It was contemplated that the Advisory Council would work largely through subcommittees reinforced by suitable experts in the particular branch of science or industry concerned. During the first year of operation three such committees were set up—namely, the Standing Committees on Engineering, Metallurgy, and Mining respectively. Other questions were dealt with by means of small special committees of the Council itself, and in the first report of the Advisory Council Standing Committees on Fuel, Rubber, Chemistry of Cotton and Paper, and on Textiles (with special sections for cotton, wool, and silk) were contemplated.

The sum voted for the first year was £25,000. The first annual report shows that aid was given to eleven researches already in progress, and to nine new researches. In each case some institution or body was made responsible for the research—e.g., the Sheffield University and the Silk Association.

Grants amounting to £6,000 were recommended by the Council to forty individuals.

The Advisory Council was kept in touch with the Government Departments by means of "Assessors," who were appointed by the Departments and had the right to attend meetings of the

Council, and to take part in the discussions, but not to vote.

For the second year (1916-17) the sum voted by Parliament was £40,000, but during the course of the financial year the Government decided to establish a department, the Department of Scientific and Industrial Research, to take the functions and powers of the Committee of the Privy Council the official members of which became a trust to administer public and other funds given for the purpose named.

The appropriation for the year accordingly took the following amended form :-

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(a.)	Salaries, wages, and allowances	7,250
(b.)	Travelling and incidental expenses	800
(c.)	Grants for investigations carried out by learned and scientific	
	societies, &c	24,000
(d.)	Grants to students and other persons engaged in research	6,000
(e.)	Scientific and industrial research (grant in aid)	1,000,000
		£1,038,050
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Items (a) to (d) are ordinary annual votes which lapse at the end of the financial year. Items (c) and (d) are to be distributed by the Committee of the Privy Council, on the recommendation of the Advisory Council, and are intended to meet cases in which assistance is required by the individual worker or by learned, scientific, or professional societies which stand in need of funds to carry on research work. Item (e) is to be paid to the IMPERIAL TRUST FOR THE ENCOURAGEMENT OF SCIENTIFIC AND INDUSTRIAL RESEARCH, and is intended to cover expenditure for the next five years. The expenditure of the Trust will be audited by the Comptroller and Auditor-Gene al, but any balance remaining on the account will not be surrendered at the close of the financial year. Grants will be made by the directions of the Committee of the Privy Council over an agreed period to approved trade associations for research, to supplement the funds of the associations, and payments in respect of such grants will not be liable to surrender by the grantees at the end of the financial year. It is intended by this method to encourage the formation of trade associations which will survey the conditions in their respective industries and decide upon and initiate desirable researches. Such associations should work under carefully selected committees of direction, including some leaders in the industry concerned, men of science, and also representatives of the skilled workers in the different trades.

In order to encourage firms to make generous contributions, money devoted to research, on specified terms, will be regarded as "working-expenses," and will thus be free from income-tax and excess-profit tax. Money so allotted by traders must be devoted to a research or to an association for research under partial State control.

A substantial gift has already been made to the Imperial Trust by two members of the Institution of Mechanical Engineers for the conduct of a research in engineering to be approved by the Department.

IMPERIAL SCHEME.

Consequent upon the publication of the proposals for the original British scheme, suggestions were made by the Minister of Public Works of Victoria, and by the Premier of New South Wales, that the scheme should be extended and made applicable to the overseas dominions, or even to the Empire as a whole. A memorandum drawn up by the British Committee of Council was therefore, on the 2nd March, 1916, circulated to all the Governments of the overseas dominions, concurring in the suggestion, and inviting each Government to constitute some body or agency having functions similar to those of the Advisory Council which acts for the United Kingdom. The memorandum lays stress upon two points: First, any body or agencies instituted for the purpose should, under their respective Governments, have really responsible functions and substantial authority; secondly, a close connection should be maintained between these bodies and the public educational systems and institutions of their respective countries.

II. COMMONWEALTH OF AUSTRALIA.

ADVISORY COUNCIL OF SCIENCE AND INDUSTRY.

The Advisory Council was originally appointed by order of the Governor-General in Council on the 16th March, 1916. Since that date certain additional appointments have been made, so that the Council now consists of thirty-five members representative of both science and industry,