

- (4.) *Estimates*.—General: £250,000 is allowed for unforeseen contingencies under capital expenditure; £50,000 is allowed for research on the revenue account.

Insurance and depreciation is taken at 20 per cent. for first cost, assuming a seven-year life is taken for new airships; this would leave about 6–7 per cent. for insurance.

- (5.) *Conclusion*.—It will be noted that no share subscription is asked for from the Governments concerned, but that the above proposal entails payment of a subsidy both during the development period and for work done, this latter being dependent upon the carrying out of an Imperial service.

20. *Lieut.-Commander W. B. Ballantyne's Proposal*:—

- (1.) *Capital*.—£2,000,000. First issue, £1,250,000.

- (2.) *Government Assistance*.—

(a.) Guarantee of interest at 6 per cent. per annum until such time as the company are in a position to pay this rate of dividend, when a debenture issue would be made and the amount owing to the Government paid off.

(b.) Subsidy: Mail subsidies from Great Britain, Italy, Egypt, and South Africa, amount not stated.

(c.) Subsidy from Admiralty and War Office, amount not stated.

- (3.) *Programme*.—Service to Rome, Egypt, and Johannesburg with existing airships, and later with new airships.

- (4.) *Estimates*.—The capital of £2,000,000, together with the balance from debenture issue, after repayment to the Government of funds advanced for payment of interest on capital, is for provision of ground facilities on South African route, operation of existing airships, construction of new airships for this route.

- (5.) *Conclusion*.—It will be noted that this scheme also involves not only a guarantee of interest, but also subsidies from the Governments concerned.

21. *General Conclusion*.—Thus it will be seen that, whether an Imperial Airship Service is undertaken by direct Government action or by private enterprise, it is essential that the Imperial Conference should arrive at a decision by 1st August, as Parliament has been informed that the airship services will be closed down on that date.

FREDERICK GUEST (*Chairman*).
GORELL.
H. TRENCHARD.
F. H. SYKES.
G. L. BARSTOW.

J. STEVENSON.
J. H. LOVELL.
ROSS SMITH.
H. MENTZ.

L. V. Meadowcroft (*Secretary*).

26th July, 1921.

APPENDIX A.

ONE-YEAR PERIOD.

<i>Cost of Erection of Masts, Provision of Bases, and Commissioning Existing Airships.</i>			Cost.	Date of Completion.
			£	
(a.) Provision of Cardington base—				
(1.) Move Croydon mast .. .. .	..	..	10,000	1st December, 1921.
(2.) Hydrogen main .. .. .	..	..	2,000	1st December, 1921.
(3.) Lengthen shed to take L71 .. .. .	..	..	15,000	1st May, 1922.
(b.) Commissioning existing airships—				
R36 .. .. .	..	..	6,000	1st November, 1921.
R37 .. .. .	..	..	25,000	1st January, 1922.
L71 .. .. .	..	..	44,000	1st May, 1922.
New gas-bags for R36 .. .. .	..	..	25,000	1st May, 1922.
(c.) Provision of mooring-mast at Marseilles by French .. .. .	..	..	..	1st February, 1922.
(d.) Provision of Cairo mooring-mast station .. .. .	..	..	50,000	1st March, 1922.*
Total capital expenditure .. .. .	..	..	£177,000	

* Includes large silicol plant in lieu of small plant and gasometer.