

Minutes of Meeting held at the Office of The  
B.H.P.CO. Ltd. on 17th February, 1936.

Present. Mr. H.G. Darling  
Mr. E. Lewis  
Mr. W.S. Robinson  
Mr. L.J. Hartnett  
Mr. M.L. Baillieu  
Sir Lennon Raws  
Sir Colin Fraser  
Mr. F.M. Mitchell.

Subject. MANUFACTURE OF AIRCRAFT IN AUSTRALIA.

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Mr. Mitchell reported that cheques for £2,000 each had been received from The Broken Hill Pty. Co. Ltd., Broken Hill Associated Smelters Pty. Ltd. and General Motors-Holden's Ltd., which had been paid into an account at the Bank of Australasia styled "F.M. Mitchell Aviation Account."

Messrs. Darling and Lewis reported having had an interview with the Minister for Defence on 13th February at his request and a short minute of same was read to the meeting.

Copy of reply to Mr. Carpenter by Mr. Hartnett on behalf of the Syndicate dated 12th February which had been circulated was noted.

Draft instructions to Wing Commander Wackett and Squadron Leader Harrison, which had been circulated were discussed and with certain alterations adopted, it being decided that transport expenses of the officers would be paid by the Syndicate, that a sum of £5. per day, sterling, be allowed to each member to cover living and other expenses during the trip and that an insurance policy against accident etc. should be taken out for each member for £5000 with Lloyds. Mr. Harrison's salary to be £800 per annum instead of £15. per week as previously minuted.

With regard to statements to the press, decided that no statement should be made to the press by members of the Syndicate excepting through the Chairman.

2.

Secretariat: Decided that for the present the address of the Syndicate should be care of The Broken Hill Proprietary Co. Ltd.; that all communications in connection with the Syndicate's business be addressed to Mr. F.M. Mitchell at that office and that he be authorised to make all disbursements, arrange for any clerical assistance and generally to act on behalf of the Syndicate.

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MELBOURNE.

25/2/36.

FM'Mn

Memorandum of interview held at the Defence Department,  
Victoria Barracks, Melbourne, at 11.15 a.m.  
on Thursday, 13th February, 1936.

Present. Mr. Archdale Parkhill - Minister for Defence  
Mr. M.L. Shepherd - Secretary, Defence Dept.  
Mr. H.G. Darling )  
Mr. Essington Lewis ) - B.H.P.Co.

Subject. AVIATION.

Mr. Parkhill explained that he wanted to have an interview with us really about things which he felt were rather negligible but the matter had been brought up in Cabinet and one Cabinet Minister appeared worried about the firms constituting the proposed Syndicate.

After a great deal of discussion it was decided by Cabinet :-

1. That the British Government be approached and Mr. Parkhill explained that an approach had already been made through the Prime Minister's Department to see if the British Government had any objections or any other solutions to offer. Mr. Parkhill said he did not mind this being done so much although it delayed action somewhat. He thought the British Government would come back giving its approval to the project, which approval would be of great assistance when the matter came before Cabinet or before the House.
2. That in Cabinet there was some small dissension about the inclusion of General Motors in the scheme of things. Mr. Parkhill suggested that perhaps General Motors and I.C.I. interests should be combined so that General Motors interests would not in any case exceed 25% and that this 25% be made up wholly in Australian money.

Mr. Darling replied that everybody concerned was very anxious to have Mr. Hartnett personally connected with the concern and that since the inception Mr. Hartnett had placed all his cards on the table and said he and General Motors would not worry in any way if they were entirely excluded from the arrangement but Mr. Hartnett himself was very keen to be associated with it and all the members who are in the Syndicate were very keen to have Mr. Hartnett's co-operation. Mr. Darling expressed, with which the Minister agreed, that General Motors with a small interest in the Syndicate would be a very valuable addition and a very great help.

The Minister raised the matter of the reply to the letter sent by Mr. Hartnett and an extract of the proposed reply to be sent was read out. This extract completely covers the main point as far as anybody could wish it, shewing the Government's desire to proceed and the issue of an invitation. Mr. Parkhill explained that he wanted to see the Prime Minister on Monday about the letter and after he had done so he expected to be able to forward it to the Companies.

A wish was also expressed that in future the Syndicate should have one separate central secretariat which should write to the Minister and receive replies from the Minister, instead of the Minister having to write to each individual firm, and it was suggested that the arranging of this secretariat might be left in the hands of the B.H.P. if the Syndicate so approves.

MELBOURNE. 13/2/36.

EL/J'Mn

Minutes of Meeting held on 10th February, 1936,  
at B.H.P.Co.'s Office.

Present. Mr. H.G. Darling  
Mr. E. Lewis  
Mr. W.S. Robinson  
Mr. L. Bradford  
Mr. L.J. Hartnett  
Sir Lennon Raws  
Sir Colin Fraser  
Mr. F.M. Mitchell.

Subject. MANUFACTURE OF AIRCRAFT IN AUSTRALIA.

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Mr. Hartnett reported receipt of a further letter from Mr. J.A. Carpenter dated 4th February in reply to his letter of 1st February regarding the terms under which the Tugan Aircraft Ltd. shareholders could be associated with the new company to be established.

Decided that in the reply the following points should be referred to :-

- (a) In the event of any of the Tugan Aircraft Ltd. shareholders wishing for cash instead of shares in the new Company, prior to actual formation of the Company, this would be agreeable.
- (b) That it would not be the policy of the Company to place the shares on the Stock Exchange for quotation on formation, and this point will only be considered when the success of the Company is assured.
- (c) That to avoid misunderstanding it would be as well to re-emphasise the fact that in connection with the assets of the Tugan Co. it would be expected of course that the aggregate value of the physical assets would amount to approximately that supplied by Wing Commander Wackett.
- (d) That in order to avoid any possibility of misunderstanding with regard to the statements made in the early correspondence with Mr. Carpenter that the Government had invited the people concerned to form the New Company - Mr. Carpenter should be advised, in the opening passages of the reply, the position, viz:- that the invitation of the Government had not yet been confirmed by a full official intimation in writing from the Cabinet.

It was reported that no reply had yet been received from the Minister to the last letter from the Syndicate.

It was decided that if the Minister should ask for an interview before replying that we would grant it but not seek an interview.

Notwithstanding that no reply had been received from the Government that "the Commission" should go abroad without delay.

2.

In this connection Mr. Hartnett reported that the draft itinerary which Wing Commander Wackett and Mr. Harrison had been instructed to draw up was ready, and it was provided for departure by the "Otranto" on 19th February - visits to be made to Italy, Germany, United Kingdom, Holland, America and return. That the gentlemen concerned had made out a complete list of the Works they wanted to visit and the information they wanted from each of these Works.

That the Air Department so far as the Department itself was concerned had promised to advise the name of the Government officer by selected by them to go with "the Commission" by Wednesday.

Mr. Lewis read a copy of letter from Mr. W.S. Robinson offering the services of Austral Development Ltd., London, in helping in any way they could serve "the Commission" whilst abroad for which no charge would be made.

Decided to thank Mr. Robinson and to accept same.

A copy of the itinerary was handed to Mr. W.S. Robinson which he stated he would send by the outgoing mail (airmail) and get comments and suggestions from the authorities in England, which could be cabled to "the Commission".

It was decided that each member of "the Commission" should be provided with a Letter of Credit for £500 and that Mr. Robinson would instruct Austral Developments Ltd. to establish a credit for each member up to a further £500 in London on which they could draw.

In order to provide funds it was decided that each of the people concerned should now pay in £2000 and that the money should be handed to Mr. F.M. Mitchell.

Mr. Lewis read a further letter from Mr. Brian Lewis giving particulars of his experience.

It was decided that this should be acknowledged and Mr. Brian Lewis thanked.

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The next meeting was arranged to be held on Monday, 17th February, at 2.30 p.m.

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MELBOURNE

10/2/36.

FM'Mn

Notes of Conference held at the office of B.H.P.CO.  
on 31st January, 1936.

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Present. Mr. H.G. Darling,  
Mr. Essington Lewis  
Mr. M.L. Baillieu  
Mr. L. Bradford  
Sir Colin Fraser  
Mr. L.J. Hartnett  
Wing Commander Wackett  
Mr. F.M. Mitchell.

Apology for non attendance was received from Mr. W.S. Robinson and the Meeting was advised that Sir Lennon Raws was absent in Sydney.

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Subject. MANUFACTURE OF AIRCRAFT.

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Letter dated 28th January from Mr. J.A. Carpenter, Chairman of Directors of Tugan Aircraft Ltd. addressed to Mr. Hartnett (copy attached) was read, advising that the Tugan Aircraft Co. were willing to make the services of Wing Commander Wackett available to the new venture and setting out the terms proposed under which the Tugan Aircraft Ltd. would be merged into the Company to be formed.

It was decided that the proposals made by Mr. Carpenter for the participation ~~in~~ shareholding of Tugan Aircraft Ltd. in the new Company were acceptable, and Mr. Hartnett undertook to draft letter in reply, which would be circulated for approval before despatch.

It was further decided that there would be no Preference Shares issued in the new Company.

In reply to the Chairman, Wing Commander Wackett expressed the opinion that there would be no difficulty in manufacturing engines in Australia provided the design of engine chosen was a comparatively simple one. That there would be no difficulty in making the engine which they are at present using on the machines they are making in Sydney and that he estimated that they would be able to produce these engines at a cheaper price than they were at present paying. He thought they could be produced for £1200 which compared with the price they were paying of £1500.

There would be no difficulty at all in the production of aeroplanes themselves. As to what materials should be used in these aeroplanes, he considered that the materials ran each other so close that they should be made from the material most readily available in the country of manufacture. Wood could be used throughout; steel could be used throughout, or duralim could be used, and as aluminium was not made in Australia, to say nothing of it being so expensive, it would be wise for the new Company to aim at producing machines from either steel or wood. An enormous lot of research work has been done in connection with this matter and all the figures were available.

He stressed also the wisdom of the new Company designing machines suitable for Australian conditions. The English machines were designed for attaining height in the shortest possible time, whereas Australian machines required distance without height. He instanced that the English machines, as at present constructed, would not make the journey to Sydney without refuelling.

In reply to an enquiry, Wing Commander Wackett advised that the Tugan Aircraft Ltd. had at present about 35 men employed - that their output was four machines per year and gave figures of cost and selling prices.

He stated that in a properly designed factory which would enable reasonable mechanical handling arrangements to be installed that an amount of about £400. per machine would be saved and the Tugan Aircraft Ltd. had subscribed the capital and were just about to erect a more suitable factory when they were informed of the new venture being launched. They were therefore not in the meantime proceeding with this new factory.

The question of "the Commission" to go abroad to study the manufacture of aircraft and engines was discussed and Wing Commander Wackett was advised that the present proposal was that "the Commission" should consist of himself, Mr. Harrison and an officer of the Government - that so far the nomination of the Government seemed to rest between Mr. Murphy and Air Commodore Williams.

Wing Commander Wackett thought that this would be excellent - that if Air Commodore Williams could accompany "the Commission" it would be ideal, but if he could not there would be no harm done and that Mr. Murphy would be quite a suitable man.

Wing Commander Wackett advised that he was prepared to leave on the trip at any time suitable to the new venture at, say, one week's notice.

As to the remuneration of Wing Commander Wackett, the meeting was informed that Wing Commander Wackett's present salary with the Tugan Aircraft Ltd. was at the rate of £1,000 per annum and that he would be willing to accept the same salary. When, however, the new Company was started and more responsibility involved, he would expect a remuneration of £1500. However, this matter of increased remuneration need not come up at this moment. It was decided that a salary at the rate of £1000 to Wing Commander Wackett was quite satisfactory and Wing Commander Wackett was so informed.

It was decided also that "the Commission" should proceed at the earliest possible moment and it was left to Wing Commander Wackett, in consultation with Mr. Harrison, to draw up a suitable itinerary. *abroad*

It was expected that the *absence* business of the officers abroad would occupy a period of five to six months.

Wing Commander Wackett and Mr. Hartnett to further discuss which Government officer would accompany "the Commission".

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MELBOURNE.

1/2/36.

FM'Mn

Notes of Meeting held at the B.H.P.Co.'s office  
on 29th January, 1936.

Present. Mr. H.G. Darling (In the Chair)  
Mr. Essington Lewis  
Mr. M.L. Baillieu  
Mr. W.S. Robinson  
Sir Lennon Raws  
Mr. L.J. Hartnett  
Mr. L. Bradford  
Mr. F.M. Mitchell.

Subject. MANUFACTURE OF AIRCRAFT.

Copy of letter sent to the Minister for Defence on 25th inst., which had just been circulated to members, was noted, together with letter written by Mr. Hartnett to Sir James Carpenter.

Mr. Robinson stated that all interested understood that they had been invited by the Government to take steps to establish aircraft manufacture in Australia and questioned whether the correspondence shewed this beyond doubt. After discussion it was agreed that this is probably so but that the further letter of invitation promised by the Minister for Defence would place the matter beyond doubt. It was decided that all arrangements should proceed, including those relating to the sending of a Commission abroad to enquire into manufacture generally whether the further letter from the Minister be received or not.

Mr. Lewis read letter received from Mr. Brian Lewis intimating that he was in touch with the Hawker-Siddley Co. and expected quite a lot of detailed information about the end of next month. Meantime he offered his services in any capacity which might be of use and for this purpose would come to Melbourne to talk it over. Decided to reply to Mr. Brian Lewis thanking him for his offer and advising him that when the moment arrives his suggestion will be taken into very serious consideration, and that there is no need for him to come to Melbourne just now.

Mr. Hartnett referred to the advisability of securing the western end of Fishermen's Bend for a factory site and that he understood a deputation was waiting on the Victorian Premier in connection with the matter.

The Meeting was also informed by Mr. Lewis that both New South Wales and South Australia Governments were anxious to secure the factory if possible and had expressed their willingness to help in this direction.

Mr. Hartnett reported that Mr. Wackett would arrive in Melbourne to-morrow with a proposition regarding the Tugan Aircraft Co. and his own services.

The question of whether it would be advisable to have a Government officer accompany the Commission for the purpose of consultation on the types of craft which were favoured by the Government was discussed and Mr. Hartnett was authorised to continue his negotiations.

An outline of the investigations being carried out by Mr. Harrison was given to the Meeting.

It was arranged that the next meeting should be held on Monday week (10th February) at 2.30 p.m.

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