

Francisca, in Brazils, with emigrants, who I am sorry to say are partly recruited from emigrants refused for New Zealand. On my arrival in Hamburg I had to attend before the Emigration Board, and give a full account of my transactions, which was taken down, and to the correctness of which I had to make a declaration before the British Consul-General. Sloman and Co., who received the document in order to establish Mr. Matthei's claim for payment, will no doubt send you a copy of it. It appears to me that Mr. Sloman has consulted his lawyer during his late stay in London, and acted on his advice in sending the emigrants under the transferred Queensland contract. It appears that it had already expired when the 'Terpsichore' and 'Gutenberg' were despatched. I am greatly relieved that after two months of intense anxiety the question of doing justice to the emigrants has thus been solved, and that my character (having been accused of deceiving and swindling these poor people) has been entirely cleared from any suspicion. Although I am still involved in lawsuits with my agents for alleged breach of contract, neither my honor nor reputation is affected thereby, but merely money consideration. With the despatch of the 'Fritz Reuter' all my promises will be fulfilled, and I was glad to have been able to relieve you of a good many emigrants by inducing them to go to South Australia and Queensland. I shall now wait your further instructions before contracting new obligations."

*Messrs. Sloman and Co. to Mr. Kirchner.*

"SIR,—

"Hamburg, 9th April, 1876.

"We beg to inquire whether it is your intention to employ our ships 'Fritz Reuter' and 'Humboldt,' which you ordered us to supply for the conveyance of emigrants from here to New Zealand, on account of the Government of that colony as per contract with the said Government. In case of your refusal, we herewith protest against the New Zealand Government and their Agent-General, Dr. Featherston, in London, as well as against yourself as Agent, for breach of contract, holding whoever it may concern answerable for our damages. In case of your refusal, we shall employ the above ships in manner most advantageous to all parties concerned. At the same time we beg to repeat that we cannot for a moment entertain your proposal to take the emigrants you have for shipment to New Zealand on board the 'Fritz Reuter,' unless you pay us or guarantee to us the full payment of passage money, which you have declined to do.

"We have, &c.,

W. Kirchner, Esq."

"R. M. SLOMAN AND CO.

*Messrs. Kirchner to Messrs. Sloman and Co.*

"GENTLEMEN,—

"Hamburg, 10th April, 1876.

"In reply to your letter of 9th, I beg to say that I am not in a position to pay or guarantee you any passage money, and can therefore not employ the ships 'Fritz Reuter' and 'Humboldt,' and leave you to do with them what you may think proper.

"I have, &c.,

"Messrs. R. M. Sloman and Co."

"W. KIRCHNER.

On the 17th of April Mr. Kirchner advised the despatch of the "Fritz Reuter," and claimed £378 4s. for his disbursements on her account, which claim has never been recognized.

22. On the same day the Agent-General addressed to him the following letter:—"I beg to acknowledge the receipt of your letter of the 11th instant. In reply, I must point out to you that in undertaking to superintend the shipment of the emigrants now being embarked on board the 'Fritz Reuter,' you are acting entirely without the sanction or authority either of myself or the New Zealand Government. When the Queensland contract was determined by Messrs. Sloman's failing to complete it within the specified time, the agency you held under it also lapsed and determined. As the arrangement under which you were to select some 4,000 emigrants was contingent upon and was only to come into operation after the due fulfilment of the Queensland contract, it is clear that you cannot claim an agency under it, for it is not, and never has been, in existence. Your powers, in short, as Agent have entirely and absolutely ceased, though it may be necessary that you should continue to act for the purpose of winding-up the affairs of the agency, but for that purpose solely and exclusively. I have accordingly to instruct you not to sign any charter-party or engagement for the conveyance of passengers, or to give any certificate in respect of the emigrants now being shipped by Messrs. Sloman, or to give or sign any certificate, order, or other document for the payment of passage money, agency, commission, or any other expenses connected with the emigrants in question, who are not being shipped under any contract with the New Zealand Government. All questions arising out of Messrs. Sloman's proceedings must now be settled by law."

23. Mr. Kirchner replied on the 8th of May:—"Your letter of the 17th April having missed me at Hamburg, and been returned to England, reached me only yesterday. But if I even had got it in time, I could not have refused to survey the 'Fritz Reuter' and give the certificate in accordance. Our Government had taken the matter in hand, and I had to fulfil my part of the agreement, as well as Sloman had to do his. The money for agency and other disbursements I had to borrow. As I have to repay it (with interest) on or before the 21st instant, I sincerely hope you will not delay your remittance. An account of several hundred pounds for board and lodging of the emigrants, caused by the detention, Mr. Matthei was adjudged to pay. Already, in last June, I mentioned to you that should it be decided to stop foreign emigration, I would be prepared to resign the agency, on your promise and that of Sir Julius Vogel, that a fair compensation would be made to me for giving up the contracts for 4,000 emigrants, on the strength of which I resigned my office for Queensland, and by doing so also forfeited the retiring allowance to which I was entitled by that colony."

24. With this letter, the correspondence of the late Agent-General, so far as it concerns Mr. Kirchner's claims and his conduct in the transactions consequent upon the suspension of German emigration, may be said to close. Dr. Featherston's despatch of the 17th of May, No. 377, to which he gave a most careful and, under the circumstances, painful degree of attention, was written immediately afterwards, and was the last signed by him.

I have, &c.,

J. CASHEL HOBY.

23rd August, 1874.