

In Mr. Sloman's letter of the 26th July, 1872, above referred to, he draws attention to the notice of the Prussian Minister of Police, warning "emigrants to Australia and New Zealand not to sign promissory notes, by which they were bound in regard to their future," and adds, "under the circumstances you will see the impossibility for those gentlemen (Knorr and Co.) to fulfill their contract."

Dr. Featherston's view of this attempt to avoid the contract is expressed in his letter to Messrs. Knorr and Co., of the 27th September, 1872, as follows:—"I cannot, however, concur in your view that the proceedings of your Government justify your withdrawing from the contract. If you refer to that document you will find that it provides for two modes of dealing with the emigrants—namely, that they should prepay in cash, or refund after their arrival in the colony by promissory note. If the latter system be disapproved of by your Government I will abandon it, but in that case I adopt the course requiring each emigrant before embarking to pay £5 in cash for his passage."

As to Claims of Mr. Kirchner.

With reference to the terms of Mr. Kirchner's engagement, as expressed in Dr. Featherston's letter to him of the 12th March, 1874, above referred to, Dr. Featherston writes him under date of the 17th April, 1876, as follows:—"I beg to acknowledge receipt of your letter of 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 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."

Mr. Kirchner's salary and office expenses were accordingly paid up to the end of April, 1876, since which time no payment has been made to him; and he finally closed his office on the 31st July following. He now claims his salary, office rent, clerk's salary and messenger's salary, up to the 31st July, and one month's rent and salaries of clerk and messenger in lieu of notice, besides £378 4s. for disbursements as to the "Fritz Reuter." In his letter to Dr. Featherston of the 20th February, 1876, he writes, "Although there was some uncertainty about foreign emigration, I expected at least a six months' notice, and not such a sudden pull up." In reply, under date of the 22nd February, Dr. Featherston writes, "The following facts will show how far such a charge or complaint on your part is justifiable:—Immediately on my arrival at Hamburg last June, I showed you a letter, if I did not give you a copy of it, addressed to me on the 30th April, 1875, by Sir Julius Vogel, then Premier of New Zealand, in which, under the heading, 'Emigrants to give Promissory Notes,' he stated that the time has come when emigrants should pay some portion of their passage money. Notices of this change were actually printed and issued on the 1st July, 1875, and were almost immediately withdrawn on receipt of advices from the colony that the proposed change was premature; but the Government, in the Official Handbook and in all other official announcements and publications, always in the most explicit manner announced that they reserved to themselves the right of at any time abolishing free passages, and reverting to the system of cash payments or promissory notes. Of all this you are fully aware. It was with a view of warning and advising the local agents of the probability or rather certainty of such a change, that I requested you to accompany me to Switzerland, the Tyrol, and Italy; and Mr. Glynn, your local agent in Italy, to meet me either at Leghorn or Turin. You will remember that in the cases of the then proposed emigration of considerable bodies versed in certain industries, notably in the case of the proposed emigration of the Waldenses from the valleys of Piedmont, I distinctly informed the agents that unless these several bodies could make their arrangements to emigrate during 1875 I could not guarantee them free passages, and I warned you and the local agents not to prolong the period of such engagements; but not only this, I drew your special attention to the instructions given to me by Sir Julius Vogel in his letter of the 30th April, 1875, under the head 'German Contracts'—that is, he desired me to determine these contracts, or, at any rate, to exact from the emigrants cash payments or promissory notes. I must candidly confess that I am at a loss to conceive what further notices or warnings I could have given you." Mr. Kirchner, in his letter of the 18th October, 1875, to Dr. Featherston, admits his knowledge of the Government's intentions when he says, "I should be sorry to see Continental emigration stopped," &c.

In consequence of the general instructions of the 30th April, 1875, above referred to, in which, after referring to the contract with Mr. Kirchner in respect of the 4,000 emigrants, it is stated that Mr. Kirchner should be compensated for giving up any claim that he may have, which instructions were shown to him, he appears to have relied on receiving a fair compensation for the 4,000 contract not being carried out; and in his letter to Dr. Featherston under date of the 13th March, 1876, in which he says, "I have worked out a recapitulation such as I would make in stating the case to my lawyer," after referring to the shipment of the 558 adults, which he then asserted had been accepted, he adds, "On their being shipped, I undertake to give up my contract on receipt of the promised fair compensation, out of which I shall settle all claims which my agents may have a right to make."

Dr. Featherston appears to have viewed Mr. Kirchner's claim to compensation on this account very favourably until his conduct after emigration had been stopped in February, 1876.

On the arrival of the telegram from the Government ordering emigration to be stopped, Mr. Kirchner was in London, and 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 with reference to Continental emigration.

On the 20th February he wrote Dr. Featherston: "Since my return from London, I have been investigating the extent of our obligation for free passages, and find that four ships at least must be despatched. . . . The first two ships must be sent in April; the next can possibly be