13. On receipt of this letter, Mr. Sloman determined to come to London, have a personal interview with the Agent-General, and take legal advice as to his position. The following is Dr. Featherston's memorandum of what passed in conversation between them on the occasion of Mr. Sloman's waiting upon him:-

20

"Saturday, 25th March, 1876.

"SLOMAN came in by appointment at 1 p.m. Went into a vast amount of wholly irrelevant matter. Anxious to settle matters amicably, but prepared to spend any amount in asserting his rights; urged that I was bound by whatever Kirchner had done and promised. He repudiated warmly that he had been engaged in conspiracy with Kirchner to foist off accepted emigrants. Urged me to make some proposal by way of compromise. I replied that I had nothing to compromise; that as he had broken Queensland contract, there was no contractor's agreement in existence between him and Kirchner on the one part and the New Zealand Government on the other; that I should take precious good care not to condone or waive his breach of Queensland contract so as to give him a locus standi in respect of any other; that I adhered to my decisions conveyed in telegrams and letters, and had no proposal whatever to make. He went away declaring he would fight it out to the bitter end. He said Kirchner no doubt was actuated in making out a fictitious list of emigrants accepted, by the capitation grant of £1 per adult (which, of course, Kirchner does not get till agreement for 4,000 comes into operation—i.e., after the completion of Queensland contract, which now never can be completed). He evidently is aware of the untenable nature of his position unless I charter one or two vessels either under Queensland contract (which would complete it) or under Kirchner's contingent arrangement for 4.000."

14. Two days afterwards Messrs. Sloman addressed the Agent-General in the following letter, evidently prepared in consultation with their legal adviser:

Messrs. Sloman to the Agent-General.

"Langham Hotel, London, 29th March, 1876. "SIR,--

"We have again to call your attention to the fact that, in conformity with the directions given by your Agent, Mr. Kirchner, in Hamburg, we have set apart and made ready for service, under our contract with you, the 'Fritz Reuter' and 'Humboldt,' and have victualled and prepared them for the emigration service, as already adverted to in our correspondence with you; and we are informed that the emigrants have been selected by Mr. Matthei, acting upon the instructions of Mr. Kirchner, and have fixed to proceed by the above-mentioned ships.

"If you still adhere to your determination to disregard your contract, and to repudiate the arrangements made, we must point out to you that the damages to ourselves and to others will be very considerable, and we must hold you liable for all costs, losses, and damages to be sustained in

"Again, in view of your contract with us to ship 4,000 emigrants over the period of four years prescribed in the contract before us, and bearing in mind the telegram which has been received by you from your Government countermanding any further emigration, we must now ask you to state definitely whether or not it is your intention, or the intention of your Government, to complete the

shipment of emigrants in conformity with the contract.

"For ourselves we are, and ever have been, ready and willing to perform the contract so far as its obligations are upon us, and we tender ourselves to you for this purpose, but as we understand your communications, it is not intended that any further emigration shall take place to New Zealand under our contract. We must beg your definitive answer to this letter in the course of this week, and if we do not receive such definitive answer, we shall treat your silence as equivalent to a repudiation of your agreement in its entirety, and shall regard the contract as having been rescinded and put an end to by you. In respect of any such breach of your contract with us, we shall at once take such steps as we

may be advised.

"Requesting you will send your reply to the care of Messrs. Parker and Clarke, St. Michael's

Alley, Cornhill,
"The Agent-General for New Zealand." "We remain, &c.,

"R. M. SLOMAN.

15. The Agent-General acknowledged the receipt of this letter on the same day, and his letter now quoted closes his correspondence with Messrs. Sloman on the subject previous to the commencement of legal proceedings.

The Agent-General to Messrs. Sloman.

"29th March, 1876.

"I have the honor to acknowledge the receipt of your letter of this day's date, and to refer you, in reply, to my letter of the 20th instant, and also to previous letters and telegrams.

"I have, &c.,

"B. Sloman, Esq."

"I. E. Featherston.

16. I ought perhaps to mention that in tracing the connection of this correspondence, it has more than once occurred to me that the letter of Messrs. Sloman, bearing date 11th February, and embodied

in paragraph 3 of this memorandum, may have been misdated by mistake, and ought really to bear the date of the 11th March. If this conjecture be correct, this letter should be read as the missing letter of a private character referred to in paragraph 10. A certain colour is given to this supposition by one or two references in the letter, such as that to a letter of the "26th February," a date subsequent to that upon which the letter itself purports to have been written. On the other hand, the date 11th February is very distinctly written, and the fact that a copy of the Agent-General's telegram of the 7th of February is appended to the letter, supports the presumption that it was written to acknowledge its receipt. Dr. Featherston usually noted marginally the date on which he received communications which he regarded as important, but he omitted to do so in this case.

31st August, 1876.