



ROLLOUT CEREMONIES FOR FIRST PRODUCTION CL-41A were witnessed by several thousand Canadair employees, Oct. 29. The RCAF, which has bought 190 of the new turbojet pilot trainers, has designated it the CT-114 Tutor. The aircraft was christened by Mrs. C. R. Dunlap, wife of A/M Dunlap, CAS.

Reinstate Caribou II

WASHINGTON, D.C.—The decision of the U.S. Congress on the de Havilland of Canada Caribou II program has been revised to authorize continued support for the development program; but the move to turn down a U.S. Army request for \$31,700,000 in current appropriations to purchase another 48 Caribou I aircraft has been confirmed.

The decision to reinstate the \$5 million which had been allocated for the Caribou II development program followed closed-door hearings before House of Representatives and Senate defence appropriations subcommittees. At a mid-October meeting between Canadian Defence Minister Paul Hellyer and U.S. Defense Secretary McNamara, the latter is understood to have agreed to Mr. Hellyer's urging that he press for continuation of support on the Caribou II, but the U.S. Defense Secretary felt that cancellation on the order for Caribou I models would have to stand.

(While the decision was pending work on the Caribou II development project went ahead as planned under the existing contract between the Canadian Government, de Havilland, Canada and the U.S. Army.)

Changes at DDP

OTTAWA—Defence Production Minister Drury says the new Industry department, of which he is also minister, will take over DDP's role of fostering the economic health of the defence industry.

He says DDP may develop into a general procurement agency for the entire government and not the defence department alone. DDP now was conducting a study "with a view to converting itself into a general

procurement agency for all the goods and services needed by the Government."

Mr. Drury told the Commons defence committee that since 1959 a total of 130 development projects valued at \$66 million have been initiated, with funding divided among the federal government, Canadian industry and other governments.

Substantial development was being carried out in such areas as V/STOL aircraft, airborne doppler navigation aids, gas turbine engines, surface vehicles, sounding rockets and anti-submarine warfare equipment.

"I believe there is a greatly increased awareness in Canadian industry of the need to undertake research and development activities," Mr. Drury said.

He indicated that Canadian industry shouldn't overlook the possibilities of selling defence material to NATO countries besides the U.S. In 1962, some 50 Canadian firms received \$45.1 million in contracts from 40 overseas NATO and other countries.

It Fell to Earth

TORONTO—The economic and social impact of cancellation of the Avro Arrow project early in 1959 is being studied with a view to determining what steps might be taken mitigate the effects of a sudden decline in industrial activity either as a result of disarmament or through other factors.

The study has been undertaken by the Canadian Peace Research Institute under a \$10,500 grant provided by the Ontario Economic Council. Spokesman for the Institute and the Council feel they are on common ground.

Dr. Norman Z. Alcock, Institute president, sets out as the aim of the

study the determination of what happened to the prime contractor, his subcontractors, and the workers suddenly displaced by the sudden halt in the Arrow program and what steps should be taken in planning to cushion the economic shock in any subsequent disarmament steps.

L. E. Turner, staff economist on the Economic Council, sees the study as an opportunity to examine the effects of a sudden industrial cutback on a community and a company and its employees.

The study will also provide information as to why and by what means some firms heavily committed on the Arrow program survived the episode while others went out of business or were cut to the bone.

Arrow Story (Continued)

OTTAWA—Bits and pieces of the Avro Arrow story continue to come out.

Gen. Charles Foulkes, chairman of the chiefs of staff committee from 1951 to 1960, told the Commons defence committee October 22 that the St. Laurent government in 1957 decided to discard the Arrow immediately it was returned to office. However, the Conservatives won the election that year.

Gen. Foulkes said the chiefs of staff "stampeded" the new Conservative administration into the NORAD agreement with the U.S. in August, 1957. The government had trouble in the Commons over the agreement and as a result was "chary" about making quick decisions on the Arrow and CF-104.

The delay in reaching a decision on the Arrow—it was finally cancelled in February 1959—meant a delay of more than two years in starting the CF-104 program.

Explore Markets Abroad

OTTAWA—A seven-man Canadian communications and electronic products trade mission has been visiting Britain, the United Arab Republic, Lebanon, Saudi Arabia and Iran to explore the market for electronic products. Among the five representatives of the Canadian electronics industry with the group was J. M. (Monty) Bridgman, vice president and general manager, Litton Systems (Canada) Ltd.

The mission is scheduled to report on its findings to the Canadian Department of Trade and Commerce, with copies of the report to be made available to the communications and electronics industries.

Water Bomber Backup

MALTON, ONT.—Field Aviation Co. Ltd., Toronto International Airport, has purchased a further eight PBY-5A Canso hulls. Together with other Canso hulls already acquired or on which options are held, this increases