

# What Course for the Industry?



*Is a supersonic airliner a feasible project for Britain? Have we the resources?*

"It is not a question of resources. Nor has it anything at all to do with filling the gap caused by contracting military orders. Obviously it is important from a prestige point of view—just as it is important to win the Ashes. It is important from a research point of view, because so many unknowns might emerge. But it is all a question of priorities. If our immediate priority is to find employment for aircraft workers, if the civil market is to take up the slack, then the important thing is to make subsonic flight cheaper. More research should be directed to that. And that is where the laminar-flow possibility comes in."

*Is present State expenditure on research and development adequate to sustain our position? Or could it be more fruitfully deployed?*

"The role of The State is to provide facilities for fattening the goose which will lay the golden eggs. The Government must accept responsibility for ordering and paying for prototypes. Of course, some say that this is not a function of the State any more than the ordering and development of, say, steam turbines, and that it ought to be done by private enterprise out of sales revenue. But the fact is that the rate of progress in aviation is so great that we just cannot recoup from sales the money needed for research and development of the magnitude required—not unless we have the certainty of a big market, that is. I know there is a guaranteed home market for the VC10 and D.H.121, but it is a limited market, and many more than these home orders must be sold to break even, let alone pay for future research. Certainly my firm paid the entire cost of the development of the Herald, but that just is not feasible for the bigger transatlantic types. Therefore I say

No 3 of the series : SIR FREDERICK HANDLEY PAGE interviewed by FRANK BESWICK

**S**OMEHOW it seemed wrong to put to Sir Frederick Handley Page the question *Do you accept the necessity for an overall contraction of the British aircraft industry?* To one who nurtured its growth right from birth it could seem ironic, to say the least, that after 50 years, when we are at the entrance to the great air age, there should be this talk of contraction. But he put his reply in characteristic perspective:—

"Since World War 2 the industry has been maintained at an exceptionally high level. We could have expected a steady retraction after 1945 but the coming of the jet engine meant a great deal of re-equipment of military forces; Korea kept up demand; and the cold war tension has brought abnormal orders. We are now facing a sudden drop instead of a gradual run-down."

*If such a contraction is inevitable ought we to be selective in what we cut down? Or, to put it another way, ought we to decide upon the fields of production in which we can best compete, and concentrate upon them?*

"Clearly, the principal contraction must be in manned military aircraft, because of the advent of guided missiles. So we must try to expand the civil side of the business as compensation. The problem is whether we can find an additional civil market to replace the military demands."

*Is there any possibility of the civil demand reaching anywhere near the previous military level?*

"We must consider how civil aircraft are bought. The number of operators has nothing at all to do with it. It is not a question of BEA, BOAC or the Independents. The passenger pays for the aircraft: a portion of each ticket bought goes towards the cost of a machine, irrespective of who operates it. The number of passengers is what will count, and we must get a hell of a lot more of them. We cannot suddenly get an extra 50 per cent, but to increase at all we need a tremendous energizing force, and the force to which we must turn is the cheap fare. In precisely the same way that we now enjoy summer fruits in mid-winter through refrigeration, we must make it possible for more people to enjoy holidays with sunshine all the year round. At any one time of the year there is sunshine somewhere in the world. By spreading the peak load we can in fact cheapen the holiday. Cheapening the fare, spreading the load (which in turn makes even cheaper fares possible)—that is the way to increase traffic. And that is the way to increase the number of those bits of tickets which will pay for additional aircraft."

that the Government must return to the policy of ordering prototypes."

*When the State provides assistance in that form does it not encourage the firm to take things easier? How can you protect the taxpayer against wasteful expenditure on such prototypes? Is there any new penalty clause which might be inserted in the contracts?*

"No additional protection is needed, save for the firm concerned also sinking a proportion of its own money in the project. No private-enterprise company will waste its own money."

*If State support of the type indicated is given, do you still consider further rationalization is necessary?*

"The Conservative spells that word with an 'r' whilst the Socialist begins it with an 'n.' In practice it amounts to the same thing. If change is necessary then normal commercial processes would do what is required. The allocation of orders on technical merit would bring about the closing of any surplus capacity."

*Nevertheless, is there not an argument on technical grounds for increasing the size and scope of research and development facilities of the present manufacturing units?*

"You will remember the parable in the Bible of the rich man whose ground brought forth plentifully and who said, 'I will pull down my barns and build greater,' but God said unto him, 'Thou fool. This night thy soul shall be required of thee.' Are we not in danger of building bigger units only to overlook the fact that the soul of a business lies in the creativeness of the individual and that progress is not achieved by elephantine size or by soulless bureaucracy?"

As Sir Frederick spoke I thought of the great sprawling industrial empires, covering unconnected fields of production almost indiscriminately, and I was bound to confess to myself that there was much truth in what he said. Yet I pressed him further on this question of size of the production unit: *But if the projects of the future are to get larger and more complicated, does that of itself not mean that the resources of any particular unit must be increased?*

With the reply there was a quiet shrug of the shoulders. . . . "Young men shall see visions and your old men dream dreams. But our job is to get orders, to build aircraft and to provide employment. You help to bring down the fares; sell more of those bits of tickets; increase the demand for aircraft—and, given the chance, we will build them."