these studies contemplate the purchase of aircraft from the United States or the United Kingdom or will they perhaps make possible the manufacture of another aircraft in Canada under licence? Could this perhaps have been done by A.V. Roe after the cancellation of the CF-105?...

If [the CF-100] were effective, we would not have stopped producing it. What then...alternative can there be? Of course it is the Bomarc, not perhaps as an alternative but as a supplement to the CF-100...

However this particular missile...may be out of date before it becomes operational in the R.C.A.F...

Are we then running the risk of adding to our armory...a missile...which will not be effective for the purpose for which it was intended?...

The range of the Bomarc has been given in Congressional hearings...as being between 250 and 300 miles at present, to go up to 400 miles with addition of new equipment...

This afternoon the minister said that two squadrons would cost \$110 million for a new weapon which may or may not be effective but which is certainly going to be expensive...

We did learn from the Prime Minister's statement last Friday that the Bomarc would be manufactured in the United States for Canadian use and as such of course it has to fit into the United States continental defence system...otherwise it would not be of much use to us in Canada...

Are we now, under this Bomarc arrangement, accepting for the first time mutual aid from the United States, something which we did not do during the whole course of the war?...If the United States is going to pay for weapons used in Canada by the R.C.A.F. squadrons then one cannot help but wonder whether it would not be more consistent with our national position or national pride to turn the whole Bomarc and SAGE operation over to the United States, and do something else by way of defence which would have a Canadian character and be paid for by Canada...

What we...have wanted for a long time, is access to the United States market for defence equipment which can be made in Canada for United States forces; at least give us a chance to bid on such equipment...Collective defence must mean collective production...if Canadian resources and production can be considered by the United States as insecure, then we should have a hard look at the situation and talk very frankly to Washington...

In his statement last Friday the Prime Minister said that the government intends that Canadian forces shall be well trained and well equipped for the Canadian share of these tasks in a balanced collective defence. It does not seem to me possible that we should be able to achieve this ideal...if we do not have a Canadian defence industry including an aircraft production industry, and it does not seem to me that we shall be able to have such an industry if our scientists, our engineers and our technicians leave this country to take up employment in the United States...



It took this government only two or three weeks to put Canadian air defence squadrons under NORAD but it has taken it 20 months to decide to cancel this Canadian air development.

The matter has been expressed very effectively in an editorial I have in my hand...which appeared in the Toronto Globe and Mail of February 21, 1959, in which it is stated:

The Prime Minister's judgment on the Arrow and its future must as we have said be accepted...The fact remains, however, that the government has no program or policy by which to put anything in its place. It is on this fact, we believe, that the government's decision - and the consequences thereof - must ultimately be judged.

We, Mr. Speaker, are quite happy to judge it on that consideration and when it is judged on that consideration I am certain it will be condemned by the people of this country.

Mr. Diefenbaker:

We are now hearing...the same old chorus, the same old songsters singing the same old song. They sing it because they had nothing to present but criticism...

This afternoon we listened with interest to the hon. Member for Assiniboia dealing with the question respecting the cancellation of this contract...I looked back and found an interesting statement attributed to that hon. Gentleman...of November 13, 1957 when he directed a question to me in the following language:

Has the attention of the Prime Minister been drawn to the reported statement of Lieutenant General Simonds that if the \$300 million wasted on that dead duck the CF-105 been used to stockpile Canadian wheat in Europe it would have been spent to much greater advantage...

Mr. Speaker, to which voice will we listen? Which is the voice of authority, the one in 1957 when it described the CF-105 as a dead duck, or the voice of today?

As I listened to my hon. Friend the Leader of the Opposition I observed that he too found himself in some difficulties today...I was not quite able to follow him...as to whether he is for or against the CF-105 being continued...only a few months ago...as reported in the Edmonton Journal of October 3, 1958, he said:

We decided when in office two and one-half years ago to go ahead with the CF-105 and review it year by year in the light of developments.

[The Journal report continues:]

Had the Liberals been in power when the first ICBM was fired Mr.

Pearson said, "this would have been a major factor in possible revision of our decision".

Then he went on to say:

The Conservative government should have canceled the Arrow production this fall instead of waiting until next spring. How much is going to be spent on the Arrow between now and then?...

Mr. Pearson:

...Mr. Speaker, this particular quotation was put on the record before by my hon. friend...I rose at that time and denied it...I also said I had denied it to the press a day or to after it appeared and the Prime Minister accepted my word on that occasion and now he is dragging it up again...

Mr. Diefenbaker:

Mr. Speaker, possibly I might read another portion of that and see whether or not it too is denied:

Liberal Leader Pearson...urged a thorough re-examination of Canada's defence policy and it's economic implications. He suggested Canada may be getting in too deep.

Does he deny saying that?

Mr. Pearson:

Mr. Speaker, I do not deny that at all. Under this government we are getting in too deep...

Mr. Diefenbaker:

I start with this. Do not tell me that it was an easy decision for the government to make. Do not tell me that we did not have full realization that in taking this step there would be many who would condemn...Governments have a responsibility to do that which they believe is right on the basis of the best information they have available...I say, that as long as I am in this position whatever the consequences may be, if a decision requires to be made that may not have a popular reaction at the moment, if that is the right course to take then it must be taken by any government with a sense of responsibility...

I realize that defence production is an important weapon in the battle against unemployment. However...the production of obsolete weapons as a make-work program is an unjustifiable expenditure of public funds...

Now an argument was raised today, generally by the Leader of the Opposition and specifically by the hon. Member for Assiniboia, to the effect that in what we had done...there was abject surrender to the



United States -...that in collaborating together in defence we should say to them, unless you buy everything we want you to take, you will not get any bases in Canada, well, what would that mean? It would mean withdrawal from NORAD. What would our relationship with NATO be?...

What have we done in connection with our sovereignty? As far as the DEW line is concerned we have taken over...its operational control. We are taking over airfields in the north... They used to speak of the vision I had of northern Canada. I spoke of the tremendous possibilities of the north, not only for defence but for economic strength and stability, and there were those who said we build from igloo to igloo...We must continue to assert there our sovereignty and this we are now doing...by occupying these radar stations...and through the instrumentation of resource development...

...when they [say]...we should provide our own defence unless the United States provides it on the basis we want. Is it possible for 17 million souls to be able to make a contribution in respect of these costly weapons, these tools of defence, and endeavour at the same time to maintain a similar expenditure to that of a nation of ten times our population?...

Most people I have talked to have been under the impression that the CF-105 would constitute an instrument capable of protecting our northern areas...I am now reading from an article which appears in the current issue of the Atlantic Advocate. It is entitled "Aviation's Year of Decision"...and it says this:

National pride is considerably involved and is, perhaps the greatest single force behind the Arrow program, as at present outlined...Avro is not by any means the whole Canadian aircraft industry. Its employment figures are about one-fourth the industry's total...The supersonic speed of today's bombers, and the interceptors to meet them, make this vision of air "patrol" a thing of the past. The Arrow probably has a flight time of an hour, including the climb to required altitude and a few minutes of combat. This means that its operating range from base is not much more than 500 miles.

The cost of the Bomarc missile to Canada as compared to the \$780 million of the CF-105, is approximately \$110.8 million.....and the defensive properties of each being about the same.

Mr. Hellyer:

The Prime Minister said that expenditure of the Canadian taxpayers money on defence procurement could not be justified as a make-work program... I wonder if the Prime minister saw Philip Deane's article in the Globe and Mail this morning which said that the United States government adopted the Bomarc...not so much because of the missile's military merits but to avoid shutting down an aircraft firm?...Does the Prime Minister think that the spending of the Canadian taxpayers money is justified on the procurement of a United States make-work program?... Mr. Diefenbaker:

The London Free Press of April 28, 1958, said this:

The decision, which may be made shortly, is whether to order this aircraft into production.....It is the most expensive single decision every to confront the defence department in peacetime. Its ultimate cost would not be far short of Canada's expenditure on the St. Lawrence Seaway...It may be fine for our national ego...but how large a price are we willing to pay for national pride?...

The Montreal Star of November 13, 1957 said:

The appalling cost of this aircraft is enough to stagger government ministers and serious people everywhere. We are a middle power with a budget and an industry to match. If this alone were not enough to give us pause, there is also the fear that the dawning of the missile era has already made the Arrow obsolete...

The fact remains that, on the best advice we have, the CF-105...would not if it were in production today meet the potential threat as it is placed before us by those who have knowledge and experience of military affairs.

I made that clear when I issued the press release on September 23. I said at that time:

The government deeply regrets the unemployment that will be involved... in the Avro plant at Malton. It is hoped that our defence industry will be able to share effectively with the United States industry in one part or another of the the major programs in the air defence of the North American continent and thereby provide alternative employment.

That was clear.

If the Avro company will come forward and give a practical suggestion to keep the facilities...intact it will receive the most serious and immediate consideration..

Now I come to one further thing. I read statements made by the president and general manager. I want to be restrained in what I say in this regard. My hon. friends say that we should have announced this before we announced it in parliament. What would they have said if they had read that outside of parliament we had made a determination? The company had no misunderstanding whatsoever. I say that its attitude in letting out thousands of workers...on Friday, was so cavalier, so unreasonable, that the only conclusion any fair-minded person can come to is that it was done for the purpose of embarrassing the government... Mr. McIlraith:

The Prime minister spent a great deal of his time in blaming the company for not coming forward to him with suggestions as to what should be done. I always had the view that responsibility for defence production and for our defence policy was the responsibility of the



government....

The loss to this country is tragic because it is not going to be possible to share fully in defence production because you will have exported to the United States the scientific and engineering personnel. This is the serious consequence of the clumsy way in which this action has been handled. 2. MARCH 2, 1959

Mr. Pearson:

On what concept and strategy is our defence now to be based?...We are told that the Soviet Union will be operational continentally in this field of destruction and diplomatic pressure by the middle of this year...

So we are now in outer space with all of its implications for war and peace...

If the CF-105 is obsolete, then all manned interceptors in service...especially the CF-100, must be considered obsolete. Yet the CF-100 is our only equipment in Canada at the present time in the field of manned interceptors...

...the Minister of National Defence made what I thought was a very important and rather strange statement the other day when he said in the house...that even if the CF-105 is ended - and it is now ended - and if the CF-100 is not adequate...we can rely on the United States manned interceptor defence and provide facilities for them to operate, if necessary, over our country...

Does that mean that we are going to give up our own R.C.A.F squadrons once the CF-100 is finished and we are not producing it any more, or what does that mean?...

There is another question which has very direct bearing on this matter. Is any provision being made for the manufacture of these United States manned interceptors in Canada?...

Then there is another question. What is our position in Canada with regard to missile defence development?...

The way in which these Bomarcs, and the Sage which goes with the Bomarcs or vice versa, are being introduced into continental air defence in Canada, appears to make us completely dependent on United States equipment, technology and supply...

I refer to the equipment, the Bomarc itself...

Mr. Blair Fraser, a distinguished Canadian journalist, in an article in Maclean's magazine not long ago had this to say:

Canadians are proud that their country has never been on the United States free list.

We never were Mr. Speaker.

Mr. Diefenbaker:

And we are not now.

Mr. Pearson:

... until this government decided that they would permit the United States to provide equipment for R.C.A.F. squadrons...

For manned interceptors our dependence on the United States is now absolute.

We are entitled to ask the question is it to be the same for missiles...?

Mr. Diefenbaker:

May I ask the hon. Gentleman this. He has given us an indication that we should be producing missiles in Canada. The more costly of them amounts to \$35 million. Would he say that we are in a position in Canada to do that which he said we could not do in arming a strategic air command?

Mr. Pearson:

...the Prime Minister when he reads Hansard tomorrow will discover that I did not say that missiles should be produced in Canada. It was the Minister of National Defence who said that. He said over the air to the people of Canada that we should enter the missile field.

Mr. Pearkes:

I did not say we must produce them.

Mr. Pearson:

That is exactly the question I want the Minister to clear up. He said we must get in on the ground floor in the missile field. I am asking whether this means that we are going to produce these missiles for Canadian use in the future. Does it mean we will produce them for United States use and have them handed back to Canada, or does it mean that we should produce them under United States contracts and buy them back?

Mr. Pearkes:

If you want an answer to that question, it is because it is the policy of this government to ensure there is a sharing of production.

Mr. Pearson:

Perhaps the minister will let us know in more detail what he means by



"sharing of production"?...

Mr. Diefenbaker:

Does the hon. Gentleman then admit that in so far as our joint defence with the United States is concerned, there are certain fields in which, by reason of finance, we...must place the responsibility on the United States to provide this defence?

Mr. Pearson:

Yes, I agree entirely with that...I also said, in regard to the arming of those squadrons which we have in our own air force, that is not beyond our financial capacity but is something we ought to do...

In conclusion, I say the questions I have put to the house are serious questions...[They] reinforce our repeated request for a complete and comprehensive review of defence policy...Perhaps never before in air defence history - and I will restrict it to air defence history - has such a review been more greatly needed...

Mr. Pearkes:

The Leader of the Opposition raised a number of questions...First of all, he queries national defence policy. National defence policy is based on our external affairs policy and it goes back to 1950. In 1950 the Korean war broke out, Canada and the other countries...bound themselves together in a solemn covenant that they would stand united against any aggressor. We have adhered to that policy which, by the way, was initiated by the Liberal government. There has been no fundamental change to that policy...

As to the strike-back element or the powers of retaliation, they consist of the United States bombers, the British bomber force of the R.A.F and also such missiles as may be in location in Europe at the present time...I suggest to you, Mr. Speaker, that this policy has held good and has prevented war for the last ten years and more...To support NATO in a balanced organization is the defence policy of this government and it will continue to be the defence policy of this government... 3. MARCH 3, 1959

Mr. Diefenbaker:

The unexpected and expected vagaries and changes in attitude of the U.S.S.R. place the free world in the position of having to accept one of two alternatives. At all times we have to maintain the latest defences only to find out when there is no war that the weapons and defences have become obsolete. That has been the insurance we continue to pay. On the other hand the course that some suggest is that we should spend a too-diminished amount or at too late a time...

In other words, the limitless possibilities of the future which have come through the intervening years with frightening change make the

defence of today almost the weakness of tomorrow...

We in Canada, a small country...as far as population is concerned, are in this position: we are situated between the U.S.S.R. and the United States of America. The question that we must ask ourselves is, what shall our future be?...

All of us are agreed that an adequate defence is necessary. We are not agreed as to how it can be obtained, for we do not know what is in the mind of the Kremlin...

There is no purpose in manufacturing horse collars when horses no longer exist. Whatever the results may be, there can be no justification for defence procurement other than the assurance of defence...

Without co-operation there is no survival for the people either of Canada or the United States.

Just a year ago the Leader of the Opposition said that a country of 17 million cannot take over full responsibility for its own defence...he also...said:

...it must also mean the introduction into our air defence forces of ground to air missiles such as the Bomarc...

Then he said:

...should we not leave the production of this kind of weapon under the concept of division of tasks in a balanced collective defence strategy to the United States and concentrate our efforts in Canada, not exclusively but mostly, to ground environmental control and early warning systems against missile attack?...

...this is what the hon. Gentleman said...August last; that this is a situation...with which we cannot possibly deal except in the closest possible association with the United States.

Mr. Pearson:

I said that yesterday too...

Mr. Diefenbaker:

In other words,...this government acted, apparently with unanimity in the light of the words of the leader of the Opposition...in the direction which he himself had surveyed and indicated. Yet today...there are those who would create in the hearts and minds of Canadians a frenzied fear that co-operation with the United states means subordination.

It means nothing of the kind...



Is there any loss of sovereignty by reason of the fact that we fail to continue to produce an aircraft whose outermost range is not more than 500 miles and at supersonic speed is about three-quarters of that distance?...

My hon. Friends opposite talk about sovereignty and in lachrymose terms their feelings over the loss of sovereignty. What government was it that brought back to Canada sovereignty over the D.E.W. line? It was the government of today. My hon. Friends opposite; did they ever talk about loss of sovereignty when they allowed the United States to build the vast establishments...on Canadian soil? Were they shocked as they pretend to be now, by the division of responsibility and division of cost between Canada and the United States when the mid-Canada line and the Pinetree line were built?...I welcome the fact that hon. Gentlemen opposite have joined with us in this regard, that Canada and the United States are partners...

I think one of the better editorials on this question of sovereignty was that in the Toronto Telegram of February 24, when it said this:

The charge that the cancellation of the production contract for Arrow aircraft involves any degree of Canadian sovereignty is wholly wrong...for the Arrow decision is, in fact, an exercise of independence for Canada without precedent in the history of our military alliance with the United States which dates from 1940...

I underline the next portion of it because this represents the facts as they are:

The only pressure upon the Canadian government in deciding to abandon the Arrow was to serve the best interests of Canada and its defence needs. There is no suggestion of outside pressure, no reason to argue that Canadian sovereignty has been in any way prejudiced...

To proceed further, the Leader of the Opposition indicates that it is his belief, and it is shared on this side of the house - that there should be no subordination of Canada to the United States in the field of defence production and planning...That is the purpose of the arrangements we have entered into, and I am glad to be able to quote...that what we did in connection with the Bomarc and Sage had his blessing in theory though it was condemned once implementation took place.

Mr. Pearson:

It was the way it was done.

Mr. Diefenbaker:

The hon. Gentleman says: you did what I wanted but you did not do it the way I wanted it done. Now we have the answer officially - you were right in what you did but you did not do it the way we would have done it. Now at least we have removed some of the underbrush...

Hon. Paul Hellyer (Trinity):

Mr. Speaker...The subject we are supposed to be discussing this afternoon is that the prolonged delay of the government in determining air defence policy and planning co-operation with our allies is preventing the effective use of Canada's defence production facilities and manpower....

Mr. Speaker, the national bankruptcy of this government came before its decision to discontinue the Arrow, not because of it...

...the government has by its very contradictory statements affirmed our belief that it does not know in which direction it is headed...

Let us assume that the Prime minister was correct in his opinion and that he had made the case that the company should have known since last September that the contract was to be canceled...then the Prime Minister must have known. Surely that much logic is not unreasonable. If the Prime Minister had his mind made up last September and the decision was a military one as he asserted, he should have cancelled the project then and saved Canadian taxpayers \$100 million. The only possible excuse for delaying that decision to February, 1959 would be the use of the intervening five months to find some alternative to keep the scientific, engineering and manpower of the plant usefully employed. That was not done...Actually the search for an alternative plan should have started long before last September...

He should have sat down with his counterpart in the United States and the officials there and worked out some satisfactory system for the mutual defence of the North American continent and for production sharing between our two countries, including sufficient developmental work for Canadian scientists, engineers and our creative capacity here...

Another question mark caused by the statement of the Minister of National Defence arises from the fact that he said in the house that preparation of the white paper could not start until last week when the decision about the Arrow was made. If the Prime Minister knew, last September, that the contract was going to be canceled, the Minister of National Defence must have known and there is no reason whatsoever why the white paper could not have been ready and presented in the house at the same time as the Prime Minister's statement...

The CF-100 Mrk V is not now capable of dealing with the latest Russian bombers. In not too many months, if the Russian bombers carry air-to-air guided missiles, the CF-100 will be nothing but a sitting duck. At such time the whole fleet...might just as well be put in moth balls. We will then be completely defenseless against both manned bombers and missiles. Two weeks ago we were well on the road to having at least some defence against the former, but now we have decided to ignore both...

The United States Bomarc Line, which includes two stations to be built in Canada...is designed for the defence of the United States and that,



as the minister well knows, is the reason it is intended to stretch across the northernmost part of the United States. The only reason we have two stations is that the southernmost parts of Ontario and Quebec jut down below the 49th parallel, and the line cuts right through. There was a discussion earlier, before this government took office, of the possibility of moving the whole line 300 or 400 miles farther north in order that it might play some part in the protection of Canada. Surely that might have been something the government might have considered and pressed on the United States so that we would have some defence for our western Canadian cities. The too, there would have been some defence against bombers before they got close enough to float missiles into our Canadian targets, and any planes knocked down by the United States Bomarc squadrons would fall in less populated areas rather than over our southern towns and cities...

To sum up...First, we are to have no defence except that which the United States chooses to give us...We do not have the joining together of a marriage as partners but rather a joining in a similar way to that in which Jonah joined the whale.

Secondly, we have more unemployment to add to that already vexatious problem. Thirdly, we have dissipated much of the potential of providing ourselves with any future defence...

Mr. A.R. Smith (Calgary South):

It has been suggested that because we have cancelled one aircraft we are defenseless...

What we have done in the dropping of the Arrow program is recognize that we must spend our money in the direction in which it will produce the best results, and cut our coats according to our cloth...

I should like at this point to read a section of a speech which was made by the chief of the air staff...on Thursday, February 5...Air Marshall Hugh Campbell said:

In air defence...we have been given the green light on two half-squadrons of Bomarc, one Sage sector and extended radar coverage. The first two of these programs...will require substantial numbers of men to operate the equipment. The extended radar coverage...will also affect our manpower.

What is more important...is the increased capacity that all three programs will give us to deal with the airborne threat to North America...The success of the Sage and Bomarc installations in the United States is indeed heartening. We know that the Bomarc, operating in its Sage environment will greatly augment our air defences...

...this is hardly the time to concern ourselves to the extent we have about questions of sovereignty when our national survival should be

our supreme consideration. Canadian sovereignty is being protected, as the Prime Minister has made clear...

Mr. D.J. Walker (Rosedale):

Might I... refer to an article in the Gazette by that distinguished columnist Arthur Blakely, dated February 26:

From the moment that the government's inclination to discontinue the Arrow first began to be evident, Mr. Gordon [A.V. Roe Canada president] mustered all the resources of his large company to force the government to change its mind...Canadian pride in an aircraft designed and manufactured in Canada was exploited to the full. As was the spectre of a possible loss of Canadian sovereignty...

Might I say before this vote is taken that it did not appear to matter to this colossus - because Avro was a colossus - that all parties in this house agreed that the Arrow contract should be terminated. It did not appear to matter to this colossus that the Arrow had become obsolete before coming into production. It did not appear to matter to them that the Arrow was four years behind in production. It did not appear to matter if hundreds of millions of dollars more had been spent on its production than was anticipated or promised. Nothing mattered to that company which had been spoiled from 1945 onward. It began to feel just as the sacred cow does in India- that...Avro could do what it liked. And it dared the government of Canada to discontinue or sever a contract for a project which had long become obsolete...

Mr. Speaker:

It being 8:15 it is my duty to interrupt these proceedings in order to put the question on any matter now before the house.

[Note: the following is taken from the Journals of the House of Commons of Canada From January 15, 1959 to July 18, 1959...Second Session of the Twenty-Fourth Parliament of Canada:]

And on the proposed motion of Mr. Pearson, seconded by Mr. Chevrier...:

"This House regrets that the prolonged delay of the government in determining air defence policy and planning in co-operation with our allies is preventing the effective use of Canada's defence production facilities

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The Avro Arrow feature was originally produced by a partnership of EXN.ca, Discovery Channel Canada and the Canada Aviation Museum.





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