

Two Locomotives are being built for the Board, in Scotland. As Cars and other Rolling Stock are required, they will be constructed; and the Board are not without a hope that such an Establishment may be created or encouraged, near the Depot, as will not only be sufficient to do ordinary repairs, but at which Engines may be built, not inferior to those produced in Canada, or in the United States.

Difficulties have arisen during the past year, in adjusting the damages due to parties whose land has been taken by the Commissioners, for the construction and use of the Road. None of the parties have been paid. The attention of the Government should, the Board are bound respectfully to suggest, be directed to this subject, as cases of hardship have already occurred, and others must occur, unless some mode by which relief can be afforded, is devised.

The Chief Engineer is now engaged in locating a section of the Eastern Road, which will carry the works in that direction to the Grand Lake. He is also concluding such preliminary Surveys as will enable him to place under Contract ten miles of the Western Road. The Board confidently anticipate that these two sections, in addition to the three already in progress, will be completed within this year, while they shall labor very zealously to locate and place under Contract other portions of the lines between Halifax and Windsor, and Halifax and Truro.

The Board regret that they have not been able, during the short period that has elapsed since they were commissioned, to accomplish more. They met for the first time on the 5th of April. They had an Engineering Staff to organize, and Contractors and skilled workmen to discover. No member of the Board had any practical knowledge of Railway making. By the 4th of May the first contract for Grading was advertized; and on the ~~1st~~ of June the ground was broken. In less than nine months three Sections have been placed under Contract,—eighty miles of country beyond surveyed,—Rails and Rolling Stock have been imported, and a Depot sufficient for the present, has been formed. Twenty miles more will be under Contract before the 1st May. The Commissioners see no reason to doubt the completion of the line to Windsor, with a corresponding extension into the heart of the Eastern Counties, by the close of 1856. The Cars now run daily from the Depot to the Four Mile House. They will carry Mails and Passengers to the Head of the Basin early in the Spring.

We have the honor to be,

Sir,

Your Obedient Servants,

JOSEPH HOWE,
J. McCULLY,
WM. PRYOR, Jr.
P. M. CUNNINGHAM,
J. H. ANDERSON,
THOS. S. TOBIN.