

RCAF to Buy 10 U.S. Planes But Can't Build Them Here

Ottawa, March 23 (CP)—The Canadian Government will buy 10 Albatross seaplanes from Grumman Aircraft Co. of Long Island, N.Y., for RCAF search and rescue.

The planes to cost \$6,000,000 will be manufactured by Grumman in the United States and not under license in Canada as originally proposed. Canadian manufacturers may supply spare parts and engines only.

Announcement of the order was made today to the Air Industries and Transport Association by D. L. Thompson, direc-

tor of the aircraft branch of the Defense Production Department.

Mr. Thompson said the U.S. Navy will not permit Canadian manufacturers to tender bids on naval defense contracts unless they are already producing the items for the Canadian Government.

Informants said this action by the U.S. navy has been one of the big stumbling blocks on firm production-sharing arrangements between Canada and the United States.

Mr. Thompson said Canadian

suppliers will get a production share—how large is not known—of the \$300,000,000 anti-aircraft missile system to be installed in Canada by late 1961.

The United States is paying two-thirds and Canada one-third of the cost.

Except for sharing in production of this system—the Bomarc missile, Sage electronic control system and seven new radar stations—there is no assurance yet that Canadian manufacturers will be able to obtain U.S. defense contracts, informants said.

Mr. Thompson made clear that the Canadian defense production department will continue to buy Canadian almost wholly.

It was learned that Canada will not share in the cost or construction of a new underground headquarters for the joint Canada-U.S. North American air defense command near Colorado Springs, Colo. The U.S. defense department last week estimated cost of this headquarters at \$20,000,000 to \$30,000,000.

Defense Minister Pearkes said March 2 that RCAF teams visited the Grumman plant on Long Island last Oct. 30 and Nov. 1 to find out whether Grumman would permit production of the seaplane under license by Avro Aircraft Ltd., Malton. Avro lost nearly all its business Feb. 20 when the Government cancelled the Arrow jet interceptor program.

The Albatross, also known as the SA-16, is a twin-engine amphibious plane with a cruising speed of about 225 miles an hour and a range of about 3,000 miles.