

Notes of Meeting held on 7th April, 1936.

Present.

Mr. Essington Lewis,
Sir Colin Fraser
Mr. J. Storey
Mr. L. Bradford
Mr. M.L. Baillieu
Sir Lennon Raws
Mr. W.S. Robinson
Mr. F.M. Mitchell

Subject. MANUFACTURE OF AIRCRAFT IN AUSTRALIA.

MINUTES.

Minutes of previous meeting held on 24th March, as circulated, were agreed.

OFFICERS
ABROAD.

Cable of 31st March from Wing Commander Wackett was noted.

I. C. I.

Receipt of contribution of £2,000 was noted.

HAWKER-
SIDDELEY
GROUP.

Letter dated 28th March from Mr. Brian Lewis advising having handed a copy of the proposals to the Minister for Defence as agreed.
Noted.

DE HAVILAND
CO.

Interview with Mr. Murray Jones, Australian representative, when he advised he was visiting England and his Company would submit propositions on his return about August next.
Noted.

COMMONWEALTH
GOVERNMENT.

It was reported that no invitation had yet been received from the Commonwealth Government.

It was understood that discussions with Dr. Page and Mr. Menzies in London with the British Government had raised questions as to whether the Syndicate should be composed of other than purely British and Australian interests and the question arose as to whether this Syndicate should agree to a suggestion that the Commonwealth Government might include in its cable to Britain that the Syndicate were not prepared to proceed unless a 10% interest was allowed to General Motors Holdens.

It was decided that the attitude of the Syndicate was that the suggestion of the Commonwealth Government, the Syndicate had agreed to limit General Motors Holdens to 10% and it was understood that this was satisfactory to the Commonwealth Government. It was arranged that the Secretary of the Defence be telephoned accordingly.

CASH POSITION.

Cash statement dated 7th April was submitted showing credit balance at Bank of £6,296.9.0.

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Note.

The Secretary for Defence was telephoned after the conclusion of the meeting and it would appear that the cable which the Australian Government were sending to Dr. Page and the British Government was a long one, largely upholding the attitude of the Commonwealth Government; it included a phrase that the Syndicate "would not be prepared to proceed" if the 10% above referred to was eliminated, and it was arranged with the Secretary for Defence that this would be altered to "may not be prepared to proceed."

Further it was explained in the cable that General Motors Holdens was an Australian company though controlled in America.

The only reason for the phrasing above not going into the cable was that the Secretary for Defence explained that he had already sent it in an earlier cable.

MELBOURNE.

8/4/36.

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MINUTES OF MEETING HELD AT THE OFFICE OF THE
BROKEN HILL PROPRIETARY COMPANY LIMITED:

24th March, 1936:

PRESENT: Mr. H. G. Darling (in the Chair)
Mr. Essington Lewis
Sir Lennon Raws
Mr. M. L. Baillieu
Mr. John Storey
Mr. L. Bradford
Mr. F. M. Mitchell.

Minutes of meeting held on the 25th February were read and confirmed.

It was formally reported:

1. Sq. Leader A. W. Murphy had left for England on 27th February.
2. Cables had been exchanged with Wing Commander Wackett from which it appeared he had not sent a cable direct to the Australian High Commissioner in London as had been reported.
3. Several applications for employment had been received, copies of which had been circulated to members.
4. Wing Commander Wackett's proposals in September last for the formation of an aircraft company had been received and circulated to members.

COMMONWEALTH GOVERNMENT:

It was reported that the letter of invitation to the Syndicate from the Federal Government had not yet been received. Mr. Mitchell reported that the Minister of Defence had instructed Mr. A. V. Smith, of the Contract Board, Defence Department, to advise the Syndicate that he had not yet sent the Government's official letter because they had been requested to await the Conference which the Commonwealth Ministers at present in London, Dr. Page and Mr. Menzies, were to have with the British Ministers early this week. That it seemed reasonable to agree to this but that a cable has been sent to London to the effect that if there were any objections raised by the British Government they wished an immediate statement of what they were. It is expected that the matter will be cleared up at a comparatively early date.

Mr. Baillieu and the Chairman read personal letters received from Mr. W. S. Robinson, suggesting that in view of the delay it is desirable to consider the question of advising the Government that the Syndicate's discussions with the Government would be terminated until the mission sent abroad has returned, but it was not felt that any good purpose would be served by taking this positive action.

A previous conversation with Mr. A. V. Smith on 19th March was reported advising that the Minister when announcing the Government's intentions to the House, proposed to make the following statement regarding the composition of the Syndicate if agreeable.

"It is understood that the capital of the Company will be made up as follows:-

- a. At least 66-2/3% to be subscribed by The Broken Hill Proprietary Company and Broken Hill Associated Smelters, on behalf of its constituent Companies.
- b. The balance, nor more than 33-1/3%, to be subscribed by I.C.I. and other British or Australian interests, with General Motors-Holden's holding at approximately 10%".

That after consultation, Mr. Smith had been advised it would be agreeable. Approved.

PERCENTAGE OF INTERESTS:

The question of the re-arrangement of the percentage interests of the various people interested was discussed and it was decided that this could be adjusted later to fit the circumstances.

ORIENT COMPANY:

The Chairman advised having written Mr. Irvine Geddes of the Orient Company, as arranged, giving an outline of what had been done up to the present.

I.C.I.

Sir Lennon Raws advised that I.C.I. are willing to participate in 25% of the expenses of the Syndicate up to £10,000 on the understanding that this was the full extent of their actual obligation at present, and that if agreeable he would send along a cheque for £2000. Agreed.

PARTICIPATION IN COMPANY:

Letter dated 11th March from Mr. W. S. Robinson was read advising that Amalgamated Wireless and Holymans are desirous of being interested in the proposed Company. Noted. Matter will be borne in mind when the question of formation of Company is considered.

SITE FOR WORKS:

Draft letter to be sent to the Premiers of Victoria, South Australia and New South Wales regarding suitable sites on which to establish the industry was approved, but not to be sent out until after receipt of the official letter from the Commonwealth Government.

HAWKER-SIDDELEY GROUP:

It was reported that the Hawker-Siddeley Group's proposals dated February 1936, together with Minute of interview with Mr. Brian Lewis on the 19th March, had been circulated to members.

It was decided to ask Mr. Brian Lewis to advise his Principals that the Syndicate welcomes their approach, and that the matter will receive consideration when the report of the mission is before the Syndicate.

A further interview with Mr. Brian Lewis on 23rd March was reported, in which he asked whether:

1. In view of the fact that Sir John Siddeley is very skilled in engines for aircraft, he might suggest that he come out to Australia to confer with the Syndicate.
2. That as he had been conferring with the Government prior to the formation of the Syndicate regarding aircraft manufacture, would the Syndicate have any objection to him sending the Minister for Defence a copy of the offer now made.

It was decided to advise Mr. Brian Lewis as to No.1 that we would await the report of the mission before anything could be considered in this direction, and as to No.2 that the Syndicate had no objection (in fact rather the reverse) if he wished to do so.

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Cash Statement dated 24th March was submitted, showing a credit balance of £4,390/15/8.

DATE:

Confirmed

MELBOURNE:

CHAIRMAN:

MINUTES OF MEETING HELD AT THE OFFICE OF THE
B.H.P. COY. LTD. on 25th FEBRUARY, 1936.

Present:

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

Subject: MANUFACTURE OF AIRCRAFT IN AUSTRALIA.

The Minutes of Meeting held on 17th February were confirmed.

It was reported:

1. Wing Commander Wackett and Sq. Leader Harrison had departed for London on the "Otranto" on Wednesday, 19th February.
2. They were each handed a copy of the Memorandum of Directions and instructions and signed same.
3. Lloyd's Personal Accident and Sickness Policies had been taken out to cover them during their trip with a maximum benefit of £5,000 each. These policies do not cover travel on other than recognised air routes and Messrs. Wackett and Harrison will take out this cover separately if necessary.
4. They were each supplied with a letter of credit for £500, and had each been given £20 Australian Currency and £80 sterling to cover expenses on the trip from Melbourne to London and for their immediate needs on arrival.
5. The code indicator "Syndair" had been registered and a code book handed Messrs. Wackett and Harrison.

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It was reported that Sq. Leader A. W. Murphy had been nominated by the Department to accompany the mission and arrangements had been made for him to go but at the last minute ministerial consent was not forthcoming and his departure had therefore been postponed in the meantime.

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Letter dated 18th February from Mr. Brian Lewis, advising that Messrs. Hawker-Siddeley's comprehensive proposals will be forwarded at an early date and that Sir John Siddeley would probably visit Australia, was read. It was decided that if Sir John comes to Australia we will hear what he has to say and advise him that we have sent two officers around the world and cannot do anything until we receive their report.

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Letter of 14th February from Mr. J. A. Carpenter, which had been circulated to members, was noted.

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A Statement of Receipts and Expenditure showing a credit balance of £5,646/16/4 was submitted and noted.

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The Chairman reported having circulated to members Mr. Hartnett's letter dated 22nd inst., to the Minister for Defence, concerning the participation of General Motors-Holdens and General Motors Corporation and himself in the manufacture of aircraft in Australia.

The Chairman referred to portion of Mr. Hartnett's covering letter to him dated 24th February and mentioned that he thought the Syndicate's feelings in the matter had been fully expressed both at Meetings and to the Minister, namely that so far as the Syndicate itself was concerned the members would be very pleased indeed to have the co-operation of both General Motors-Holdens and himself; further that the Minister had been of the same opinion.

Mr. Hartnett said he would like to correct the writing of his letter; as he was going away for about five months he wished to say quite definitely that if something were to crop up which might render it desirable to drop General Motors-Holdens, the Syndicate should have no doubts in dropping them; that if this happened, with the greatest goodwill they would withdraw, and the same remarks apply to any reduction in their holding.

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Mr. Lewis mentioned the possible participation of I.C.I. and the Orient Co. now that the Syndicate was inaugurated.

It was arranged that Sir Lennon Raws, who had been attending the Meetings, would advise his Chairman and that Mr. Darling would write a personal note to Mr. Irvine Geddes, giving a short outline of the present position of the Syndicate.

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Mr. Hartnett advised that in his absence he would like Mr. John Storey, a Director, to represent General Motors-Holdens. The Chairman stated that the Syndicate would be very pleased indeed to have Mr. Storey present.

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Mr. Hartnett then mentioned the following matters:

1. That in September or October last, following discussions with Mr. Parkhill and Air Force Officers, he was asked to formulate some ideas on the establishment of the aircraft manufacturing industry in Australia. Two copies of Mr. Hartnett's memorandum were left with the meeting, one copy being handed to Mr. Baillieu for his and Sir Colin Fraser's perusal.
2. That on the return of Messrs. Wackett and Harrison, the Syndicate should be all ready to start the industry, and the question arises where it will be carried on. It was mentioned that both the Victorian and South Australian Governments would like the industry established in their States and sites at Fisherman's Bend in Victoria and the North Arm about 9 miles from Adelaide were discussed.

It was decided that letters be drafted to the Victorian and South Australian Governments without making any commitments, for submission to the next meeting, which would take place when a reply is received from the Federal Government.

3. That General Motors in America have certain interests in aircraft concerns and although this connection would have nothing to do with the Syndicate, if at any time the Syndicate wants any information it will be readily available.
4. That since the Syndicate is interested in the aircraft business, every opportunity should be taken to make the Federal and State Governments more air conscious.
5. That Mr. Storey had recently been to America and whilst there spent some time investigating aircraft manufacture. Mr. Storey advised that his main impression after the inspection of various plants, was that the big expense in the industry would be the development of designs and in research work.
6. That the Australian industry should be free to develop and establish aircraft designs suitable to Australian conditions.

Mr. Hartnett left the following pamphlets for perusal by the members of the Syndicate: -

1. Report of the select Committee of the Legislative Council on the most suitable site for an air port for Melbourne (3 copies).
2. Directory of Aircraft Engines issued by the International Nickel Co.
3. Concrete Aerodromes issued by the British Portland Cement Association.
4. Catalogue of North American Aviation Inc.

Date 24/3/36

Confirmed

H.G. Darling
Chairman.