

at least £40,000 a year. Its present income is only just £16,000, about two-thirds of which is derived from Government contributions. Now that the accumulated savings have been exhausted there will be a deficit of something like £20,000 upon the present year. As I have said, arrangements have been made to meet this, but they have only been made in the hope that, in the period of grace thus provided, the contributing Governments may be induced to make up the necessary sum to enable the Institute to carry on without further embarrassment in the future.

5. Faced with the heavy task of obtaining the large necessary increase of contributions from all the Governments concerned, I naturally, in the first instance, approached my own colleagues. Needless to say it is a very unfavourable moment to make fresh demands upon the British Treasury, in view of the enormous increase of national burdens due to the war, and of the insistent and growing demands for greater economy in public expenditure. But His Majesty's Government are so anxious to preserve the Institute, and so conscious of the fact that they cannot appeal to the other Governments of the Empire for a more liberal support of it without themselves setting the example, that they are prepared to ask Parliament for a grant of £10,000, which is four times the present grant, in each of the next five financial years, provided that at least £30,000 a year is promised by the other contributing Governments for a like period. This offer will remain open to the end of the present financial year, in order to give me time to try and collect that sum by appealing to the various Governments for an increase in their present contributions. I feel that I am justified in doing this because, while the Mother-country no doubt shares with other parts of the Empire in the advantages to be derived from the Institute, the principal benefit of its work accrues to the oversea dominions through the advertisement and better utilization of their natural products. If they were not willing to enable that work to be carried on efficiently, I should have to regard it as a proof that they were not convinced of the utility of the Institute, and in that case I could not expect the British Treasury to continue to support it.

6. An analysis of the £7,291 at present contributed to the income of the Institute by the various oversea Governments shows that it receives—From the dominions, £1,067; from India, £700; from the colonies and protectorates, £5,524. It will be observed that the colonies and protectorates contribute three times as much as the dominions and India, although they are enormously inferior to the latter in resources. If all the other contributions were to be raised proportionately to the increase of the British contribution from £2,500 to £10,000, the colonies and protectorates would be paying about £22,000, India just under £3,000, all the dominions put together just over £4,000. But though by this method the bare minimum of £30,000 would nearly be reached, I could not regard such a distribution of the burden as otherwise than very inequitable, not to say inconsistent with the dignity of great countries like the dominions and India. Moreover, it is unfortunately impossible to expect the colonies and protectorates in every case to increase their present contributions. Some of these colonies are very poor, and the contributions they already make are enormously out of proportion to their very limited means. While, therefore, I am prepared to press the wealthier colonies, such as Malaya, Nigeria, and others, very substantially to increase their contributions, I cannot hope that the income to be derived from all the colonies and protectorates collectively will exceed £15,000 a year. I fear, therefore, that the necessary total amount will not be reached, and that my efforts will fail, unless the dominions and India, with their infinitely greater resources, will put up at least an equal sum.

7. Personally, however, I must confess that I should feel greatly disappointed if they did not do even more. It is true that with £15,000 from the dominions and India the necessary £30,000 would be reached, though it would only just be reached. But it would be cutting things rather fine, and in view of the deficits of recent years, the possibly increased demands of the future, and the desirability of the Institute having something in reserve, I am very anxious to provide a larger margin.

8. Under these circumstances I hope I am not unreasonable in asking your Government to consider whether it could not raise its contributions to £3,000 a year.