

be continued [Document 69]. Diefenbaker and Pearkes, however, in a decision reminiscent of their agreement to implement NORAD, privately decided to scrap the CF-105 [Document 70] following Pearkes' visit to Washington in the first week of August. During the next six weeks, the proposal to cancel the Arrow topped the agenda of the Cabinet Defence Committee and the full Cabinet; ultimately, the decision was made to continue the development programme for the Arrow until 31 March 1959 [Documents 88 and 89]. Additional documentation details the decision to adopt the BOMARC missile and the negotiation of a production sharing agreement with the United States.

The introduction of nuclear weapons into the North American air defence umbrella was intimately related to the formation of NORAD and the decision to rely on the BOMARC instead of the CF-105 to counter the Soviet military threat. The United States first pressed Canadian officials to incorporate atomic capabilities into the continental defence shield in December 1957 [Documents 26 and 27], and Cabinet cautiously approved exploratory negotiations aimed at stockpiling nuclear weapons on Canadian soil at Goose Bay. Department of External Affairs officials, however, quickly emphasized that Department of National Defence attempts to minimize or ignore the political ramifications of deploying nuclear weapons in Canada were misguided, since it involved switching from a passive defence role to the "provision by Canada of facilities to enhance the striking power of the Strategic Air Command offensive forces" [Document 35]. After the Cabinet Defence Committee discussed the issue in a detailed fashion in April 1958 [Document 55], military talks continued throughout 1958. The decision to acquire BOMARC missiles altered the tone and urgency of the debate. As the BOMARC required nuclear warheads to function effectively, the Canadian government was now logically committed to acquiring nuclear arms for use by Canadian forces. Cabinet subsequently agreed to begin the "difficult and complicated" negotiations to secure nuclear weapons [Document 95], and intensive inter-departmental consultations occurred to prepare ministers for the December 1958 Joint Committee on Defence meeting in Paris. The most important matter discussed by the Joint Committee proved to be the contents of a draft statement to be made in the House of Commons about Canada's decision to negotiate terms for acquiring nuclear weapons, including the ultimate political control over their potential use.

The Diefenbaker government also addressed a number of critical cross-border economic issues, many of which concerned restrictive import measures adopted by both Ottawa and Washington. Canada contemplated raising duty values on fruits and vegetables and placed restrictions on turkey and fowl imports. The Department of External Affairs believed these measures violated Canadian GATT obligations, a view shared by the American government, which protested Canadian actions as "disappointing in the context of the need for expansion of world trade so often stressed by leaders of the Canadian government" [Document 188]. Canadian officials were equally concerned with new American restrictions on crude oil and lead and zinc imports, as well as the perennial problems posed by American surplus disposal policies under Public Law 480. Ottawa issued a flurry of strongly worded diplomatic notes objecting to Washington's policies, with seemingly little effect.

Despite these important trade irritants, a major breakthrough was made in the complex negotiations designed to secure agreement with Washington to develop the