

REPORT OF THE DIRECTORS.

To the Proprietors of the Northern Railway of Canada.

TORONTO, 11th August, 1869.

1. The Canadian Directors have the pleasure to submit their Report for the half-year ending 30th June, 1869, embracing the usual returns of Income and Expenditure, Details of Accounts, and Auditors' Reports.

2. The gross Traffic Receipts, from all sources, have amounted to \$310,012 69 (£63,701 4s. 9d., stg.) as against \$275,073 34 (£56,521 18s. 4d., stg.) for the corresponding period of 1868, being an increase of 12·70 per cent. in favor of 1869.

3. The ordinary Working Expenses of the half-year have amounted to \$168,094 89 (£34,540 0s. 11d., stg.) as against \$173,412 31 (£35,632 13s. 3d., stg.) in 1868, being at the rate of 54·22 per cent. of the gross Earnings, as in comparison with 63·04 per cent. in 1868, or a decrease of 8·82 per cent. in the half-year now reported.

4. The additional outlay for works of extension, as Rolling Stock, Buildings, Wharves, &c., necessary to provide for the demands of an increasing traffic, has been \$62,020 08 (£12,743 17s. 1d., stg.) as compared with \$23,938 39 (£4,918 16s. 11d., stg.) for similar services in 1868.

5. The Net Revenue of the half-year, available for dividend, has amounted to \$79,897 72 (£16,417 6s. 9d., stg.) as against \$75,335 40 (£15,479 17s. 7d., stg.) in 1868. After payment of current Interest Dividends on both classes of the Company's bonds, a balance has been carried forward of \$36458 34 (£7491 8s. 10d. stg.) to the credit of Interest Dividend account.

6. Considerable additions have been made to the Rolling Stock and other equipment of the line, during the past half-year; but these provisions are yet wholly inadequate to the increasing traffic,