

*condition and future prospects of the North Shore Railway,"* in which certain *conclusions* were arrived at, with reference to the probable net earnings of the Road—the value of the two million acres of timber lands donated by the Government in aid of the construction of the Road, and the value of the securities of the Railway Company, which are based upon its railway and franchises, together with the lands donated by the Government, it will probably not be expected that these subjects will be discussed at any considerable length in the present report.

Before concluding this communication, however, I desire to say that the facts which are stated in the present report, so far as they relate to its length, alinement, gradients, and other important characteristics, which combine to make the North Shore Railway a most favorable route for the transaction of a heavy passenger and freight business, more than confirm the assumptions upon which the conclusions reached in my previous report, were based.

I also desire to state, that the facts which have come to my knowledge, since writing that report, with reference to the probable net earnings of the road from its local and through business, together with the present and prospective value of the lands donated by the Government, and the consequent undoubted ability of the Railway Company to provide, in the future, from these sources, an amount which will be ample to pay the semi-annual interest upon at least twice the amount of its bonded debt, and to redeem the principal at maturity, are such as to fully justify all the conclusions arrived at in that report.

All which, is

Most respectfully submitted,

SILAS SEYMOUR.

Engineer-in-Chief.

To the Honorable

JOSEPH CAUCHON,

President of the North Shore Railway Company.