

To aid further in the construction of this road, the law provides that as certain portions therein specified are fully completed and equipped, the Secretary of the Treasury shall "issue to said Company bonds of the United States of one thousand dollars each, payable in thirty years after date, bearing six per centum per annum interest (said interest payable semi-annually), which interest may be paid in United States Treasury notes, or any other money or currency which the United States have or shall declare lawful money and a legal tender," as follows: "For three hundred miles of said road, most mountainous and difficult of construction, to wit: One hundred and fifty miles westwardly from the eastern base of the Rocky Mountains, and one hundred and fifty miles eastwardly from the western base of the Sierra Nevada Mountains, said points to be fixed by the President of the United States," forty-eight thousand dollars per mile; and between the sections last named of one hundred and fifty miles each, thirty-two thousand dollars per mile; and for the entire balance of the road, sixteen thousand dollars per mile. These bonds constitute a second mortgage upon the whole line of the railroad, rolling stock, and fixtures, and "one-half of the compensation for services rendered for the Government shall be required to be applied to the payment of the bonds issued by the Government." The Company is also authorized to "issue their first mortgage bonds to an amount not exceeding the amount of the bonds of the United States, and of even tenor and date, time of maturity, rate and character of interest," with the Government bonds, "and the lien of the United States shall be subordinate to" these first mortgage bonds; and it is also authorized to issue these bonds "to the extent of one hundred miles in advance of a continuous completed line of construction."

The work of construction has been materially hindered during the past year by the delay of the President of the United States in deciding upon a question of location near the eastern terminus. The laying of track was commenced in July last, and forty miles were completed and examined by the Government commissioners on the 6th instant. Since that time the track has been extended to Fremont, fifty-five miles from Omaha. The grading of the first one hundred and ten miles is now completed, and arrangements are perfected for opening one hundred miles to the public before the 4th of July next. The progress of the work is very much retarded and embarrassed by the want of an easterly railroad connection; but it is hoped that this will be remedied during the present year.