NORTHERN RAILWAY OF CANADA.

REPORT OF THE CANADIAN DIRECTORS.

To the Proprietors of the Northern Railway of Canada:

TORONTO, 13th February, 1874.

1. The Canadian Directors have the honor to submit their report for the year ending 30th December, 1873, with the usual accounts explanatory therof.

2. The gross receipts for the year of the Main Line have been \$841,588 62 (£172,929 3s. 4d. stg.) against \$857,954 09 (£176,291 18s. 8d. stg.) in 1872, showing a decline of \$16,365 47 (£3,362 15s. 4d. stg.) or at the rate of 1.90 per cent. This decline was due to the stagnation of the American lumber trade and to the reduction of exports consequent upon the American financial crisis. As it is scarcely to be expected that these trades will fully recover their strength during the current year we may look for some continuance of these declines. The earnings of the Leased Lines for the year have amounted to \$60,222 91 (£12,374 11s. 5d. stg.) which, added to the Receipts of the Main Line, as above, gives an aggregate gross revenue of \$901,811 53 (£185,303 14s. 9d. stg.)

3. The ordinary working expenses of the year have been \$590,023 90 (£121,237 15s. 9d. stg.) as against \$528,509 88 (£108,597 18s. 4d. stg.) in 1872, giving for the year 1873 a rate on gross receipts of 65.42 per cent., being an increase of 6.36 per cent. on the rate of 1872. This increase (which the proprietors were invited to expect by the Report of last year) has arisen chiefly from the continued advance in wages and in every element of Railway supply ; and also in consequence of special outlay in additional sidings to the extent of upwards of 7 miles, and in the reconstruction of freight cars, the whole stock of which is now in first-class order. The cost of fuel has risen some 20 per cent., Taxes on real estate 60 per cent., and the Bank rate of interest has considerably advanced.