

“ East of the *Georgian Bay*, as for the line to be subsidized by the Government * *
 “ and that in the event the exploration proves that a preferable line to that of the
 “ *Motawan* exists to the South of the River *Ottawa*, the line to be subsidized by the
 “ Government, be brought to *Pembroke*, and not to *Renfrew*, where a junction with
 “ the railway system of the Province of *Quebec* is impossible, seeing the enormous
 “ expense which it would entail.”

That since that period the Government of *Quebec* have commenced the construction of railways on the northern side of the *St. Lawrence* and *Ottawa* Rivers, and the railway from *Montreal* westward to *Ottawa* has been completed by that Government.

That though the line would be lengthened by this deflection to the northward, the western end of the subsidized line would, as stated, reach a point much further to the westward of the previously proposed terminus, or junction with that portion of the *Canada Pacific* Railway proposed to be built under the terms of the Act, to the *French River*, and would thus save to the public the cost of constructing about 20 miles of railway.

The Committee of Council, after fully considering the facts as already summarized, recommend,—

First—That the proposition of the *Canada Central Railway Company* to extend the line to such point as may be selected by the Government as the terminus of the *Canada Pacific* Railway, at or near the crossing of the *Nipissing* Road at the South East corner of Lake *Nipissing*, for the sum of one million and four hundred and forty thousand dollars (\$1,440,000) should be accepted, upon the condition as to grades, recommended by the Chief Engineer—and that the total payment to be made shall not, under any circumstances, exceed the sum of twelve thousand dollars (\$12,000) per mile.

Second—That the Company shall, within three months of the ratification of this Order in Council by the House of Commons, satisfy the Minister of Public Works that they have entered into a *bona fide* contract or contracts, for the building of the Railway, and have provided sufficient means, with the Government bonus, to secure the completion of the line—and also that the Company shall, from the date of such contracts, make continuously such progress as will justify the hope of the completion of the line within the time mentioned.

Third—That the Company shall enter into an agreement to grant running powers, on terms to be approved by the Governor in Council, to the *Montreal, Ottawa* and *Occidental Railway*, now in process of construction from *Montreal* on the northern side of the *Ottawa River*, or any railway in extension thereof, from any point of intersection west of the Town of *Renfrew*, that may be approved of by the Governor in Council, and also to the *Kingston* and *Pembroke Railway Company*, from the point of intersection of their line, provided such point of intersection is at or west of *Renfrew*, and to such other companies as may have the termini of their systems on or towards Lake *Huron*, and which may be designated by the Governor in Council as entitled to such running powers: Provided that the terms of such running powers to any of the said companies or roads may be mutually agreed upon by the *Canada Central Railway Company* and the *Quebec* Government, and the other companies named, and in the event of disagreement, the conditions to be settled by arbitration, one arbitrator to be selected by each party, and one by the Governor in Council.

The Government of *Canada* and the lessees or future owners of the Government line, westward of the western terminus of the subsidized line, shall possess running powers on the said railway on similar terms to the Companies designated.

Fourth—That payments be made to the extent of Eighty (80) per cent. of the said bonus of \$12,000 per mile on the completion of every ten miles—one-half of such payment may be advanced when work equal to five miles is completed on any one section, on the certificate of the Chief Engineer that satisfactory progress is being made—and payment to the extent of Sixty (60) per cent. may be made on work extending over twenty-five miles, upon the certificate of the Chief Engineer that such work is equal to ten miles of completed track.