

"SAINT JOHN, N. B., 3d JUNE, 1858.

"SIR—Your note of 27th ult., inclosing copy of Mr. Light's certificate or report on the Rails imported in 1857, I have received. This document does not contain the information I expected, nor does it establish the charge made by you against the late Railway Board. As I am not likely to receive any further light on this subject, or do I require any more to refute the charge made by you, I will now do so.

"*Your charge was, that the late Commissioners, by their mismanagement, caused a loss to the Province of £2,000 on an importation of Railway iron.* On seeing this charge in the published reports, I applied to you for an explanation, you referred me to Mr. Light's report, and from that report I learn that he makes up the sum of £2,000, by valuing the iron at £2 per ton less than it cost, thus fixing the quantity of iron at 1,000 tons. You also, in your letter of 14th April, after referring me to Mr. Light's certificate, say, *the conditions then that provided that the inspection of those Rails should be made by a person appointed by Messrs. Naylor & Co., led to the loss certified by Mr. Light to be £2,000.* There were no such conditions made by the Board of which I was a member. The order of Messrs. Naylor was for 700 tons of Rails, and expressly provided for an inspector, to be appointed by the Railway Board. In absence of an inspector from that Board, Messrs. Naylor were to employ one, who could be superseded at any time by an inspector from the Board. These were the conditions on which the order was sent to Messrs. Naylor. A small portion, about 100 tons (of the 700 tons of Rails ordered) were made, when Mr. Reed, a member of the new Board, arrived in England, and visited the works, and the additional 300 tons were, I suppose, ordered by the new Board. These being the facts, I think you have failed in establishing the charge of loss and mismanagement made by you *against the old Railway Board.*

"Awaiting your reply, I am, yours, &c.,

"WM. H. Y. SCOVIL.

"Hon. S. L. TILLEY, Fredericton."

"FREDERICTON, 29th JUNE, 1858.

"SIR—On my return from Canada, a few days ago, I received your letter of 3d instant, relative to the Provincial loss on Railway Iron, and in reply thereto, I beg to state that I differ from you relative to some important facts of the case, and entirely dissent from the conclusions to which you would appear to have arrived.

"The facts and arguments may be briefly and truthfully stated thus:

"1. The late Railway Board commissioned Messrs. Naylor & Co., of Boston, to import 700 tons of Railway Iron, of special dimensions and quality, and partially agreed for 300 tons in addition. This is established by the letter of Messrs. Naylor & Co. to you, of date 22d June, 1857. The present Board, immediately after taking office, perfected your previous arrangement, by ordering the additional 300 tons; not, however, because you had spoken of them,