on the 6th. instant, and in response to the invitation of Mr. Peace, I proposed the toast of the evening which was "The Right Hon. Joseph Chamberlain, Secretary of State for the Colonies". I took occasion to point out the great opportunity for statesmanship presented at the present moment in connection with the expansion of Greater Britain and the satisfaction with which I and all my colleagues in London had welcomed his advent to the Colonial Office, in the full belief that under the auspices of the Right Honourable gentleman, the Colonies would reap the advantage of possessing a strong Minister of a strong Government, I enclose herewith an outline of a report of my speech, as well as of Mr. Chamberlain's reply.

On the 13th. instant Mr. Chamberlain favoured me with a long interview at the Colonial Office when he gave me an assurance that Her Majesty's Government had decided to take up the question of the fast Atlantic Service and also to deal vigorously with the prosecution of the Pacific Cable project, at the same time requesting me to invite the Agents General to wait upon him in regard to the latter question on Tuesday next. He intimated that he would be quite prepared to appoint a Commission as suggested by the Governments of Canada, Victoria, New South Wales, New Zealand and Queensland.

You will also find enclosed copy of an official communication dated llth. instant from the Colonial Office upon the subject.

In reference to the fast Atlantic Service Mr. Chamberlain said that Her Majesty's Government recognised its importance and were prepared to comply with the request to aid the undertaking by a substantial subsidy; and when I pressed him upon the point of the amount, said that if necessary the £75,000 asked from the Imperial Government for ten years might be relied upon. He added

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