

Enclosure 7 in No. 14.

Messrs. FOSTER and THOMSON to Messrs. MACKRELL and Co.

DEAR SIRS,—

69, Wall Street, New York, 11th May, 1877.

Since our letter of the 4th we have received the following from Mr Cunningham:—

"E. Milton, 5th May, 1877.

"DEAR SIRS,—I have heard by telegram from Sydney, and learn that I have not been committed to any change from the actual offer I made, which was the sum you mention, but which was to clear Mr. De Bussche as well as Mr. Forbes and me.

"I think it is clear that this is a just condition, for if Mr. De Bussche's estate remains liable, a claim through that channel will continue to hang over Mr. Forbes, greatly prejudicing any chance I may have of ever recovering anything from him on account of my payment.

"I therefore beg to say that I am prepared to carry out the offer which I made by letter to Sydney—viz., the payment of £10,000 on condition of relief from the penalties to Mr. Forbes and both sureties, Mr. De Bussche and myself.

"I have your note of yesterday, signifying that sixty-days' bills on London would be a satisfactory method of payment.

"Yours truly,

"Messrs. Foster and Thomson, New York."

"EDWARD CUNNINGHAM.

We cabled you on the 8th as follows:—

"Cunningham will pay forthwith if De Bussche also released."

And have your reply by cable of 9th May as follows:—

"De Bussche discharged, except certain composition payable by instalments. Will hand over future dividends to Cunningham, retaining for expenses £208 received."

We then cabled on same day:—

"Cable amount paid by De Bussche, and unpaid instalments."

And have to-day reply as follows:—

"De Bussche's debts, 120,000, including 50,000 on bonds; composition, 7,500; 1,250 only paid; expect little more. Costs reduced first division."

We understand this to mean that De Bussche has settled at 1s. 3d. in the pound, and paid 2½d.

That of £500 your proportion of first payment costs consumed all but £208, and that you wished to retain for expenses. And that De Bussche was already released by the composition.

We have, therefore, advised Mr. Cunningham that the Colonial Governments will transfer to him remaining claim against estate of De Bussche, less our expenses, and release him and Mr. Forbes on receiving £10,000 sterling. Mr. De Bussche being already released, we have made this proposition in the hope that Mr. Cunningham would pay our charges on the settlement. If he refuses to pay these charges and will accept proposition without them we will close. As we make the proposal, you retain all payments on De Bussche's composition already made.

We have, &c.,

Messrs. John Mackrell and Co., London.

FOSTER AND THOMSON.

Enclosure 8 in No. 14.

Messrs. MACKRELL and Co. to the Hon. Sir J. VOGEL.

21, Cannon Street, London, 28th May, 1877.

DEAR SIR JULIUS,—

Old Postal Contracts.

We send herewith copy of a letter we have received to-day from our agents in New York.

We are having the necessary release prepared, to be executed so soon as you receive advices of the power of attorney having been executed by the Postmaster-General.

We do not apprehend that the further moneys received from Mr. De Bussche will be sufficient to pay the costs of our agents in New York, the amount of which has rather surprised us. We presume that you will have to provide for payment of this sum out of the £10,000.

We have, &c.,

The Agent-General for New Zealand.

JOHN MACKRELL AND Co.

Enclosure 9 in No. 14.

Messrs. FOSTER and THOMSON to Messrs. MACKRELL and Co.

DEAR SIRS,—

69, Wall Street, New York, 15th May, 1877.

We have this morning received the following from Mr. Cunningham:—

"Boston, 14th May, 1877.

"DEAR SIRS,—Your favour of 11th May reached me on the 12th, in the country, too late to reply that day either by letter or telegram. I accept the release as now made, you (the Colonial Governments) transferring to me the balance of the amount due from Mr. De Bussche under his composition after the Governments have collected the expenses of litigation and settlements from him, estimated at some £200, and understanding that Mr. De Bussche has been released from all further claims by his composition.

"This settlement to release Mr. Forbes and me from all claims by the two Governments, on account of the penalties under the contract.

"Will you be good enough to see Mr. S. L. M. Barlow, my counsel, and arrange the necessary papers with him,