

The New Shape of the Industry

as seen by

SIR GEORGE DOWTY
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president of the SBAC



in an interview with
FRANK BESWICK
(second of a new series)

ONE assumes that, in part, the election of Sir George Dowty as president of the Society of British Aircraft Constructors was a recognition of the increased importance of equipment in the make-up of modern aircraft. But it also seemed to me especially appropriate, in this transitional period of the aircraft industry, that the questions I put should be answered by one not directly affected by the changes and able to take a wide view of the industry as a whole. My first question related to the period of reshuffling.

From the outside, the re-shaping of the industry appears to have taken place with extraordinary smoothness; would you say any snags have emerged, or whether there is much tidying-up still to be done?

"We did not expect any particular difficulties in reshaping the industry. It is true that things have gone more smoothly than might have been expected, bearing in mind the complexity of the operation, and this is evidence of the extremely skilful way in which it has been done. You will appreciate that the legal, management and general administrative problems were those that would be met in large amalgamations in any industry; they were not peculiar to the aircraft industry. There is still, of course, a lot to do, and it will be some time before we see the real benefits."

In other words, could I say that if you had been responsible for the problem as chairman of a group covering all the industry, you would be satisfied with the present shape?

"I believe the changes are for the better. Previously there was too much competition and overlapping of effort. Obviously, this was wasteful. In the civil field we can get all the competition we need from abroad. The full advantages of the amalgamations that have taken place will not be manifest for some time, and certainly we cannot get the rationalization that is possible while there is full employment and a shortage of skilled people."

What do you think will be the trend over the next (say) five years, as far as the size of the industry is concerned? Expressed in terms of labour employed, would you expect it to expand, or to contract, or have we about the right size for the next few years?

"Over the past twelve months the labour force has remained the same—around 280,000—within a very few hundreds. We need more skilled men and more technicians. I would not expect any substantial change over, say, the next two years. Now that the industry has reorganized itself we are certainly in a much better state to maintain our position, though as a capital goods industry very largely dependent on exports we are inevitably sensitive to the conditions governing world trade."

After all the talk of redundancy it will be a surprise to many to hear that the industry needs more labour; what has happened to all those men who were marching in the streets not long ago in protest against redundancy?

"The White Paper of three years ago had a depressing effect. Some left the industry because they were fearful about the future. Others marched to protest against possible redundancy. They did so because they did not know all the facts and got excited unnecessarily. At no time has the industry been worried about its immediate future and most of us have always been able to look ahead fairly confidently for some two years or so. That position is still true."

Can you now recruit more people from the motor industry?

"This type of labour is not in general the kind that the aircraft industry needs. What we require are specially skilled men and these, of course, include technical staff."

It was generally understood that, when the industry agreed to reorganize in line with official policy, an understanding about future Government support was also reached; would you say that expectations aroused have been fully justified? In particular, do you consider that we are progressing fast enough in the development of supersonic flight and space research?

"There is some evidence that Mr Sandys' promise of Government support is being implemented, even if slowly. In the develop-

ment of supersonic flight we have, as you know, reached the stage of a contract for a limited design-study. In space research we are still waiting for the Government decision on that part of the programme which most concerns the industry—whether or not we are to have our own vehicles. We are, of course, aware that on the UK scale of expenditure it would be costly, and we would not wish support of space research to diminish our effort in, say, vertical take-off, where we are doing so well.

"At the moment, however, our attitude to space research seems irresolute and indecisive, which brings me to the point that we shall lose-out on supersonic flight, space research, VTOL and other vital technical and manufacturing developments if Government policy is not a stable and a consistent one."

Although the industry has a magnificent export record up to the present date, do you feel that future prospects are bright enough? To what extent are civil orders going to offset military orders in the export field?

"Our 1960 exports seem likely to dip from the record £156m of 1959. Some time ago the SBAC forecast this decline: it was clear that our military exports were falling seriously and that, for reasons lying beyond the control of the industry, the large military business in NATO and elsewhere for the next few years will not be in the main concern British aircraft and equipment.

"It must take some time for civil orders to offset losses of export trade on the military side. Competition will be extremely fierce. Nevertheless, I regard our export prospects as good; but we shall certainly need very considerable help on credit terms for overseas buyers; this must continue to receive urgent attention, and I am glad to note that it is."

There is some criticism about after-sales service in the export field; do you think there is any justification for this criticism, and if so, what is being done about it?

"The industry is very conscious of the importance of after-sales service. This is a field where every manufacturer—whether aircraft or otherwise, British or foreign—comes in for criticism at some time or other. Aircraft, engine and equipment manufacturers are doing a good job in after-sales service. Indeed, we have evidence and many authoritative comments to show that British after-sales service is frequently better than that provided by others, and in this I include the Americans."

Earlier you mentioned a period of two years; do you think there is a danger of employment dropping off when the present orders have passed through the pipeline?

"No, I do not. For one thing I anticipate a substantial growth in cargo transport; but I believe that, apart from new cargo aircraft, if the obsolescent aircraft lying around can be profitably employed on air freighting it will help the airlines to buy new passenger equipment."

What about co-operation with European manufacturers? Has the SBAC a policy there, or is it left entirely to individual concerns?

"This is primarily a matter for individual members of the Society. You will be aware of recent associations between British and European companies with the object of co-operation, not only in the form of licensing agreements (of which there are very many)