

Railway Company, for a distance not exceeding 120 miles from the eastern end of the *Georgian Bay Branch* above referred to, upon the conditions :—

1st. That the road should be built upon a line to be approved by the Minister of Public Works, but which was defined generally, as ascending the valley of the *Bonnechère* from the vicinity of *Douglas Village*, *via Golden Lake* and *Round Lake*, and thence by as direct a line as might be found to *Burnt Lake*, and thence to the proposed terminus of the *Georgian Bay Branch*—about the 85th mile from *Georgian Bay*.

2nd. That the Company should, within one month, satisfy the Minister of Public Works that they had entered into a *bonâ fide* contract for the building of the Railway.

3rd. That running powers should be given to certain roads on stated conditions.

4th. That the Government or the lessees of the Government line from *Georgian Bay*, should possess running powers on similar terms to the Companies designated.

5th. That payment of the subsidy should be made on the completion of the Railway in sections of not less than 20 miles, upon the certificate of an Engineer to be appointed by the Government.

That in consequence of the annulling of the contract for building the *Georgian Bay Branch*, it was considered best to complete the survey of the country to be traversed, which had been to a great extent executed by the Engineers of the Contractor, with the result of raising some doubts as to the best direction.

That it was deemed inadvisable to urge the *Canada Central Railway Company* to proceed with the building of the subsidized line until the more complete examination and survey of the country should have been accomplished.

That Mr. *Hazlewood*, the Engineer originally charged with making an examination of the country from the mouth of *French River* to the neighbourhood of *Douglas* and *Pembroke*, reported that a line, with fair gradients and average work was practicable, in the direction indicated by the Order in Council referred to.

That the Engineers of the *Canada Central*, and those employed by Mr. *Foster*, reported more serious obstacles in grades and engineering work, and difficulties after leaving the lower part of the *Bonnechère* valley; and though the Chief Engineer stated that he believed that a more thorough exploration would prove that they were mistaken, it became necessary to ascertain the facts with greater particularity.

That Mr. *Lumsden* was therefore despatched early in the season of 1876, with a strong party to do the work.

That this Engineer has reported, as the result of the season's operations, that a fair line can be obtained on Mr. *Hazlewood's* plan, but that for a considerable distance the work will be somewhat heavy in consequence of the prevalence of rock cutting, and that the maximum grade rising eastward would be 52·80 feet per mile in an aggregate distance of about seven miles, and that there are three miles of the same grade rising westward. That this grade, though not excessive, is much higher than Mr. *Hazlewood* expected.

That the Engineer employed by the *Canada Central Railway Company* has reported that so far as works of construction are concerned, a more favorable line could be obtained ascending from *Pembroke* on a line nearly parallel with the *Ottawa River*, and distant from the same after leaving the *Petewawa River*, an average of 8 or 10 miles, and touching in its course the south east corner of *Lake Nipissing*.

That the same Engineer reports generally that the alignment of the road is good, and that it will not exceed six per cent. of curvature; that from *Pembroke* to *Nipissing Road*, five rivers are crossed, four requiring bridges of a span of 100 feet, and one (the *Petewawa*), a span of 400 feet; that forty miles are through a spruce, tamarac and hardwood country, and 90 miles through burnt woods and open country, the soil generally being of a sandy or gravelly character, with considerable reaches of clayey sand and sandy loam.

That the estimated distance from *Pembroke* to the south-east corner of *Lake Nipissing* is about 130 miles. This point is about 20 miles further west than the point previously determined on as the eastern terminus of the *Canada Pacific Railway*