

NEW YORK, *March 1st*, 1848.

TO SIR ALLAN MACNAB,

*President of the Great Western Rail-Road.*

SIR,—In reply to the inquiries:

1. Whether it would be beneficial to the Company to apply for, and receive a loan through the aid of Government, to assist in the construction of your work, with reference to the value of the Stock?

2. Whether in my opinion such aid could be afforded by the Government, consistently with the public interest and the exercise of its proper functions?

3. Whether similar aid had been afforded in the United States, and if so, what had been its effects upon the public interest?

I would state that the answer to the first inquiry must depend on the expense of construction, and the amount of business which would probably be done on the road to be constructed. For the purpose of satisfying myself on these points, I have carefully examined the Report of Major Stuart to the Board of Directors of your Company, dated 1st September, 1847, which has been furnished me. I have scrutinized the Survey reported on, as the only means in my power to ascertain the probable expense of its construction. It seems to me to have been made with much care, and the estimates for the expense appear fair, and the allowance for contingencies quite liberal. From these, and my knowledge of the country over which it is located, I have but little doubt that it can be completed within the Estimate, from Niagara River to Detroit, to wit, £1,238,520, Halifax Currency, or 4,954,080 dollars.

I have also examined the statistics in that Report, and compared them with statistics in my possession, such as the trade and navigation of the Lakes, the Canals, the arrivals and departure and tonnage of the several ports, and the Rail-road and Steamboat passenger traffic, &c. It seems to me that Major Stuart is fully sustained by them in his estimates of business and profits. Indeed, I shall be very much mistaken if the profits he anticipates are not more than realized, if the work shall be successfully completed and prudently managed.

It has been our experience in all improvements, and channels of business and traffic connected with the Western Country and the Lakes, that they have far outstripped the most sanguine anticipations. This has been strikingly illustrated in the case of the Erie Canal and the line of Western Railways.

It may not be improper here to remark, that I regard Major Stuart's Report as the most able document of the kind that has fallen under my observation in a long time. No one can rise from its perusal without feeling a conviction of its reliable character.

If I am right, then, in my conclusion thus drawn, that the work can be constructed within the estimate, and that the profits will be as large as contemplated, a loan contracted with or without the aid of Government, at a reasonable interest, much below the per-centage of profits, for a period of considerable duration, it