

termination of that period, in order to allow of arrangements being entered into, especially in respect of the erection of a shed in Egypt, so as to obviate delay and consequent additional expenditure, if at the end of one year operational experiments for carrying on the service beyond Egypt were to be undertaken.

11. *One-year Period of Inauguration.*—Assuming the one-year period of inauguration to begin on 1st September, 1921, it should be possible by March, 1922, to have made such progress in ground organization and experience as to be able to start a monthly service to Egypt. Towards the close of this period it should also be possible to undertake demonstration flights from Egypt in the direction of India and South Africa, without, however, landing, unless by then masts have been erected in those countries.

It is estimated that to carry out this programme the cost involved, which would cover the necessary research and training flights at Home, would amount to—

	£
Capital expenditure	177,000
Running expenditure	253,000
Allowance for contingencies and unforeseen expenditure (say)	110,000
	£540,000

A detailed statement in regard to the expenditure involved is attached to this report (see Appendix A). Were it decided not to commission L71 it is estimated that a saving of some £80,000 could be effected. At the same time, to attempt a regularity of service to Egypt, and demonstration flights beyond with two airships R37 and R36, one of which has not yet been completed and the other of which has not yet been fully tried out, is held to be unwise.

L71, owing to her greater size, is the only one of the three whose capacity allows an adequate margin of safety for a return flight from Australia to Ceylon or South Africa under adverse conditions. R37 and R36 could carry a commercial load to Australia if the necessary number of additional intermediate mooring-mast stations were erected; these would, however, necessarily greatly increase the capital cost. In the above operational programme the R33, owing to its smaller range and carrying-capacity, has been considered as a reserve for training at Home.

12. *Two-year Period of Inauguration.*—In the event of the adoption of a two-year period a monthly service to Egypt would begin in March, 1922, as in the one-year period. This monthly service would be extended to India in September of that year, while demonstration flights towards South Africa would be carried out during the last two or three months of the period. For this programme it is essential that L71 should be commissioned.

The cost involved (detailed in Appendix B) would be—

	£
Capital expenditure	493,000
Running expenditure	626,000
Allowance for contingencies and unforeseen expenditure (say)	220,000
Total	£1,339,000

This sum provides for the erection in Egypt of a complete base with shed, as distinct from a station with mooring-mast only—proper housing accommodation in Egypt being held to be essential if a regular service to India is to be maintained.

It should be noted that whereas the estimated cost of the longer period of inauguration compared with that of the shorter is as $2\frac{1}{2}$ to 1, the useful work accomplished is as 5 to 1.

Allowance has been made for research work in the estimates, for both of the above periods, but the purchase of land for overseas bases has not been included. In this regard it is held that the Dominions and countries over which the routes pass might be prepared at least to grant the necessary land free of cost in return for the privileges conferred. The Committee desires to draw the particular attention of