

Taking these roughly at twenty millions sterling, one per cent. would yield £200,000 or one million of dollars. The assessment thus levied upon each set of Colonies would be annually :—

From Canada.....	£125,000	=	\$625,000
From Australasia.....	67,500	=	339,500
From South Africa.....	10,000	=	50,000
	£202,000	=	\$1,012,500

So far as the Australasian and South African Colonies are concerned, the sums here stated do not seem to be exorbitant. But in order to obtain their consent more readily to the proposal, an offer of *Intercolonial Free Trade* might be combined with it. The abolition of all tariffs between the British self governing Colonies is not likely to have any adverse influence on any of their industrial interests, and would of course increase the volume of trade between them.

To propose that Canada should raise \$625,000 annually for establishing a system of Intercolonial submarine cables may be regarded by some as asking her to make too great a sacrifice for the advancement of Imperial Unity. On the other hand it must be remembered that up to the present, her government has made no response to the urgent appeals made by Mr. Chamberlain, Sir Michael Hicks-Beach, Mr. Goschen and other members of the Imperial ministry that Canada should contribute to the Naval Defence of the Empire. Of course it can be justly said that these appeals really open up the whole question of Imperial Federation, and should have been accompanied by proposals from Lord Salisbury's Government as regards the basis of assessment, the representation to be allowed to the Colonies consequent upon their taxation, and, above all, the advantages to accrue to members of the federation beyond those granted to alien nations. Until a scheme embracing the whole matter has been proposed by the Home Government it is scarcely possible for Canada to do otherwise than ignore the appeals in question, which, after all, have been made in an irregular and unofficial way. At the same time, it is possible for Canada to show her readiness to shoulder her responsibilities in the matter of defence, and no better mode of doing this can be suggested than that Canada should take the lead in establishing a British Cable System. Such action would be of the greatest importance as regards Naval Defence for, as Sir Sandford Fleming writes :—"The projected system of all-British Cables with its branches would thus doubly connect the following fortified and garrisoned coaling stations, namely :—Hong Kong, Singapore, Trincomalee, Colombo, Aden, Capetown, Simons Bay, St. Helena, Ascension, St. Lucia, Jamaica, Bermuda, Halifax, Esquimalt, King Georges Sound, and Thursday Island. The following defended ports would likewise be connected :—Durban, Karachi, Bombay, Madras, Calcutta, Rangoon, Adelaide, Melbourne, Hobart, Sydney, Newcastle, Brisbane, Townville. Auckland, Wellington, Lyttletown, and Dunedin". From this point of view the amount of Canada's interest in the Cable Scheme, £125,000 annually, does not appear to be excessive, especially when it is considered that Australasia now contributes £126,000 and the Cape £30,000 annually to Naval Defence.

The objects mentioned in the foregoing are certainly sufficient to occupy the attention of the League for the present. This does not of course mean the abandonment of its various other objects as specified in former Circulars.