

these matters the first step is all the difficulty, we may expect in a year or two to see Labuan, Sarawak, and perhaps in their train some half-dozen other Borneon principalities, holding conspicuous places in the army, navy, ordnance, as well as miscellaneous estimates. Then we shall build barracks and fortifications, and garrison them with a few troops. The troops will create a demand for a small quantity of British produce and manufactures. To protect the trade thus arising, a ship or two of war will be stationed in the neighbourhood. Thus, in proportion to the increase of the public expenditure will be the increase of the traffic, till at length we shall be informed that the British merchant is carrying a flourishing commerce with these settlements, at the usual cost to the nation, of ten shillings in every pound sterling of her exports. This is the most approved Colonial Office fashion of colonizing and creating a colonial trade, very different from the old English mode.

I will now conclude the catalogue of the military stations with the Falkland Islands. On that dreary, desolate, and windy spot, where neither corn nor trees can grow, long wisely abandoned by us, we have, since 1841, expended upwards of £35,000; we have a civil establishment there at the cost of £5,000 a year; a governor who has erected barracks and other "necessary" buildings, well loop-holed for musketry; and being hard up for cash, he issued a paper currency, not, however, with the approbation of the Colonial Office.

Thus it appears that our twelve military stations and Ceylon contain about 22,000 troops; and that portion of their civil and military expenditure which is defrayed by Great Britain amounts to at least £1,300,000 a year, exclusive of extraordinary expenditure for Kaffir wars, &c., which, on the average of the last ten years, may be put down at much more than £100,000 a year. To these sums must be added a portion of the cost of the four large fleets which are stationed at or in the vicinity of the military stations; namely, on the Mediterranean, the African, the Cape, and the Chinese stations. These fleets consist at present of 93 ships, with a complement of 18,000 men, and must cost a million and a half a year for wages and victuals of crews, and wear and tear of vessels.

What I propose to the House is this: to withdraw our military protection from the Ionian States; to dispense with our stations and fleet on the west coast of Africa; to reduce our establishments at the Cape and the Mauritius, and to bestow on these colonies free institutions; to transfer Ceylon to the East India Company; to keep a sharp watch over the expenditure for Hong Kong, Labuan, and Sarawak; and to acknowledge the claim of Buenos Ayres to the Falkland Islands. Then 10,000 men, instead of 22,000, would be sufficient to garrison the military stations in the following manner: 6,000 for Malta and Gibraltar; 4,000 for Bermuda, the Cape, the Mauritius, and Hong Kong. If this were