

These twelve Contracts cover 251 miles of the Railway, and in the aggregate amount to \$3,567,022. The value of the work done upon them to 31st December, 1869, is \$335,766.

At the close of the year 1869, it became apparent that some of the contractors were in difficulties, and that in consequence, they were not making sufficient progress with their work. Frequent and urgent applications were made by the contractors to the Commissioners for assistance and relief, but the only answer to be given was, that the contractors had voluntarily entered into their engagement, and that they must be held to a strict fulfilment of them.

In two instances, the contractors failed to use the money received on their estimates in paying their workmen. The Commissioners applied the amounts of the next estimates, in paying the workmen on these two sections as far as the funds would permit.

On the 13th January, 1870, the Commissioners, in accordance with the terms of the contract, notified the contractors for Sections No. 3 and 4, and their sureties, that at the expiration of seven clear days, the contracts would be annulled, and that they would be held responsible for all damages that might arise in consequence. And on the 25th January, notices that the contracts had been annulled, were served on all the parties.

On the 22nd February, 1870, and 5th March respectively, similar notices were served upon the contractors for Sections Nos. 5, 6 and 7, and their sureties.

Section No. 3 and 4 have again been advertised, and will be re-let on 4th April next. Sections Nos. 5, 6 and 7, will be advertised soon, and re-let before the end of April.

Four additional sections, covering 74 miles of railway (and, with previous contracts, making a total of 325 miles), have been advertised to be let on 4th April next.

The Commissioners trust that the course which they have pursued, will show to those who may tender in future, that the engagement is one not to be lightly undertaken; and that strict fulfilment of the contract will be required in all cases. No one will have the slightest excuse for mistakes now when full information is given.

The Commissioners are not surprised that some of the contractors have failed. In executing large works, sub-contractors often fail. And if the work had been let to any one contractor, en bloc, he must have sub-let it in Sections, and must have had the same difficulties with sub-contractors, which the Commissioners have had with some of theirs.

Whilst the Commissioners regret the failure of contractors to prosecute their work, they may remark, that the failure does not, in any way, hinder or delay the final completion of the whole line, inasmuch as of the contracts annulled, one is situated in Quebec, others in New Brunswick, and others in Nova Scotia. And the most difficult and important parts of the work on the line, (which the chief engineer will not be prepared to place under contract for a short time to come) will have to be constructed ere these Sections can be in connection with each other. Neither have the public interest suffered in a monetary point of view, as the works executed upon these Sections, have only been paid for in proportion to the lump sum of the whole contract in each case. The remainder of the line, about 117½ miles, will be placed under contract in the coming spring, including the heavy bridges across the Restigouche and Miramichi Rivers.

ROUTE FROM MIRAMICHI TO MONCTON.

As great diversity of opinion existed regarding the proper place for crossing the Miramichi River, and also, about the location of the line, from that river to the intersection of the European and North American Railway, the Commissioners, during their first inspection of the line, made particular enquiries as to the relative advantages of crossing the river at Chatham, or at Newcastle, or at a point still higher up, and beyond the limit of navigation. The result of these enquiries, was to satisfy the Commissioners, that the most judicious point for crossing, would be above the Aram Channel, where the river diverges into two branches. The advantages of this crossing are, that it can be made at much smaller cost, and avoids the necessity for swings for the passage of vessels.

Several surveys having been made along the sea coast, from Miramichi to the