

## REPORT.

To the President and Directors International Ry., Sherbrooke.

GENTLEMEN,—I beg to report that we have now finished laying steel rails on the twenty-nine miles of our railway, between Lennoxville and two miles beyond Bury, and that regular train service is being performed over the same daily, the track being in good order.

I have also to report that we have delivered at Lake Megantic, sufficient steel rails, to lay sixteen miles of track beyond Lake Megantic.

I have the honor to be, your obedient servant,

D. S. McFEE, *Supt. and Engineer.*

SHERBROOKE, Que., 24th July, 1883.

OTTAWA, 27th July, 1883.

SIR,—The International Railway Company having made application 25th May last, for the payment of portion of the subsidy granted by Act 46 Vict., Cap. 25, and Order in Council of 19th May, 1883. It becomes necessary for the Company to enter into an agreement with the Government to construct the line under the terms of the said Act, and in accordance with a specification to be approved by the Governor in Council.

The Order in Council sets forth that this Railway is intended to extend from Sherbrooke in the Province of Quebec to the boundary line separating that Province from the State of Maine, there, to connect with a line to be built in Maine to intersect the European and North American, thus to form a continuous line to Canadian sea-ports.

The portion from Lennoxville to Lake Megantic a distance of seventy miles is constructed and in operation, and it is with the view of assisting the Company to lay twenty-nine miles of steel rails on this portion, and to complete their line from Lake Megantic to the boundary line, sixteen miles, and also from Sherbrooke to Lennoxville, four miles, that the subsidy has been granted.

By resolution of the Board of Directors passed on the 7th July last, the company undertake to complete the above-mentioned 29 miles east of the village of Lennoxville with steel rails on or before the 1st August next, and the 16 miles east of Lake Megantic by the 1st November following.

It is not intended to contract at once the 4 miles from Sherbrooke to Lennoxville. The time for completion of this part might therefore be fixed at 25th May, 1887, the utmost limit allowed by the Act 46 Vic., cap. 25.

I attach hereto a copy of the specification for the New Brunswick Railway, approved by Order in Council 28th June, 1883, which I suggest would answer for the railway. Also, the printed paper setting forth the action required under the Act granting the subsidies.

I am, Sir, your obedient servant,

THOMAS RIDOUT.

A. P. BRADLEY, Secretary Railways and Canals.

28th July, 1883.

*Memorandum.*—The undersigned has the honour to represent that at the last Session of Parliament authority was given for the grant of a subsidy of \$3,200 per mile, for a distance of 49 miles, not exceeding \$156,800 towards the construction of the portion of the line of the International Railway Company from Sherbrooke, in the Province of Quebec, to the International boundary.

That under the Act in question, the Governor in Council was empowered to fix the date for the completion of the work, which is to be executed in accordance with descriptions and specifications, to be approved by him and specified in an agreement to be made with the company by the Government.

The undersigned accordingly recommends that approval be given to the descriptions and specifications contained in the accompanying draft of an agreement with