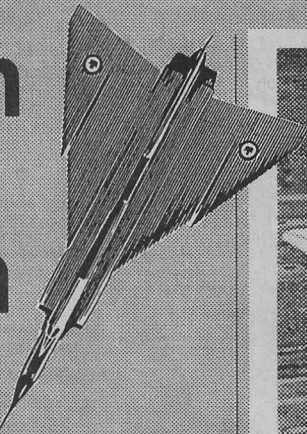


Broken Arrow, broken dream



Thirty years ago Monday, the Conservative government of John Diefenbaker cancelled production of the CF-105 — the Avro Arrow supersonic jet fighter. The decision caused the layoff of 14,000 workers, and hundreds of Canada's top aerospace technicians left the country, many to join the U.S. space program. This is an excerpt from a new book by Greig Stewart, *Shutting Down the National Dream: A.V. Roe and the Tragedy of the Avro Arrow*, published by McGraw-Hill Ryerson.

THOSE WHO recall seeing Crawford Gordon during that fateful summer of 1958 have a picture in their minds that bears little resemblance to the man who took control of A.V. Roe seven years before. His face was puffier now, much puffier some thought, and his voice, once deep, clear, and defiant, now had the tendency to crack at times; he left sentences unfinished, as if he could no longer find the right words.

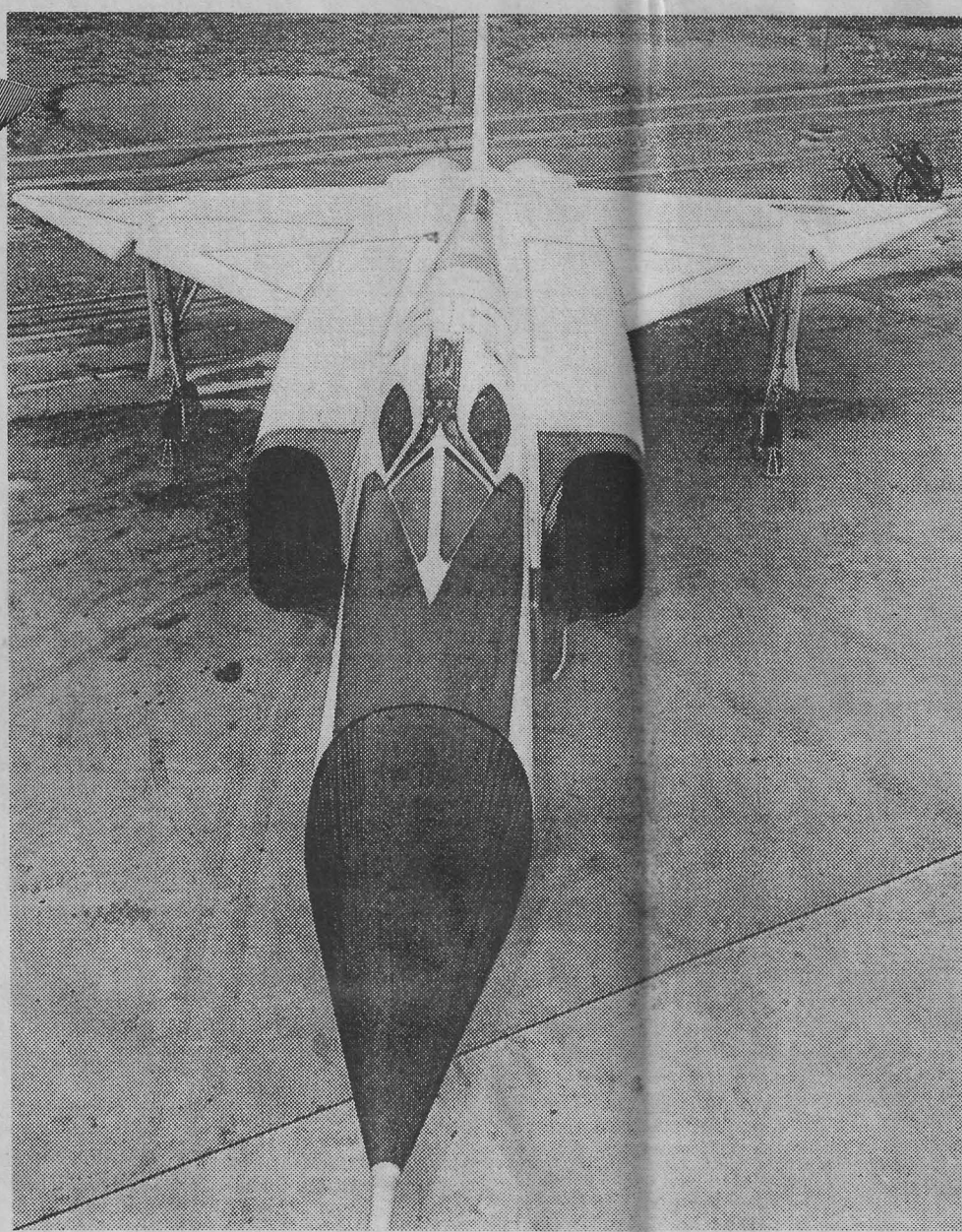
Now in his mid-forties, Crawford Gordon had done just about all he had set out to do — build one of the largest industrial empires in Canadian history. There's an old saying that when you get it all today, there's nothing left for tomorrow.

His early days with the company had been invigorating — new job, new responsibilities — and since things had always come easily to him, he had confronted difficulty with an easy grace.

A turning point in his life was the loss of his secretary/mistress, who one day packed her bags and moved out West. Despite the fact that Gordon was, in his own peculiar way, devoted to both his wife and three children and his mistress, he was a notorious womanizer. His secretary eventually realized that Gordon would not give up his family for her, so, to spare herself further distress, she left.

Her sudden departure was a terrible blow. Gordon had never been abstemious when it came to alcohol, and now, in his despair, he turned more and more to the bottle. He became an alcoholic.

It was around this time, the summer of 1958, that people began to notice a change in



From the book *Avro Arrow*/Boston Mills Press

Crawford Gordon, subtle at first, but a change nonetheless. His devoted wife, Mary, recalls that he found it increasingly tiresome to attend the obligatory dinner parties and other social functions. It might be expected that a man in his position would use such occasions as business opportunities, but Gordon seemed to revel in being obnoxious. Most of his wife's time during these events was spent in apologizing to all the people he had insulted.

Occasionally, late in the evening, usually after a particularly hard day, Gordon's son would find him slumped in a chair, tears in his eyes, listening to Judy Garland records.

With the Arrow debate heating up, colleagues saw less and less of Gordon; when he did put in an appearance, he usually had a glass of scotch in his hand. Wilf Curtis,

vice-chairman of the board at A.V. Roe Canada, found himself being chairman of more and more meetings with Gordon so often mysteriously indisposed. Gordon's new secretary, Gloria Collinson, became expert at making excuses for Gordon on an almost daily basis, and Avro Aircraft's chairman of the board Fred Smye privately expressed his concern for his doomed friend. Then the inevitable happened. In the early summer of 1958, Gordon left his wife and children and moved into Briarcrest, the company estate.

In Ottawa, Prime Minister John Diefenbaker was quite mindful of what was happening at the Malton, Ont., plant where the Arrow was being built. One of the reasons

From Page D1

was his party whip, John C. Pallett, who happened to be the sitting member for Peel, which housed the Avro plant.

Although Diefenbaker's "official" advisers on the Arrow were the chiefs of staff and the departments of National Defence and Defence Production, he welcomed information coming from Pallett.

"We didn't deal with company officials," Pallett recalled. "The people I was interested in were the shop stewards and the guys on the floor. I knew many of them on a first-name basis more than I knew the top echelons. All the fellows on the airframe would tell me about the engine; all the fellows on the engines would tell me about the airframe. It was absolutely foolproof because it gave me the total picture. It wasn't what I wanted to hear, however; I wanted to hear this was a superb aircraft and I found it wasn't a superb aircraft and this was very disturbing to me."

"What was wrong? They developed a new engine and a new airframe, the only time ever that's been tried. It's like wearing two left shoes; it looks distinctive, but it isn't too bright."

At the A.V. Roe head office on University Avenue in Toronto, Gordon's secretary had made an appointment for the boss to see the prime minister on Sept. 17. In preparation for the meeting, Smye prepared yet another brief for the prime minister and the cabinet that Gordon might take with him. Framed in eloquent but not particularly tactful language, Smye's brief claimed that termination of the Arrow/Iroquois project would:

□ Destroy one of the free world's most progressive and advanced technical organizations in the aeronautical field together with Canadian prestige, self-reliance and independence for which this organization has stood. Moreover, it will virtually eliminate any future opportunity for Canada to regain a position of leadership in this field.

□ Create a catastrophic unemployment problem. Taken together with consequent snowballing losses in revenues from sales taxes and corporate and personal income taxes, this could seriously aggravate the present uncertain economic condition.

□ Deprive this country of an effective Canadian-created component of its national defence that cannot be more adequately replaced from non-Canadian sources.

Public-relations adviser Pat Kelly suggested Gordon fly to Ottawa so that he would arrive quietly and refreshed, and to neither drink nor smoke on the way up. Gordon refused, and with Kelly and Joe Morley, Avro vice-president of sales and service, in tow, he boarded a train for Ottawa, arriving many hours later at the prime minister's door, "bombed" and "in no shape for solid conversation."

To add to the situation, he had left Smye's briefs on the train so that Kelly had to rush back to the railway station to retrieve them. To further aggravate matters, the prime minister couldn't see Gordon right away, but left him cooling his heels for almost two hours.

In an office adjoining the prime minister's was Pallett, who was about to witness a confrontation that he would remember years afterward. When the prime minister was finally available, Gordon, got up, still wearing his trenchcoat, lit a cigar, and with something of his old, confident air, marched in to meet Diefenbaker.

Gordon refused to sit or to let the prime minister get a word in. One can only imagine the scene. On one side of the decks, the prime minister of Canada, with all the assurance of a majority government; on the other side, the powerful but decadent industrialist, cigar in mouth, smelling of scotch, pounding on his adversary's desk, demanding a guarantee that the Arrow not be scrapped, to which the prime minister might have replied: "My stockholders, sir, are 18 million Canadians!"

"He (Gordon) was acting very childishly over a problem that was quite serious, like a kid who was having his toy taken away from him," said Pallett.

When Gordon failed to lower his voice or stop the pounding, the prime minister warned he would be forcibly removed if he didn't settle down. At this, Gordon turned and stomped out, his trench coat flaring like a cape behind him. The "meeting" had lasted less than 20 minutes. When Gordon met (Joe) Morley in the hall, his only comment was, "We'll turn it around," but later, when he called Smye, he described the meeting as the most devastating experience of his life.

FOR A mid-winter Canadian day, Friday, Feb. 20, 1959, was rather pleasant: sunny periods with a projected high of 20 degrees F. Any storms that day would take place inside and not out.

In the flight test hangar at Malton, Ont., the long-awaited first Arrow Mk.2, with its newly fitted Iroquois engines, was just a few weeks away from first flight.

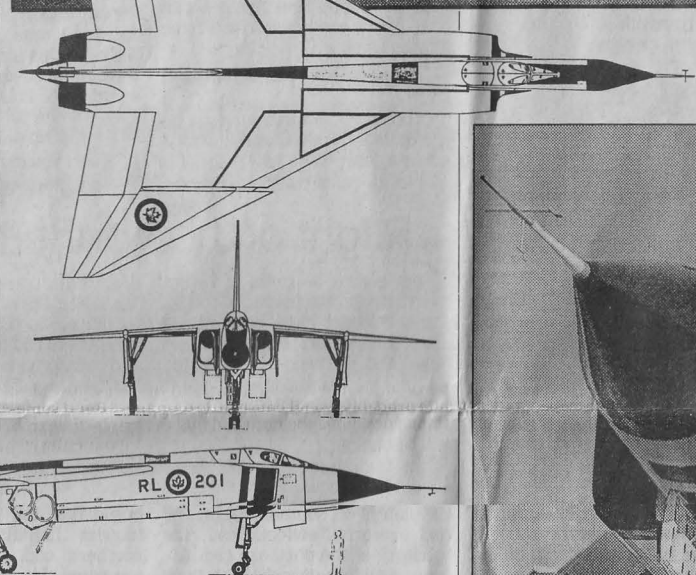
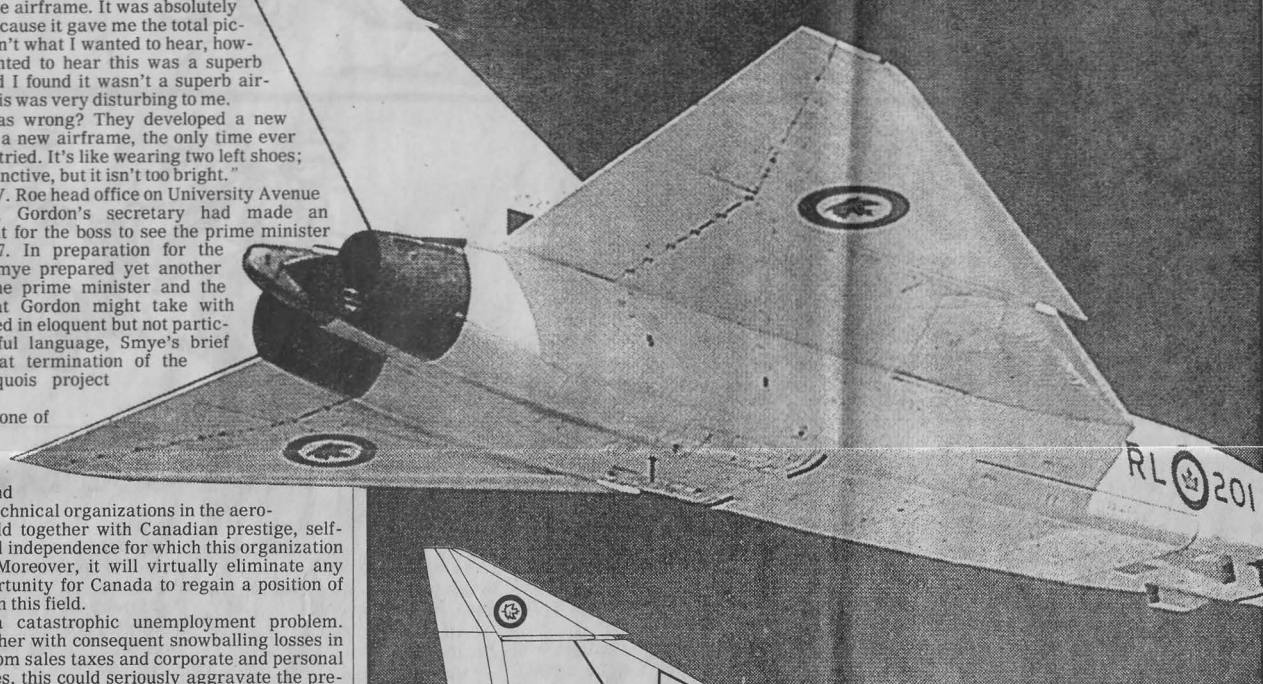
8 a.m. For Jim Floyd, Avro Aircraft's vice-president of engineering, this Friday was like any other, beginning with a meeting with his engineers. There was a meeting every morning to avoid unnecessary interruptions during the day, to keep people from walking in and out of each other's offices all day long. This particular meeting centred on an undercarriage problem.

9 a.m. At Briarcrest, the company estate, Crawford Gordon was still asleep. The night before he had spent long hours on the phone trying, without success, to contact Michael Starr, Minister of Labor, and Donald Fleming, Minister of Finance, to seek out new information. At about 1:30 he had left orders with the housekeeping staff not to be wakened except for an emergency at home. Gordon, for once, would try to make it into work by noon.

9:15 a.m. Avro board chairman Fred Smye had just called the board meeting to order at Canadian Applied Research, a recent A.V. Roe acquisition, when one of the secretaries called him to the phone. Ottawa was on the line. It was Gordon Hunter from the Department of Defence Production calling to inform Smye that the prime minister would have an announcement about the Arrow and the Iroquois later that day. He wasn't waiting until March 31 to make a decision; the Arrow and the Iroquois would be cancelled that very day. "Holy Christ!" said Smye.

At RCAF headquarters in Ottawa Air Vice Marshall John Easton was at his desk when he received his copy of a confidential memo from Raymond O'Hurley, Minister of Defence Production, to the Chief of the Air Council. Two words caught his eye: "cancel" and "de-

The day they shot down the Arrow



From the book
Avro Arrow
Boston Mills Press

struct." Easton then phoned Ray Footitt, head of the RCAF-Arrow team, at Malton. Says Footitt: "I was in my office, and I was told just before it was announced in the House. The part I can't answer for are the dollars. Whether this would have made the country bankrupt I don't know. There had been a gyrations of cost, but we never really thought..."

9:30 a.m. "Mr. Speaker," said the prime minister, "with the leave of the House, I should like to make a somewhat lengthy statement on the subject of one facet of the national defence of Canada."

"The announcement I wish to make has to do with the decision regarding our air defence, which was foreshadowed in the statement made by me to the press on September 23 last." The "foreshadowed" is carefully chosen. It implies a notice of termination written on a wall. It falls within the limits of the deliberately vague announcement made five months before. It rings of fair play.

Diefenbaker continues his summation to the jury: "The government has carefully examined and re-examined the probable need for the Arrow aircraft and Iroquois engine known as the CF-105, the development of which has been continued pending a final decision." Again he implies notice of termination. Forgotten are the meetings and telephone calls in which his ministers reassured company executives that this was not the case. "The conclusion arrived at is that the development of the aircraft and Iroquois engine should be terminated now."

The prime minister praised the Arrow as he buried it. It showed promise but had been "overtaken by events." The bomber threat had diminished and "alternative means of meeting the threat developed much earlier than was expected." This was the U.S. Bomarc missile. Various alternatives for the improvement of Canadian defence were being studied, he said, being careful to leave open the avenue that would later lead to Voodoos, the U.S. interceptor purchased in 1961.

"Although the range of the aircraft has been increased, it is still limited," Diefenbaker said. The seed of public doubt about the Arrow's performance was planted. Maybe the idea came from the National Research Council, maybe from the Defence Research Board, but it did not come from the air force, which had set the requirements. In this area the RCAF was confident that the CF-105 would exceed the radius of action required.

Diefenbaker then turned to the matter of cost. Reaching back to 1953 he found an estimate for "five or six hundred aircraft" at a cost of \$1.5-million to \$2-million each, and contrasted this with a cost per aircraft of \$7.8-million for a program of 100 Arrows "including weapons, spare parts and the completion of development, but not including any of the sum of \$303-million spent on development prior to September last."

It was a shrewd choice of figures designed for the most dramatic effect in support of the government. How they were derived would remain secret, unchallengeable, even though they were prepared by senior officials of a department that had long since decided against the Arrow. That the development costs

have been dedicated to for years has been cancelled? How do you tell them that the product of their minds and hands has been eliminated?"

Nonetheless, he did it:

"The radio has recently announced the prime minister has stated in the House of Commons this morning that the Avro Arrow and Iroquois programs have been terminated."

"We, the management of the company, had no official information prior to this announcement being made. The cancellation of the Arrow and the Iroquois has, however, been confirmed as fact by a Mr. C. A. Hore, the representative here of the Department of Defence Production."

"It is impossible at this stage to give you any further details until such time as I receive the official telegram from Ottawa. In the meantime I would ask that you continue with your work. Later on in the day you will be informed as to our future."

Smye had asked Plant to round up as many Avro and Orenda executives as he could and come to Briarcrest. Gordon then phoned his public-relations adviser, Pat Kelly, and told him to come to Briarcrest, that he needed him. He also called his son Crawford, asking him to do the same.

"He was quite calm," Crawford remembers. "When I arrived, he was on the phone trying to reach Dief. He eventually got him, but I don't know what was said. He did tell me later, however, he felt it was done as part of Dief's vendetta against him."

Kelly recalls a different scenario at Briarcrest that morning. Years later Kelly wrote: "Gordon phoned me to come to Briarcrest. When I arrived, the executives were sitting around the bar — some were drunk."

"We kicked around for a while what to do," says Smye. "I was the one who pressed the idea of giving notice to the whole works, not Gordon. We'd bring back as many as we could to finish up any work, but the game was over."

11:42 a.m. On the teletype machines at Avro Aircraft and Orenda Engines, exactly the same message was received, from the Department of Defence Production: "Take notice that your contracts bearing the reference numbers set out below including all amendments thereto are hereby terminated as regards all supplies and services which have not been completed and shipped or performed thereunder prior to the receipt by you of this notice. You shall cease all work immediately, terminate subcontracts and orders, place no further subcontracts or orders and instruct all your subcontractors and suppliers to take similar action."

1:10 p.m. "We were called to the board room, all the executives, the management committee — there were about 30 of us," said Ron Adey, a member of Gordon's advisory staff. "Crawford read the telegram out loud saying the Arrow was cancelled as of 5 o'clock that night and that no further charges were to be made to the contract."

2:00 p.m. The afternoon edition of the Toronto Star hit the newsstands. "Diefenbaker Decides: SCRAP ARROW — No other work for makers of Arrow or Engines."

By now engineering chief Jim Floyd was back in his office. His first impulse was to call his wife, but he couldn't get a line out. The switchboard was jammed. He decided instead to call his engineers.

"I called them in and told them I would have to let them go. Then (engineer Bob) Lindley came into the meeting with John Plant and said, 'What about the six aircraft? What about the one with the Iroquois in it — can we fly it?' Then Plant said, 'We can't fly it. We can't do anything.' Then Jack Woodman, the RCAF test pilot, showed up and asked if he could take one of the Arrows and ditch it in Lake Ontario."

Plant returned to the microphone, reiterated what he had said earlier, and added that there was no further work and that the employees should not return to work until they were sent for.

Said Harry Keast, assistant to the chief developmental engineer at Orenda engines: "We were sorting out the critical path planning when my secretary came in with a little note. She put it in front of me, and it said 'Program Cancelled.' I screwed up the note into a little ball and threw it in the basket and said, 'Well, meeting's over chaps, it's the end of the program.'"

4:10 p.m. Crawford Gordon sat down in front of the microphone where Plant had sat two hours before and declared:

"Following the prime minister's statement, we have received news from the government instructing us to immediately cease all work on the Arrow and Iroquois programs at Malton... Notice of termination of employment is being given to all employees of Avro Aircraft and Orenda Engines pending a full assessment of the impact of the prime minister's statement on our operation."

"We profoundly regret this action, but have no alternative, since the company received no prior notice of the decision and therefore we were unable to plan any orderly adjustments."

In Joe Morley's office, most of his staff was waiting for him. "What do we do now, Joe?"

"My only answer was, 'Sorry, we're all on our own now. I'll write letters of reference and help in any way I can.'"

"We were all very young, newly married, young children, large mortgages, not too much time to plan or think about the future, except getting the job done — the Arrow. We were all possessed with one ideal — the Arrow. No one, even in junior management, ever punched a time clock; it would have been as much overtime as straight time."

4:30 p.m. The late afternoon edition of the Star hits the streets. "Everybody Out Until Avro's Position Clear" screams the new headline. Peter Podger, the Machinists Union representative, calls the situation at Avro and Orenda tragic:

"Diefenbaker has sold out the Canadian aircraft industry. There's no excuse for the ways it's been handled. This news will also affect 15,000 other workers employed by over 650 Arrow and Orenda subcontractors."

Dennis McDermott of the United Auto Workers echoed the sentiments:

"We will now lose the cream of our skilled aircraft technicians to the United States. You just don't open and shut an industry like a workhouse. History will prove this to be one of the most colossal blunders made by a prime minister in the history of Canada."

5:30 p.m. Only the maintenance staff was on duty. Apart from a few night-shift workers who had been refused entrance and were milling around the gates, all 14,258 Avro and Orenda employees had gone home to think about the future. A few would be called back Monday, but the vast majority would never set foot inside the plant again.

Crawford Gordon went back to Briarcrest and poured himself a drink.



This shot, one of the few available of a test model of the Avro Arrow, gives an idea of the plane's size.

incur between September and the moment of cancellation were not mentioned artfully avoided revealing the price of indecision.

10:15 a.m. At Malton, Janusz Zurakowski, the Arrow's first test pilot, was walking across the tarmac when a reporter from the Toronto Telegram ran up to him yelling, "Hey, Zura, do you know they just cancelled the Arrow?" Zurakowski stumbled back into the design office in shock.

In the sales and service department at Malton, vice-president Joe Morley had barely finished his first coffee when the teletype machine came to life with the first official notice from Gordon Hunter. He grabbed the telex and ran to Smye's office. Says Morley: "All I remember are the words 'Cease and desist as of receipt of this telex on all government contracts and acknowledge that you are so proceeding.'"

10:45 a.m. Smye had rushed to Briarcrest to waken Gordon. "We both sat down and tried to figure what the hell we were gonna do," said Smye.

Gordon hadn't heard at this point. The last thing (I had heard from Ottawa) was the cancellation telegrams were on their way."

As Morley was running, telex in hand, to Smye's office, engineering chief Floyd was on his way to keep an appointment he had made with Smye the day before. Not finding Smye, Floyd walked into the next office to see company president John Plant. With Plant was Earle Brownridge of Orenda Engines, the A.V. Roe engines division, and a few others discussing the scheduled upcoming set of contract negotiations with the Machinists Union. Just as Floyd arrived, they all heard a commotion outside Plant's office. Plant takes up the story:

"Running down the corridor, very white in the face, was Joe Morley, followed by Alan Hore, who was the Department of Defence Production representative in the company. And Morley said, 'The prime minister has just announced in the House of Commons that the Arrow, the Iroquois have been cancelled!'"

The news spread like wildfire. All over the Avro and Orenda plants, employees were being called to the phone to hear the same thing from wives, husbands, girlfriends, even stock brokers.

10:55 a.m. Smye called Plant from Briarcrest. Smye suggested Plant make some sort of announcement to the employees. Plant: "We talked about it and I said, well, we will have to lay everybody off, otherwise we will be letting off people without seniority. And he said 'I agree,' or words to that effect."

11:15 a.m. Plant sat down in front of the company's public address system microphone to announce the Arrow cancellation; it was one of the toughest jobs he had ever undertaken.

"How do you tell some 9,000 people that the job they



Avro president Crawford Gordon