

REPORT OF THE DIRECTORS.

To the Proprietors of the Northern Railway of Canada.

TORONTO, 13th Feb'y, 1867.

The Annual Report of the Directors for the past year is, in consequence of the absence of the Managing Director, necessarily brief, and, as another Report at greater length will be submitted for consideration at an adjourned meeting to be held immediately after his return from England, the attention of the Proprietors at present is merely drawn to one or two of the leading features embraced in the Statement of Earnings and Expenditure for 1866. This represents the amount of gross earnings, from all sources, to be \$512,874 66, and the gross expenditure \$337,012 42, leaving a net result of \$175,862 24, which has been applied towards the payment of Interest on the 1st and 2nd Preference Bonds, consisting of the usual half-yearly dividend of 3 per cent. each, besides an additional dividend of $1\frac{1}{2}$ per cent. on account of arrears of Interest due on the second Preference Bonds, which now leaves the Company only one half year in arrears on that class of Bonds.

The gross earnings of the year, compared with those of 1865, show an increase of \$6,126 08 ; but if the amount for arrears of Postal Service, included in last year's earnings, which properly belongs to former years, be deducted, the increase of 1866 over that of 1865 amounts to no less than \$19,094 16, or 3·87 per cent., whilst the gross expenditure of this year exhibits an increase of \$9,651 47, and is accounted for by the addition of new Rolling Stock, and by the erection of new works and buildings,—the former consisting of six Box Cars and eighteen Platform Cars, and the latter of the Passenger Depot and Offices in rear of the City Hall in Toronto, which are not yet completed,—of a new freight house at Bradford, and of another at New Lowell, besides other smaller erections, the expense of all of which does not belong to the ordinary working expenditure of the road, although, in the absence of special funds for that purpose, it necessarily becomes chargeable against Revenue.