

APPENDIX

AIR CANADA—PRESS RELEASE RESPECTING WINNIPEG OVERHAUL BASE

Paul T. Hellyer, Minister of Transport announced today the government of Canada's proposal for maintaining repair and overhaul facilities in Winnipeg and developing additional aero-space manufacturing activity in Manitoba.

These plans include the retention of Viscount overhaul work, further maintenance work from other companies, and new work in building and assembling parts for new jet aircraft.

Following serious consideration of the representations made by the air policy committee of Manitoba, the government of Canada agreed that the people of Manitoba and the Winnipeg employees of Air Canada should be protected against the consequences arising from the Air Canada decision of several years ago to establish consolidated maintenance facilities in Montreal.

The government has therefore authorized Air Canada to commence negotiations with two large Canadian firms to enable one of them to undertake continued operation of the overhaul base in Winnipeg. Such negotiations will involve protection of the interests of present employees, maintenance of the present level of work, and provision for further expansion.

The two companies, Northwest Industries Ltd. and Aircraft Industries of Canada Ltd., have each submitted plans for major development of the Winnipeg overhaul facilities. Activity at the base will include present Viscount maintenance, additional Air Canada work, substantial repair and overhaul work

from Lockheed California, repair of National Defence aircraft, and maintenance of other commercial aircraft. In addition, the Lockheed Aircraft Corporation has undertaken, as a result of purchases by Air Canada and the initiative of the federal government, to place substantial manufacturing and repair work with Manitoba firms. The combination of these specific commitments can produce in Manitoba a major centre of aero-space activity.

It is expected that negotiations with these companies will require several weeks. During this time the government of Canada has agreed to reconstruct the working party, composed of representatives of the government of Canada, the government of Manitoba and Air Canada to review all facts and considerations upon which the proposal has been based.

In announcing its proposal, the government of Canada has fulfilled the commitment made by former Prime Minister Lester B. Pearson, reiterated last year by the present Minister of Transport that...“the base will continue to be used for the overhaul of Viscount aircraft as long as these aircraft are in service” and ...“to ensure that other aircraft work is available in Winnipeg so that the eventual withdrawal of Viscounts is at least balanced by new activities...”

The government of Canada believes that through the co-operation of the people and government of Manitoba this proposal will permit Winnipeg to look forward to continued prominence as a major centre in the rapidly expanding aircraft industry.
