

If this proposal meets the views of the colonies, Her Majesty's Government are prepared to provide for King George's Sound one captain, one lieutenant, and twenty-eight non-commissioned officers and men, of whom five would be trained as submarine miners. The cost of maintenance of this force, payable to the Imperial Government, would be £3,113 per annum. Thus the total annual charge falling upon the colonies for the defence of King George's Sound would amount to £3,513, as shown in the second enclosure. If Western Australia provides, as suggested at the Conference, one-fourth of the sum, the annual charge on the other colonies would be £2,635, distributed as follows:—

|                 |     |     |     |     |     |      |
|-----------------|-----|-----|-----|-----|-----|------|
| New South Wales | ... | ... | ... | ... | ... | £788 |
| Victoria        | ... | ... | ... | ... | ... | 792  |
| Queensland      | ... | ... | ... | ... | ... | 281  |
| South Australia | ... | ... | ... | ... | ... | 227  |
| Tasmania        | ... | ... | ... | ... | ... | 106  |
| New Zealand     | ... | ... | ... | ... | ... | 441  |

In the case of Thursday Island Her Majesty's Government are prepared to provide and maintain a permanent garrison, consisting of one captain, one lieutenant, and forty-eight non-commissioned officers and men, the annual cost of whom would be £4,457. Thus, the annual cost to be repaid by the colonies, as shown in Enclosure 2, would be £4,807, distributed as follows:—

|                 |     |     |     |     |     |        |
|-----------------|-----|-----|-----|-----|-----|--------|
| New South Wales | ... | ... | ... | ... | ... | £1,421 |
| Victoria        | ... | ... | ... | ... | ... | 1,428  |
| Queensland      | ... | ... | ... | ... | ... | 507    |
| South Australia | ... | ... | ... | ... | ... | 410    |
| West Australia  | ... | ... | ... | ... | ... | 55     |
| Tasmania        | ... | ... | ... | ... | ... | 191    |
| New Zealand     | ... | ... | ... | ... | ... | 795    |
|                 |     |     |     |     |     | 4,807  |

At King George's Sound the officers would also undertake the instruction of the auxiliary forces required to supplement the permanent garrison in the event of war, which would probably consist of local Militia or Volunteers living at Albany. Similarly, a portion of the Queensland Militia could be annually sent up to Thursday Island for a course of training under the marine officers permanently stationed there.

Her Majesty's Government are well aware that this proposal appears to be of the nature of an innovation upon the principles which have for some time prevailed in the case of the defence of Australasia. In view, however, of the difficulties which may arise in the maintenance and relief of these two permanent garrisons, the best solution in the joint interests of the colonies seemed to be that which I have above suggested. In the event of unwillingness on the part of the colonies to accept the presence at these two stations of forces under the command of the Naval Commander-in-Chief, Her Majesty's Government have no wish to press it. In making, however, this considerable grant of armament in order to meet the views of the colonies, the Imperial Government must necessarily assure itself that efficient permanent garrisons of the strength laid down are provided and maintained. If, therefore, it would facilitate the provision by the colonies of such garrisons, Her Majesty's Government are prepared to provide marines on the conditions above stated for a period of two or three years only, pending a satisfactory solution of the difficulties, so that the defence of these stations may not be delayed, and that the colonial forces may have the advantage of the training under Imperial officers.

The estimates accompanying this despatch are necessarily approximate, except in regard to the cost of the guns and of the maintenance of the suggested garrisons of marines. They have been framed on a liberal basis, however, and are not likely to be exceeded.

I have already communicated to you the substance of the above proposals in my telegram of the 7th instant, and in laying this despatch before your Government I should be glad if you would convey to them the earnest hope of Her Majesty's Government that an early settlement of this question may be