

REPORT OF THE DIRECTORS.

To the Proprietors of the Northern Railway of Canada :

The Directors have the honour to present their Report for the year ending December 31, 1864, with the usual Accounts, Statements and Returns of the operations of the Company during that period.

1. The Gross Receipts of the year, from all sources, have amounted to \$467,266 15, (£96,013 11s. 10d. stg.,) as in comparison with \$406,606 55, (£83,549 5s. 9d. stg.,) in 1863, showing an increase of earnings in 1864 of \$60,659 60, (£12,464 6s. 1d. stg.,) or 14·91 per cent.

The revenue from "Passenger Traffic" has shown a slight diminution, whilst that from "Through Freight" has suffered a more important decline. In every other item of earnings the increase has been maintained, the transport of "Local Freight," especially in the articles of Timber and Lumber, having chiefly conducted to the augmentation of revenue now reported.

2. The ordinary working expenses of the year have amounted to \$244,144 37, (£50,166 13s. 0½d. stg.,) or at the rate of 52·25 per cent. of the gross receipts, as against \$219,987 46, (£45,202 18s. 1d. stg.,) or 54·10 per cent. of the gross receipts in 1863, showing a reduction in favour of 1864 of 1·85 per cent. in the expenses of working the Line and Traffic.

The Account No. 1, with the Appendices (A to K) afford full details of this expenditure, and it will be satisfactory to the Proprietors to observe that whilst in the aggregate the working cost has been reduced, the returns which exhibit any increased disbursements belong to those departments charged with the maintenance and improvement of the property (as Roadway, Appendix A; Works and Buildings, Appendix B; and Rolling Stock, Appendix C), whilst the general charges for the working of the Traffic and for