

it desirable, join in a telegram asking for definite instructions. I enclose a copy of a memorandum I addressed to him in consequence, and of his minute thereupon. The telegram suggested in my memorandum was accordingly despatched to the Colonial Secretary of New South Wales, and no doubt was duly communicated to you. A reply by cable was received. I append a copy; but as Mr. Forster did not consider the instructions which it contained sufficiently definite under the circumstances, in which opinion I concurred with him, we agreed to send a further telegram on the following day. To this we received a reply on the 23rd ultimo. I enclose copies of both.

You will observe that the matter still continues quite undecided. I have to advise that prompt action be taken concerning it, should such not have been done before this reaches you.

I have, &c.,

JULIUS VOGEL,  
Agent-General.

The Hon the Colonial Secretary, Wellington.

### Enclosure 1 in No. 31.

MESSRS. JOHN MACKRELL and Co. to the Hon. Sir J. VOGEL.

*Re Old Postal Contracts.*

DEAR SIR JULIUS,—

21, Cannon Street, London, E.C., 21st February, 1877.

The affairs of Mr. De Bussche have turned out very unsatisfactorily, and his sureties for payment of the composition have, through recent misfortunes in business, proved unable to meet the payments. In consequence, the first dividend which we have received amounts to £208 6s. 8d., and the prospects of further dividends are dependent upon the success of some pending litigation, the result of which cannot be relied on.

Messrs. Foster and Thomson, of New York, have now written us for instructions as to the course to be taken with reference to the actions pending against Mr. Forbes and Mr. Cunningham, and have asked us to remit them £120, the amount of their charges to the present time. If you approve, we propose out of the moneys we have now received to remit this amount, and we shall be glad if you will instruct us as to the steps which are to be taken with reference to the actions pending in America.

The balance which will be left in our hands will not suffice to pay the charges of ourselves and the solicitors to the New South Wales Government.

If the actions in America are abandoned, we will have these costs made up and sent in.

We have, &c.,

Sir Julius Vogel, K.C.M.G.

JOHN MACKRELL AND Co.

### Enclosure 2 in No. 31.

MEMORANDUM by the Hon. Sir J. VOGEL.

23rd February, 1877.

To the best of my belief, the two Governments have agreed to a compromise with Messrs. Cunningham and Forbes, but I am not sufficiently certain in the matter (and if I were so, much depends upon whether the arrangement has been carried out) to justify my instructing our solicitors to stop proceedings.

I therefore suggest that I should reply to this by authorizing Mr. Mackrell to remit the £120, and by adding that you and I are telegraphing for instructions as to continuing or discontinuing the actions, and requesting Mr. Mackrell, in the meantime, to let the matter be prejudiced neither one way nor the other. Below is telegram I suggest for both of us to sign:—

“Necessary determine if actions against Cunningham and Forbes are to be continued. Confer with New Zealand, and telegraph us instructions immediately.”

The Agent-General for New South Wales.

J. VOGEL.

*Minute by Mr. Forster on Sir Julius Vogel's Memorandum of 23rd February, 1877, with reference to the Actions in America against Messrs. Cunningham and Forbes, in the matter of the original San Francisco Mail Contracts.*

I am not aware of a compromise having been agreed to, or more than proposed. I concur with the above proposal entirely.

27th February, 1877.

W. FORSTER.

### Enclosure 3 in No. 31.

The AGENT-GENERAL to MESSRS. J. MACKRELL and Co., London.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,

28th February, 1877.

GENTLEMEN,—

I have to acknowledge the receipt of your letter of the 21st instant, *re* old postal contracts, and in accordance with your suggestions approve your remitting £120 of the funds in your hands to Messrs. Foster and Thomson, of New York, being the amount of their charges to the present time. I have further to inform you that I have communicated on this subject with the Agent-General for New South Wales, and we have jointly telegraphed to our Governments for instructions as to continuing or discontinuing the actions.

Pending our receipt of reply, I have now to request that you will, in the meantime, take precaution to let the matter be prejudiced neither one way nor the other.

I have, &c.,

JULIUS VOGEL,  
Agent-General.

Messrs. J. Mackrell and Co.