

Many circumstances combined to prevent that vigorous prosecution of the work during the past season intended by the Board, and for which they had previously made every necessary preparation.

They were disappointed in the negotiation of a loan in England ; great difficulty was experienced in the collections in this country, and the hostile position assumed by the Stockholders in England precluded the Board from expecting financial assistance from further calls on the stock in that country for immediate purposes ; nor were they able to avail themselves of the balance remaining in the hands of the London Committee, who refused to place the amount at the disposal of this Corporation until they shall be relieved from personal liability by legal decision on the pending actions.

This decision, it is expected, will be received during the present month.

The Board, under these accumulated difficulties, deemed it prudent to curtail the anticipated expenditure, and accordingly made arrangements with the Contractors to limit their proceedings in a ratio with the finances of the Company, and the Directors have the gratification to state, that their wishes were promptly met by the Contractors, and without damage to the Corporation.

Acting on these principles, the Directors have urged the vigorous prosecution of the work in the first division between the St. Lawrence and Richelieu Rivers—a distance of 16 miles. The rails for that distance are imported and stored at the Company's terminus on the St. Lawrence, and the timber for the superstructure is deliverable in early spring ; the grading is in an advanced state, and the Directors have every reason to be confident, that it will be in full operation in August next. It is expected that the opening of this Division will greatly facilitate the prosecution of the works on the further sections.

While anxiously desirous to complete the first Division, the Board have not confined the operations of the Contractors exclusively thereto, but have continued at the same time to forward the work from the River Richelieu to St. Hyacinthe, the grading of which Division is in a state of much forwardness ;—the heavy embankments on the easterly side of the River Richelieu to receive