

junction with the change of railway route, practically sounded the death knell of our navigation interests upon that lake. Lumbering being now almost the only traffic upon the lakes, had we accepted Mr. Booth's proposal the very extensive towing, the carrying of men and supplies, with more or less general business for a light draught steamer, a moderately paying employment for our boats would doubtless have been found.

In 1886 we launched the combined paddle and screw steamer "Wenonah" at Burk's Falls, for the Magneta-wan service. The boat proved to be popular and efficient, but the traffic was disappointing, opposition having sprung up unexpectedly the very first season, and has continued more or less ever since, but has now materially abated. The migration of many of the settlers from the Magneta-wan Valley to the Canadian North-West had also a depressing effect upon trade. An improvement in the traffic of this division is however confidently looked for in the near future.

Our Company was invited, in 1885, to place a good daily steamer upon the Georgian Bay waters, between Parry Sound, Penetanguishene and Midland, to form a *circular* tour of the Muskoka Lakes and a portion of the Georgian Bay, but it was not until the following August that we acquired the paddle steamer "F. B. Maxwell" upon the aforesaid route.

The "Oriole," upon the Muskoka Lakes, was built that season, but never proved a favorite with the public, although she is a serviceable boat. Later in the same season the justly favorite and comfortable steamer "Nipissing" was accidentally burnt, and replaced the following spring by her new steel namesake.

Railway extension beyond Gravenhurst took place the same summer, and nearly paralyzed our Muskoka transportation business, which we felt most keenly during a few following years. Our freight receipts dropped seventy-five per cent., and to make matters worse, serious competition sprang up in the towing business about the same