Mr. De Bussche and his friends will no doubt claim upon Mr. Forbes for the dividends we may receive, and we felt it therefore necessary to advise that the Governments should be entitled to retain all the dividends that they may be able to get from Mr. De Bussche.

The Hon. Sir J. Vogel, Wellington.

We have, &c., JOHN MACKRELL AND CO.

No. 18.

The Hon. Sir J. Vogel to Messrs. John Mackrell and Co.

Wellington, 19th August, 1876. You have misunderstood previous action and telegrams. I now ask you on behalf (Telegram.) Re Cunningham: both Governments cable your specific advice, shall we accept Cunningham's offer ten thousand pounds, with release to all parties, exclusive settlement already made with Bussche, or shall we try for more? Messrs. John Mackrell and Co., London.

No. 19.

on. Sir J. Vogel to the Hon. the Colonial Secretary, Sydney. The

Wellington, 29th August, 1876. (Telegram.) (Telegram.)

LETTER from Mackrell says that months ago he and your Agent-General agreed to appended message.* I presume it did not reach you, for we might have saved all intervening time and cost, including charge for telegram, to which Mackrell now probably sending reply. I concur with Mackrell's advice to accept ten thousand, together with five hundred for cost of actions commenced against Cunningham and Forbes, and settlement with Busche, including future dividends. Fortified by Mackrell's advice, think your Government justified in accepting without reference to Parliament, as, if not accepted, proceedings should be pushed.

The Hon. the Colonial Secretary, Sydney.

Julius Vogel.

No. 20.

The Hon. the Colonial Secretary, Sydney, to the Hon. Sir J. Vogel.

Sydney, 11th September, 1876. CUNNINGHAM refuses to advance one shilling on his offer of ten thousand pounds, and rather than pay the five hundred costs will withdraw his offer and abide the action. Mackrell considers the action must be tedious, difficult, and expensive. Cunningham's offer was in compromise against all parties. His agents have telegraphed to ascertain if he will agree to leave De Bussche's dividend for Government's benefit. If so, will you accept without insisting on costs? We are willing, subject to Parliament's approval.

The Hon. Sir J. Vogel, Wellington.

COLONIAL SECRETARY.

No. 21.

The Hon. the Colonial Secretary, Wellington, to the Hon. the Colonial Secretary, Sydney.

Wellington, 14th September, 1876. This Government concur in course proposed by you about Cunningham, and, subject to approval of Parliament, agree to accept ten thousand pounds in full of all demands upon late Contractors. COLONIAL SECRETARY.

The Hon. the Colonial Secretary, Sydney.

No. 22.

The Hon. J. F. Burns to the Hon. Sir J. Vogel.

Sydney, 16th September, 1876. (Telegram.) RE Cunningham's offer: We have done nothing in this matter since we authorized you to communicate with Mackrell with a view to settlement. Please proceed, and advise us result. J. F. BURNS.

The Hon. Sir Julius Vogel, Postmaster-General.

No. 23.

The Hon. Dr. Pollen to the Hon. the Colonial Secretary, Sydney.

Wellington, 18th October, 1876. GOVERNMENT now able accept definitely Cunningham's offer of ten thousand pounds, exclusive of dividends in De Bussche's estate. Are you similarly empowered? If so, should we not instruct Mackrell, our London solicitor, by outgoing mail, to apply for money; or will Cunningham's Sydney agents be empowered to pay?

The Hon. the Colonial Secretary, Sydney.

DANIEL POLLEN.