tained. The incoming Lake Passenger business is of great value to Toronto, and although the loss of one of the large lake steamers adversely affected it, yet the attractiveness of the route almost fully

maintained the aggregate business.

FREIGHT.—In freighting, the tonnage of coal brought to Toronto by lake continued to increase, but general merchandize, owing to low water, showed a decrease. In the item of fruit, due to the failure of the crop in the Niagara-St. Catharines District, the import to Toronto was this year less than one-third of the usual quantity.

The Lumber Freighting business for Canadian Upper Lake vessels suffered a heavy decrease, owing to the slackness of the lumber market.

The Grain carrying trade, in consequence of the superb crop in Manitoba, experienced after October a genuine boom, and the wise provisions adopted last season by our Government respecting Re-Import grain, have resulted, as this section predicted they would, in this year filling our internal Ontario elevators with Manitoba grain, to the attendant advantage of labor and inland railway traffic.

Low Water.—While the water in Lake Superior was this year higher than usual, the extraordinary lowness of water in the Lower Lakes still continues. Continued dredging has been needed at Toronto, vessels had difficulty in carrying full loads, and much trouble was experienced at docks. The extreme range of the change may be appreciated from the fact that the difference between highest water in Toronto Harbor, being on May 6th, 1870, and the lowest recorded being on November 20th, 1895, was no less than 72 inches or 6 feet.

These alterations in lake levels run in cycles, and it may be that when the higher waters in the upper lakes come down this way that our levels may be restored, but it is to be remarked that ever since the cutting away of the Natural Dam at the lower end of the Lake by the deepening works at the Galops Rapids, the average height of the water of Lake Ontario has been distinctly reduced.

SURFACE OF WATER IN TORONTO HARBOUR-AVERAGE FOR YEAR.

1890.	Average	above datum,	231	inches (1st	steamer through Galops)
1891.	"	"	7.	"	and an analy
1892.	"	"	21	"	
1893.	"	"	111	"	
1894.	"	**	41	"	
1895.	"	below datum.	13	**	

Average height above datum, 1885 to 1890, 20½ inches.
" " 1891 to 1895, 6½ "

The lowness of water affected most seriously the traffic between Montreal and Toronto through the St. Lawrence Canals, one steamer towards the close of the season having taken 16 days for its trip from Montreal to Toronto due to this cause. The water at the Morrisburg Canal being reduced throughout the season to between 7 feet 6 inches and 8 feet 6 inches, vessels were by this one obstacle