

interest upon that proportion of the amount reserved as before mentioned, which, if the reserve had been taken up, would have been represented in shares; but on the other hand, by means of the aid thus afforded, the Directors have been able to effect arrangements for the common benefit of all concerned in the undertaking.

These have been embodied in a proposal for a supplemental agreement to be entered into between the English Contractors (Messrs. Peto, Brassey, Betts and Jackson,) to which the latter have assented, and of which an outline is now submitted to the Shareholders for their approval.

It will be in their recollection, that in the report of the Directors of the London Board made in May, 1854, it was intimated that the Contractors, in consideration of additional time being allowed for the execution of certain of the works comprised in their contracts, undertook that the Shares and Company's Bonds of the B series should not be issued—the former before the 1st January, 1857, the latter before the 1st January, 1856. But the absorption of the large amount before adverted to in expenditure, not applicable to their contracts, and from which they derived no benefit, justified some modification of this arrangement.

By the new arrangement now alluded to, provision is first made for payment of the balance due to the Contractors in respect of works certified up to the 1st May, 1855; and as no part of the new Province Bonds is available, as has been said, for works executed before that time, this payment is to be made in B Shares and B Company's Bonds—two-thirds in Bonds, and one-third in Shares.

For the works to be actively prosecuted between St. Thomas and Toronto, estimated at £1,600,000, the Contractors are to receive payment, one-half in cash and the remainder in equal proportions of B Company's Bonds and B shares, on which latter £12 10s. is to be taken as paid, and out of the cash payments is to be deducted the interest payable by the Contractors to the holders of bonds and shares according to the provisions of the original contract.

The Contractors are to pay the interest upon any excess of the proportion of B Company's bonds to B shares which may arise from the appropriation above-mentioned, until such proportion is rectified by the further issue to the Contractors of B shares against works—the Company undertaking that, not later than the 1st of September, 1856, they will sanction the execution of works sufficient to restore the due proportion.

No call is to be made on the B shares beyond the £12 10s., to be credited thereon, until after the 1st May, 1857.

Should any extra works be required the Contractors have agreed to accept payment in bonds and shares of the Atlantic and St. Lawrence Company, calculated at par in sterling, which bonds and shares the Company holds to the extent of £200,000, which are reserved as a provision for this purpose.

The Contractors leave to the disposal of the Directors the Province Bonds to which they are entitled under their original contract, and they will be credited from time to time with the premiums realised upon sales on such portion only of those bonds as shall be applicable to works executed by them, as and when they are executed.

They consent to the suspension of the works from St. Thomas to Trois Pistoles, and from Belleville to Peterborough, until the 1st September, 1856, at which date the Company is to determine what portions of the suspended works are to be proceeded with, and the Company is to have the option of further suspending any of the above mentioned works, on terms which the Directors conceive to be fair and equitable.

The contractors also agree to a modification of the contract for the Victoria Bridge. This arrangement will enable the Directors to consider whether it is possible to adopt any more economical plan for its construction. It is understood that the present expenditure on that work is to be limited to £60,000, that being the amount estimated as required for fulfilling existing arrangements with sub-contractors. Should this estimate be exceeded, such excess is to be paid for in B shares only; and all future payments for the Bridge, after the 1st September, 1856, are to be made in B bonds and shares, in the proportions which will remain after giving effect to this arrangement.

They undertake to proceed actively with the works from Montreal to Toronto, and from Quebec to St. Thomas.

The Directors submit the foregoing arrangement to the Shareholders, as not