

[Enclosure No. 2 in Circular despatch dated 11th August, 1927.]

FORMULA.

1. The Empire Marketing Board will recommend to the Secretary of State that a contribution should be made from the Empire Marketing Fund, not exceeding £22,000 per annum, for a period of five years, in the first instance, towards the cost of establishing a Colonial Agricultural Research Service (including Headquarters Council and staff) on the conditions set out below.

2. The above figure of £22,000 per annum is intended to provide for (a) half the cost of the proposed headquarters organization, not exceeding £10,500 per annum; (b) half the additional cost of the Colonial Agricultural Research staff when organized as a single service, not exceeding £11,500 per annum. This contribution is dependent upon sufficient colonial Governments accepting the scheme to justify the Colonial Office in proceeding with it, and is subject to adjustment if a less sum is initially required.

3. As regards central research stations, it is agreed that each station should be the subject of discussion between the Empire Marketing Board and the new Council as plans for their foundation or development take shape. The Board desire to make it clear that their inability to recommend the immediate promise of a grant for a new central research station does not imply any reluctance to recommend such a grant at a later stage. It is understood that the proposed new Council will be at liberty to approach the Board for further assistance towards the foundation or development of research stations as and when definite plans are evolved, and the Board undertake to give sympathetic consideration to any such proposals.

4. The Board also wish to make it clear that in the course of some years it may be necessary to review their grants to colonial research in the light of their own other liabilities and the state of colonial resources, and neither party looks upon the assistance proposed as a flat-rate fifty-fifty contribution over an indefinite period of time. As expenditure on central research stations and special schemes increases, the Board's contribution to the colonial Research staff and the Headquarters Council will be subject to review from time to time.

No. 37.

New Zealand, Dominions No. 479.

SIR,—

Downing Street, 27th August, 1927.

With reference to Mr. Amery's despatch, Dominions No. 341, of the 28th July, 1926, I have the honour to transmit, for the information of His Majesty's Government in New Zealand, the accompanying copies of the Report of the Director of the Imperial Bureau of Entomology for the financial year ended the 31st March, 1927.

2. It will be observed that annexed to the Director's report is a report by the Superintendent of the Parasite Laboratory which has been set up under the auspices of the Bureau. In this connection I would invite reference to paragraph 3 of the despatch mentioned above, relative to the decision of the Managing Committee of the Bureau to make a start on a limited scale with the establishment of a laboratory for breeding beneficial parasites for export to overseas Governments.

3. Subsequently to taking that decision the Managing Committee submitted to the Empire Marketing Board a proposal that a grant should be made from the funds controlled by the Board towards the establishment of a laboratory for this purpose. The Board approved the principle that a grant should be made from their funds, and, although they were not able to accept the original proposal that a grant of £10,000 a year for ten years should be guaranteed with a view to building up an endowment fund to secure the continuation of the work after the grant had ceased, they agreed to provide a sum of £15,000 for the necessary capital expenditure in connection with the establishment of the laboratory, together with an annual grant of £4,000 (which has since been increased to £5,000) for five years to meet recurrent expenditure. With this generous support, and the assurance of financial assistance for at least five years, the Managing Committee of the Bureau were able to undertake the establishment of a Parasite Laboratory upon a somewhat larger scale than had been anticipated when the matter was first discussed.

4. Dr. S. A. Neave, the Assistant Director of the Bureau, has been appointed Superintendent of the laboratory, on the understanding that he will retain his present appointment as Assistant Director of the Bureau, and will continue, at any rate for the present, to supervise generally the publications work of the Bureau.

5. The Managing Committee have pointed out that while, with the additional funds now available, the scope of the laboratory will be greater than was originally