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## *English* SUBSIDY PLAN

Since publication in the July-August issue of a summary of the British gliding subsidy plan, we have received, through Wally Setz, the following information in a letter from one of the boys in England to Wing Commander Bill Murray over here. We feel that the point stressed of the need for a club to raise (outside of government aid) a reasonable percentage of the funds expended is of major importance.

Here is the letter:

"— You ask for my views on the subsidy system (I could fill a book), but despite all the obvious snags I do not consider there is any more practical scheme for encouraging the job than the British system. The requirements are so varied with different clubs, that we suggested and after some trouble obtained Government approval for the establishment of a board of subsidy trustees, which in this country was composed as follows: one representative to be nominated by each of the following bodies, The Royal Aero Club, the Royal Aeronautical Society, the Royal Meteorological Society, the B.G.A., and the Treasury. If the system were not now suspended for the duration, I imagine that by now the Board would have been increased to include representatives of the R.A.F., one to watch the military aspect, and the other to watch the Pre-Entry Flying Training aspect. In our case the Treasury paid over the total subsidiary to the trustees at the beginning of each financial year, and the board were then empowered to disburse it at their discretion—subject to the following restrictions: Grants to be restricted to the acquisition of capital assets (gliders to count as capital assets), no grant to exceed 70% of the capital cost and normally 50%.

"In this way the clubs could all submit detailed schemes for the expansion of the movement to the trustees at the beginning of each financial year, (i.e., new hangars, new machines, etc.) together with actual estimates of cost, etc. The trustees then decide which of the various suggestions put forward seem most workable and express their willingness to make a financial grant from the subsidy of x% toward the cost. If their offer is accepted, the club concerned pays the difference between the grant and the cost to the trustees, who then issue the necessary instructions to the suppliers or contractors concerned for the work to commence on goods to be supplied, and accept

responsibility for payment. I think this system is sound, as by compelling the club to contribute between 30% and 50% of the cost one ensures that the club really requires what it asks for, as otherwise it would merely be wasting its own money. Also in practice it has been found that possessions which have cost clubs money tend to be better cared for than gifts.

"At the same time, this system tends to compel clubs to raise funds from other sources than the state, and accordingly the enterprising club which raises the wind can get more subsidy, which is as it should be.

"Another factor is that philanthropists are more inclined to support a scheme with state aid involved, as it is a virtual guarantee of sound administration and proper control. In the U. K. the trustees have always refused to make grants to domestic accommodation, as this should be self supporting—and it is a sound principle. After five years of working this system I consider that only two improvements are required. The first is that the trustees should be authorized to make grants towards research work or to the organization of contests\* (which must be organized on Roman holiday lines or else lose money). The second is that in the U. K. certain less scrupulous clubs put up buildings or bought lands with subsidized state aid and then mortgaged it. This system tends to lead to abuse and if a club goes bust the assets are lost to the gliding movement—whereas if the subsidy grant was made conditional upon the deeds or title to the land or goods concerned being held by the trustees, subject to free and permanent use by the club to whom the grant is made (or by nominal rental of one dollar a year if the U. S. law makes this simpler) the goods can be transferred to another club when one club goes bust, and therefore the assets are always cumulatively preserved.

There are many other points to be watched out for and guarded against, but they are beyond the scope of this letter. If they want to get the thing right from the start, the best way is to get me to come over to the U. S. for a few weeks! (And should I like to come!) I have very fond memories of my last visit, so don't forget me if there's half a chance."

\**Editor's note:* This would be a body such as "The Soaring Society of America" in this country.