

investments in order that the Institute may pay its way, and even so it would not have been possible to carry on had it not been for the generosity of private individuals.

The Imperial Conference in 1930 found that "the present activities of the Imperial Institute cannot be abandoned or cut down without definite loss to Imperial interests"; yet since that date the annual grants from the home and overseas Governments have been reduced (in consequence of the general trade depression and financial stringency) from £31,295 to £20,156, or by more than 35 per cent.

The fundamental question with regard to the Imperial Institute is the question of the provision of a regular income proportionate to the services which the Institute has rendered and continues to render to the Commonwealth.

ANNEX "A"

The gift of £25,000 from a private individual which is referred to in the second paragraph of paragraph 5 (v) of the Report of the Special Committee on Existing Machinery for Economic Co-operation, has been utilized in the following manner:—

A sum of £9,866 has been paid over for investment as an addition to the Endowment Fund, thus liquidating the liability to repay the sum of £26,401 originally diverted from the Fund for erecting the North Gallery. £16,535 of this liability had been already met by the transfer of the North Gallery Sinking Fund securities to the Endowment Fund. As a result of these steps the income from the Endowment Fund has been increased by £1,256 in 1932 and £1,454 in future years when the full annual dividend will accrue. In addition, the Institute is relieved of the necessity to pay over to the Endowment Fund the annuity of £864 received from the Office of Works in respect of the North Gallery. The remainder of the gift, £15,134, together with some £5,000 of surplus funds accumulated during past years, forms a fund to meet deficits on current working and approximately £16,650 has been invested in interest bearing securities. The figures in the Estimate for 1932 are swollen by the receipt of the full amount of the gift and the transfer of part of it to the Endowment Fund. The position, apart from these transactions, is that receipts are estimated to amount to £35,754 10s. 5d. and payments are expected to reach £40,223 15s. 8d., a deficit of £4,469 5s. 3d. which must be made up from surplus funds. It should not be necessary to encroach upon the invested portion of the surplus until 1933.