has been going on during the last few years, and is evidently destined to increase to still greater proportions, and while the railroads of the country are transporting much of this freight from what are practically the Eastern termini of the lake commerce at Buffalo, Cleveland and Erie to New York, Philadelphia and Boston, the water-ways out of the eastern end of Lake Erie and beyond to the sea have had no appreciable increase; in fact, there has been a decrease during the last 15 years. The Erie Canal is carrying no more than it did many years ago, and through the Welland and St. Lawrence River Canals there has been practically no increase. In 1883 the total tonnage on the Welland Canal was 880,957, in 1887, 787,307; on the St. Lawrence Canals in 1883, 1,847,865 tons, and in 1887 1,715,295 tons.

There is no question that one of the principal reasons for the commerce through the canals east of Lake Erie remaining practically stationary, or decreasing, is the fact that they are not adequate for the business.

The Welland Canal has 14 feet depth of water. According to the United States Bureau of Navigation Report of 1889, there were 330 United States vessels in the Great Lakes above Niagara Falls which drew too much water when loaded to go through this canal, of which 86 were sailing vessels with a registered tonnage of 74,500, and 244 steam vessels with a tonnage of 369,692, or a total tonnage of 444,192, that could not pass through the Welland Canal. Those that passed through in the season of 1889, most of which were United States vessels, were obliged to reduce their cargoes from a total tonnage of 71,502 to 63,283 tons in order to pass through.

Improved methods of transportation by rail and increase in the size of lake vessels, the rapid increase in the cargoes and tonnage of the vessels, the rapid growth of steam transportation, and the rival competition which exists between the various lines and between the railroads have compelled a continual reduction in the cost of transportation to the public. From careful records kept by the United States Government Engineer in charge of the St. Mary's Falls Canal, it was ascertained that the cost per ton per mile of carrying freight an average distance of about 800 miles was, in 1887, 2.3 mills and in 1889 1.5 mills. Rates on other lake lines favourably compare with this. It is estimated by Mr. Charles H. Keep, secretary of the Lake Carriers Association, in a paper addressed to the United States Congress, December 5th, 1890, that the value of the entire cargoes carried on the lakes this last season was $305,432,041.72. He estimated that the average distance of carriage of the entire commerce of the Great Lakes is 566