

As the policy of acceding to such an arrangement can be discussed more conveniently at a personal interview than by letter, the papers will be forwarded to the Postmaster-General, Sir Julius Vogel, in order that he may place himself in communication with the Government of New South Wales on the subject.

The Hon. the Colonial Secretary, Sydney.

I have, &c.,  
DANIEL POLLEN.

### No. 3.

EXTRACT from PAPERS in connection with the Conference by telegraph between the Hon. J. ROBERTSON, the Hon. J. F. BURNS, and the Hon. Sir J. VOGEL, held at Sydney, on the 29th January, 1876.

#### COMPROMISE WITH CUNNINGHAM.

*Sir Julius Vogel*: I think Cunningham can influence Forbes, and I would try and compromise with both at once, giving them both a discharge for £15,000—half cash, half bills, indorsed by Russell and Co., Shanghai.

*Answer*: The only offer we have is from R. Towns and Co., as follows:—"The offer which we (R. Towns and Co.) now make is that, on behalf of Mr. E. Cunningham, we pay the sum of £5,000 sterling for a release from both the New South Wales and New Zealand Governments of the penalty bonds in connection with those contracts—a release to all parties concerned."

*Sir Julius Vogel*: I have seen the letters, and I suggest to tell Towns, without prejudice, we will take what I have said, and refuse offer he has made.

*Answer*: We adopt your suggestion, and will act upon it.

MEMO.—I have seen the original telegram in reference to this matter. I believe we said something about any compromise being subject to the approval of Parliament, but this does not appear.—J. F. B., 9/2/76.

The letter written to R. Towns and Co., almost immediately after the telegraph communication, sets out what I understood to have been what was said. Letter herewith.—J. R.

The PRINCIPAL UNDER SECRETARY to Messrs. R. TOWNS and Co.

GENTLEMEN,—

Colonial Secretary's Office, Sydney, 1st February, 1876.

In reply to your letter of the 29th January, in which you refer to your proposition of the 28th of October last, as to a compromise of the claims which the Governments of New South Wales and New Zealand have upon Mr. Edward Cunningham and other parties to the late San Francisco Mail Contracts, I am directed by the Colonial Secretary to inform you that the Government of New Zealand has communicated to him, through Sir Julius Vogel, its willingness to accept the sum of £15,000 (£7,500 in cash, and £7,500 by bills bearing the indorsement of Messrs. Russell and Company, of Shanghai), in complete satisfaction of the claims above mentioned.

2. I am desired to inform you further that with this proposition the Government of New South Wales concurs, the concurrence being subject to the approval of Parliament, and I am to add that this offer is made without prejudice.

Messrs. R. Towns and Co., Sydney.

I have, &c.,  
HENRY HALLORAN.

### No. 4.

The Hon. the COLONIAL SECRETARY, Sydney, to the Hon. Sir J. VOGEL.

(Telegram.)

Sydney, 3rd March, 1876.

*Re* Cunningham and others' compromise: Ten thousand pounds offered for final settlement. Shall we accept, condition Parliaments respectively approve.

The Hon. Sir J. Vogel, Wellington.

COLONIAL SECRETARY.

### No. 5.

The Hon. Sir J. VOGEL to the Hon. the COLONIAL SECRETARY, Sydney.

(Telegram.)

Wellington, 3rd March, 1876.

WE will agree ten thousand, subject Parliamentary approval, if you desire it, but think you could get more by insisting upon fifteen thousand.

The Hon. the Colonial Secretary, Sydney.

JULIUS VOGEL.

### No. 6.

The Hon. the COLONIAL SECRETARY, Sydney, to the Hon. Sir J. VOGEL.

(Telegram.)

Sydney, 7th March, 1876.

*Re* Cunningham business: Please be more specific in this matter. Perhaps it would be better that the negotiation should be completed by you. We shall be content with any arrangement of yours, subject to the approval of our Parliament.

The Hon. Sir J. Vogel, Wellington.

COLONIAL SECRETARY.