

On Her Majesty's Service

WASC 594-599

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Museum

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Reinforcement fibres et
half a crown a pound.

Metalsworkin g Production

19 June 1908.

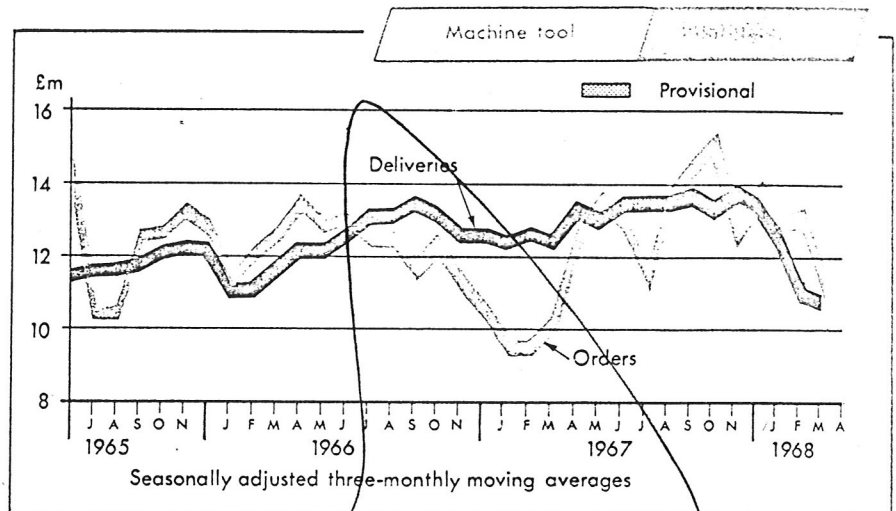
Waiting for the investment upturn

MACHINE tool builders are fervently hoping that the Olympia show this month will be the signal for a massive upturn in capital spending by British engineering firms. Signs of a change have been expected month by month this year, but the latest machine tool order figures are no more encouraging than the gloomy returns from the Board of Trade on industry's capital spending in the first quarter of this year.

In its latest forecast of investment intentions by manufacturing industry this year, the Board of Trade appears to have been somewhat daunted by the first quarter's returns. A 5% increase in capital spending in 1968 over 1967 was predicted in January on the basis of an inquiry made in November/December. The May inquiry for which the results were announced last week, suggested little change in manufacturing industry's intentions, but, says the Board, "the fall in the provisional figure of manufacturing industry's investment in the first quarter of 1968 suggests that the turning point may be later than the forecast would imply. If so, the increase between 1967 and 1968 could be less than 5%".

The forecast estimate for 1968 of £1,230m. (at 1958 prices) is slightly lower than the record level of £1,233m. achieved in 1966. Looking further ahead to 1969, the Board of Trade still expects some continuation of the upward movement. The latest inquiry suggests that the rise may be fairly strong.

Machine tool business in April was



slightly better than in April 1967, but seasonally adjusted new orders were the lowest since last July. Export orders are wildly erratic these days, with the occasional very large orders coming in, for example, from the Soviet Union. It is just hard luck that in the figures published just before Olympia they should be down to £3.6m. when the average for the first quarter was £5.8m. New home orders in April were the same as the average for the preceding quarter (£7.3m.).

Home deliveries have been running at a lower level for the past few months, reflecting the decline in the order book through 1967. Export deliveries continued to rise, however, reaching a seasonally adjusted record of £5.3m. in April.

The balance of machine tool trade is looking much healthier this year so

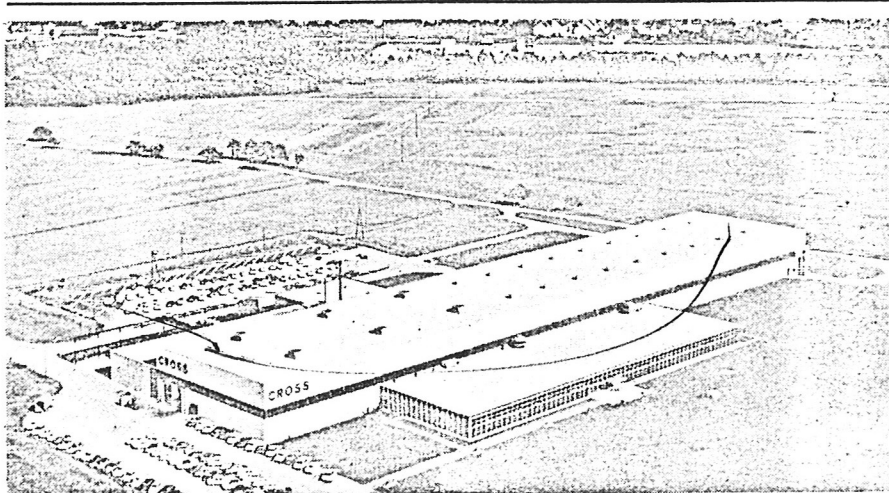
far. Imports for the year up to April amounted to £15,499,000, which was 28% lower than for the same period last year. Bearing in mind the probable effects of devaluation the decrease in volume would have been still greater. Exports plus re-exports in the same period added up to £19,131,000, an increase of 19%. The net result was a surplus of 23% for exports.

Reinforcement fibres at half a crown a pound

Work of considerable interest to the engineering industry was shown by the Explosives Research and Development Establishment last week, the first time ERDE has been opened to the Press since it was set up in 1945. Among many research activities, fibre and whisker reinforced materials are being studied at both ends of the scale: with refined asbestos in plastics for low cost and silicon carbide whiskers for higher stressed applications.

ERDE have developed a process for grading and aligning commercial asbestos in either a mat or extruded rod form. It can be used chopped in plastic mouldings when it will improve the tensile strength by 200% and the flexural modulus by up to 500%. ERDE anticipate use in car components, domestic appliances and so on. Silicon carbide is in the early stages of being incorporated into light alloy, where similar dramatic improvements are being encountered, but at higher cost.

ERDE has been under Mintech's wing since February 1967 and this has had a considerable bearing on its broadening interests.



Construction has begun on the expansion of the European subsidiary of Cross Company, Cross Europa-Werk, at Wendlingen near Stuttgart, Germany. The move, which will increase capacity by one-third, is a result of increasing overseas sales for the American parent company. President Ralph Cross said that because of increased sales, "There was no sensible choice but to increase capacity".