

The letter of the 2nd September explains the nature and reasons of the reductions, and the letter of the 5th September, to which I would specially invite your Lordship's attention, points out that Messrs. Donald and Edenborough, in the hope of obtaining a speedy settlement of their claim, have appointed a London firm of solicitors to act as their fully-accredited agents in the matter.

I have, &c.,

The Right Hon. Lord Knutsford, &c.

ONSLOW.

Enclosures.

MY LORD,—

Auckland, New Zealand, 2nd September, 1891.

We have the honour to acknowledge your communication of the 22nd June last, relative to our claim against the German Government in respect of our steamer "Richmond."

We would have replied to your Excellency sooner but for our Mr. A. B. Donald's absence from New Zealand upon business in the South Seas.

For us to seek redress by action against the German Government before the German tribunals would involve, we suppose, amongst other things, a suit in the German Courts in Germany—many thousands of miles from where our cause of complaint arose, and where we and our witnesses dwell; the leaving of our business, our homes and families, in this hemisphere, personally to attend in Europe, there to prosecute and maintain our claim; long journeyings to and fro; great injury to our business in the meanwhile; the conveying of our witnesses to Germany and back again from these southern seas (assuming their willingness voluntarily to attend the German Courts, which we could not compel); their long absences from their daily avocations; their maintenance and remuneration in the interval; the delays incident to legal proceedings; great loss of time; great cost and expenditure of money; and many other serious inconveniences.

It was to save or diminish these inconveniences that we ventured to suggest more than two years ago that our claim should be submitted to a Court of Arbitration to be holden at Auckland; more especially as it was in these southern seas that (as already mentioned) our cause of complaint arose, and that we and our witnesses dwell and carry on our avocations. The proposed arbitration at Auckland would also have permitted a proper scrutiny of our claim. But to force us to seek redress from the German tribunals in Germany would, as we respectfully submit, for the reasons above alluded to, only be to inflict great additional loss and hardship upon us.

We therefore prefer to accept the suggestion that we understand Lord Salisbury was good enough to make—viz., to reduce our demand, in order to obtain, if possible, a speedy settlement of our long-standing claim by diplomatic means. Accordingly, we beg leave to state that under the circumstances we shall be prepared to settle upon the following basis—viz.: Item No. 1 of the particulars of our claim, as printed and already furnished, to be reduced to £100; item No. 2 to remain at £119 6s. 4d.; item No. 3 to remain at £44; item No. 4 to remain at £250; item No. 5 to be reduced to £250; item No. 6 to be reduced to £250; item No. 7 to be entirely struck out; item No. 8 to be allowed at £350; item No. 9 to be reduced to £200: total, £1,563 6s. 4d.; thus leaving our total claim at, say, £1,560.

Concerning the foregoing items, perhaps we need only make the following remarks: As to item No. 7, our solicitor, Mr. Coleman, advises us that the grievance therein complained of would probably be considered as a purely sentimental one; and, on his advice, we consent to abandon it altogether. As to item No. 5, we are advised that the damage, though actually sustained by us, is probably too remote. But, as we sustained a clear actual cash loss of £800 by the wreck of our brigantine "Ada C. Owen" (having shortly before paid £2,000 cash for her, and only receiving £1,200 insurance), £250 by the loss of her uninsured cargo, £150 in bringing home her wrecked master and crew, and for their maintenance and wages in the interval, besides the other special loss and damage to our orange trade mentioned in our claim, we respectfully submit that we have, at all events, a fair, moral, equitable claim against the German Government in respect of this item, and that it ought not to be assessed at less than £250. As to item No. 6, on looking back more calmly after this lapse of time, we admit that this item ought to be reduced; but we respectfully submit that we are fairly entitled to not less than £250 in respect of it. As to item No. 7, it has been already dealt with.

Item No. 8 will not be any less than £350, and we shall have to disburse fully that sum.

As to item No. 9, we admit now that it ought to be reduced, but respectfully submit that we are fairly entitled to something under this head by way of exemplary damages or as a solatium, and that the £200 now claimed would be but a small compensation.

Having, then, reduced our claim to the small sum of £1,560, may we venture to request the favour of your Excellency's good offices towards obtaining its speedy settlement by diplomatic means.

We should be glad to get the matter finished as soon as may be; and it is with the object of preventing complications that we have hitherto so steadily declined the suggestions of many to bring our grievance prominently under the notice of the Imperial Parliament and of the Parliament of this colony.

To facilitate the settlement that we anticipate, and to save, if possible, the long delays incident to communicating with us in New Zealand, we are authorising Messieurs Shaen, Roscoe, Massey, and Co., solicitors, of No. 8, Bedford Row, London, Mr. Coleman's London agents, to represent us in England as fully as if we were personally present. Those gentlemen have full power and authority from us to receive all communications intended for us in this matter, to reply to the same, to negotiate for us, to receive and give a discharge for all moneys coming to us, and generally to settle and conclude this business on our part.