

Port Hope was replaced with new rails.

The junction of the Peterborough track with the main line at Millbrook made that point of great importance in the busy season, and the accumulation of special trains there caused very great inconvenience and delay. It was therefore found necessary to make a deviation connecting the branch with the main line on the east side of the station, thereby improving the grade and rendering the working of the trains much more convenient.

The cost of this work is included in the statement below.

To meet the additional trade at the Port of Beaverton, it was found necessary to construct a break-water 130 feet long, and to build trestle-work beside the wharf to enable the track to be extended in order to load trains from the vessels. The cost of this work is also shewn in the statement below.

The bridges have all been carefully inspected and kept in repair, but many of them are very old and will require renewal to meet the heavy traffic expected next season.

I would strongly recommend replacing some of these bridges with embankments, as the cost of keeping them up is a serious item in the annual expenses.

The decayed state of the Lindsay wharf made it necessary to incur some expense in repairs, as the structure had become unsafe for rolling stock to pass over. A face-work of timber has been built, and the space between that and the shore filled in with earth, so that the trains now run on solid ground, and this portion of the work is now permanent. In course of time, if the trade of the Port warrants it, the remainder of the wharf will require similar treatment.

In accordance with arrangements with the Dominion Government in connection with the building of the Swing Bridge at Lindsay, you were obliged to dredge out portion of the channel, this expense had to be incurred this year. The item of \$623.75 covers that and the wharf repairs.

The fencing along the line had been very much neglected for years; much of it had not been repaired since first construction in 1856, the consequence was that large portions of it had become very dilapidated and much of it destroyed by fire. For this reason heavy damages were sometimes incurred for the destruction of cattle on the track, as well as the risk and destruction of life and property. It was therefore necessary that a large amount of repairs should at once be done. Good substantial board fences have been built on large portions of the line and the rail fences repaired. Next year an additional extent of fences will require to be constructed, a portion of the materials for which is on hand.

* The new Engine House at Port Hope has been extended, giving accommodation for three additional engines. The whole building now contains nine stalls for engines, with watering and steam-heating apparatus complete.

Many of the Tank Houses were old and out of repair, some of them had to be nearly rebuilt. The tank house at Omeme was accidentally burned, and a new structure has been erected this year.

Additional accommodation at the head office, Port Hope, was necessary, the cost of which is included in the statement below.

GEORGIAN BAY EXTENSION.

* During the Winter of '71-'72 gangs of men were kept at work by Mr. Shanly, the contractor, chopping and such other work as the season would allow, and on the opening of the Spring the force was increased, and the grading and other works carried forward, during the Summer months, on the portion of the line between Beaverton and Waubaushene, the first point on the Georgian Bay where navigation is reached. It was hoped that the line would be completed and opened for traffic by July as far as Orillia, the first 20 miles, but from scarcity of labour and other causes, the work was not advanced as rapidly as anticipated, so that it was the end of the year before the train could enter Orillia. At several points there is still some work to be done in taking off the slopes, and bringing the road up to formation level. I estimate this work at 19,000 cubic yards.

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The works at Orillia consists of the Esplanade in front of the Village, which is nearly completed; a new Engine House and Turn-table, nearly completed; also, a temporary building for offices, waiting rooms, &c., together with a building used for storage.

Beyond Orillia the work is progressing. Upwards of twelve miles are graded and ready for the ties and track. The additional eight miles to Waubaushene consists of hill cuttings and was reserved for Winter work. A force of 200 men are now at work, and hopes are entertained of the line being ready for traffic to Waubaushene by the 1st of June next. An Engine House, Turn-table, and second-class Station Building will be required at that point.

At Bush's Point, provision will require to be made for shipping timber. I am now preparing plans for these works, and will submit them for your sanction as soon as completed.

The total value of work done by Mr. Shanly, the contractor, up to the 31st December is \$174,919.29, of this \$81,890 has been done between Beaverton and Orillia, under schedule prices, and of rock excavation and additional work at the Narrows, \$8,061, making a total of \$89,951.

The contract price is at the rate of \$6,200 per mile, or a total of \$126,066 to complete the work to Orillia, the balance \$44,176 to complete this work at schedule prices, is as follows:

19,000 yards excavation, at 24 cents per yard.....	\$4,560 00
20½ miles track-laying (to complete) \$100.....	2,033 00
19 do ballasting, \$900.....	17,100 00
Station Buildings.....	8,418 00
8,636 Rods Fencing, \$1.00.....	8,636 00
Sign Posts.....	400 00
Gates.....	150 00
Balance of Mileage Rate.....	2,879 00
Total.....	\$44,176 00

GEORGE A. STEWART,
Chief Engineer