

Office of Pennsylvania Rail Road Company  
Philadelphia September 16th, 1848

To the Stockholders of the

Pennsylvania Rail Road Company -

By instruction of the Directors

I send you herewith the Report of the Chief Engineer detailing the progress of the work and estimate of the cost.

In transmitting this document, I ask for it an attentive perusal and beg to call your attention to the prospects, condition and wants of the Company.

When in 1846 you subscribed to the stock it was done, not so much with the hope of direct profit, as with a patriotic intent to save the trade of the great West to Pennsylvania, for although the active promoters of the work foresaw in its completion ample returns for the Capital invested, you for the most part subscribed for the sake of public improvement and the advance of general prosperity rather than with a hope of great dividends.

Every step taken since the organization of the Company has encouraged perseverance - Not only have the motives for prosecuting the work for public good been strengthened, but the prospects of an advantageous employment of the Capital invested has been rendered certain, while no doubt exists that the result of your undertaking, instead of injury to your state works, will add to the revenues of the Commonwealth, and relieve the burthen of taxation - Every motion therefore exists for an united effort to finish your undertaking, as speedily as sound economy will permit.

To secure your object the Capital of the Company must now be filled up - The first subscription was to organize, the next will be to finish - Then you subscribed with hope, now with certainty of success - The condition of the work has been stated to you by Mr Thompson. The progress to this time renders it certain that the road from Harrisburg to Lewistown, will be in active operation in May next when you will begin to reap the fruits of your enterprise. In December following it will be ready to Huntingdon, at which point it will take a large share of Western trade and travel. In May following it will be open to Hollidaysburg and in connexion with the portage, there will be a continuous line of Rail-way extending from Philadelphia Two hundred and Eighty seven miles, out of three hundred and fifty, carrying in conjunction with the Canal the whole of your trade in Summer, and affording the cheapest winter conveyance between Philadelphia and Pittsburgh.

A strong effort will be made to open to Hollidaysburg by the close of 1849 with good prospects of Success.

These are the prospects on the East of the Mountains, on the West, Allegheny has nobly come up to the work and subscribed a million in her Corporate capacity - Her Citizens will do their part and swell the amount. On the disposition of the Allegheny Bonds (measures for which will be taken as soon as they can be issued) the Western side will be put under Contract, to be finished in the same year as the Eastern. To enable the Board to do this they must be certain of their resources - This work shall not be swamped in debt or ruined by improvident management.



The money is not yet wanted, but we must know where it is to come from when it is wanted. No one need be deterred from subscribing by the present scarcity of money—One instalment now paid to secure the subscription is all that is required.—No instalments will be called in before next June, and the remainder will be spread over eighteen months, all that is now required is security that the funds will be forthcoming in due season to enable the Board to press the work with increased energy.

The absolute necessity of this Road to the trade of Philadelphia is universally acknowledged—The Completion of the Cincinnati and Sandusky Road brings that City within three days ride of New York for eight months in the year.

The trade of the Ohio river which once belonged exclusively to Philadelphia is now diverted to New York by this new channel of the lakes.

Hundreds of passengers daily pass over that Road to New York. Where the travel goes, there goes the trade.

You are engaged in a great struggle for the trade of the West, to obtain it a portion of your earnings must be devoted to open the highway. Once open it will maintain and enlarge itself.

The amount of funds required for this purpose, as stated by the Chief Engineer is

of which there is secured by public & private subscription.	\$ 6, 520, 000. 00
Leaving to be provided	5, 250, 000. =
Add to stock the Road with Cars & Locomotives	1, 270, 000. =
Total to be raised	1, 340, 000. =
	\$ 2, 610, 000. =

Can Philadelphia furnish such an amount—suppose it to be a total loss. Philadelphia has expended millions in reaching the Coal and Iron from the neighboring counties. Not one of those improvements pay a dividend—Has this expenditure made her poorer? Let any man who can remember Philadelphia as it was twenty years ago take a view of the improvements which have sprung up within its borders!

Where did this immense increase come from? The answer is your internal improvements. The Capital spent in reaching your Coal & Iron and in bringing the Western trade is not lost. It has fostered your Manufactures, it has increased your business, it has enhanced the value of your Real Estate, it has stimulated industry. It has made you what you are, the second City in the Union and if you do not halt in your onward course of improvement it will make you the first.

But I need not reiterate the opinion that the Pennsylvania Rail-road will pay. Let us avoid Debt and usurious interest and it cannot fail to pay.

The trade is made to our hands sufficient to give an interest on both lines of Canal and Rail Road, if the profits are not divided with others, and on opening the road an immense increase of trade and travel may be anticipated.—



Rail Roads and Canals, have built up New York and so well convinced are the citizens of their value that they are now making a third avenue to the lakes, both the others being crowded with trade.

Boston has been built up by the same means and if we expect to maintain our position we must follow their example — Our local position favors the enterprise. The shortest route, and the route that must secure the bulk of the trade and travel from the Western waters passes through Pennsylvania and hence we can command the trade, if we have sufficient energy and enterprise promptly to complete our road.

The Directors will not consent to build on borrowed money or push the work faster than money is furnished —

They cannot consent to enter into obligations without knowing how they are to be met, and unless the stock is filled up they must wait with patience until you are convinced of the necessity of furnishing the means to complete it.

The Books are now open at the Office of the Company and you are respectfully invited to add to your subscription, and induce such of your friends, as may be disposed to do the same.

Very Respectfully

J V Merrick

President

P R R Co