

MEMORANDUM OF UNDERSTANDING

(In this memorandum, unless the context otherwise requires, "Canada" means the Government of Canada and "United States" means the Government of the United States.

This Memorandum sets forth the understanding reached by Canada and the United States concerning the acquisition by Canada of F-101B aircraft for operations in Canada, the assumption by Canada of responsibilities for certain continental radar defense stations (Pinetree) and the co-operation of the two Governments in a program for the procurement in Canada of F-104G aircraft:—

I. (A) *F-101B Fighter Interceptor Aircraft*

In consideration of the financial and other benefits accruing to the United States under Article II, the United States will at times and places to be agreed between the appropriate authorities of the two Governments:—

- (1) furnish to Canada 66 F-101B aircraft (including dual control F-101B aircraft designated F-101F). Canada agrees that these aircraft will be for the use of the Royal Canadian Air Force squadrons specifically allocated to NORAD by Canada and operated in accordance with NORAD plans. Title to these aircraft will be vested in Canada as from the dates of delivery.
- (2) furnish for the 66 F-101B aircraft support equipment as mutually agreed to the cost of U.S. \$15.6 million, title to equipment so supplied to be vested in Canada as from the dates of delivery.
- (3) furnish for the 66 F-101B aircraft spares and other related equipment, including flight simulators and a mobile training unit, to a total cost of U.S. \$32.7 million, and armament as mutually agreed. The cost of all items transferred to Canada under this paragraph (I. (A) (3)) will be shared on the basis of the United States paying two-thirds and Canada paying one-third. Title to all items transferred to Canada under the provisions of this paragraph (I. (A) (3)) shall be vested in Canada.

(B) Except as otherwise expressly set out in this Article (I) the entire cost of manning, operating and maintaining the 66 F-101B aircraft, including such airfield construction and other facilities as may be required will be the responsibility of Canada.

II. (A) *Continental Radar Defense Stations (Pinetree)*

In consideration of the United States undertaking to furnish to Canada 66 F-101B aircraft and related items in accordance with the terms of Article I, Canada will assume those responsibilities of the United States, under the Exchanges of Notes dated August 1, 1951 and June 15, 1955 concerning the Continental Radar Defense System, in respect of the manning, operation and maintenance of the Pinetree Stations listed in Article II (B), in accordance with the provisions of the said Article II B, thereby relieving the United States of these responsibilities.