

journals posted in the United Kingdom for any place in Canada and forwarded by direct Canadian mail steamers was reduced from $\frac{1}{2}$ d. per 2 oz. to a special 'Canadian magazine rate' of 1d. per lb., or fraction of a lb. Certain conditions apply to the postage of such packets, which must not weigh over 5 lb. nor exceed 2 feet in length nor 1 foot in width or depth. A newspaper or periodical not exceeding 2 oz. in weight may still be posted for $\frac{1}{2}$ d.

This change has naturally had a marked effect in increasing the number of British periodicals posted to Canada. For the six months ended October 31, 1907, the number of newspaper sacks received in Canada from the United Kingdom was 36,493, as compared with 23,604 for the corresponding period of 1906, the increase being in large measure due to the reduction in rate under the Canadian magazine post arrangement.

On May 8 a new postal arrangement between Canada and the United States came into force involving the withdrawal from newsdealers of the privilege of posting newspapers and periodicals published in the United States at the rate of 1 cent per lb. Such newspapers and periodicals became therefore liable to postage at the rate of 1 cent per $\frac{1}{4}$ oz., or fraction of 4 oz., to each separate address.¹

In the Speech from the Throne at the opening of Parliament on November 28, His Excellency the Governor General referred to the remarkable expansion of the trade of Canada with other countries, and to the fact that the total trade of the past year far exceeded that of any of its predecessors. His Excellency continued: 'A gratifying result of this expansion was that the revenue of the last fiscal period of nine months was more than sufficient to meet expenses on Consolidated Fund, National Transcontinental Railway, Capital and Special outlays, all expenses of the Dominion of every kind, and leaves a balance of over three million dollars to be applied in reduction of the Public Debt'. The total foreign trade of Canada for the calendar year 1907 amounted to \$632,282,309, exclusive of coin and bullion, as compared with \$568,918,116 in 1906, an increase of \$63,364,193. It should however be noted that in 1907 the imports, \$378,245,555, were largely in excess of the exports, \$254,036,754. This is doubtless due to activity in the development of Canada's material resources, necessitating purchases greatly beyond immediate requirements.

Trade with the United Kingdom during the calendar year 1907 reached a total of \$224,381,186, as compared with \$212,974,228 in 1906. Whilst imports of \$98,033,265 in 1907 exceeded those of the previous year, \$77,907,988, there was some falling off in the total of the exports to Great Britain, the figures being \$126,347,921 in 1907 as against \$135,066,240 in 1906.

¹ By an agreement of February 7, 1908, this arrangement was modified to the extent of allowing an interchange between the two countries of daily newspapers only at the postage rate of 1 cent per lb.