

Avro Acted to Embarrass Gov't—PM

Knew Last Sept. Arrow Finished

By The Canadian Press.
Prime Minister Diefenbaker says 14,000 workers on the CF-105 Arrow jet interceptor were dismissed Friday by an employer who knew the project was finished last September and who was trying deliberately to embarrass the government.

A. V. Roe (Canada) Limited "had no misunderstanding whatsoever", Mr. Diefenbaker told the Commons last night. "Its attitude in letting out thousands of workers . . . was so cavalier, so unreasonable that the only conclusion any fair-minded person can come to is that it was done for the purpose of embarrassing the government."

No hope was held out to the company last Fall that the government would buy the plane although development was allowed to continue largely because of the serious situation in the Far East.

But the company "continued to lead its workers to believe that there was going to be a change". Representations were made but "at no time was there ever placed before us or any minister of the government any plan to take the place of the CF-105."

Mr. Diefenbaker delivered his blunt indictment of A. V. Roe near the end of a day-long debate on the final cancellation order announced Friday. The Commons set aside normal business to launch an emergency debate in which the Opposition attacked the Arrow decision.

'Cruel, Heartless'

Paul Hellyer, former associate defence minister who moved the formal motion that brought on the debate, described the decision as "cruel, heartless and incredibly shortsighted".

The Liberal MP for Toronto Trinity said the Government acted without giving adequate consideration to what should be done to replace the Arrow program. He predicted a further 10,000 to 20,000 families dependent on subsidiary industries will be affected.

Mr. Hellyer said the cancellation spelled "disintegration" of the aircraft industry and a mass exodus of scientists and technicians to the United States.

Opposition Leader Pearson said that if the cancellation was postponed last Fall because of danger in the Far East an equally valid reason existed today for not interfering with the program because these were danger in Western Europe and the Middle East.

"Without warning, without discussion with the industry, without any opportunity being given to discuss these matters in Parliament . . . the Prime Minister issued his bleak and negative statement of last Friday, a statement that the company learned of from the columns of the press. That is our major in-

dictment of the Government

Mr. Pearson's "major indictment" of the Government was that there had been no discussions or planning to provide an alternative to the "almost brutal" decision that put Avro employees out of work.

The Opposition Leader wondered if the bomber threat was reduced as far as the Government suggested. He disagreed with a remark of Mr. Pearkes that Canada had ever stood alone in defence after World War II and he cited the NATO compact.

Canada should let the United States know that rather than a system of production sharing in which Canadian industry received only the "tag-ends of orders" this country might see if a new system of defence planning and co-operation could be worked out with the United Kingdom and European Allies. This could be a second-best alternative.

Hazen Argue, CCF House leader, said the Government should have continued the Arrow contract insofar as it was necessary to provide employment of the people involved and, if the experts advised against buying the plane for the RCAF, the program should have been discontinued "in the words of the president of the company, in an orderly fashion".

Blamed Gov't

His reference was to the statement of Crawford Gordon, A. V. Roe president who charged at a press conference Sunday that the suddenness of the government announcement was the cause of the layoff of 14,000 employees.

"Such drastic action would not have been necessary if there had been proper consultation and if the government had taken the company into its confidence and advised us in advance of its intentions", Mr. Gordon said.

Following Mr. Diefenbaker's charge that A. V. Roe acted to embarrass the government, a company spokesman said he does not think Mr. Gordon "wishes to say anything more at this time".

The Prime Minister and a number of his cabinet ministers are scheduled to meet with A. V. Roe officials today.

Defence Minister Pearkes, speaking during the Commons debate, said one of the factors considered was that military experts advised that the threat of Russian manned bombers was rapidly diminishing.

"It would not seem to make sense for us to go ahead and develop an interceptor which would be ready by the end of 1961 and which could be in squadron service by 1962, to meet a threat which would hardly exist at that time", he said.

Efforts to sell the Arrow to Britain and the U.S. were unsuccessful and the government was faced with staggering costs

of \$781,000,000 for 100 Arrows on top of the \$341,000,000 spent up to Jan. 1 on development.

The government faced expensive NATO and North American defence commitments such as further development of radar warning lines and measures to combat long-range submarines capable of launching missile attacks.

Only Preventive

In the light of that it was reasonable to place the emphasis on developing the warning lines and on the powers to retaliate which was the only preventive of war today.

In his criticism of A. V. Roe, Mr. Diefenbaker said provision had been made in the event of cancellation of the Arrow program that each employe would receive about three weeks pay.

"Why rush them out on Friday afternoon if it was not for some purpose other than the benefit of those employes? They (the company) knew it was coming. I will not say they knew the exact date but they knew what the decision was and it was unchangeable . . ."

"I say once more that their action was not a proper solution to the problems raised by these events of the greatest importance to the government and people of Canada. Naturally we regret the action that had to be taken but our responsibility is to all the people of Canada."

He said he hopes A. V. Roe "will place before us such alternatives as have not yet been placed before us. If they are realistic, and in accordance with responsible financial husbandry, every consideration will be given to the maintenance of this industry."

Some of the strongest language about the Government's decision was used by Mr. Argue just before the debate got under way in commenting on a statement by defence production minister O'Hurley about production sharing with the U.S.

Mr. Argue referred to the 14,000 Roe employes "who were thrown out on the street last Friday almost as unceremoniously as garbage . . ."

George McIlraith, Liberal, Ottawa West, said the Government action cannot help but disperse scientific and technical personnel.

Both Mr. Pearson and Mr. Hellyer expressed some doubt about the manned bomber being a diminished threat. Both also remarked that Bomarc missiles are as yet unproven, Mr. Pearson noting that U.S. experts had told Congress only 50 percent effectiveness could be expected.

Concerning the capabilities of the CF-105 and the Bomarc, Mr. Diefenbaker emphasized that the cost of the missile to Canada is about \$19,800,000 against a total CF-105 cost of \$781,000,000. This difference had to be considered, "the defensive properties of each being about the same".

Mr. Pearkes said a fair summary of the reasons for cancellation was the decreasing threat of manned bombers and lessening need for an interceptor and the fact that the Arrow was taking too much of the defence dollar.



OIL EXPLORATION LODGESTONE.

This is the unprepossessing landscape of Ellef Ringnes Island with the "salt dome" formation which encourages oil companies to believe there will be wealth here comparable to that found by Gulf Coast wells in Texas. (National Defence Photo)

Wealth of Texas Sleeps in Arctic?

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United States and United Kingdom companies are quite as interested as Canadians in obtaining exploration rights on the islands.

A Canadian firm, Trans-Western Oils Ltd., has the largest single acreage application—11,420,493.

Not Surprised.
The Northern Affairs and

not applying for permits for their amusement. They are doing so because the indications are strong that oil is there—and because, if it is, they believe it can be developed, marketed and used."

What is not often realized is that the march of oil exploration has been moving Northwards four years. The grid maps in the Northern Affairs offices; show that much of the Northern mainland is under permit.

the area centred on Isachsen and Ellef Ringnes islands and extending 100 miles out to sea.

Costly Developments.
Such developments are costly to the Government. But revenue already comes in from Northern undertakings.

At a recent sale of oil rights in land surrounding Norman Wells in the Territories 250 miles south of the Arctic Circle, Imperial Oil paid \$169,480 for rights to

Meantime, attempting to keep ahead of the private exploration parties, the Geological Survey, in addition to other undertakings, will study the geology of 125,000 square miles of Banks and Victoria Islands in the Arctic Archipelago.

A reporter gathering information on the "rush" cannot but be impressed with enthusiasm of Civil Servants involved.
Northern Affairs, Mines

'Satchmo' Would Like to Blow In Moscow

VIENNA, Austria, Feb. 24.—(UPI)—Trumpeter Louis Armstrong said today he may take his world-touring band behind the Iron Curtain. "My instrument knows nothing about politics", "Satchmo" told United Press International.

Armstrong is on a tour of Europe and Turkey. He started in Stockholm Jan. 14 and his reception everywhere has been loud and enthusiastic.

Speaking about his two concerts in Vienna, Armstrong said, "It was wonderful, but I am thankful that I wasn't trampled to death".

He added that he would like to play in Moscow, too, before he returns to America May 11.

"Music is a common denominator", Armstrong said. "Jazz fans are the same all over the world."

HUMAN ICICLE.

BENTON HARBOR, Mich., Feb. 24.—(AP)—Mrs. Marie Barnett, 40, whose body temperature dropped 30 degrees below normal last December 8 when she was trapped in her partly submerged car for 12 hours, has been released from Mercy Hospital. Doctors said Mrs. Barnett still suffers some effects in her left foot from exposure but appears to have recovered from her ordeal.

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