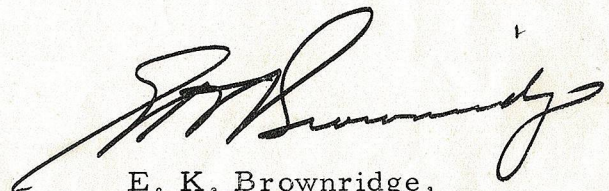


September 24, 1958

TO ALL EMPLOYEES

I felt it was essential to give to you before leaving work today the information released by Crawford Gordon in connection with the effect of the Prime Minister's statement on the Arrow/Iroquois program.



E. K. Brownridge,
Executive Vice-President
and General Manager

EKB:EM

STATEMENT BY: CRAWFORD GORDON, PRESIDENT AND GENERAL MANAGER
A. V. ROE CANADA LIMITED

RE: PRIME MINISTER DIEFENBAKER'S ANNOUNCEMENT ON ARROW

I am amazed at reports that Avro and Orenda are going to close down and throw thousands of people out of work. Nothing could be further from the truth.

The Arrow-Iroquois development program is continuing as the Prime Minister said it would in the policy statement. We anticipate no change in the operations at Malton nor any reduction in employees either in engineering departments or the production shop.

Reports that 2,000 are to be laid off at Malton are erroneous. If the statement of the Prime Minister is read properly the 2,000 people affected are employed on the Astra fire control system and Sparrow missile which have been abandoned. Neither Avro nor Orenda is engaged on either the development or production of these units. The cancelling of this phase of the program has no effect whatever on Avro-Orenda employment.

I am making this statement in an effort to reassure the 14,000 employees at Malton and the equal number working for sub-contractors and I urge them to disregard the unnecessarily gloomy interpretation that is being put on the defence statement and to continue to exert their best efforts to make the Arrow-Iroquois the best weapon obtainable.

I want to stress most emphatically that the Arrow program has not been cancelled. Nor has it been decided not to put it into production.

The development program as it now stands involves the building of 37 aircraft and an appropriate number of engines, this situation remains unchanged. The program calls for 6 to be test flown by next March at which time numbers 7, 8, 9 and 10 will be in flight test or on the production line. Incidentally the 3rd Arrow was successfully test flown on Monday.

On the contrary the Prime Minister's statement says the development program is to continue and will be reviewed in March.

Operations are continuing at present levels. And being aware of the excellent performance so far of the Arrow and the nature of the military threat that we face, we are convinced that when the review takes place next March the Arrow will be ordered into production.