

'IFIED: PM

Nothing to Show For \$400,000,000

By HAROLD GREER

Plans for letting out 13,800 workers at Malton over a six-month period were drafted by A. V. Roe Ltd. several weeks ago in anticipation of a Government decision against the Arrow interceptor.

The plans were drawn up on the basis of indications from Ottawa—including assurances from at least two cabinet ministers—that even if the Government did not order the Arrow into production, the development contract for 37 aircraft would be completed.

Completion of the development contract would not have cost the Government any more, and probably not as much, as outright cancellation.

Contracts between Ottawa and Avro Aircraft, and Orenda Engines Ltd., all provide for penalty payments by the Government in the event of cancellation. These will amount to between \$50,000,000 and \$100,000,000.

About \$350,000,000 has been spent to date on the

design and development of the Arrow. Government estimates have provided for \$397,000,000 up to March 31.

Cancellation thus means that between \$400,000,000 and \$450,000,000 will have been spent for nothing—no aircraft, no working force, no engineering team and an empty factory.

Completion of the development contract for about the same money would have cushioned the unemployment blow, saved on unemployment insurance benefits, and kept the plants in a position to produce something else after six months.

It would also have resulted, at no extra cost, in the production of 37 aircraft which would not have been entirely useless, especially for aerodynamic research.

It is learned that 60 per cent of the components and parts required for 37 aircraft have been produced.

The plan to pay off its working forces by stages was

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Embarrass Government, Said Object

By CLARK DAVEY

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