

Bob Plamondon: There was no conspiracy behind the cancellation of the Avro Arrow

Contrary to the myths, Diefenbaker's decision ultimately came down to dollars and cents

Author of the article:

By **Bob Plamondon**, [Special to National Post](#)



An Avro Arrow takes off in Toronto on March 25, 1958. Photo by Postmedia Files

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The Avro Arrow has taken on myths of epic proportions since the Diefenbaker government scrapped its development in 1959. According to such folklore, the cancellation was the result of a deep conspiracy that scuttled superior Canadian technology at the behest of a jealous American military-industrial complex. If not that, it was a rookie Canadian prime minister in his early days in office buckling before an American political master who wanted to suppress Canadian ingenuity — this even though Diefenbaker's nationalist sentiments were hardly conducive to such imagined pressure.

The origin of the Avro Arrow dates back to 1952, when Air Force defence planners sought to construct a made-in-Canada airframe to be fitted out with British or American engines and systems. However, over time, and not as expected, it became a uniquely Canadian project as foreign suppliers abandoned the initiative. Canadian companies were happy to fill the void on the engine and other systems, with RCA Victor in Hamilton, Canadair in Montreal and Canadian Westinghouse earning lucrative contracts. Over 400 smaller Canadian companies became part of the supply chain.

In December 1953, the Royal Canadian Air Force had forecast it would need about 500 planes, with a cost estimated at less than \$2 million per plane. Four years later, that cost estimate increased by 500 per cent, and the number of planes the Air Force needed dropped to about 100.

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The Avro Arrow was an engineering marvel. Its speed matched the world record at twice the speed of sound. It flew as high as any other aircraft and, in theory, could defeat Soviet bombers that threatened North America if swooping in over the Arctic. However, difficulties with the Arrow were revealed as early as 1955 when the distressed Liberal “minister of everything,” C.D. Howe, said, “I can say that now we have started on a program of development that gives me the shudders.” Nonetheless, on Oct. 4, 1957, the first Arrow prototype was displayed in a public relations triumph before 12,000 people at the Avro plant.

When Diefenbaker came into office in June 1957, the Royal Canadian Air Force had concluded that the Avro Arrow was not economically feasible or militarily desirable. In his memoir, Diefenbaker wrote, “I have it on unchallengeable authority that Mr. St. Laurent and Mr. C.D. Howe had decided that the Arrow was to be cancelled.” Indeed, Canada’s chief bureaucrat had independently studied the issue and concluded that the Avro Arrow had become a giant white elephant. Geopolitical risk mattered to this calculation. By 1958, it was more important to develop technology to counter a Russian buildup of intercontinental ballistic missiles, which was not within the capacity of fighter jets.

The cabinet recommended cancelling further development of the Arrow and negotiating with the United States to share two Canadian Bomarc missile bases. Defence Minister George Pearkes said the Bomarc was cheaper than the CF-105 and likely more effective. The missiles could be fitted with an atomic warhead, which the Americans would likely provide. The military and financial implications pointed unequivocally to the termination of the Arrow. However, with 25,000 jobs at stake and potential technology transfers, it was as much a political as a military decision.

On Sept. 23, 1958, Diefenbaker made an announcement that indicated the days of the Arrow were numbered. The announcement was the equivalent of a severance package with six months' notice. Diefenbaker ultimately made what he thought was the responsible decision. He was not subjected to American influence; except they made it clear that they would not purchase the aircraft. The United States had its versions of the Arrow, such as the F-101B Voodoo and the F-106 Delta Dart, which were already in production and much cheaper than the Arrow. At the time, only five prototypes of the Arrow had been produced, none of which were equipped with munitions.

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Diefenbaker would have liked nothing more than for Canadian talent to best its American counterparts. "I had listened to the views of various experts; I had read everything I could find on the subject; I thought about it constantly; and finally, I prayed for guidance. The buck stopped with me, and I had to decide." Diefenbaker set out his reasons in the House of Commons on Feb. 20, 1959: "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 been continued pending a final decision. It has made a thorough examination in the light of all the information available concerning the probable nature of the threats to North America in future years, the alternative means of defence against such threats and the estimated costs thereof. The conclusion arrived at is that the development of the Arrow aircraft and Iroquois engine should be terminated now."

The press was largely supportive. Pundits were impressed by Diefenbaker's decisiveness in the face of inevitable adverse political fallout. A Globe and Mail editorial called the decision "not only wise and courageous, but one which will save the taxpayers a good deal of money." In Maclean's magazine, Blair Fraser wrote, "The plain truth is nobody thought the government would have the courage to make such a painful decision.... It meant an early end to more than twenty-thousand jobs, most of them in the very heartland of the Conservative Party.... It disappointed a big Canadian industry with many Conservative shareholders."

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Much has been made of the decision to render the Arrow prototypes to scrap. Conspiracy theorists have suggested this was done to placate American interests, as they did not want any evidence of a superior Canadian product to exist. Diefenbaker insists he issued no such directive and was unaware that the pre-production models had been destroyed.

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While the decision became a political football, Diefenbaker took some consolation in a note from the Liberal Sen. W.D. Euler, who had served in the Mackenzie King cabinet as the minister of trade and commerce: “May I compliment you on your courage and common sense in ‘dropping the Arrow’ despite the intense pressure, which will probably continue. The loss of employment is, of course, regrettable, but I hope we shall not adopt the philosophy which advocates useless and ruinous expenditures merely for the sake of providing employment. That must be dealt with in other ways.”

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*Excerpt from “[Freedom Fighter: John Diefenbaker’s Battle for Canadian Liberties and Independence](#)” by Bob Plamondon, published by the [Aristotle Foundation for Public Policy](#).
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National Post Piece Dismissing U.S. Influence On Avro Arrow's Cancellation Misses The Mark

[Canadian History](#) / By [Palmiro Campagna](#) / April 7, 2025 / [Leave a Comment](#)

Editor's note: This article is a response to a piece by Bob Plamondon titled "There was no conspiracy behind the cancellation of the Arrow", published in the National Post on April 6th. You can [read that article by clicking here](#).

In Plamondon's article, a number of ideas are expressed which require closer scrutiny. For example, it is stated that the government of Louis St. Laurent and C.D. Howe would have cancelled the Arrow. While Howe wanted the Arrow cancelled, blustering about high costs, in a letter to Mike Pearson dated January 22 1959, Howe states:

"You will recall that when the matter was last discussed by our Defence Committee in 1957, it was decided to continue the project for the time being, and have a complete review of the matter in September 1957...I think you have been right in being non-committal as to the decision to continue or terminate..."

While Howe states his recommendation would have been to terminate due to his perception of high costs, the fact remains that a review was pending, a review which did not occur as the Liberals went on to lose the election to the Conservatives. Cancellation by the Liberals was, from this letter, not a done deal.

On the matter of cost, I have noted in my previous article and books, that the extensive documented record does not support the idea that the Arrow was cancelled because it was too costly. For example, Minister of Finance Donald Fleming is on record as noting that he had supported the Arrow in 1957, but now in 1958 it was the military that no longer wanted it – as the focus was on defence against intercontinental ballistic missiles in the face of a diminishing bomber threat.

Shortly after the cancellation, records show the US requesting that Canada now purchase aircraft. The idea that the bomber threat had diminished was incorrect. Prime Minister John Diefenbaker is noted as having said that:

*...a committee of the Ministers who were members of the Cabinet Defence Committee...should meet to consider the proposal [for aircraft] and make recommendations. If the committee reported that security demanded the acquisition of these aircraft, then that would have to be the decision. To purchase them, however, would cause great difficulties. It would place him and the Minister of National Defence in impossible positions...He [Diefenbaker] thought the public had been convinced of the wisdom of the government's decision to cancel the Arrow. **To obtain other aircraft now in***

the face of statements that the threat of the manned bomber was diminishing and the day of the interceptor would soon be over would be most embarrassing unless a reasonable explanation could be given. Additional Bomarc in Canada might be an alternative. The Committee should first examine carefully what had been said publicly by himself and other Ministers about cancelling the Arrow and, in the light of that, consider what was possible. In any event, the safety of the nation should be the paramount consideration no matter what the consequences. He had been against cancelling the Arrow but had been persuaded otherwise...During the brief discussion it was said that, even though a logical, reasoned case might be made for obtaining the F101Bs, such a decision could not be explained to the public...

This particular document from 1960 is most telling. If the Arrow costs were astronomical as Howe had said almost from the inception of the project, this could easily have been the explanation given to Canadians. But, it was not the case. The comment that Diefenbaker had to be persuaded since he was against cancelling, is further indication that cost was not a factor in the decision to cancel. The reason, as is stated, was in the belief that the bomber threat had diminished. The last statement that the decision to purchase the American F101Bs could not now be explained to the public is in itself both telling and disturbing as it shows a government with egg on their face. I submit that this entire discussion does not read as though the people who took it, still believed it was the correct one, especially since it caused the demise of an industry and impacted the jobs of some 25,000 people.

On US pressure, George Pearkes, in interviews, advises that there was pressure to sign the NORAD agreement and that he was advised by the Secretary of Defense Donald Quarles, that Canada did not need the Arrow in light of American aircraft availability. Pearkes states that he reasoned he could allow the US to train out of Canadian bases and that they would handle Canadian defence in the interim period between cancellation of the Arrow and installation of the Bomarc. This interview is available online from the University of Victoria.

Separate from this, the August 4th and 5th 1958 minutes of the meeting between Canadian and American officials in Washington clearly notes the Secretary of Defense Neil McElroy as stating that the US would prefer that Canada focus on building components, to which Canadian Ambassador Norman Robertson replies that Canada cannot and will not cancel the Arrow. But, McElroy doubles down on his request and says that in return the US could solve the problem of tariffs and taxes in regards to the negotiations for the defence production sharing arrangements.

Did the words of McElroy and Quarles have an impact on the termination? Declassified American records do include the defence sharing discussions as being part of the reason

behind the cancellation, in addition to the belief in the diminishing bomber threat and switch to the ICBM threat. Was Diefenbaker aware that the US had made these overtures to Pearkes and to the Canadian delegation which included Pearkes and Ambassador Robertson? Likely not.

Part of the tragedy in the Arrow saga is that the now declassified records were not available when the principle players were still alive and available to be questioned. Even Prime Minister Diefenbaker might have been surprised for example, to learn that the order to destroy the prototypes actually came from a recommendation by the Chief of the Air Staff, to Pearkes, who withheld the information from the public and his boss. On a final note, at the time of cancellation, there was little left in the Arrow development as the bulk had been completed. The development costs are detailed in an audit summary prepared shortly after the cancellation. It shows the fixed cost per aircraft for 83 more, on top of the 37 then under contract before termination, at \$3.5 million per copy, up from the \$2 million in 1953 when the project was begun.

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About The Author



[Palmiro Campagna](#)

Palmiro Campagna is a retired professional engineer and author of 4 books, "Storms of Controversy: The Secret Avro Arrow Files"; "Requiem for a Giant: A.V. Roe Canada and the Avro Arrow"; "The UFO Files: The Canadian Connection Exposed" and "The Avro Arrow: For the Record" now in second revised edition. All are available from the publisher Dundurn, bookstores, or websites such as Amazon. He has written numerous articles, appeared in several documentaries, and been interviewed on radio and television. He is responsible for discovering and having had the most documentation on the Arrow declassified. He resides in Ottawa.