REPORT OF THE DIRECTORS.

TORONTO, 10th February, 1864.

To the Proprietors of the Northern Railway of Canada:

The Directors beg leave to submit their Report of the transactions of the Company during the year ending 31st December, 1863, together with the usual Statements of Earnings and Expenditure, Capital and Revenue Accounts, Returns of the Traffic and Locomotive Departments, &c., &c.

1.—CAPITAL.

[*See Account No.* 1.]

The works having been completed, and the returns of payments duly received from London, this account, practically unaltered since the date of last report, may now be regarded as closed. It will be seen that the expenditure on all services under the Act 22 Vic., cap. 89, has amounted to $1,216,666 66, (£250,000 Stg.,) of which a detailed classification is given in the account referred to. The consolidation of original bonds and the issue to the Government of Canada represent a further sum of $1,381,646 68 (£283,900 Stg.,) or a total preferential capital, under the Act recited, of $2,598,313 34 (£533,900 Stg.,) which may be regarded as a final statement of this account.

2.—EARNINGS AND EXPENDITURE OF THE YEAR.

[*See Account No.* 2.]

The gross receipts from all sources have amounted to $406,606 55 (£83,549 5s. 9d. Stg.,) being $368 53 in excess (by account) of the aggregate earnings of 1862, and $4,333 36 decrease on the gross receipts of 1861. It is to be noted, however, that whilst the gross earnings of 1863 represent the Canadian Currency at par, those of