

No. 5894

---

**UNITED STATES OF AMERICA  
and  
CANADA**

**Exchange of notes (with Memorandum of Understanding)  
constituting an agreement relating to air defense and  
related co-operation. Ottawa, 12 June 1961**

*Official text: English.*

*Registered by the United States of America on 29 September 1961.*

---

**ÉTATS-UNIS D'AMÉRIQUE  
et  
CANADA**

**Échange de notes (avec Mémoire d'accord) constituant un  
accord de coopération dans le domaine de la défense  
aérienne et les domaines connexes. Ottawa, 12 juin 1961**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 29 septembre 1961.*

No. 5894. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND CANADA RELATING TO AIR DEFENSE AND RELATED CO-OPERATION. OTTAWA, 12 JUNE 1961

---

## I

*The American Ambassador to the Canadian Secretary of State for External Affairs*

EMBASSY OF THE UNITED STATES OF AMERICA

Ottawa, June 12, 1961

No. 604

Sir :

I have the honor to refer to certain discussions which have taken place between representatives of the Government of Canada and of the Government of the United States. These discussions have been concerned with means for ensuring the most effective use of certain resources which each Government is prepared to make available, pursuant to the objectives of the North Atlantic Treaty,<sup>2</sup> for improving the air defense of the Canada-United States Region of NATO,<sup>3</sup> for furthering the Defense Production Sharing Program of our two Governments, and for the provision of assistance to certain other NATO Governments.

I now propose, on behalf of the Government of the United States, that the provisions set out in the Memorandum of Understanding annexed hereto,<sup>4</sup> which accord with the understandings reached between representatives of the two Governments, should govern the assumption by the Government of Canada of the responsibility for certain continental radar defense stations hitherto the responsibility of the United States, the acquisition of F-101B aircraft by the Government of Canada from the Government of the United States and cooperation in a program for the procure-

---

<sup>1</sup> Came into force on 12 June 1961 by the exchange of the said notes.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 34, p. 243 ; Vol. 126, p. 350, and Vol. 243, p. 308.

<sup>3</sup> North Atlantic Treaty Organization.

<sup>4</sup> See p. 24 of this Volume.

ment in Canada of F-104G aircraft to meet a Canadian mutual aid contribution to NATO and United States Military Assistance Program requirements.

Accordingly, I propose that this Note, your reply and the terms set out in the enclosed Memorandum of Understanding shall constitute an Agreement between our two Governments, effective from the date of your reply.

Accept, Sir, the renewed assurances of my highest consideration.

Livingston T. MERCHANT

Enclosure :

Memorandum of Understanding.

The Honorable Howard C. GREEN  
Secretary of State for External Affairs  
Ottawa

#### 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 cooperation 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<sup>1</sup> 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.

---

<sup>1</sup> North American Air Defense Command.

(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<sup>1</sup> and June 15, 1955<sup>2</sup> 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.

(B) (1) Canada will take over the manning, operation and maintenance, and the financial responsibilities relating thereto, of the following Pinetree Stations on dates to be agreed by the appropriate authorities of both Governments :

Baldy Hughes, British Columbia	Lowther, Ontario
Kamloops, British Columbia	Pagwa, Ontario
Puntzi Mountain, British Columbia	Ramore, Ontario
Saskatoon Mountain, British Columbia	Sioux Lookout, Ontario
Beausejour, Manitoba	Barrington, Nova Scotia
Armstrong, Ontario	

(2) Effective from the date of this agreement, Canada will assume financial responsibilities for all costs of manning, operating and maintaining the following Pinetree Stations :

Moisie, Quebec	Sydney, Nova Scotia
Saint Sylvestre, Quebec	Gander, Newfoundland
Beaverbank, Nova Scotia	

(3) If additional costs of operation and maintenance arise as a result of any improvements over and above those programmed for installation at the date of this Agreement, the division of costs shall be agreed between the two Governments.

(4) Except as otherwise provided herein, the Pinetree Stations referred to in this Memorandum will continue to be operated under the provisions of the Exchanges of Notes dated August 1, 1951 and June 15, 1955.

<sup>1</sup> United Nations, *Treaty Series*, Vol. 233, p. 109.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 268, p. 101.

### III. *Procurement of F-104G Aircraft*

(A) F-104G aircraft, associated support equipment and initial spares having a total cost of U.S. \$200 million will be procured in Canada. The aircraft will be procured to meet a Canadian mutual aid contribution to NATO and U.S. Military Assistance Program requirements. The United States will contribute U.S. \$150 million to this total cost and Canada will contribute U.S. \$50 million. The annual division of the costs of procurement under this paragraph will be on the basis of three-quarters by the United States and one-quarter by Canada.

(B) Deliveries will start in mid-1963 at the approximate rate of 48 aircraft a year and will continue until aircraft, support equipment and initial spares in the total amount of U.S. \$200 million are delivered.

(C) Where legally possible no part of the U.S. \$200 million in this Article will be used to pay any royalty, license, or fee for any right or part thereof which has been created out of the expenditure of public funds of either Government.

(D) The program described in this Article (III) is subject to the availability of appropriated funds.

### IV. *Taxes*

The equipment, materials and goods placed by or on behalf of the United States in Canada for the purpose of fulfilling these arrangements, and the equipment, materials and goods procured in Canada by or on behalf of the United States for the purpose of fulfilling these arrangements, will be free from customs duties, and federal excise and sales taxes.

### V. *Supplementary Arrangements*

Supplementary arrangements or administrative agreements between the appropriate authorities of the two Governments may be made from time to time for the purposes of carrying out the intent of this Memorandum of Understanding.

L. T. M.

## II

### *The Canadian Secretary of State for External Affairs to the American Ambassador*

DEPARTMENT OF EXTERNAL AFFAIRS  
CANADA

No 92

Ottawa, June 12, 1961

Excellency,

I have the honour to refer to your Note No. 604 dated June 12, 1961, recording the understandings reached between representatives of the Government of Canada

and of the Government of the United States regarding the means for ensuring the most effective use of certain resources which each Government is prepared to make available, pursuant to the objectives of the North Atlantic Treaty, for improving the air defence of the Canada–United States Region of NATO, for furthering the Defence Production Sharing Programme of our two Governments, and for the provision of assistance to certain other NATO Governments.

The proposals contained in Your Excellency's Note are acceptable to the Government of Canada, and it is agreed that your Note, the terms set out in its enclosed Memorandum of Understanding, and this reply shall constitute an agreement between our two Governments on this subject which shall enter into force on the date of this Note.

Accept, Excellency, the renewed assurances of my highest consideration.

H. C. GREEN  
Secretary of State for External Affairs

His Excellency Livingston T. Merchant  
Ambassador of the United States of America  
Ottawa