TO THE CHAIRMAN AND DIRECTORS

OF THE

GRAND TRUNK RAILWAY COMPANY OF CANADA.

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Gentlemen,—In compliance with the instructions conveyed in your Secretary's letters of February 12th and April 23rd, 1857, I left England on April 25th; and on July 1st, having completed the necessary examination of the

Works and Rolling Stock, I left America for this Country.

The Railways comprised in your system are: the Atlantic and St. Lawrence, (under lease,) from Portland to Island Pond, 149 miles; the St. Lawrence and Atlantic, from Island Pond, by Richmond, to Longueuil, opposite Montreal, 143 miles; the Quebec and Richmond, from Richmond, (72 miles short of Longueuil,) by Chaudière to Point Levi, opposite Quebec, 96 miles; the Quebec and Trois Pistoles, from Chaudière (8 miles short of Point Levi), at present open to St. Thomas, 40 miles; the Montreal and Toronto, 333 miles; the temporary Line through Toronto, al out 2 miles; and the Toronto and Sarnia, at present open to Stratford, 87 miles.

The Atlantic and St. Lawrence, and St. Lawrence and Atlantic Railways, (which will be the subject of another Report, in accordance with Instructions I received from you while in America,) were opened in Sections, the connection between the Atlantic and the St. Lawrence being completed in July, 1853.

The Quebec and Richmond Line was opened in November, 1854; the Section of the Quebec and Trois Pistoles, between Chaudière and St. Thomas, in December, 1855; the Sections of the Montreal and Toronto Line, between Montreal and Brockville, 129 miles;) Toronto and Oshawa, (33 miles,) and Brockville and Oshawa, (171 miles,) in November, 1855, August, 1856, and October, 1856, respectively; and the Sections of the Toronto and Sarnia Line, from Toronto to Guelph, (49 miles,) and from Guelph to Stratford, (39 miles,) in July, 1856, and August, 1856, respectively.

It will be remembered that the lengths from St. Thomas to Trois Pistoles, eastward, (113 miles,) and from Stratford to Sarnia, westward, (79 miles,) remain to be completed, besides the important connection of the Victoria Bridge over the St. Lawrence, and a Junction Line of about 3 miles between the Victoria Bridge and the St. Lawrence and Atlantic Section; the river St. Lawrence at present breaking your Railway Communication east and west of Mon-

treal.

The general tenor of my instructions required me to report whether the Contracts executed by Messrs. Jackson, Peto, Brassey and Betts, the English Contractors, and by Messrs. Gzowski and Co., the Canadian Contractors, have been satisfactorily carried out, whether the amounts charged as extra have been legitimately so treated, and whether the apportionment of payments in respect of Contracts only partially completed, is justified by the amount of work executed.

Before proceeding to the investigation of these questions, it may be desirable to call your attention to certain circumstances of a general nature which ought not to be lost sight of in an equitable consideration of what has been done,