

think we should grudge no necessary expense in order to maintain and render them impregnable; they should be regarded as part and parcel of our fleets rather than as colonies, and held almost without reference to cost as we hold an ironclad or a fort on the Thames or at Portsmouth. This subject of the defence of our Naval and Coaling Stations has lately been referred to in the House of Commons by an eminent politician. Now I do not think that I should often be disposed to differ from Lord Randolph Churchill when that gentleman was advocating economy. I am not in love with taxation in general, nor the Income Tax in particular, and I devoutly believe that the Army and Navy Estimates may be greatly cut down (especially the former) without endangering the country; but I would myself rather commence with almost any other item than this one. That, however, is a matter of opinion, and one which I cannot stay to argue to night.

Fifthly, we can separate from the others a number of colonies which either combine the advantages of a flourishing trade with those of a Naval Station, or are valuable for their trade alone, but none of which are worth notice as producing anything themselves.

Such are Aden at the mouth of the Red Sea, Singapore at the extreme end of the Malay Peninsula, Hong Kong off China, and Sierra Leone on the West Coast of Africa; the first three of these do an immense trade, the last—Sierra Leone—a small trade, thus adding enormously to the importance they possess as Naval Stations.

The rest of the Straits Settlements and the other West African Colonies, together with the newly-formed North Borneo and National African Companies are examples of trading settlements only, valuable as an indirect source of wealth while their trade exists, useless and better abandoned if it should cease.

With regard to the North Borneo and National African Companies I may add a word or two.

Both of these Companies exercise their authority over the territories within their jurisdiction under somewhat similar conditions to those enjoyed by the old East India Company. The Council or Board of Direction has general power to elect or remove the Governor or other officials, and to maintain an armed force for defensive purposes, and to insure order within the Company's jurisdiction, subject to the approval of Her Majesty's Secretary of State for the Colonies.