

“between Bathurst and Newcastle. It was let to King & Gough upwards of a year ago.

“I regret to say that this is the most unsatisfactory contract upon the entire line.

“It is fortunately a small contract, and can easily be completed in one season if properly taken hold of.

“The contract was signed on the 25th of May, 1870, it having been awarded upwards of a month previously.

“The total amount of the contract is \$206,000; the work done upon it only represents up to the present time \$8,500, and in fact it may fairly be said that nothing practical has been done at all.

“When going over the line last year, we complained that nothing was being done, the Contractors assured us that they would have a large force at work this spring, and that they would get a considerable quantity of stone out during the winter, and they gave as a re-assurance, that by this time the work would be very nearly completed.

“The result is what I have told you.

“We saw Gough, and I talked to him very plainly upon the subject. His excuse for his not having done more is, that owing to the early and wet spring his men could not get to work, and that during the summer the flies were so bad that the men could not get on with their work, and they generally left after two or three days' experience. I told him I could not conceive any greater difficulties to contend with than on other sections of the line which run through woods, and I gave him very plainly indeed to understand that unless at the end of the present season the amount of work done would be from 25 to 30 per cent. of the contract, as far as I am concerned, I should recommend the contract to be cancelled and re-let, and I think this course ought to be followed.

“Mr. Gough has had every possible leniency shown him, and he has nobody in the world to complain of but himself.

“Absolutely no work is going on at present, and it will be exceedingly difficult for him, I fear, to do the amount of work this season that I mentioned.

“I am clearly of opinion that unless some such quantity of work is executed during the season the contract should not be allowed to remain in his hands.”

1630. Did you form the conclusions upon which you based that letter, from statements made to you by Mr. Fitzgerald, or from personal observation of the contract?—I have already stated I never went over the section. My information was derived from the Engineer, and from examination of the profiles of the work.

1631. What was the state of the section in 1872?—Very bad state.

1632. How in the fall of 1873?—Still very backward.

1633. Had you any data upon which to base a report to the Government to have contract taken away from Contractors, because it could not be done in time?—I had; in regard to the amount of work that had been done, as seen from the progress estimates of the work; and information received from Mr. Schrieber, showing that the amount of work going on was not at all satisfactory.

1634. Mr. Fitzgerald, in writing you on 22nd July, 1873, concludes:—“Should a change be made, I should feel grateful by bearing me in mind, and I will undertake to complete the contract in a manner to meet your approval for the sum named, and within the time specified.” What is meant by that? Did you ever give Mr. Fitzgerald encouragement to believe that he would get the contract?—No.

1635. What conclusion did you arrive at?—I assumed he wanted to be employed as engineer to finish the work for the commissioners. It never entered my mind he was wishing to drive the contractors out of the contract.

1636. As you have never been over the line, were you influenced in your opinion by the representations of Mr. Fitzgerald in 1872 and 1873?—I was not.

1637. You always had from the first a feeling against the contractors being able to manage the work satisfactorily and for the money?—I had a feeling that they would not finish it satisfactorily after they had been on the work the first year. I stated the contract was not given to them upon my recommendation, because I did not think they were the best men to do the work.