

5. In accordance with the resolution of the Conference, which is set out in paragraph 1 above, Mr. Amery appointed a committee, under the chairmanship of Lord Lovat, with the following terms of reference :—

“ To formulate practical proposals, for submission to the colonial Governments, to give effect to the resolution of the Colonial Office Conference on the subject of Colonial Agricultural Scientific and Research Services.

“ These proposals should include a scheme, based on contributions to a common pool, for the creation of a Colonial Agricultural Scientific and Research Service available for the requirements of the whole Colonial Empire, for the support of institutions needed for that purpose, and for the increase of research and study facilities in connection with the specialist agricultural services of the colonies generally.”

This committee will not be in a position to submit a detailed scheme until the autumn, but, in view of the Secretary of State's approaching absence from this country, they prepared interim recommendations, which received Mr. Amery's approval before his departure on the 22nd July. The committee's final report will be communicated to you without delay as soon as it is available, but in the meantime I think it well to inform you of the probable contributions which colonial Governments will be asked to make towards meeting the cost of the scheme.

6. The committee took an early opportunity to discuss with the Empire Marketing Board the basis on which the Board might be prepared to give assistance to the scheme. For the purposes of this discussion an estimate of the cost of the scheme had been prepared. This estimate amounted to a total of £175,000, which was composed as follows (in round figures) : Headquarters organization, £21,000 ; group research stations, £43,000 ; research staff in colonial Agricultural Departments, £103,000 ; contingencies, £8,000.

In adopting the provisional figure of £103,000 as the cost of the existing research staff in colonial Agricultural Departments the committee made allowance for the improvement in financial prospects recommended by the Conference committee in section 62 (a) of their report.

The Empire Marketing Board expressed their willingness to give substantial assistance towards the cost of establishing a Colonial Agricultural Research Service, including the Headquarters Council. As regards group research stations, however, they pointed out that the Imperial Conference, 1926, had already approved the principle of an Empire chain of research stations (*vide* Section XIX in Cmd. 2768), and, as the proceedings of that Conference show, the Dominions are as much interested in that chain as the colonies. The Board consequently preferred that, for the purposes of their contribution, expenditure on the central research stations should not be grouped with the creation of the Colonial Agricultural Research Council and the organization of a single colonial Research Service, but should be separately considered by them. There is also the further point that however essential the creation of these stations may be it will only be possible to proceed slowly in their establishment in view of the present lack of the necessary staff.

7. The enclosed formula represents the agreement which has been reached with the Empire Marketing Board, and confirmed by the Secretary of State for Dominion Affairs regarding the assistance which they will be prepared to give for a period of five years, which is the maximum period for which the Board make grants. I am of the opinion that this agreement is entirely satisfactory from the point of view of the colonies, since the contributions which may be expected from the Empire Marketing Fund towards the creation and maintenance of central research stations and the contribution now agreed to will, taken together, amount to considerably more than the £40,000 or £50,000 which it was originally hoped that the Board would give towards the scheme as a whole.

8. Following upon the agreement reached with the Empire Marketing Board, the committee reconsidered the total sum for which it was reasonable to estimate, at any rate during the initial three or four years.

As stated above, the committee have estimated the cost of the headquarters organization and of the research staff in colonial Agricultural Departments as approximately £21,000 and £103,000 respectively. They have recommended that there should be added to this the cost of the complete staff of one group research station, amounting to approximately £22,000, on the assumption that the Empire Marketing Board will be prepared in due course to make a grant of this sum, or perhaps even more, which can be applied to the financing of the staff of a further station.

The total sum, therefore, for which the committee have estimated amounts to approximately £146,000, from which there falls to be deducted the sum of £22,000 in respect of the Empire Marketing Board's contribution. The committee recommend that the balance of £124,000 should be met by a cess on gross colonial revenues of one four-hundredth. This cess would produce approximately £131,000, thus leaving a balance for contingencies and expansion during this period of some £7,000. It is, I think, reasonable to anticipate that the necessary expansion in the Colonial Agricultural Research Service will be met by the steady expansion of colonial revenues.

9. As I have already stated, the committee are still actively pursuing their inquiries, and their final report cannot be completed until the autumn. They are, however, already agreed that it will be necessary for the Colonial Agricultural Research Council to be established for some little time before the single Colonial Agricultural Research Service can be inaugurated. It will therefore be necessary to arrange for the financing of the Council during the preliminary period between its establishment and the inauguration of the new service. As already stated, the total amount required for the headquarters organization is approximately £21,000, of which the Empire Marketing Board will subscribe £10,500. It is hoped that colonial Governments will be willing to contribute the remaining £10,500 during this interim period, and the committee will in due course suggest the basis on which these contributions might be paid. These contributions would naturally be absorbed when the proposed cess comes into operation.