

was taxed, no matter where its shareholders reside.

There is no reason to hope that the accrued taxes will not be collected. In the aggregate they amount to a large sum, and the treasury is in distress. Besides, the Government has no option in the case of this law more than any other; it has no dispensing power. Whether the law will be repealed, is another matter; but it would not be wise in the corporations interests to trust to the possibility of repeal. Repeal may come, but it is not very likely. Quebec, the common belief is, fears and abhors direct taxation. This is true, when the interests of the *habitant* are in question; but the taxing of commercial corporations is likely to be welcomed by the *habitant* as a means of shifting the burthen to other shoulders than his own. Indeed, the Quebec premier admits this is the real disposition of the country people, in the Province. Quebec, as a province, has shown no opposition to this form of tax, now declared on the highest authority to be direct. We have never doubted that direct taxes form the proper resource of the provinces; but to be equitable they should be general and not special. If one form of capital is to be taxed, on what principle can others escape? In the answer to this question lies the only possible hope of relief for the exceptionally taxed corporations.

BANKING REVIEW.

The figures of the banking return show continued activity in business, as evinced by increased discounts, deposits and circulation. The increase in deposits is, indeed, remarkable; for it has been largely confined to the banks of the Province of Quebec. The chief factor in the increase has been the large augmentation Dominion Government deposits in the Bank of Montreal. But the deposits in the other banks have augmented considerably also. There does not seem any special reason for this in the ordinary course of business; and the augmentation will probably be followed by a decline.

That there is great activity in all departments of business is evident. A heavy export of agricultural produce is going on, especially in cattle and cheese. The former are bringing very low prices, and, although farmers got small figures from the dealers, it appears certain that the dealers themselves will make little or no profit upon their ventures. The people in the British Islands are getting cheap beef at our expense.

Cheese exports are assuming unusual proportions this year. The weather has favored production on this side, while in England a continued drought has had a contrary effect. The prices of this important staple have varied very considerably. Opening at a high range, they declined gradually to the extent of nearly twenty-five per cent., at which price large quantities were marketed. Reports of continued dry weather in England, however, continued arriving shortly afterward, the effect of which was to stiffen the price and send it back to former figures. The farmers

who are bringing cheese to market now are getting admirable returns for it; and the development of this dairy industry is proving of the greatest possible benefit to those sections of country that are devoted to it.

It is to be regretted that as much cannot be said for the butter trade, which continues, year by year, in the same unsatisfactory condition as prevailed long ago. It seems impossible to bring about improvement of the quality of the article on a broad and general scale. The incessant criticising and fault-finding to which the industry has been subjected for years has produced its effect in certain quarters only. General improvement there has not been. Canada requires to make an article in butter that will bear the ocean transport and meet the English taste, which in butter is more fastidious, probably, than our own.

The harvest is coming on apace, and is giving signs of being a good one. Already in some Western Ontario counties fall wheat is gathered, and samples have been sent to milling centres. This is a remarkably early date for new wheat to appear, especially wheat that is ready for milling. The dry scorching weather we have had in many quarters has been admirably suited to ripening the wheat. It is possible, however, that it may not have ripened as fully and as roundly as is necessary to make good weight.

The yield per acre seems likely to be satisfactory in general, though there are exceptions to this. In some districts north of the Grand Trunk west the crops are particularly fine.

The promise of the crops in Manitoba is an all-important matter, in the present position of that province. It is probable that good crops and a return of prosperity would quiet political agitation. It generally has this effect. Hard times are prolific of political discontent; but when prosperity returns people look at political matters in a different light. We do not discuss the question of the grievances of Manitoba: that is foreign to our present purpose. But it is a well known fact that when people are doing well at their business or on their farms they rarely trouble themselves about political grievances. Good crops and prosperity, moreover, have much to do with the settlement of the country. Nothing promotes settlement like the continued material welfare of settlers. Successful settlers are the best emigration agents. They draw dozens and hundreds after them, where a professional would hardly move one person. The settlement of the North-west, then, is the vital problem of the day for Canada—hence the supreme importance of the coming harvest, the accounts of which are most favorable so far. It is much to be hoped that a few weeks of reasonably fine weather will ensue; and that the dreaded enemy, a touch of summer frost, will not visit the region this year. Should this hope be realized, Manitoba will gather in the largest crop she has ever known, and have six or seven million bushels of wheat to export. This, indeed, is but a small outcome, considering the prodigious expenditures of money on the Northwest Territory. To yield returns at all proportion-

ate to the expenditure of money upon her, that region ought to export sixty millions instead of six, and increased numbers of cattle with their dairy products in addition. This will probably come in time; in fact it is almost a matter of certainty in the future; but whether in the near future no man can say. People are not pouring into our North-west, at present, by thousands at a time, but it is very possible that such an influx may take place within a reasonable compass of time. If Manitoba had a succession of good years we should see population flowing in at a rate that would astonish us.

The bearing of all this upon the commercial centres of the East and all industrial activities there would be precisely such as has occurred in the United States. It is the development of the west, as every body knows, that has made the United States what they are. The conditions, it is true, are somewhat different with us. We have a vast tract, hundreds of miles in extent, of barren and unoccupied territory dividing our west from our east and centre. The United States have a continuous series of well developed and prosperous States all the way from Massachusetts to Dakota. There is a great desert, it is true, in the heart of the continent, but that is more westerly than the west itself, and does not produce any appreciable effect upon the position. We have overcome our drawback by a railway and steamboat service, perhaps unequalled on the continent. But if we had a series of provinces like Western Ontario lying round the shores of Lake Huron and Lake Superior, and so onward to the Red River, we should soon find multitudes from these regions pushing on further and further west. However it is vain to speculate upon possibilities that can never happen, we must make the best of the country as we have it. This is our interest and our duty too.

ABSTRACT OF BANK RETURNS.

30TH JUNE, 1886. [In thousands.]

| Description. | Banks in Que- bec. | Banks in On- tario. | Banks in other Prov's. | Total. |
|---------------------------------------|-----------------------|------------------------|------------------------------|---------|
| | \$ | \$ | \$ | \$ |
| Capital paid up.. | 35,993 | 17,974 | 7,874 | 61,841 |
| Circulation | 15,034 | 9,686 | 4,481 | 29,201 |
| Deposits | 56,709 | 44,247 | 12,035 | 112,991 |
| Loans & Discounts | 85,682 | 64,172 | 18,122 | 167,976 |
| Cash and Foreign balances (Net)... | 21,576 | 7,403 | 3,380 | 32,359 |

30TH JUNE, 1887. [In thousands.]

| Description. | Banks in Que- bec. | Banks in On- tario. | Banks in other Prov's. | Total. |
|---------------------------------------|-----------------------|------------------------|------------------------------|---------|
| | \$ | \$ | \$ | \$ |
| Capital paid up.. | 35,200 | 18,300 | 7,315 | 60,815 |
| Circulation | 15,616 | 10,395 | 4,427 | 30,438 |
| Deposits | 57,108 | 45,507 | 11,868 | 114,483 |
| Loans & Discounts | 89,166 | 66,725 | 17,430 | 173,321 |
| Cash and Foreign balances (Net)... | 20,097 | 5,872 | 3,645 | 29,614 |

—Despite the wholesale destruction of the prolific gopher, the Winnipeg *Sun* learns that the crop is still a good one. During the month of May the municipality of Indian Head paid for 75,000 gopher tails at the rate of three cents per tail. With such opportunity for abundant employment no man need remain idle, and to the impecunious we say gopher them.