healthy upward tendency. A recent report from Mr. J. S. Larke, Canadian agent in Australia, to the Department of Trade and Commerce, stated that the Canadian trade with Australia is promising well. The imports in 1896 were $9,564, while in 1897 the Dominion sent in $247,495 worth of goods, receiving in return in 1896 $549, and in 1897 $4,986. Among the principal imports were bicycles, cotton piece goods, canned fish and agricultural implements. Mr. Larke observes that the figures show a gratifying increase in the trade with Canada, and, believing that Australia is about to enter upon an area of prosperity, he urges Canadian manufacturers to be prepared for it, and strongly recommends the opening of Canadian branch establishments in Australia.

Mr. Brooke, Canada's commercial agent at Kingston, Jamaica, advises the Department of Trade and Commerce that there is a profitable market in that island for Canadian lumber, and the latest figures available clearly show that the preferential tariff is having a marked effect in that direction. There is also a good outlook for other lines of business, which is being taken advantage of by Canadian merchants to introduce their goods in that quarter of the Empire.

No truer indication of the condition of trade can be found than in the amount of business handled by the railways, and the latest traffic returns show that the earnings of both roads have substantially increased since the beginning of the year. From the first of January to November 14th the Canadian Pacific Railway earned $22,662,633, as against $21,045,341 in 1897, an increase of $1,617,292. During the same period the Grand Trunk Railway earned $20,276.694, and in 1897 $19,712,941, an increase of $563,753. This is a total increase of more than $2,000,000 in spite of the bitter passenger-rate war which was waged from February 2nd to November 28th. Both railways are handling a vast amount of American grain from the west to the seaboard, the business having so increased that the Grand Trunk Railway alone had sufficient to fill thirty large steamers during the last month of the year, which is a greater volume of trade in the one month than came to them during the entire season three years ago.

Perhaps, however, the general commercial prosperity is nowhere better shown than in the failure statistics issued by Bradstreet's commercial agency. The increase or decrease in any one or more particular lines of business may be the result of special or local conditions, but the number of business failures over the whole country is controlled by the general state of trade, and is an unfailing indication of the healthiness or otherwise of the country. The following are the figures for the first nine months of 1898, with those for the corresponding period of the two preceding years, together with the amount of assets and liabilities :—

	1898.	1897.	1896.
No. of failures	1,091	1,501	1,651
Assets	$3,271,772	$ 4,141,860	$ 5,047,800
Liabilities.. ..	7,592,510	10,653,212	12,219,960

Bradstreet, commenting on the figures, says :—"The failures for the nine months' period of 1898 make an eminently satisfactory showing, aggregating, as they do, only 1,091, with aggregate liabilities of $7,592,501, a decrease of 26 per cent. in number and of 29 per cent. in liabilities from last year, and of 34 per cent. in number and 38 per cent. in liabilities from 1896. It is possible, in fact, to go back ten years in the Canadian failure records without finding a total of failures or liabilities for the nine months' period as small as that reported for the current year; thus again confirming the almost unanimously good reports received as to Canadian trade during the present year."

Improved Transportation Facilities.

As a necessary result of increasing prosperity and rapidly developing trade, both within the confines of the Dominion and in foreign lands, the facilities for handling the business of the country has necessarily occupied much attention, and an active, progressive policy has been maintained in various directions, looking towards the improvement of existing conditions. First in this relation is the deepening of the St. Lawrence Canals to a minimum throughout the system of 14 feet; and so excellent has the progress been this year that nothing but very unforeseen circumstances will prevent the fulfilment of the promise that the work should be completed by the opening of navigation in 1899. The expenditure from capital account in this one item during the fiscal year has been $3,207,608, and this item is mainly responsible for the increase in the national debt during the past two years.

Supplementary to this work on the canals are the improvements in progress in Montreal Harbor, work towards which Parliament has granted a loan