

WAGE INCENTIVE PLAN

The Wage Incentive Plan adopted in November, 1944 has since been extended to approximately 95% of the eligible personnel. The plan, which is similar to that applied at Canadian Vickers Aircraft Division, Montreal, is producing satisfactory results. A detailed report is required for the National War Labor Board in May, 1945. Copies of this report will be submitted in due course.

PRICE NEGOTIATIONS

Considerable progress has been made in concluding arrangements with suppliers. As of March 31 all important sub-contractors have been dealt with and contracts arranged or agreement as to contractual details reached. Company officers are co-operating closely with the office of the Financial Advisor on contracts re negotiations.

AIRCRAFT UTILIZATION

During the quarter it was learned that aircraft delivered from Malton were not being passed through the Modification Centre to the Squadrons. This matter was taken up with the Ministry of Aircraft Production during the general manager's visit to England in January. Since then, Canadian Lancasters have been going forward to the squadrons, but at a slower rate than delivery from the plant justifies.

TRANSPORT AIRCRAFT

During the quarter the company received instructions to modify four additional Lancasters for Trans-Canada Airlines. Production of the airframe components was practically completed at the end of March; but delivery of special equipment required by the Airlines will hold back acceptances of the completed aircraft probably until the middle of May. This matter is being watched closely.

FIRE LOSS

On March 31 one of the wooden huts taken over last year from the R.C.A.F., A.I.D. School adjoining the airport at Malton, was seriously damaged by fire. The building will be a total loss, but as far as can be ascertained at the moment most of the contents will be salvaged. The fire loss will in no way interfere with production. A complete report will be submitted as soon as all the information has been collected.

SERVICEABILITY

The following is taken from a report forwarded from England and covering the station operating Canadian Lancasters: "For the month of February 64 Base Middleton St. George held the top position for Serviceability of Aircraft. I.E. Non Starters and Early return. Reports also show that 64 Base M.S.G. has highest record for engine changes. 10,500 hrs. without an engine failure."

WAR SUPPLIES LIMITED

(000 omitted)

Orders		\$ 1,277,775
Invoices to date	\$1,045,191	
Less: Price adjustment	<u>50,000</u>	
Net billings		995,191
Cash receipt (Gross)	\$1,044,096	
Less: Refunds-Price adjustments	50,000	
Advance payments	22,605	
Less: Refunds-cash received on Navy contract 72-190	<u>26,974</u>	
Cash receipts (net)		<u>944,517</u>