

*Schooner Pond* (Ross Seam). Recent mining results upon the above seam at your *Emery Colliery*, prove the incorrectness of Mr. Kennelly's brook theory as the primary cause of the influx of water at your terminal mine. As I maintained, the flow arises from the sub-strata and not from the brook. You will also notice, in Mr. Selwyn's Report to the Dominion Government, that the Lorway & Gardner Co.'s seams, are, as maintained by myself, in contra distinction of the opinion of other mining engineers of reputed experience—*identical*.

*Coal Trade*.—Vide enclosure, from North Sydney Herald, and Reports from Pictou Mines,—showing the thousands of tons being shipped by other companies, while we figure for the week thus:

Cape Breton Co. L'd, 60 tons!

I do not pretend to be immaculate in either judgment or management; but I do not think sufficient consideration has been given to the primary difficulties which had to be surmounted, in order to obtain possession of and then open up unexplored seams and construct villages in the midst of woods and swamps and without roads to facilitate transit of material, &c., &c.; but my services have always been rendered faithfully to every Government and Company by whom I have been employed, and I therefore protest, most strongly, against any remarks or insinuations reflecting upon my ability, or agency, when absent and thus unable to defend and explain myself.

*Railway Contract*.—I am still doing a little work upon embankments near Louisburg; but the season of fine weather is fast passing away and I am obliged to retain the services of several persons (at present non-productive), anticipating a cabled remittance to enable me to proceed with my contract at any moment.

The loss to myself in time, expenditure and weather is becoming serious, and will, I trust, be fairly considered in our final settlement of accounts.

Yours faithfully,

F. N. GISBORNE.

#### ADDENDA.

I am advised by eminent Counsel that my legal position is *impregnable* and that although the proverbial delays of the law may in my case be realized the consequences will ultimately be much more injurious to those who have the misfortune to be represented by Mr. Kennelly than to myself.

I am assured also that it will not be possible for the Official Liquidators to take possession of works now legally under my control until my just claims are adjudicated upon.

F. N. G.