

Kirchner should be compensated for giving up any claim that he may have. If the contracts were carried out, you would have to insist upon his exacting promissory notes from his emigrants, in the same manner as it is now proposed to exact them from emigrants from the United Kingdom. It would be intolerable that our own countrymen should have to pay for reaching New Zealand, while we were conveying foreigners thither entirely at our own expense. I need scarcely add that I do not propose you should take advantage of technical points to defeat any equitable claim Mr. Kirchner possesses; in brief, you must deal with him justly."

3. Under further special instructions from Sir Julius Vogel on the 26th of June, those given on the 30th April for discontinuing free emigration were withdrawn, and the Agent-General was informed that "there is no probability that the system of free or assisted immigration will be discontinued for a considerable period." At the same time the Premier told the Agent-General, "You must not consider that any portion of the letter of the 30th April is withdrawn, excepting as much as refers to the discontinuance of free immigration." That portion concerning German contracts therefore remained in full force.

4. In the fourth paragraph of Dr. Featherston's letter above referred to, he states—having already given general notice, while on the Continent, that foreign emigration would cease with the freezing of the Elbe—that "the season came to an end and the Queensland contract had not been completed within the time specified—the 14th of November."

5. On the 25th January of this year, the Agent-General received a telegraphic despatch from the Hon. Dr. Pollen containing the words, "Stop foreign emigration, except engaged and nominated." This injunction was repeated in a telegram of the Hon. Major Atkinson, of the 24th of February, in the words, "Send no more foreign ships." By another telegram received on the 5th of February, it was directed that all emigration should be discontinued to Auckland, Taranaki, Hawke's Bay, and Nelson, except to fulfil absolute engagements to emigrants or ships.

6. On the 7th of February, Dr. Featherston accordingly telegraphed to Mr. Sloman in the following terms:—"Shakespeare" arrived. Free emigration stopped both from England and Continent. Applicants already accepted by Kirchner will be sent, but all others must pay their own passages. The German Government, in consequence of inquiries it is making, will be advised of this change."

7. The correspondence with the German Consul here referred to was communicated to the Government in the Agent-General's despatch of the 7th March, No. 185.

8. Mr. Kirchner's correspondence contains ample evidence that he was fully aware, ever since the Agent-General's visit to the Continent, of the intended discontinuance of foreign emigration. Writing to Dr. Featherston not many weeks after his return, on the 18th of October, he says,—"I should be sorry to see Continental emigration stopped when the whole machinery has just been got into proper order, and your colony is attracting the attention of the best class of emigrants. The applications of late have been very numerous. In the Province of Uckermark (in Prussia) alone, more than 100 families intend proceeding to New Zealand in the spring, and are making sales of their little landed properties for that purpose. I must hope, therefore, that whatever the decision of your Government may be of putting an end to Mr. Sloman's contracts, that the promises made by myself and agents under your authority will be fulfilled." Again, on the 27th of November, he writes, "I notice that you expect shortly instructions with regard to the continuation of the Continental emigration. It is not at all my wish to force our emigrants on you, if you don't want them, but I should like to see those parties to whom promises have been made (and they are not few) duly forwarded, whatever the result may be. I am afraid from what Sloman mentioned to me, when last in Hamburg, that you would not get rid of him so easily. He said that you forced him to execute a losing contract, and that he must insist now on the execution of the new contract, particularly as he had purchased two large and expensive vessels at high prices on the strength of it. Should you unfortunately receive instructions to cease Continental emigration, you can reckon upon my best assistance in bringing Sloman to terms." But on the 13th of January Mr. Kirchner addressed a letter to the Agent-General in a very different strain, and which naturally excited his grave suspicion. He said, "Having received no further instructions from you, my agents are going on, as heretofore, accepting free passages for New Zealand. The favourable accounts received by every mail from Germans resident in the colony, have made a great stir here, and we have now sufficient applicants to fill the first six vessels. As the second vessel of the next season begins the new contract under the new charter, I should like very much to see one of your vessels despatched, more particularly to see together all the small stores which Mr. Sloman will be required to find, as described in schedule A, and of which stores our Hamburg ships have been hitherto rather deficient. I should, therefore, like to pay you a visit, if you have no objection." Mr. Kirchner accordingly came to London, and was here when the Hon. Dr. Pollen's telegram, already quoted, directing the stoppage of foreign emigration, was received. It was communicated to him. He was informed that its contents had been telegraphed to Mr. Sloman, and he returned to Germany with instructions to ascertain and report the precise extent of the Government commitments in regard to Continental emigration.

9. On the 20th of February, he wrote to the Agent-General:—"Since my return from London I have been investigating the extent of our obligations for free passages, and find that four ships at least must be despatched. None of the emigrants I tried could be persuaded to go to Queensland or South Australia. They insisted upon New Zealand, where most of them had friends and relations. The first two ships must be sent in April; the next can be possibly detained to the 25th May and the middle of June. I have been dreadfully worried by my agents for guarantees that the accepted passengers will be forwarded; my agents in Berlin are panic stricken, saying that wreck and ruin stare in their faces unless their promises are carried out. One of them was for rushing to Bismarck to implore his intercession through the Foreign Office, and I had the greatest difficulty in preventing it. I can just fancy with what zest and gusto our Chancellor would take up such a matter, and what an opportunity he would make of it to throw suspicion on all Australian emigration, warning the Germans from being 'deluded victims.' He would ransack our letters, agreements, and pamphlets, and our papers would be full of it for weeks to come. Sloman no doubt would also be involved; he has a wholesome dread of Bismarck, and, I think, would gladly cry quits of the remaining 3,000 emigrants,