

ACCEPTANCES

During the quarter 103 Lancasters were accepted and one York against a schedule of 91 including the York, and compared with 59 acceptances in the previous quarter. Of the acceptances in the quarter 50 were effected in March. This must be considered an outstanding performance, and in poundage of aircraft delivered probably exceeds performance of any plant in Canada at any time.

FLIGHT TEST OPERATIONS

As previously reported, weather conditions in December and January, together with rigging problems, seriously affected acceptances. With the co-operation of the Air Ministry the rigging problems were solved early in the quarter and this, together with the moderation in the weather which took place in the middle of February, made possible the delivery performance achieved in February and March.

PROGRAM

As of March 31, 1945 production of Lancasters on order represents approximately 65% of the order and exactly 60% of the orders have been accepted and delivered.

The tooling on the Lincoln is progressing favourably, with the exception of certain components sub-contracted to Noorduy Aviation. A change in these arrangements is under consideration but it is expected that the Lincoln program will be on schedule.

EMPLOYMENT

Total employees at the end of the quarter compared with previous quarters as follows:

	<u>Total</u>	<u>Male</u>	<u>Female</u>
March 31, 1945	6,839	4,979	1,860
December 31, 1944	9,189	6,263	2,926
September 30, 1944	9,314	6,275	3,039
June 30, 1944	9,428	6,440	2,988
March 31, 1944	9,104	6,225	2,879
December 31, 1943	7,181	5,064	2,117

During the quarter a total of 2,799 persons have been released, of which 1,276 were women and 1,523 were men. Further staff reductions will be effected slowly over several weeks.

LABOR RELATIONS

During the quarter the working week was reduced to one of 48 hours, and coincident with the reduction the shop canteens and womens' rest periods were abolished. Neither of these privileges were provided for in the Union agreement. The Union protested the withdrawal of the privileges and under the "Disputes" clause of the agreement requested arbitration of the closing of the canteens. An arbitration committee under the chairmanship of Mr. Justice Gillanders sat on February 28. Findings of the committee have not yet been announced.

During the quarter the agreement with Lodge 717, I.A. of M. was renewed without material modifications.

Labor relations during the quarter have been satisfactory. The substantial lay-off was carried out without a single grievance coming to management for settlement. This was made possible by the close collaboration between company officers, the Union and Selective Service.