This Division is the largest and the most important, and for some years past has been under the management of Mr. J. U. Gregory, the Agent of the Department at Quebec, who in addition to the Light House service has also under his supervision several of the Dominion Steamers and the Quebec River Police Force, and the Fisheries Protection Service. Mr. Gregory's Report, giving full particulars of the different services under his charge, and showing the operations of his Agency for the fiscal year ended 30th June last, and also for a portion of the present year, will be found in Appendix No. 2, to this Report.

The Light service between Quebec and Montreal, and in the River Saint Lawrence as far as Pointe des Monts, was performed by the steamer "Druid" under Captain Marmen, who also attended to the laying down, taking up, and keeping in position, the large number of buoys below Quebec.

The Lighthouse service in the Gulf and Straits of Belle Isle was performed by the steamer "Napoleon III." under Captain Despres, two trips to these lights having been made, the one in July and the other in October last.

It will be seen by the Report of the Agent, that several of the lights between Montreal and Quebec have been furnished with more powerful lamps, and thus improved in efficiency during the past year. The Light Towers on the wharf at Montreal have been repaired and rendered fit for some additional years of service, and the Light Towers at Platon and Cape Madelaine removed to more eligible sites.

Reference was made in last year's Report to the pier and lighthouse erected on Algernon Rock near the Pillars Lighthouse, Lower St. Lawrence. The Pier and tower have been fully completed, but owing to some difficulties experienced in connection with the reflecting apparatus, it has not been put in operation. It will be seen by the accounts that the sum of \$6,654.84 was expended on this pier and lighthouse during the past fiscal year, making with previous expenditure the total expenditure to the 30th June, \$8,728.92.

The new light at Bay St. Paul, which was put in operation in October, 1876, is reported to be an efficient light. The total cost of the light amounted to \$1,423.20. The light at Goose Cape, which was put in operation at the same time, is also reported an efficient light. The sum of \$2,281.50 was expended on this light during the past fiscal year, making its total cost to amount to \$2,657.60.

During the past year tenders were invited for the construction of a lighthouse on Greenly Island, Straits of Belle Isle, and the contract awarded to Mr. James Mowat, of Chatham, N.B., for the sum of \$5,290. The contractor has almost completed the lighthouse, and the light will probably be shewn early next season. The sum of \$2,025 was expended on this lighthouse during the past fiscal year, and further expenditure will be shewn in the accounts of the present year. Owing to-