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ing a very favourable profile. The actual work of construction has, however, hitherto been limited to the section between Port Hope and Lindsay, 42 miles in length; and on this portion the work is so far advanced, that, unless the want of means to pay for the iron rails, according to the terms of the contract, should interpose obstacles, there appears to be no reason to doubt that the road will be in operation to Lindsay in September next.

By the terms of the contract, the contractors, Messieurs Zimmerman & Balch, ~~have~~ agreed to accept payment for one-third of the cost of the Railway and works, including expenses of engineering and management, in first mortgage Bonds of the Company, at par; payable twenty years after date, in London; bearing interest at the rate of six per cent. per annum, payable (also in London) half-yearly. The Company has executed a Mortgage to Trustees on the property and revenues of the Railway, to secure the payment of the principal and interest of these Bonds, to the extent of *one hundred and twenty-five thousand pounds sterling*, to which sum it was mutually agreed that the issue should be limited. A copy of the mortgage is appended hereto. 1250 Bonds of the denomination of £100 sterling each, have been prepared, sealed, and signed by the President and Treasurer of the Company, endorsed by the Trustees, and deposited for safe keeping in the office of the Bank of Upper Canada, at Port Hope, ready to be paid over to the contractors, as they become entitled to them. The expenditure of the amount to be realised from the sale of these Bonds, as also the amount of stock subscriptions, is to be limited to the section of the Railway between Port Hope and Lindsay, which section it is intended to open for traffic before proceeding with the construction of the line west of Lindsay. The work on this section has proceeded so far as to justify the assumption that its cost is now ascertained, as the quantity and nature of the material yet to be removed in excavations, are both well known, and the price of superstructure is settled by the contract at a fixed rate per mile. The total cost of these 42 miles, including station buildings and equipments