

February, 1936.

PROPOSALS FOR CO-OPERATION IN AUSTRALIA.

The Hawker Siddeley Group is the only association in Great Britain in a position to offer all types of military and civil aircraft, a wide range of aircraft engines, facilities for assistance in connection with the manufacture in Australia of certain raw materials and accessories, and if the question is of interest facilities in connection with the Armstrong Siddeley automobiles.

The Group consists of Hawker Aircraft Limited, Gloster Aircraft Co. Ltd., Sir W.G. Armstrong Whitworth Aircraft Ltd., Armstrong Siddeley Motors Limited, The Burlington Carriage Co. Ltd., Messrs. A. V. Roe & Co. Ltd., Air Service Training Limited, and other subsidiaries.

The main interest in Australia is in the manufacture of aircraft with the eventual intention of manufacturing aircraft engines. At the present moment there are a number of Avro training and commercial types in service in Australia, a number of Armstrong Siddeley aeroplane engines, whilst the Royal Australian Air Force has ordered 54 Hawker "Demon" 2-seater fighter bomber aircraft with the Rolls-Royce "Kestrel" engine. Eighteen of these machines have been delivered and the balance will be completed by the end of the present year.

The Royal Australian Air Force is on the point of acquiring the manufacturing rights of this type with the intention of, unless the type is eventually superseded, of manufacturing in that country.

The Group interests are to some extent, therefore, dominant in military aviation at least. It is appreciated that there is an important potential market in Australia for all types and it is agreed that a close liaison between the Group and Australian interests is desirable.

At the present moment the Group are manufacturing types as follows :

HAWKER. "Hind" Two-seater fighter bomber.
"Fury" Interceptor Fighter.
"Audax" Army Co-operation Type.
"Hart" Advanced Training Type.
"Osprey" Two-seater Fleet Fighter Reconnaissance
Land or Seaplane.
"Nimrod" Single-seater Fleet Fighter Land or Seaplane.

ALL with Rolls-Royce "Kestrel" Engines.

GLOSTER. "Gauntlet" General Purpose Fighter with Bristol
"Mercury" VI. Engine.

"Gladiator" General Purpose Four- Gun Fighter
with Bristol "Mercury" IX. engine.

SIR W. G. ARMSTRONG WHITWORTH AIRCRAFT. LTD.

"Whitley" Medium Bomber with two Siddeley "Tiger"
engines.

"Whitley" Transport Bomber with two Siddeley "Tiger"
engines.

Imperial Airways 40-seater four Siddeley "Tiger"
Engines.

A.V. ROE & CO. LTD.

Avro "Cadet", "Tutor" and 626 Training Series
with Siddeley "Mongoose" and Siddeley "Lynx" engines.

Avro "Anson" civil type, 10-seater, with two
Siddeley "Cheetah" engines.

Avro "Anson" Coastal Reconnaissance type with
two Siddeley "Cheetah" engines.

ARMSTRONG SIDDELEY MOTORS LIMITED.

A range of aircooled engines from the "Mongoose"
of 150-165 H.P. to the "Tiger" of 850 H.P.
This range comprises the intermediate series,
i.e., the "Serval" and "Cheetah".

The foregoing does not take into account proto-type aircraft under construction for military purposes, details of which must necessarily be secret at this stage. It could be definitely asserted that at least three of these types will be in quantity production for the Royal Air Force equipment in 1937/38.

It will be seen, therefore, that practically the whole range of training and military aircraft are covered and certain civil types which are eminently suitable for use in Australia.

It is also noteworthy that most of these types can be supplied with detachable float undercarriage for use as seaplanes.

Co-operation between the Australian Company and the Group would seem to possess reasonable possibilities.

The manner in which co-operation could be effected is a matter for negotiation. There are several possibilities :

1. The Group would be prepared to consider taking a definite interest in the Australian Company but if there is sufficient capital already available co-operation will necessarily be on a different basis.
2. The Group would be prepared to dispose of a licence of any type on terms visualizing a lump sum payment and a royalty on all aircraft components and spares manufactured in Australia. The amounts payable would naturally be dependant upon the type, quantity and other considerations.
3. In this event the Group would supply drawings and all information necessary for the manufacture in Australia.
4. Alternatively, an arrangement might be considered whereby the designs of the Group, advice and services are available to the Australian Company in return for an agreed share interest in that Company.

5. In any case in the event of an agreement being reached the Group would give all facilities and assistance and would be prepared to supply on agreed terms the services of such technical and practical personnel as may be desirable.
6. The same considerations apply in the case of the aeroplane engines and assistance would be forthcoming in connection with the necessary equipment for this department.
7. The Group would not insist upon an arrangement whereby other types of aircraft and engines are excluded but they would require an undertaking that they should be given an option of acquiring aircraft engines and/or rights on behalf of the Australian Company failing fulfilling the requirements themselves.

It is difficult for the Group to propound more than a mere basis of various schemes until they are more conversant with the programme of the Australian Company. For the same reason they are unable to offer any suggestions with regard to the site and size of the proposed factory, equipment and personnel. The first proceeding is to agree on the principle of collaboration and to indicate the line of development preferred.

The Australian Company should formulate their programme on both military and civil types and indicate the developments they have in mind for the next few years. They should also state if possible the amount of technical and practical assistance they may require and the extent to which they would be permitted, or which they would contemplate, purchasing materials in this country and their views on the development of an accessory industry.

With this information available it should be possible to co-ordinate the respective views and put forward more concrete suggestions.