

The principles suggested by General Peel as the basis of such arrangements are as follows :—

1. England should assist in the defence of her Colonies against aggression on the part of foreign nations, but in no case, except where such Colonies are mere garrisons kept up for Imperial purposes, should she assume the whole of such defence; but, on the contrary, she should insist, as a condition of her aid, that the Colony should also contribute its share by maintaining at its own expense a local force; or if circumstances appear to make that impossible, by paying part of the expense of the Imperial garrison; and

2. Military expenditure, for purposes of internal police, should be defrayed from local funds, there being no grounds for drawing any distinction between a Colony and an independent nation in this respect, and the preservation of internal peace and order being properly thrown on local authorities, both because it depends upon their own legislation and management, and because the local population is mainly, if not exclusively, interested in it.

General Peel concludes by proposing that a committee shall be appointed to prepare a scheme for the application of these principles to each Colony.

In conformity with these views, which were concurred in generally by the Lords of the Treasury and the Secretary of State for the Colonies, we submit the following Report :—

We desire to state at the outset, that while willing to apply our best judgment and means of information, in obedience to the instructions of Her Majesty's Government, we feel sensibly the peculiar difficulties of the task imposed upon us. Few political questions involve greater difficulties and matter of more grave consideration than the relations between England and her colonial possessions—relations to which, as a whole, whether we consider the extent of those possessions, the diversities of race, interests, position, and circumstances which they comprise, or the various titles of conquest, treaty, and colonization by which we hold them, there appears nothing even remotely analogous in the history of the world.

In suggesting therefore, changes of an important character in those relations, we feel that we are dealing with questions of policy which properly belong to the higher departments of Government, and that our plans may be open to practical objections of which we have no means of estimating the force.

But though conscious of our disadvantages in this respect, we have thought it our duty not to shrink from stating fully and plainly our own conclusions, however imperfect, on the matter referred to us, especially as Her Majesty's Government will have no difficulty in applying to them the necessary qualifications.

The first point to which it is our duty to call attention is the fact that the Colonies of Great Britain may be said, speaking generally, to have been free from the obligation of contributing, either by personal service or money payment, towards their own defences—a state of things which we believe to have no parallel or precedent in the case of any other organised community of which the history is known.\*

We subjoin a return of the military force and the expenditure for military purposes in our Colonies for 1857–8, the last year for which we have complete accounts.

\* It is worth while to note, as showing by contrast the liberality with which England treats her Colonies, the financial relations between those of the only two European nations besides ourselves which possess colonies of any importance, and the mother countries. In 1857 (the last year for which we have been able to obtain a financial statement) the surplus revenue paid by the Dutch colonies into the metropolitan exchequer, after defraying all their military and naval expenses, was 31,858,421 florins (about 2,600,000*l.*). The estimated surplus revenue from the Spanish colonies for the past year was 115,000,000 reals (about 1,150,000*l.*) *Ministerial Statement in the Dutch Chambers; (Journal of the Hague, November 9, 1859.) Anuario Economico-Estadístico de España for 1859.*