

Inquiries of the Ministry

buildings at their disposal. During the discussions it was indicated that all the requirements of the Department of Transport would be met, and furthermore that the provincial authorities would undertake to arrange for water, light and power as required, and that they would guarantee to return the buildings to us in as good shape as they are at the present time.

In view of that, the concurrence of the Department of National Defence was sought and obtained, and on that basis I authorized the officials of the department to grant a lease to the department of health and welfare of British Columbia. The lease is now in course of preparation. Meantime the buildings are available for those persons if they require them.

Mr. Pearkes: What is the period of the lease?

Mr. Chevrier: There is no definite time in the lease. No request has been made as to that, but I think it will be a lease at pleasure. The hospitals and adjoining buildings are sufficient for 150 or 200 people, but I understand the province wishes to move beds and the like to take care of these 350 people.

TRANS-CANADA AIR LINES**TRANSFER AND REDUCTION OF STAFF AT WINNIPEG**

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. What information can the minister give the house concerning transfers and layoffs, both current and pending, of T.C.A. personnel in Winnipeg?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I received notice of this question an hour or two before the house opened, and the information I am giving now is that obtained over the telephone from the head office of the Trans-Canada Air Lines.

Statements recently appearing in the Winnipeg press affecting Trans-Canada Air Lines require correction in order that both T.C.A. personnel and the citizens of Winnipeg may be under no misapprehension as to the company's actions and plans. T.C.A. has consistently stated that, other than the headquarters move in October, 1949, it did not contemplate any transfer of operating functions away from Winnipeg. T.C.A. has not transferred away from Winnipeg any such function, nor does it contemplate doing so.

Staff layoffs have taken place in recent weeks, and further layoffs will take place

[Mr. Chevrier.]

when circumstances justify that action as T.C.A., as with any other efficient organization, cannot retain personnel for which it can foresee no essential work. To refrain from layoffs under these circumstances would be unfair to the employee concerned, and, in the case of a publicly-owned company, unfair to the taxpayer.

The facts regarding the recent and immediately contemplated reduction in the staffs of various units in the company are as follows:

The strength of the engineering department has been reduced by 55 by means of the transfer of 16 employees to other departments within the company, the layoff at Montreal of 21 employees, and the layoff at Winnipeg of 18 employees. The development shop personnel will, by June 15, have been reduced by 19, 17 of whom will have been transferred back to the various shops from which they were originally drawn, and two of whom will be laid off. The strength of the metal shop has been reduced by seven employees hired on a temporary basis for a specific job. Ten other employees of the metal shop will suffer enforced layoffs due to the transfers from the development shop of more senior people.

The company contemplates the adoption of what is known as progressive major overhaul work. This practice is essential, since the company's twenty North Star aircraft all went into service within a period of two months. Therefore the amount of flying time on each aircraft in the group is about the same. If major overhaul work was undertaken only at the required interval of perhaps 10,000 hours of flying, all aircraft of the North Star fleet would reach this stage within a very few months of one another. This would impose an impossibly large work load at some time in the future, and would mean that the company would be temporarily deprived of the use of several of these aircraft simultaneously, to the detriment of its services. The adoption of this practice deprives Winnipeg of no work of this type which it has had, since no North Star aircraft has as yet attained the flying time requiring major overhaul.

Progressive major overhaul, as a practice, was not applied to the DC-3 aircraft, since it was expected that these would have been replaced by new aircraft before they had reached the number of hours requiring major overhaul. The rapid expansion of the company's services, however, and the resulting accumulation of service hours, made it necessary to commence a program of major overhauls of the DC-3 aircraft late last year, and this program will be completed this year. It