BATHURST, 4th November, 1873.

Dear Sir,—Referring to my telegram of 16th November last, wherein I made certain allusions to your course towards me, in connection with my contract, I have to say that, while expressing regret at sending such a telegram, I have now to say that it was dictated during a time of great excitement in my affairs, and I hope this will serve to shew that I did not really mean the sentiments of the despatch in question, nor do I entertain any such feeling and now, as a gentleman, have no hesitation in making the "amende honorable."

I am, Sir, Yours, &c.,

J. C. Gough.

James W. Fitzgerald, Esq.,

Div. Engineer, Sec. 16, I. C. R.

That is the letter, written in Mr. Fitzgerald's own house, at his own dictation.

By Mr. Mitchell:--

1485. Would you explain the circumstances to which you refer in connection with the money consideration, and in connection with that retraction; also about Mr. Fitzgerald's treatment of you, as regards the work on the section from the time you sent up that telegram until you wrote the letter. Explain also the first difficulty with Mr. Fitzgerald and the cause of it?—That will take me back to 1870. In that year we had imported very largely of provisions and supplies for the prosecution of our work. The plant upon our section, the stone in the quarries, the materials, goods, provisions and supplies which we had in stock at that time amounted to something over \$40,000. I asked Commissioners repeatedly to give me some assistance in carrying this load, as we were obliged to import these goods in the fall of the year, and lay out of our money all After repeated attempts to accomplish this with the Commissioners, they sent down an order, I think to Mr. Light, instructing him to have an inventory taken of our whole stock upon the section, and on our stores at Bathurst and Chatham, waiting to be hauled in. Mr. Light came to Chatham and took an inventory accordingly. Mr. Fitzgerald saw the supplies in the town of Bathurst and took a note of them. Mr. Garden was ordered to take an inventory of the plant, materials and stone in the quarries, and he did so, and the whole was returned to Mr. Fitzgerald. At that time Mr. Fitzgerald and I were on fairly intimate terms. I contended differently from Mr. Fitzgerald as to a good many items of the inventory, and also from Mr. Garden as to the quantity of freestone at one quarry; also as to several items that they had returned in the inventory; 1 contended that they were too little in quantity, and that I had not had a fair inventory taken. I pointed out to Mr. Fitzgerald what I considered unfair. We were several days before arriving at any conclusion. During this time I used to meet Mr. Fitzgerald frequently in different localities of the town of Bathurst; we would have a glass of brandy together in any convenient place, and, on one or two occasions, went into his own house; while there Mr. Fitzgerald said to me he thought a Divisional Engineer ought to at least double his salary.

Mr. Fitzgerald.—It is false!

Mr. Gough.—He said: "You had better begin, Gough, by ordering my winter's wine and brandy." I did subsequently send him a case of brandy and a case of wine.

1486. When was this!— While I was inducing Mr. Fitzgerald to make a return of the inventory, which, not being made, I was suffering from the delay. It would be in 1870, in the fall. He then indicated to me that he would require considerable furniture to fit up the house that he was refitting. I at the same time indicated that if these returns were made at once the furniture would be forthcoming. The return was then made in direct accordance with my wishes, and promptly.

By Mr. Mills:—

1487. We understand that you were bribing the engineer?—You may put that construction upon it if you choose. I was simply trying to obtain justice by the only means by which I observed I could obtain it. I may say that, subsequently, Mr. Fitz-