

By a reference to the Balance Sheet, which is herewith submitted, it will be found that the nett receipts of the Railway for the years 1850, 1851, and 1852 have amounted in the aggregate to - - - £41,877 6 9
While the total amount of Interest accrued and paid by the Company, on their existing Funded Debt, under all the heads of Loans, Bonds and Debentures, is - - - £42,213 3 6

A great part of the debt on which this interest has accrued, however, has been incurred for the construction of the part of the road which is still unproductive, from being incomplete. The cost of the Third Section which, up to the 30th November, had been in operation less than three months—is £170,000. The direct outlay on the Fourth Section, over which the locomotive has not yet passed, amounts at the present time, to upwards of £150,000. If the interest accruing on these sums for their respective periods of time were distinguished from that on the debt strictly borne by the portion of the road producing returns from its employment—the total charge against the income of the road, would be less than £50,000—and there would remain a surplus of income applicable to the payment of a fair dividend on the shares paid up and constituting the nett Capital Stock of the Company.

While, however, the Railway is still in course of construction, and while it may be yet necessary to take up further moneys for its final completion, the Directors have been unwilling to proceed in the recommendation of the payment of a Dividend on the shares, without a previous opportunity of submitting the circumstances to the proprietary. In an undertaking of this nature and extent, it is desirable that the income realised should be at all times strictly distinguished from the capital invested in the extension of the work; and the relations borne by the Company towards the Provincial Government, furnish perhaps, an additional reason for attention to this point. The former half of the Railway,—the portion which has produced the income of the three past years—has borne the charge of all the interest accrued in the course of its construction,—as well on the subscribed shares in the capital stock which supplied the first resources, as on the debts next raised in addition. The latter half of the line might justly be made to support a similar charge, as a part of its cost. But it is perhaps most advisable to make no change in the application of the resources until after the opening of the entire line in the approaching summer. The Company has the fairest prospect of being then finally relieved from the doubts and difficulties which attended the former part of its course, and of obtaining a certain and immediate view of a fair return on the entire capital invested in its undertaking. The proprietary may then, equally as now, participate in all the advantages which shall have been realised—whether prior to, or after, the present period; and a forbearance evinced in the meantime must tell favorably on the credit of the Corporation, whenever its affairs may be enquired into.

The Shareholders may properly be congratulated on the amount of local traffic which has presented itself as each section of the Railway has been opened for public use. The gross receipts for the year, arising from nine months use of 72 miles of road extending to Richmond, and three months use of 96 miles extending to Sherbrooke, furnish an average gross return of £560 from each mile per annum. If it is borne in mind that upon the entire completion of the road, a return of £1000 per mile will afford to the Shareholders

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