

HAWKER SIDDELEY PROGRESS

AT the 19th annual general meeting of the Hawker Siddeley Group which was arranged in London last Wednesday, January 5th, Sir Thomas Sopwith, the chairman, first referred to the report and accounts (which had been circulated) and then, as is his custom, described the progress and plans of the companies in the group.

He said that the trading profits of the Group for the year ended July 31st, 1954, after deducting special development expenditure and reserve for increased replacement cost of fixed assets, amounted to £6,961,041, as compared with £5,033,744 last year. Production and sales of the Group's and Dominion interests both showed an increase over last year.

After providing depreciation of £2,321,393 on the Group's fixed assets, the directors had considered it prudent to charge a further £1,000,000 for replacement of fixed assets. This reserve was thereby increased to £7,000,000, the whole of which had been provided from taxed profits.

"The present high rate of taxation," said Sir Thomas, "which for too long has been a feature of our national economy, reduces severely the profit which, after making reasonable distributions to shareholders, is available to build up industry's resources. While this prevails the increased cost of replacing capital assets is bound to remain a problem. Although the Government has to some extent recognized this problem through the introduction of investment allowances, these are inadequate and go only a small way towards the larger problem. More realistic annual allowances should be granted on industrial buildings. Many of the specialized buildings and structures essential to our industry have a much shorter life than the 50 years assumed by the annual allowance.

"Profits must also be ploughed back to enable industry to finance research and development. . . . You will note that during the year we have spent nearly a million pounds on special development projects. This is yet another example of private enterprise doing its part towards financing today's research problems to ensure production orders for the future."

Turning to the balance-sheet, the chairman said that the increase in the Ordinary share capital by £5,822,350 had been explained in the directors' report. The Board were recommending a final dividend of 7½ per cent, less tax, which was the maximum final Ordinary dividend.

Sir Thomas went on to say that since the end of the financial year the Group's Canadian interests have been reorganized into a parent company, and subsidiary interests on similar lines to the United Kingdom structure. A. V. Roe Canada, Ltd., had, over the last nine years, grown into the largest aircraft and engine manufacturing company in Canada. [The formation of the Canadian group was referred to in *Flight* of December 3rd, 1954, as were the details of the division of Avro Canada's engine and aircraft factories and the acquisition of new companies.]

"Our United Kingdom interests," continued Sir Thomas, "have been expanded since the end of the financial year by the acquisition of Kelvin Construction Co., Ltd., which is a company with a fine reputation in the design, fabrication and erection of industrial buildings. It has factories at Glasgow and at Greenford in Middlesex."

The chairman then continued:

"The shape of aircraft is rapidly chang-

ing and the patterns we shall see flying about the skies in the not-so-distant future will be very different from those we now know. To meet these changes the work of our scientists and technicians becomes ever more important. There is still a shortage of people with really high technical standards at every stage in aircraft design and construction.

"Fourteen air forces have expressed direct interest in the Hawker Hunter which is now in squadron service with the Royal Air Force. The United States has increased off-shore procurement orders and contracts have been placed by Sweden, Denmark, Holland and Belgium.

"The Avro Vulcan is well advanced in production. The capabilities of this aircraft, in speed and operating height, give it a large measure of immunity from attack.

"The Avro Company is producing the Shackleton Mark 3. A valuable order for this type has been received from the South African Air Force.

"Avro's have many interesting developments in connection with electronic computers and simulators specially designed and made by themselves, which in addition to speeding up complicated calculations enable them to carry out investigations which would otherwise be impossible.

"After eleven years the production of the world-famous Meteor came to an end. Dove-tailed into the fade-out on Meteor production, the Javelin line is being built up and early production Javelins are now flying.

"Armstrong Whitworth Aircraft have, as usual, had a busy year. Their Sea Hawk sub-contract from Hawker Aircraft was completed and arrangements were made to take over all Hawker's surplus of this aircraft, thus leaving that company entirely unfettered in their Hunter production. Armstrong Whitworth are also to assist Gloster in Javelin production in addition to work they are doing on Hunters.

"Avro Aircraft, Ltd., in Canada have substantial contracts in hand for the CF-100. A development contract has been received from the Canadian Government for a new aircraft of a very advanced design, known as the C-105. All I can say is that it is a twin-engined supersonic, long range, all-weather fighter.

"Four engines in the Armstrong Siddeley range of gas turbines—the Sapphire, Mamba, Double Mamba and Viper—are in production. These engines are used in ten British aircraft.

"Equipment of the new Brockworth engine factory, including the provision of 500 houses for key workers, is virtually complete, and production of the Sapphire there is proceeding well. Facilities have also been provided for the overhaul of Sapphire and Orenda engines.

"Production of the Sapphire continues under licence in the United States where six types of American aircraft are powered with this British-designed engine.

"Development of improved versions of the Orenda continues. A new engine which embodies many unique features and has a high titanium content is being developed. We have just completed a new research laboratory which will be of great value."

Turning to rocket and guided-missile work, Sir Thomas Sopwith said that Armstrong Whitworth Aircraft had been responsible for much pioneer work on guided weapons and had achieved a great deal. In addition to firing trials which had been taking place for some time in this country, firing trials had commenced

at the Woomera Rocket Range in Australia. Overall facilities for research and development had been expanded and the organization in Australia strengthened.

Armstrong Siddeley Motors had been working on rocket motors for some time. The section dealing with this work had been considerably expanded and had been formed into a separate division.

A. V. Roe and Co., Ltd., had also entered this sphere with the formation of a Weapons Research Division. . . .

At this point Sir Thomas referred to the work of the motor car and diesel engine departments. He then went on to refer to High Duty Alloys. "Progress has been maintained," he said, "we have again improved our technique in the production of close-to-form gas turbine blades, making our ten-millionth blade in the early part of the year.

"Your interest in the aluminium industry has been broadened by the acquisition of a rolling mill in Wales.

"Canadian Steel Improvement, Ltd., has made an outstanding contribution to Canada's aircraft programme as a supplier of close-to-form compressor and turbine blades. We are expanding the company's present forging capacity by additions to buildings and equipment, and widening its scope by the construction of a new large light alloy foundry.

"This new addition to the group will be able to supply Canada's growing industry with a complete range of high quality forgings and castings. In particular the company has a great deal of experience in the technique of fabricating and employing titanium.

"Air Service Training continues to operate successfully technical training schools in India and Pakistan, and also pre-apprentice and pre-cadet schools for the Pakistan Air Force which are run on English public school lines.

"Training at Hamble continues on a reduced scale in the flying, navigation, radio and engineering schools. Seventy per cent of the students are from overseas."

Before expressing some thoughts on the current status of the country's air power and that of our allies, Sir Thomas expressed thanks and appreciation to the 65,000 executives and employees of the Hawker Siddeley Group. He then continued with a reference to the wise decision on the part of the Government to supplement orders for one or two prototypes with a much larger pre-production batch.

"It should be plain to everyone," he said, "that we are now in the age of the hydrogen bomb, a weapon of destruction so vast and so horrifying that it staggers the imagination. We hold this weapon—and so do our potential enemies. There are those who say, 'If this be true, let us abandon all hope of defence.' And these prophets of despair clamour for appeasement.

"Make no mistake about it. The one sure way to invite disaster is for this country to pursue a policy of weakness.

"And strength in airpower is not only atomic strength but the ability to deal anywhere with local wars, with local tensions whether they be in Korea, Indo-China, Malaya, the Near East, the Arctic or Western Europe.

"Only one thing is sure, if war does come, it will come with supersonic speed—and probably in an opening sneak attack. And to provide defence against that requires more than courage and faith. It needs equipment and trained manpower, and that policy requires money, time and decision."