

NORTHERN RAILWAY OF CANADA.

REPORT OF THE CANADIAN DIRECTORS.

To the Proprietors of the Northern Railway of Canada :

1. The Canadian Directors have the honour to present their Report for the year ending 31st December, 1880.

2. The Report of the Joint Executive Committee is herewith submitted, and it will be observed that to overcome the technical embarrassments under which the Reports of last year were made, the Executive Committee has now assimilated its fiscal year with those of the Northern and North-Western Companies.

3. The earnings of the lines have shown very gratifying advances, amounting, for the year 1880, to £41,612 10s. 5d. stg., or 19·26 per cent. over 1879.

4. The Working Expenses for 1880 have been at the rate of 63·33 per cent. of the Gross Earnings; but for the whole period reported upon by the Executive Committee, were 61·34 per cent. The Directors are assured that, so soon as the gauge of the lines has been assimilated, the Working Expenses will range from 56 to 58 per cent.

5. The proportion of net Revenue to which this Company has been entitled for the eighteen months now reported upon by the Executive Committee has amounted to £101,778 9s. 0d., of which the sum of £99,207 has been appropriated to the payment of all Interest Dividends accruing due on the Debentures of the Company.

Of the balance (£2,571 9s. 0d.) the Directors propose an interim Dividend of 1½ per cent. upon the Preference Stock, absorbing £2,250, and leaving a balance, on 1st January, 1881, of £321 9s. 0d. to credit of net Revenue Account.

6. The Directors have given their cordial support to the Executive Committee in promoting an immediate change of gauge on the Northern, and in making such additions to the equipment of the lines as the increasing traffic necessitates, and with this view they have executed an agreement with the Hamilton and North-