

Security for the due performance of the contract to be given to the satisfaction of your Government. Contract to be for ten years, with option to the Company to terminate upon giving a twelve months' notice.

The Chief Secretary of the Colony  
of New Zealand.

I have, &c.,

EDMUND WM. WHEELER,  
Secretary *pro tem.*

No. 10.

The Hon. I. E. FEATHERSTON and Hon. F. D. BELL to the Hon. W. GISBORNE.

SIR,—

London, 23rd February, 1870.

We have the honor to enclose herewith a letter from the Atlantic and Pacific Steam Company, dated 11th instant, containing proposals for the establishment of a through Steam Mail Service between this country and New Zealand and Australia *via* San Francisco, crossing the United States by the Pacific Railway.

We had had several interviews and lengthened discussions with the gentlemen concerned in this Company prior to the receipt, by the mail just received, of private intelligence from the Hon. Mr. Vogel, to the effect that he would probably succeed in an arrangement for a steam service between Sydney and San Francisco; and as the promoters of the Atlantic and Pacific scheme assured us very positively that their arrangements as to capital and boats were really complete, we had given some encouragement to them that we would enter into an agreement for giving the subsidy for which the House of Representatives made provision last Session, upon being thoroughly satisfied that ample means and resources were secured for the establishment of the proposed service with efficiency and regularity.

The receipt this morning of a press telegram, dated 1st February, from Galle, published in the *Times*, to the effect that a contract had been actually executed at Sydney, has of course interrupted all proceedings for the present here. We have acquainted the Atlantic and Pacific Company that the intelligence in question prevents us from continuing our communications on the same footing as before, but that, if it be not confirmed by the mail, we shall be ready to renew negotiations with them. A meeting of their Directors was to take place at once to consider the course the Company ought to take, but the gentlemen whom we have seen appear to be impressed with the belief that the Company will go on with its project notwithstanding the news just telegraphed from Galle.

We have, &c.,

F. D. BELL,  
I. E. FEATHERSTON,  
Commissioners.

The Hon. the Colonial Secretary.

Enclosure in No. 10.

Mr. E. W. WHEELER to the Hon. D. BELL and Hon. Dr. FEATHERSTON.

The Atlantic and Pacific Steam Ship Corporation (Limited),  
Temporary Offices Palmerston Buildings, Bishopsgate St., E.C.,

HON. SIRS,—

London, 11th February, 1870.

In accordance with your suggestion to the deputation which had the pleasure of waiting upon you, I beg to forward for your consideration (unofficially) rough drafts and details relating to the proposed operations of this Company, the formation of which is now all but completed.

Allow me first to solicit your attention to a few of the more general advantages which can be afforded by this Company, in consequence of the valuable privileges and concessions enjoyed by it, and the admirable route selected.

The pamphlet already furnished you will have indicated many of these advantages at length; but excuse my presenting the following salient points:—

1. Milford Haven is superior to every other harbour in England for the despatch of ocean mail steamers, being the nearest seaport to America, within constant and very rapid communication with London and the various populous and commercial centres in England, passengers, mails, &c., can be conveyed in the railway carriages alongside the steamer, without change or delay. The depth of water in the harbour is such, that at all times and states of the tide ample means of ingress and egress are afforded, whereby the Company's steamers can start and arrive at any time, and avoid the delays, dangers, and inconvenience unavoidable at all other ports, at an unfavourable state of the tide; and, moreover, the use of steam tenders can be dispensed with.

2. By selecting Portland for the Atlantic terminal port, not only is an admirable harbour secured, but the sea journey is shortened by at least twenty hours compared with that to New York; in addition to which, the possession of ample railway communication with the various parts of America, and our arrangements with the Grand Trunk Railway of Canada (in direct connection with the Union Pacific Railway *via* Detroit, Chicago, Omaha, &c.), give especial advantages, and effect a saving of time in the through journey between England and San Francisco. I may mention that it is the intention of the Company to use Portland as a terminal port only until the completion of the intercolonial railway (expected in about eighteen months), when Halifax, Nova Scotia, will be promptly adopted instead, and nearly eighteen to twenty-four hours further saved, whilst the general advantages, safety, &c., of the voyage will be augmented. To sum up these preliminary remarks, I may remind you that, in consequence of the selection of these terminal ports for the Atlantic Service, the interests of various powerful bodies are enlisted, in addition to the natural advantages, in themselves sufficient to decide the matter. This Company may confidently rely upon the support of the wealthy and influential landholders deeply interested in the prosperity of Milford Haven, and by the beneficial arrangements conceded by the Great Western Railway of England (two of whose directors will always be on our Board), and its active support otherwise, a solidity is given to the service which no mere sectional service could possibly secure. In addition to this, the selection of Portland or Halifax induces the direct countenance and aid of all interested in the Grand Trunk Railway of Canada; and as both these