

and fully explains the reason why the Company—notwithstanding their very large outlay in surveys, earth-works, and in the purchase of permanent way material, &c.—eventually suspended operations on the line, under protest, although they continued the New Brunswick contract, and one-half of the road is now constructed:—

Halifax, June 27, 1866.

To the Hon. The Prov. Secretary,

SIR,—

In reference to the location of the Railway line under the contract entered into between the International Contract Company and the Government, I beg to say, that I have no power to sanction any alterations of the route fixed by the Company.

It was entirely upon the commercial advantages expected to be obtained from following the line along the Sutherland Lake, that the calculations of the Company were based. Any change therefore, in that respect, would materially alter their position in regard to the contract.

I herewith submit, for your inspection and information, the plan and sections of the line approved by the Company.

I have the honor to be,

Your obed't servant,

[Signed],

ALEX. BEATTIE.

Provincial Secretary's Office, Halifax, July 14th, 1866.

SIR,—

I have it in command to inform you, that your letter of June 27th, has been duly considered by His Excellency the Lieutenant-Governor in Council, and that as you have declined on the part of the International Contract Company, to comply with that part of the contract between the Government and the Company, which requires that the location of the Railway should be approved by the Lieutenant-Governor in Council, upon the recommendation of the Chief Engineer, and as the agreement to commence the work "bona fide" at a period not later than the month of June, 1866, has not been fulfilled, the Government consider that the contract is at an end.

[Signed],

CHARLES TUPPER.

*Nova Scotia and New Brunswick Railway,
Halifax, July 19th, 1866.*

To the Hon. Charles Tupper,

Provincial Secretary.

SIR,—

I have only to-day received your letter of the 14th inst. I learn from Mr. Thompson, that though he was promised by you that when the answer of mine of the 27th was ready, it should be handed to him, he has never received any further communication from you.

I can only express my regret that the Government repudiate the contract entered into with the International Contract Company.