



Avro

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**Special
Supplement**
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Arrow Program Terminated



Company To Carry On, President Reports



The following message is directed by Mr. J. L. Plant, President and General Manager, to Avro personnel:

AT this writing, a total of some 1600 personnel are back at work at Avro on contracts remaining after the Government's cancellation of the Arrow program.

Weekly and hourly paid personnel who have returned to work were recalled on the basis of their seniority in occupational groups and in accordance with the terms of the Collective Agreements with the Company's Unions.

They form the nucleus of the company we are endeavouring to reorganize on the foundation of the Avro we have known over the past years.

It is gratifying to note the dispatch with which the re-hiring of personnel was made possible by the dedicated Avroites who virtually worked the clock around in order to give every possible attention to their task. It is also encouraging to note the complete co-operation in this matter from the National Employment Service. Without this concentration of effort by all concerned we would still be engaged in the great mass of detail that is obviously associated with the termination of employment of some 9,000 people, and an effort to re-employ as many as possible in the shortest possible time.

The Government order to terminate all work on the Arrow program came to us suddenly. A rumor started around the factory that the Arrow program had been terminated. Later, we learned that this rumor emanated from radio bulletins.

On confirming the truth and fact of these radio reports from the representative at Avro of the De-

partment of Defence Production, Mr. C. A. Hore, it became imperative that I advise the company's personnel of this development.

When I sat down in front of the company's Public Address system microphone in the little brick building opposite Gate 9 to announce the Arrow cancellation, it was one of the toughest jobs I've ever undertaken. How do you tell some 9,000 people that the job they have been dedicated to, for years, has been cancelled? How do you tell them that the product of their minds and hands has been eliminated?

These were my remarks:

'The radio has recently announced the Prime Minister has stated in the House of Commons this morning that the Avro Arrow and Iroquois programs have been terminated.

'We, the Management of the company had no official information prior to this announcement being made. The cancellation of the Arrow and the Iroquois has, however, been confirmed as a fact by Mr. C. A. Hore, the representative here of the Department of Defence Production.

'It is impossible at this stage to give you any further details until such time as I receive the official telegram from Ottawa. In the meantime I would ask that you continue with your work. Later on in the day you will be informed as to our future. Thank you.'

As the morning of the contract termination progressed into early afternoon, it became apparent that the first step to be taken was to give notice of termination to all workers, and (Continued on Page 2)

Company To Carry On President Reports

(Continued from Page 1)

then recall those who would be required on remaining contracts after the cancellation of the Arrow, in accordance with our Collective Agreements with the Unions.

With regard to engineers and other administrative personnel not subject to Union Agreements, every effort is being made by the company to utilize their services wherever possible.

A large portion of the engineering team is no longer required for work on existing programs and, despite efforts to maintain a nucleus of this team, a very large number cannot be re-employed at this time. The Company is endeavoring to obtain employment for them in other Canadian industries, with the hope that many of them may be recalled by Avro if suitable projects can be built up in the future.

In addition, the Company is negotiating with American companies in an endeavor to place out groups of our staff on a sub-contract basis for short periods of time, in the hope that many of them can also be recalled in the future.

It is hoped, in this way, to provide re-employment for as many Canadian engineers as possible to companies who are in need of their particular skills, and the scheme should also provide opportunity for Canadian engineers to obtain additional experience on advanced aeronautical-space projects.

The ability of the Avro engineering team has been universally recognized, and the future success of Avro's technical accomplishments will depend on its ability to retain as much of the main structure of this team as possible. This is what the Company is endeavoring to do.

The telegram received from the Government that officially terminated the Arrow contracts included these instructions:

'Take notice that your contracts bearing the reference numbers set out below

THIS SPECIAL ISSUE OF AVRO NEWSMAGAZINE

This special edition of News-magazine is being issued to Avro personnel on the current work force and mailed to all former employees involved in the recent termination of the Arrow contract.

It has been designed to answer some of the many questions raised since the government announcement — both by present employees and those who are at present seeking employment elsewhere.

In the case of former employees it should be noted that this issue is being mailed to the last known address of each employee.

Finance Minister Fleming Outlines Government's Role In Avro Future

(Delivered In The House of Commons On February 27, 1959)

"On behalf of the Prime Minister who is indoors today with a cold, I should like to report to the House on the discussions which have been proceeding in recent days between the government and senior officials of A. V. Roe Canada Limited.

"These discussions had as their aim the continuance of the plants of Avro Aircraft Limited and Orenda Engines Limited, and the companies' special design, research and production facilities.

"The companies are at present engaged in the performance of certain contracts for the government apart from the discontinued Arrow program. Work on these other contracts will, of course, be continued. In addition, various new programs and extensions of existing programs have now been proposed by the companies to the government in the fields of military and civil aviation and nuclear power. These proposals have been carefully examined and certain of them will be further studied in the hope that they will offer opportunity for the employment and effective utilization of technical and production skills and facilities.

"Moreover, the companies recognize their responsibility to make every effort to obtain contracts from sources in addition to the Canadian government. They are performing some work at present for the United States and other governments and will vigorously explore ways and means of obtaining orders from the United States under the recently-announced arrangements between Canada and the United States for production sharing.

"If the companies are to be in a position to develop new programs and designs and to accept and fulfil contracts for production, they must retain the essential nucleus of their design, research and technical staff. To assure this desirable end, the government has agreed to share equally with the companies the payroll cost of certain technical work to be undertaken by this essential nucleus of personnel in the next six months. It is expected that by the end of that period some of the projects of the companies should be substantially advanced.

"It is the hope of the government and the companies that these combined efforts will result in a steady increase in employment."

including all amendments hereto are terminated as regards all supplies and services which have not been completed and shipped or performed thereunder prior to the receipt by you of this notice. You shall cease all work immediately, terminate subcontracts and orders, place no further subcontracts or orders and instruct all your subcontractors and suppliers to take similar action.'

With this firm instruction to immediately cancel all work on the Arrow, there was no more work for those personnel engaged on that project. They could not and would not want to just stand around. And how was a snap judgment to be made as to who worked on Arrow and who did not—and who had necessary seniority—and so on? Thus came about the decision for the abrupt notice of termination for all personnel.

In a statement to the House of Commons exactly one week later, on February 27, with regard to discussions between the Government and senior officials of A. V. Roe Canada Limited, the Hon. Donald Fleming, Minister of Finance, stated in part: 'It is the hope of the Government and the companies that (these) combined efforts will result in a steady increase in employment.'

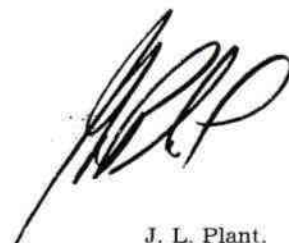
This is indeed the hope and, in fact, the determination of Avro and I am very sure, of Orenda as well. Because Avro—and Orenda—have proved their capabilities on an international scale and have no intention of permitting this capability to wither and die.

At the moment the main projects that remain for Avro are:

1. Repair and overhaul of CF-100s in NATO service in Canada and Europe.
2. Development of Avro's vertical take-off vehicles' family in conjunction with the United States government.

It could be said that the "new Avro" is being reorganized around these two projects and that the Future will indicate the extent of the company's possible expansion of work and employment.

Sincerely,



J. L. Plant.

Collective Agreement Signed Between Company And Lodge 717

The Collective Agreement for hourly paid employees, which has been outstanding since the expiry date of October 10, was signed late on Tuesday, March 3. The terms which appear in the original Memorandum of Settlement signed between the Company and the Union's Negotiation Committee, were concluded as the Collective Agreement and the benefits derived from it will be put into force immediately.

This original settlement provided for retroactive pay of 5c per hour back to October 10, 1958, and provides lay-off benefits of \$10.00 per week, up to a maximum credit of \$260.

The cheques will be mailed out as soon as possible for the retroactive payment.

Considerable work will have to be done to implement the lay-off benefit plan which is being developed and registered with the National Unemployment Insurance Commission.

The Agreement was signed strictly on the basis of the contract that was negotiated before the Arrow was cancelled since the Company desired to implement the terms of the contract without the need to re-negotiate on the basis of a considerably reduced establishment. An undertaking was given by the Union which will provide the kind of flexibility required for this greatly reduced operation.

Highlights of the Agreement are:

Seniority—If an employee with seniority under the Collective Agreement between the Company and Technical Associates (Lodge 2030), I.A.M. hereinafter called the Staff Agreement, other than an employee covered by Section 12.08 hereof, hereafter is placed at work under this Agreement, he shall have seniority under this Agreement.

Special Allowances — Change the "second shift" premium from 12c to 15c.

Annual Vacation with Pay—Amended to include Workmen's Compensation payments in "Total Earnings" for calculating vacation pay.

Group Insurance—Amended to read:

- (a) The Company will provide and bear the entire cost of life insurance, accidental death and disability insurance, weekly indemnity for non-occupational sickness and accident, and a comprehensive insured plan of medical and surgical benefits.
- (b) The Company will pay employees' premiums under the Ontario Hospital Plan in the amounts of \$2.10 per month for employees without dependents and \$4.20 per month for employees with dependents.
- (c) The Company will bear the cost of hospital benefits in addition to the Ontario Hospital Plan to provide coverage for semi-private accommodation for employees and their

insured dependents, without limit as to the duration of coverage.

The insurance contract will be amended to provide:

- (a) Payment of weekly indemnity starting at the 4th day of non-occupational sickness.
- (b) To reduce the "waiting period" for maternity benefits from 10 months to 9 months.
- (c) To cover out-patient diagnostic and therapeutic use of x-ray, radium, cobalt bombs, etc.
- (d) To increase coverage for nursing expenses from \$6.00 per day to \$12.00 per day.

Labour Grades and Ratings—Amended by increasing all rates five cents (5c) per hour to have effect from October 11th, 1958.

Renewal, Amendment and Termination—Amended to provide that the Agreement shall be in effect for one year from October 8th, 1958.

Lay-Off Benefits—A new Article has been introduced to provide a lay-off benefit of \$10.00 for each week a laid-off employee draws Unemployment Insurance Benefit, limited to one week's benefit for each full three (3) months' service up to a maximum of twenty-six (26) weeks' benefit, with entitlement terminating when recall rights terminate.

Cost of Living Bonus—A new Article has been added to provide a cost-of-living escalator applicable in the months of April and July 1959, for each full 0.7 point rise in the Consumer Price Index over the index published in the month of January 1959.

Termination Pay Details Outlined By Payroll Dept.

Payroll Department is working as rapidly as possible to have lieu-of-notice pay for all former employees in the mail this week.

This cheque will also include Canada Savings Bonds refunds for both Plant and Staff personnel and retroactive pay for terminated staff personnel.

It is hoped that vacation pay benefits can be mailed out within the next three weeks.

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Employee Layoff Credits for salaried employees, which were part of the recently signed agreement with Lodge 2030, are in the process of being submitted to the government for approval.

Further information will be sent to eligible employees (salaried staff) when available.

Avro-Orenda Hockey Festival Called Off

Avro Aircraft Recreation Club has found it necessary to cancel the annual Hockey Festival, scheduled to be held at Maple Leaf Gardens on Friday, March 6.

Refunds will be made on all tickets purchased if received by the Recreation Office before March 20.

Former employees should mail their tickets to the Avro Aircraft Recreation Club, clearly indicating the return address. A cheque covering the amount of refund will be mailed to the address shown.

Present employees can obtain refunds by returning their tickets in person to the Recreation Office.

Parking Areas Revamped Three Gates Now Closed

To bring parking areas more in line with present demands, the following parking lots will remain open:

North-East—For those employed in the Hangars. Entry is by Gate 5A or Gate 4.

South—For personnel entering the plant via Gate 9.

Reserved—For personnel entering by Gate 9.

Similarly, the number of gates to the plant have been reduced—the following gates having been closed:

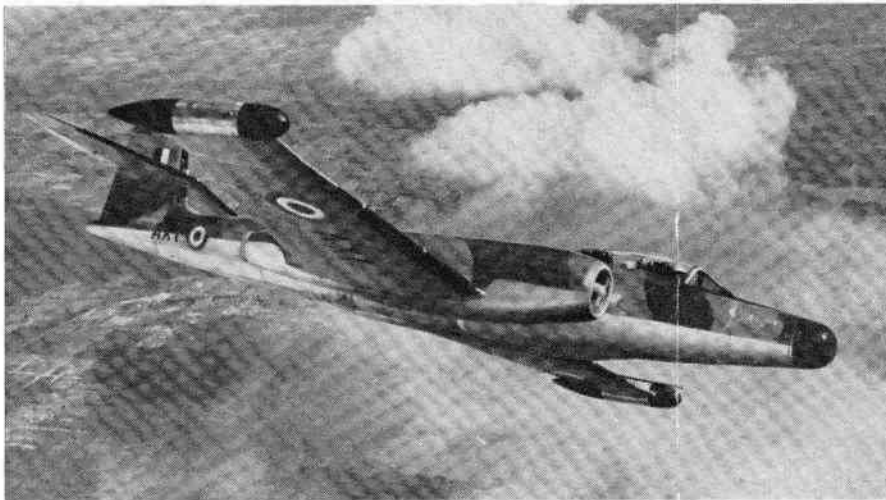
Gate 8—At the Bailey Bridge.

Gate 2—Adjacent to the Police Office.

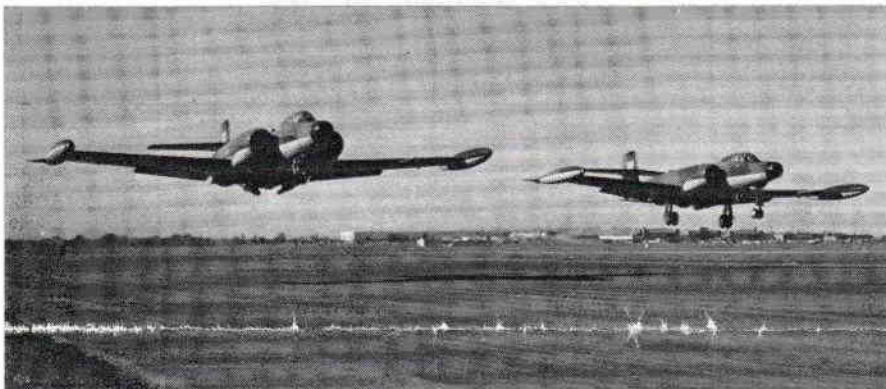
Gate 6A—At the North-West parking lot.

All personnel are required to use Gates 9, 4 and 5A. Gate 5A will be closed during most of the day, but will be open during lunch hour and entry and exit periods.

Work Continues On CF-100 CAIR Program



REPAIR AND OVERHAUL of CF-100s on NATO service with the RCAF in Canada and in Europe and the Belgian Air Force, will be continued by Avro Aircraft under the terms of CAIR (Calendar Air Inspection Report). Above is Belgian CF-100 Mk 5, below are two RCAF CF-100s.



Recreation Club Activities Near Complete Standstill

With the recent sudden termination of work on the Arrow development program, and the subsequent lay-off of Avro employees, Recreation Club activities have ground to almost a complete halt.

In sports, there were 76 Avroite teams competing at Play-Time Bowl, and at the time of the lay-off, there were 11 weeks of bowling left to complete the season's schedule. Efforts on the part of Club secretaries to keep the leagues operating have failed for the most part. Some have folded completely. Most of those still going have launched into early playoffs. In an effort to help keep the leagues operating, Play-Time Bowl reduced the cost to Avroites by one third. Prize money was discontinued. But response was poor.

House League Hockey schedules were finished for the season at the time of the Arrow termination. Star players representing all teams in the league were practicing for the Annual Avro-Orenda Hockey Festival at Maple Leaf Gardens. The festival has been cancelled, (more information elsewhere in this issue) and ticket refund procedures are under way.

Group Insurance Benefits Cover Longer Period

Employee Services reports that all Group Insurance benefits continue for 31 days following the last day for which a former Avro Employee was paid by the Company.

Anyone requiring claim forms or information should phone or write to the Employee Services Department. Conversion forms for individual medical and surgical coverage may also be obtained by writing to the department. Be sure to inform Employee Services of the number of dependents you wish covered in order that your premium rate may be quoted in reply.

Conversion rights expire on the same date as a former employee's Group Insurance expires; and applications and first premium payments must be in the hands of the Great West Life Assurance Company, 320 Bay St., Toronto by that time to be effective.

Conversion of Life Insurance coverage may be procured by telephoning or writing to Mr. J. M. Tory, Manager, Queen Branch, Sun Life Assurance Company, 60 Victoria St., Toronto (EMpire 4-5141, local 270).

Pension Plan Information To Be Mailed This Week

Arrangements for Pension Plan information for salaried employees is also being prepared and should be mailed this week.

A terminated employee may elect any of the following types of settlement in respect to Pension Plan contributions:

- Cash termination benefit.
- Paid up deferred annuity.
- Suspension.

Material now being prepared for mailing includes information and the necessary forms to elect one of the options.

Hospitalization Forms To Be Sent By Mail

Among documents former employees will be receiving in the mail during the next few weeks are those covering:

Ontario Hospital Plan—Form No. 104 indicating the paid-up date of the Ontario Hospital Plan benefits. This form should be presented to the next employer or to the Ontario Hospital Commission (the address is on the form) to arrange for "Pay-direct" benefit.

Recall Rights—All employees with recall rights have been listed as "Terminated by Layoff, February 20, 1959," and recorded in the classification and Occupational Group they held on that date. Each will receive a Separation of Employment form showing this information with lieu-of-notice cheque.

Register Locally For Unemployment Insurance

Former Avro employees who did not register for unemployment insurance benefits at the temporary office set up in Bay 3, should report to their own local Unemployment Insurance Commission.

All unemployment insurance books in the hands of the Company are being forwarded to the Commission.

It is not necessary to have the unemployment insurance book when reporting to the Commission. The Unemployment Insurance number shown on a former employee's T4 form received from the Company is sufficient.

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