

9-pr. M.L. guns, and submarine mining stores of the value of £3,500; and for Thursday Island—three 6in. B.L. guns, four 9-pr. M.L. guns.

The contribution of Her Majesty's Government towards the defence of these stations will be £26,460 instead of £12,726, the amount offered at the time of the Colonial Conference.

On the other hand, the mounting of the new-type guns will (as shown in the accompanying memorandum, enclosure 1) increase the cost of constructing the works at King George's Sound to £14,300, and at Thursday Island to £17,100. The total capital sum which will have to be provided by the colonies will thus be increased from £27,500 to £31,400, while the contribution of the Imperial Government will be raised from £12,726 to £26,460.

Considering the relative importance of the Imperial and colonial interests involved in the defence of these stations, and the large expenditure which is being incurred by the Imperial Government in the protection of other coaling-stations by which Australasian trade would benefit in the event of war, Her Majesty's Government are confident that the Colonial Governments will admit that the contribution from Imperial funds is a generous one, and that they will readily agree to provide the remaining sum required to place Thursday Island and King George's Sound in a state of security.

If the Government of Western Australia contribute £5,000 to the works at King George's Sound, the amount to be borne by each of the other colonies for the works there, calculated on the basis of the population on the 31st December last, will be,—

	Population.	£
New South Wales	1,085,356	2,780
Victoria	1,090,869	2,795
Queensland	387,463	993
South Australia	313,065	802
Tasmania	146,147	374
New Zealand	607,380	1,556
	3,630,280	9,300

In the case of the works and barracks at Thursday Island the total cost will be £17,100, and the amount to be borne by each colony on the same basis,—

	Population.	£
New South Wales	1,085,356	5,054
Victoria	1,090,869	5,059
Queensland	387,463	1,804
South Australia	313,065	1,458
Western Australia	42,137	196
Tasmania	146,147	681
New Zealand	607,380	2,828
	3,672,417	17,100

and Her Majesty's Government trust that these amounts will be provided at an early date, so that the works, which have already been much delayed, may be commenced as soon as possible.

With regard to the provision of the necessary permanent garrison, Her Majesty's Government are sensible that certain difficulties may arise, more especially in the case of so isolated a position as Thursday Island, where not merely would the rate of pay required by a colonial force be necessarily high, but heavy charges would be entailed by the frequent reliefs required; moreover, assuming the force to be provided and maintained by Queensland, the remaining colonies contributing to its support would require guarantees of its efficiency, which would practically imply a right of inspection by those colonies over the forces of another colony. It has occurred to Her Majesty's Government, therefore, that all difficulties of this nature might be obviated if permanent garrisons of marines were provided and maintained, the colonies merely contributing the cost of maintenance. These marines would be under the orders of the admiral on the station, and the colonies would therefore be satisfied of their efficiency; while at the same time the expense involved, as compared with that of a colonial force, would be very moderate.