

17. India is treated separately. It is necessary to bear in mind that the population there is largely native. India also pays wholly for its military defence, which, in future, will impose a burden of some £30,000,000 annually on that Empire, which is not a self-governing Dominion, but is held by force of arms, necessitating the presence of a large military force.

18. A consideration of Tables I and II shows that the percentages arrived at by considering (1st) population, and (2nd) oversea trade for the different Dominions and for the Mother Country correspond with fair accuracy. If a mean is taken, the percentages become—

TABLE III.

United Kingdom	74.12 per cent.
Commonwealth of Australia	7.74 „
Dominion of New Zealand	2.02 „
Dominion of Canada	12.30 „
Union of South Africa	3.82 „
	100.00

19. It is suggested that Table III affords one method of arriving at the proportions of the total Navy estimates which each constituent member of the British Empire might bear. In the remarks which follow this method has not, however, been quite adhered to, since it is impossible at present to determine the future total strength of the Empire Navy, whilst, on the other hand, the strength required in the Far East is not so uncertain.

It may also be held that portions of the Empire would prefer to bear a larger proportion of the cost of naval defence in quarters in which they are more directly interested, and not to share in the cost of the remaining naval forces.

20. The necessary provision for harbour defence has been omitted, as proposed in paragraph 13. Each Dominion and the Mother Country should provide what is considered necessary for itself in this connection.

21. In considering means for the provision of the ships to form the Far Eastern Fleet mentioned in paragraph 11, and for the necessary convoy work, it appears to be logical to put forward the following suggestions :—

- (a.) That Canada's share might be that necessary to provide and maintain a small force of light cruisers on her western seaboard for the protection of her trade in those waters, as well as a naval force on her eastern seaboard.
- (b.) That South Africa's share might be that necessary to provide and maintain a squadron stationed at the Cape of Good Hope, and having the primary duty of keeping open the trade route round the Cape and protecting the trade on the west coast of Africa, leaving the trade to the eastward to the protection of the Far Eastern Fleet.
- (c.) That India might provide a certain fixed sum annually in relief of the estimates—such a sum, for instance, as would provide for the defence of her harbours, and would pay for the upkeep of the East Indies Squadron of five light cruisers, six submarines, and one aircraft-carrier, without, perhaps, paying the first cost of the ships, or for their replacement, for the reasons given in paragraph 17. The sum required would be approximately £2,200,000 annually.