in consequence; a general meeting of the Stockholders was called, with the view of increasing the Capital Stock. This was held on the 3rd day of September, 1873, and a By-Law unanimously passed to increase the Capital to $200,-000. The amount of Capital Stock, of the first issue, paid this year, was $12,154.61, making a total paid up of $94,188.97. Of the second issue, $29,000 has been subscribed, on which $16,031.49 has been paid, making the total amount paid up on both issues $110,220.46. During the year 101 applications for loans, aggregating $128,171.25, were received, of which 56 were accepted for $58,723.77, and the balance declined for various reasons.

The amount received during the year on Deposits bearing 6 per cent. interest was	$43,503 94	
Of which sum there was withdrawn	33,898 47	
Makes the total now on Deposit		$ 20,979 26
The amount of Loans during the year, were	$68,872 40	
Less received from Mortgages repaid	24,783 18	
Shows the nett increase to be	$44,089 22	
Which with the amount outstanding on 31st December, 1872	84,291 04	
Makes the total value invested		$128,380 26
The gross earning for the year are		$ 9,919 10
Less expenses	$ 1,312 41	
July Dividend No. 6	3,441 52	4,753 93
Leaves a balance of		$ 5,165 17
From which will be paid Dividend No. 7		4,006 48
Nett Profits for this year		$ 1,158 69
Which with the amount of Reserve Fund last year, added		799 32
Makes the total Reserve Fund at present time		$ 1,958 01

The Books and Vouchers have been duly Audited, and the statement herewith fully exhibit the financial position of the Society. All of which is respectfully submitted.

THOMAS R. MERRITT,
President.

St. Catharines, 4th Feb., 1874.

Statement of Liabilities and Assets on the 31st December, 1873.

LIABILITIES.

Permanent Stock, first issue	$105,000 00
Do. second issue	29,000 00
Deposits	20,979 26
Dividend No. 7, payable 2nd Jan., 1874	4,006 48
Reserve Fund	1,958 01
	$160,943 75

ASSETS.

Unpaid Stock on first issue	$ 10,811 03
Do. second issue	12,968 51
Town Debentures for $6,000	5,858 00
First Mortgages on Real Estate	128,380 26
Furniture	52 10
Cash in Bank	2,873 85
	$160,943 75

The Report was adopted, and the ballot for the election of Directors for the ensuing year was immediately commenced, resulting in the unanimous re-election of the whole of the present Board, viz.:—Messrs. Thomas R. Merritt, James Taylor, Robert Lawrie, S. Neelon, James Lamb, Richard Woodruff, and G. P. M. Ball.

At a subsequent meeting of the Board, Thos. R. Merritt, Esq., M. P., was re-elected President, and James Taylor, Esq., Vice-President for the ensuing year.

GRAND TRUNK RAILWAY.

The adjourned general meeting was held on the 22nd January, Mr. Potter in the chair. The report was taken as read. The Chairman, who was received with cheers, said he could not commence the proceedings without referring to the gap that occurred in the Board of Direction since he had last the honour of addressing them, by the deaths of Mr. T. Barrington, M.P., and Lord Wolverton, two of their most valued colleagues. The meeting had been adjourned from the usual time in October, to that day. The accounts were made up to the 30th of June, 1873, the first half of the last year. Those accounts were practically artificial to a certain extent; sometimes comparatively little could be expended in the way of repairs and renewals, at at other times a large amount in the first half of the year. They would in all probability soon know what was likely to be the result of the working for the year 1873. They would recollect what he had stated in November 1872, when he estimated the ways and means could prduce a net result of £75,000. At that time no alteration in the guage was contemplated. It was proposed, however, if possible, to alter the guage from Sarnia to Fort Erie, but a snow storm had rendered the season to late for such an opperation. The year 1873 was not a fortuate one for railways. The prices of coal and material had been greatly augmented, and also the cost of labor; he believed the *maximum* had been reached in April and May last year. He sailed for America in September, and when he arrived a great commercial storm had commenced, which swept over the conutry, reducing the value of almost everything. The reduction of wages had commenced, and the value of all materials had fallen in October. They had been able to work the line with a smaller quantity of stores, and no appreciated value was added. In November a reduction in working charges had occurred, but he thought in 1874 it would be more apparent, and that a large saving would be effected. The calculation was, that they would require to lay down 6,000 tons of steel rails in 1873, and a like quantity in each of the two following years, to be charged to capital. He then explained the operation of changing the guage. in the short space of 24 hours, from Sarnia to Fort Erie, and from Stratford to Montrael, a distance of 430 mils. The large expense in the change was in the rolling stock. There were 2,400 trucks on the broad guage to be converted to the narrow guage: the bodies and wheels were good, but the axles required alteration at a cost of about $100 each. The dislocation of traffic had been larger than was expected. They had purchased a number of new engines, and had valued the old at about $1,800 each to sell as scrap iron. The alteration of the rolling stock had involved a larger expense than anticipated. They had sold 5,000 tons of iron rails at £7 10s. per ton, but since the panic could not get more than £5 10s. per ton. On the purchase of 26,000 tons of rails for 1873 they had lost 7 per cent on £400,000, which had affected their estimates of cost. All the other estimates had proved accurate. He then described the state of things during the panic. There were three railways that came to Chicago, of 2,000 miles each in length. The managers of the Michigan Central, the Michigan Southern, and of other railroads, met to raise the through rates 20 per cent during the season. At about this time the company opened the Buffalo bridge, low rates being maintained. When they opened there was hardly a railway that had any connection with it. The Great Western of Canada had then no connection with the bridge, although they had a new steel line near it. It was true they had the suspension bridge. The Air line of the Great Western Company was shorter than their main line, and had better gradients. He contended that the traffic from the Air line must go over the Buffalo bridge, as it was much cheaper and more convenient to carry their traffic through Buffalo, and interchange there with the Erie and other railroads. The constant tendency of the traffic over the American steel lines was to drive the traffic over the Buffalo bridge. 5,000 cars, 2,500 each way, would have to pass *via* the Great Western of Canada loop line. He estimated that tolls from such a traffic would produce £90,000 a year, and even half that traffic would pay £45,000 a year, which it would be their interest to send over the Buffalo bridge. They intended to form six or seven sidings close to the side of the bridge, for working the traffic, making it equal to a double line. The shareholders must look with some forbearance on the estimate made in 1872. It seemed at the time practical to lay down 6,000 tons of steel rails each year. They would probably have to lay down 30,000 tons of steel rails in 1873, 1874 and 1875; 6,000 tons of steel rails would cost £90,000. They would have to relay the line to Portland with steel rails, as they would last no time if relaid with re-rolled iron rails. The company had 14,000 tons of steel rails bought for 10 guineas per ton. £200,000 had been set aside to pay the dividend on the first and second preferences; they had paid one half-year, £2 10s last year, and would pay the other £2 10s per cent. on the first preference in March next, making £5 per cent. for the year. They would not have enough to pay the half-year's interest on the second preference as intended. It would require £277,000 for that purpose. They might find it necessary to lay down 7,000 tons of steel rails or 7,500 tons this year instead of 6,000 tons of steel rails as estimated. They had to pay the interest fully on the first preference before they would be allowed to pay on the second. They had now 525 miles of steel rails on the line from the Barrow works, and had bought 6,000 tons of steel rails at £16 per ton. They had laid down some steel rails at Kingston in 1865, and they had stood seven summers and eight winters, and there was not a single rail that had been changed; there was no sign of wear upon them, and it was estimated that they would last 107 years with the same traffic over them. They laid 20,000 tons of steel rails on 200 miles in 1871, and they were as good as when first laid. They intended to lay a large quantity of steel this year. If they should have to sell the old rails at low prices, the difference in the rate of wages would compensate for the loss. They expected to have a reduction of £100,000 in the expenses of the current year; and that about 4 per cent. would represent the expense of renewals. He thought if the Company conld convert the whole of the Bridge Bonds into a permanent stock they might utilize £50,000 a year from the tolls of the bridge. He then explained the alterations made in the management of the company's affairs in Canada, and he believed it gave the Board full control over their officers. Four of the heads of departments were interested in respect to dividends to the extent of £3,500 a year on a total salary of £10,000 a year making them so far interested in the prosperity of the line. They had also established a superanuation fund with a view to induce the officers to remain longer in their service. The traffic for the past week had been £30,000, but they ought to have £47,000, and