

Amherst, July 22nd, 1867.

SIR,—

As the duly authorized Agent and Attorney of Messrs. Edwin Clark and William H. Punchard, of 24, Great George Street, Westminster, G. B., on behalf of the International Contract Company, (limited) I beg to submit for the consideration of His Excellency the Lieutenant Governor, and Her Majesty's Executive Council, the following statement of facts in relation to the Contract made by the Company with the Nova Scotia Government, for the construction of a line of railway from Truro to the New Brunswick border, in connection with a line contracted for by the Company with the New Brunswick Government, extending to the Moncton and Shediac line of railway. To this contract, made in August, 1865, and executed by two members of the Provincial Government, on behalf of the Chief Commissioner of Railways, I beg to refer for further particulars.

Previously to the execution of this contract, Mr. Alex. Beattie, C. E., had made a survey of the line from Truro via the Acadia Mines, Sutherland's Lake, Spring Hill and Little Forks, to the New Brunswick border, which was communicated to the Government Engineer; and the contract provides that the line should be constructed "on the central route, which has been recommended by the Government Engineer and approved by the Governor in Council." No other line, it is believed, had previously been surveyed on this central route nor was any other line spoken of or contemplated until long after the making of the contract, and after the continued survey had been completed by Mr. Beattie as hereafter stated; and as it was provided by the contract that the surveying was to be done by the Company and not by the Government, they considered that this line had been approved, and was that on which the Railway was to be built. Under the provisions of the contract, the Company, in the autumn of the same year, 1865, caused the survey to be continued under Mr. Beattie's direction, and after extending throughout the winter, it was finally completed, and the line staked out early in the following spring. The line, thus surveyed, fulfilled all the requirements of the contract as to curves, gradients, &c. During the first week in June, 1866, Mr. H. G. Ketchum, C. E., on behalf of the Company, arrived in Halifax to commence the work, according to contract, on the north-western end, between Little Forks and the border, and personally reported his instructions to the then Provincial Secretary and the Chief Commissioner of Railways. In the following week he broke ground, and commenced the work on the line in both Provinces, and prosecuted it *bona fide* and continuously near Amherst up to the 19th July, 1866, when Mr. Beattie received the annexed answer of the 14th of July. Although Mr. Beattie's movements were thus paralyzed by the action of the Government, yet, in the absence of instructions from his Principals, he did not feel himself justified in wholly suspending the work, but continued on with a small force during the remainder of the season, and took delivery of and paid for a large quantity of sleepers which had been contracted for by the Company some months previously in anticipation of the work. Details of the work, and expenditure, can be submitted to the Government if required. Shortly previous to the correspondence above referred to, Mr. Beattie became aware that, under the directions of the Provincial Government—but for what reasons the company were not

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