

fidence to the shareholders, as a fair and equitable compromise between the Contractors and the Company, the money liability for the bridge is at once reduced to the extent of a quarter of a million, and remains subject to still further reduction in the event of any further modification of design. The forcing on the market of B shares, and the consequent depression of the stock, is prevented, and the active prosecution and early completion of the bridge, by which alone, as the Directors believe, can the through traffic from the far west to the seaboard be obtained, is effectually promoted and secured.

The Directors also think it right to state, that Messrs. Peto, Brassey, Betts, and Jackson, have declared their willingness—

1st, Either to give up the contract to any other parties willing to undertake it, upon receiving reasonable compensation.

2nd, To submit to such reduction of the amount of the contract by alterations in the construction of the bridge as may be determined by the reference to Messrs. Brunel and others, and finally ~~settled by Mr. Stephenson.~~ *under the contract*

3rd, To go on with the present contract subject to a reduction of £250,000 in the amount, in consideration of the change in the mode of payment for it, which will follow the adoption of the act of the Canadian Legislature of the last session.

The 3rd alternative is the one which, in the opinion of the Directors, is most conducive to the interests of the shareholders, and has been adopted in the supplemental agreement already referred to.

The Revenue Accounts for the year ending the 30th June last, which are appended to this report, do not present satisfactory results, but they are of the same character with those which have attended the partial opening of undertakings, even the most successful when completed. Under these circumstances, the cost of working has been very large, and has caused much disquietude to the Directors. Two propositions have been submitted to them connected with the future working and management; the first, for a quasi leasing of the undertaking upon conditions which are not deemed desirable; the second is a contract tendered by *respectable*

*responsible*