

All the papers relating to this are no doubt in your hands, and we presume that if you can come to any satisfactory arrangement with them as to the other questions, you will at the same time deal with this question as may seem to you to be just.

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

Enclosure 2 in No. 39.

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

DEAR SIR JULIUS,—

Langham Hotel, 12th April, 1877.

Considering the great bodily pain you were exposed to yesterday, I appreciate the more the kind and patient manner in which you attended to my case, and equally regret that we could not arrive at a final settlement of the same. It is rather unfortunate that you of course cannot assume the necessary impartial position, otherwise the proposals of your friend, which I accepted without a further word, would no doubt have been agreed to by you as well. In May, 1874, I was under three contracts to your Government—namely, one for about 1,500 emigrants at £10 per head, a second for about 1,600 at £14, and lastly the large contract for 4,000, also at £14 per head. These three contracts thrown together would have given me an average passage money of £13 3s. The low contract at £10 I have carried out, and now, when my greater profit would commence to make up for the other, you wish to stop the large contract; and if I agree thereto, and only ask to be paid the average price of £13 3s. for the 1,500 forwarded at £10, I fondly hoped you would have agreed thereto also, the more so as the proposal proceeded from your friend. This would have given me £4,725—properly speaking no compensation at all for giving up a contract involving a sum of £56,000, but merely a restitution of a sacrifice I made with a view to future business, which is now cut off.

The question arises now again, whether more law is to be resorted to? I sincerely hope, and I may say I beg, you will not let it come thereto, and to show you my desire to prevent this, I beg to repeat what I said yesterday—namely, that I will accept £3,826 14s. 7d., and the passage money of the "Fritz Reuter," amounting, with charges, to £6,173 5s. 5d., in full settlement of all my claims. You can of course retort, why make a stand there, and why I will not take about £700 less? To that I can in same manner reply that a stand must be taken somewhere, and that I have already gone far beyond the limit which I placed for myself. You will kindly excuse my not placing the above personally before you, but I really have not the courage to incommode you again while you are so unwell. At the same time I place myself entirely at your disposal, if you wish to see me again. I make the above offer subject to an exchange of telegrams from New Zealand, and of course without any prejudice to future proceedings should it not be accepted; at the same time I am still quite willing to refer our matters in dispute to arbitration, or, as I have offered already, to the decision of an impartial third party named by you and approved of by me.

Although, speaking for myself, I am convinced that I have now done everything that could in justice be required of me to bring about a friendly settlement, if law is after all to be resorted to, we can of course fight the matter out to the bitter end. Whatever the result may be, I shall still retain a pleasing recollection of our interview, although the result at present may not have been what we desired.

Waiting the favour of your decision,

I have, &c.,
R. M. SLOMAN.

Enclosure 3 in No. 39.

MESSRS. JOHN MACKRELL and Co. to the AGENT-GENERAL.

Re Sloman and Co.

DEAR SIR JULIUS,—

21, Cannon Street, London, E.C., 14th April, 1877.

We have to report that we have had a visit from Mr. Sloman, who called on us with your sanction after his interview with you to give an explanation of his claim of £25,000 for damages against your Government for breach of the alleged contract as to the 4,000. He went very fully into the history of his transactions with the late Dr. Featherston, and the grounds on which he based his claim, but he was not able to put before us any precise statement showing how such a sum as £25,000 was arrived at, but spoke generally of the loss he sustained in sending his ships out laden with coal, only to obtain foreign freights, instead of sending them out with emigrants. He had evidently been impressed by the objections which you had raised against his claim, and he seemed especially impressed by the consideration that the Government would advance, in opposition to any claim on his part, a claim for £7,500, which they had lost by reason of the Knorr contract, which he had guaranteed, not having been fulfilled. He contended, however, that he was only liable in respect of this contract as a surety, and bound only to pay whatever might be properly recovered against Knorr, and that even if he were liable as a principal, he was protected by the clause in the contract which stipulated that Knorr and Co. should not be bound by it if they were prevented carrying it out by the action of the German Government, and that they were, in fact, prevented doing so by reason of the Government refusing to allow emigrants to give promissory notes. When his attention was drawn to the clause that he was bound to get them to give the money if they could not give the promissory notes, he insisted that he would never have had anything to do with the contract if he was to have been bound to get 2,000 emigrants to pay £5 each before starting, and that Dr. Featherston knew as well as he did that it was hopeless to expect to get anything of the kind. In explanation of this claim, he contended that he had only been induced to guarantee the performance of the Knorr contract, and ultimately to work it out, relying on having other contracts on more favourable terms, and that had he had the carriage of the whole 7,100 emigrants, he would have got an average of £13 3s. a head, whereas, by not having the