

AA
✓ 9-85-36
X

November 14, 1952.

Dear Mr. Gordon:

Following our conversation of yesterday, I have discussed with my officers the position of the Fleet Aircraft plant at Fort Erie in relation to subcontracting for AVRO.

I find that, before interesting Canadair in using this plant, my officers discussed with your officers, during your illness, the need of the plant as far as AVRO was concerned. Your officers indicated that there would be no difficulty in handling the work allocated to Fleet Aircraft, either by your own plant or at the neighbouring De Havilland plant. It was on this assumption that negotiation with Canadair has proceeded.

I have heard rumours recently that you are planning to use part of the space in the AVRO plant for further work on the C.102 civilian airplane, or for other work for private customers. Having in mind the colossal investment of Government funds in AVRO at the present time, any such use of your floor space cannot be tolerated. I have instructed you before, and I repeat the instruction, that the C.102 is to be moved out of any useful manufacturing space in your plant and put aside until such time as the Government investment in facilities for AVRO has been brought down to a reasonable figure. I trust that action will be taken immediately to carry out this instruction.

Canadair is in a position to load the Fleet plant to capacity without any capital assistance from the Government, and it is our intention to complete arrangements with Canadair accordingly. This must be

- 2 -

accepted as our final decision.

Yours very truly,

ORIGINAL SIGNED BY
C. D. HOWE

Crawford Gordon, Jr., Esq.,
President and General Manager,
A. V. Roe Canada Limited,
P.O. Box 430, Terminal "A",
Toronto, Ont.

t