

4,000 arrangement carried out, his loss, calculated at £13 3s. a head on the last 1,500 carried under the Knorr contract, was £4,725. He contended, further, that the default in completing the Queensland contract was not attributable to him but to the Government, who did not provide emigrants fast enough to enable him to do so, and he instanced ships which were sent with considerably less than the number agreed upon. If this be so, of course there would be no answer in equity to his claim for full damages. Against the £4,725, however, it might be contended that he had received beyond the average in respect of the emigrants carried under the transferred Queensland contract, which would, upon the figures he then put before us, reduce this amount by about £1,300. It seemed to us at first that if you could settle with him on the basis of paying £4,725, besides the claim in respect of the "Fritz Reuter," you might favourably consider such a settlement, as we think in equity he would be undoubtedly entitled to a proper average payment for the emigrants actually carried, and that the Government might very properly consent to pay a sum of from £1,000 to £2,000 more, to be quit of all claims and litigation.

We have, however, since our interview with Mr. Sloman, ascertained from your department that he was paid £14, and not £10 in respect of 190½ adults, single women and vine-dressers (making an extra £762) who were despatched under the Knorr contract as herein provided for, which we were not before aware of.

Upon our asking Mr. Sloman, at our interview, whether he had received anything extra in respect of single women, he replied, "A mere trifle, not worth consideration."

This payment alters the average over what would have been paid if the whole 7,100 had been conveyed, and allowing Sloman to be entitled to a proper average payment in respect of the 3,100 carried under the Knorr and transferred Queensland contracts, would leave a balance of about £3,000 coming to him. If, in addition to this, a sum of £1,000 be added as a payment to get quit of all further claims and possible litigation, it would make about £4,000 (or about the £4,725, the figure Mr. Sloman originally mentioned, less the £762 paid extra in respect of single women, &c.), and if to this be added the claim for the emigrants sent by the "Fritz Reuter," amounting we understand to about £6,173, it would make a total of over £10,000.

We think that on all hands it is admitted that payment for the emigrants sent by the "Fritz Reuter" cannot be properly resisted, and it has, as we understand, only been hitherto postponed lest the payment might be held to be a condonation of the breach of the Queensland contract, and in consequence bring into operation the arrangement as to the 4,000.

We think, considering that Dr. Featherston is not alive to rebut what may be stated by Mr. Sloman, and all the circumstances of the case, and the importance on many grounds of its being settled if possible on an amicable footing, that if you can succeed in satisfying the claim of Mr. Sloman and Mr. Mathei, by payment of a lump sum of from £10,000 to £11,000, your Government may congratulate themselves on the result of your exertions in disposing of this very difficult case.

Sir Julius Vogel, K.C.M.G.,
Agent-General for New Zealand.

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

Enclosure 4 in No. 39.

Mr. WALTER KENNAWAY to Mr. R. M. SLOMAN.

7, Westminster Chambers, Victoria Street, London, S.W.,
16th April, 1877.

SIR,—

(Without prejudice.)

I am directed by the Agent-General, in reference to the interviews you had with him respecting your claims on the Government of New Zealand, to inform you that he is willing to recommend the following payments to you in full discharge of all the claims you consider you have in respect to German, &c., emigration—namely, the sum of £6,173 5s. 5d. on account of the passage money and other expenses connected with the emigrants by the "Fritz Reuter," together with the sum of £3,365, being £9,538 5s. 5d. in all.

This recommendation the Agent-General will at once communicate to the Government by telegraph, and you will be acquainted with the reply as soon as it is received, which, if favourable, the matter shall be at once settled on the completion of the necessary receipts, &c.

I have, &c.,

WALTER KENNAWAY,
Secretary to the Department.

R. M. Sloman, Esq.

Enclosure 5 in No. 39.

Mr. R. M. SLOMAN to the AGENT-GENERAL.

Postscripts to Letter of 16th April, 1877.

SIR,—

London, 16th April, 1877.

I agree to the above, and beg you will cause the answer to be given as quickly as possible. For order sake, I beg to repeat that the above is neither to prejudice the New Zealand Government nor myself in our future proceedings, should the terms as above not be accepted.

R. M. SLOMAN.

It is also understood that if not replied to within the course of this month, I am to be free from the above arrangement, and may resume any proceedings I may think proper.

R. M. SLOMAN.