to spread the overheads. For this reason flying clubs have commonly reduced their charges for flying to a level below the cost of flying. Although this process could not be continued indefinitely, and is only temporarily maintained by inroads on capital and failure to make proper provision for fleet replacement reserves, it has proved the only way to avoid stopping flying altogether. Higher flying charges would debar most of those who now fly, and the inadequate income now earned yet bears a better relation to total costs than would be achieved by high flying charges and low flying-hours.

202. The object is to extend flying facilities to the widest possible class. It has been stated that the flying clubs serve only the richer members of society, and that they exist for the pleasure of these members. This at least is not their aim. If a flying club cannot attract sufficient support from those who are able to pay something for their flying, it would be unable to continue operation, and it would then, incidentally, not be available for the Air Training Corps training which it carries out for Government. This training is paid for at what is in effect less than cost price, since the costs include inadequate provision for reserves. In view of the Air Training Corps training scheme, which should be continued and paid for at a rate which covers the whole cost, we do not advocate differential charges as between young and old, or male and female members. The support of all is required to keep the operations on an economic basis.

203. In order to maintain the flying clubs some measure of State assistance is essential. We do not advocate a complicated system of subsidy. The costs of a flying club consist of three elements—capital costs, standing charges, and operating costs. Government have given assistance to the clubs by the gift of Tiger Moth aircraft, but the gift has involved considerable further expenditure (estimated at £300 or £400 per aircraft) from capital or from current account to recondition the aircraft and put them into service. Some of the clubs have inadequate work for these additional aircraft. The gift has therefore involved a drain on their resources, without the prospect of compensating additional earning capacity.

204. A healthy flying club must have a high ratio of operating costs to standing charges. In a small flying club it may not be possible to raise this ratio sufficiently, and the maintenance of the flying club may necessitate a fixed grant towards standing charges. A club with a larger membership, and therefore, more flying hours may have no need for a fixed subsidy, but none of the clubs is at present able to include in its standing charges adequate provision for reserves to enable it to replace its existing fleet when the aircraft becomes no longer serviceable—much less to modernise the fleet.