

Australasia, and one-fourth with South America. South Africa, Australia, and New Zealand are therefore each interested in the maintenance of a squadron on the west coast of Africa sufficiently powerful to protect this trade.

The British trade in the North Atlantic to the continent of North America amounts to upwards of £200,000,000 per annum, of which about five-sixths is with the United States. The trade of Canada in 1900 amounted to £76,582,000, of which about £31,341,000 was with the United Kingdom, £1,882,000 with other British dominions, and the remainder with foreign countries, including the United States. Canada would therefore be interested in the success of the British squadrons employed in protecting this trade along its whole route. Canada is therefore interested in the strength of the British fleet as a whole, and not only in the North American Squadron.

The cost of maintaining the British squadrons on these stations, exclusive of any interest or sinking fund on the first cost of building, is £802,000 per annum. This is included in the General Naval Vote, which is borne by the United Kingdom aided by annual payments, spontaneously offered, by the Cape of Good Hope of £30,000 and by Natal of £12,000 in lieu of 12,000 tons of coal.

The magnitude of the trade in Eastern waters is shown in the following table, which gives the total value of the exports and imports in 1900 in the States mentioned :—

---	With United Kingdom.	Intercolonial with Commonwealth.	With other British Dominions.	With Foreign Countries.	Total.
	£	£	£	£	£
Commonwealth of Australia	50,582,000	27,264,000	11,675,000	25,053,000	114,574,000
New Zealand	16,764,000	...	4,502,000	2,627,000	23,893,000
India	66,124,000	...	26,214,000	49,874,000	142,212,000

Thus, less than half the trade is with the United Kingdom, and yet the cost of maintaining the British squadrons in the Eastern seas and Pacific, which are ultimately charged with the protection of the whole, is thus apportioned :—

Great Britain	£
Commonwealth of Australia...	1,994,400
New Zealand	75,500
India	15,500
	161,600

The total charge, exclusive of any interest or sinking fund on the first cost of building, amounts to £2,247,000 per annum.

Admiralty, June, 1902.

APPENDIX A.
BRITISH EMPIRE.—NAVAL EXPENDITURE.

Year.	---	Population.	Naval Expenditure.	Naval Expenditure per Head of Population.	Remarks.
1902-3	United Kingdom ...	41,454,621	£ 31,255,500	£ s. d. 0 15 1	
	New South Wales...	1,352,509	47,831	0 0 8½	
	Victoria	1,199,068	59,401	0 1 0*	
	Queensland	496,596	34,796	0 1 2	
	South Australia ...	362,604	17,594	0 0 11½	
	Western Australia	182,553	4,732	0 0 6¼	
	Tasmania	172,475	4,970	0 0 7*	
	Total Australia ...	3,765,805	169,324	0 0 10¾	
	New Zealand	772,719	20,924	0 0 6½	
30/6/99	Canada	5,312,500	Nil	Nil	
"	Newfoundland ...	210,000	Nil	Nil	
"	Cape of Good Hope (white)	538,000	30,000	0 1 1½	£30,000 paid annually towards expenditure of Imperial Government.
1898	Natal	53,688	12,000	0 4 5¾	£12,000 paid in lieu of 12,000 tons of coal.
31/3/99	†India	{ 216,710,483 } { 168,000 }	413,747	...	

* Nearly. † Includes £100,000 contribution towards H.M. ships on East Indies Station, and £61,000 subsidy to Admiralty for manning and maintaining H.M. ships for naval defence of India. ‡ Europeans (for year 1900).