

a direct tax is one which is demanded from the very person who it is intended should pay it; an indirect tax is one demanded from one person in the expectation and intention that he shall indemnify himself at the expense of another. Applying this to the enactment in question it is pointed out that the tax is in effect a license which banks, it is proposed, shall take out before carrying on business in the Province of Quebec.

This makes it a tax upon the franchise, or in other words, upon a bank's right to do business. This, it is held, constitutes the tax an indirect one, and consequently beyond all power of the Local Legislature to impose.

On the second point the decision is also in the Bank's favor. It is held that the tax is not one imposed within the Province since it is a tax upon the capital of the Bank which cannot be said to be within the Province, the same being for the most part both owned and employed outside the Province.

The third point is not discussed; but upon the fourth point it is laid down that the law in question is a direct encroachment on the power of the Federal Government to regulate banks and their incorporation. It is pointed out that banks do not exist by virtue of provincial authority and do not carry on their business by provincial permission. Their existence, their privileges, and their operations cannot therefore be submitted to the control of the Provincial Legislature, otherwise the federal power might be annihilated. It is pointed out that if Provincial Legislatures have the right to impose the tax in question their power is without limit, and if one provincial legislature possesses it, all do.

We entirely concur in the view of Mr. Justice Rainville that the effect of such a doctrine would be to place it in the power of local legislatures to render altogether nugatory the franchises conferred by the federal government upon banks. As will be seen, the decision is distinctly against the constitutionality of the law on the three separate grounds above stated. As upholding the judgment on any one of these grounds would be sufficient to sustain it, we regard it unlikely, although an appeal has been mentioned, that the Province will venture to persist in its attempt to enforce this extraordinary enactment.

DRY GOODS DIFFICULTIES.

On another page will be found a letter from one of the most experienced men in the retail dry goods trade, referring to overstocking and narrowing of profit in this branch of business, two features which are occasioning uneasiness to very many shopkeepers throughout the Dominion. Inseparable from the prevalent practice of overstocking is the consideration, dwelt upon by our correspondent, that the system of pushing goods by travelling salesmen increases the disposition to over-buy. This we think will hardly be denied. It is not alone the commercial traveller who pushes sales to an injudicious extent, it must be remembered however. Nowadays there are salesmen, in the house, who have the permission or indeed the eager instruction of their principals to "sell him all you possibly can," if the buyer be one who has hitherto bought else-

where, or who is deemed able to pay at the time. The object commonly is to make a big sale, rather than to be sure that it is a safe one.

Another evil deserving serious thought is that of repeat orders, to which in the letter which we print a paragraph is devoted. Very often, we are persuaded, the importer of dry goods makes a serious mistake in repeating by cable or by letter, his order for a certain line of goods without considering whether it is wise to do so, or whether some other importer may not have got hold of a similar line and be doing the same thing. It is possible sometimes, to make a happy hit in a given line of merchandise, and even sell the additional quantity ordered per cable; but we believe that risks are taken in this way which prove not so often a "hit" as a "miss."

A very significant sentence in the letter is that which states that "the leading and more substantial wholesale houses of Montreal and Toronto, are thoroughly alive to the evils complained of, both as it affects themselves and their clients, but feel powerless to effect a remedy, partly owing to the need of protecting themselves against younger houses of limited capital and speculating tendencies." Protecting themselves, by what means? Sometimes by trying to outdo these weaker or more imprudent houses at their own game? by giving seven months' credit where they offer six? by sending buyers home and travellers out a fortnight or a month earlier than they do? If these are the safeguards, they are poor ones, worse than useless in the long run.

"Merchant's" project of forming associations of retail dealers in town or city to help one another to say 'no' will hardly avail. It is not easy to refuse a clever and persistent 'drummer' who is bent on quoting low prices and making easy terms. And we fear that the majority of Canadian retailers in this line are neither plucky enough nor independent enough to take the step the latter recommends. Besides, we have the testimony of experience that combinations among importers and agreements by members of a trade to accomplish such objects as those in view, do not succeed. We shall be glad nevertheless, to hear the views of the trade upon the matter, and if any group of merchants should form, in their town, such an association as our correspondent proposes, to oppose the efforts of the too numerous drummer, we shall watch their efforts with sympathetic interest.

GRAIN MOVEMENT.

It is a noticeable circumstance that while the receipts of grain at the principal North Western points in the United States from 1st December, to the end of April, have been the largest known for a series of years, and the shipments thence have also been the largest, though not relatively so great as in previous years. This would appear to indicate a lessened export to the seaboard from the States lying eastward of the ports on the Great Lakes or the Mississippi. An analysis of the grain movement is given by the *Railroad Gazette*, from which it appears that for the five months from December 1 to April 28 that lake navigation was closed this

year, the receipts of grain of all kinds at the eight reporting Northwestern markets (St. Louis, Peoria, Chicago, Milwaukee, Duluth, Detroit, Toledo and Cleveland), and the receipts at the seven Atlantic ports were 93,648,191 bushels, which are the largest since 1878 at any rate, and the shipments thence were 57,655,698, but the receipts at the seaboard, 64,995,582 bushels, have been exceeded in three previous years. We append a statement for the five months named:

Year.	Northwestern receipts.	Northwestern shipments.	Atlantic receipts.
1878-79....	64,402,952	40,377,517	77,813,997
1879-80....	77,601,334	51,857,009	77,253,329
1880-81....	68,485,480	44,464,138	70,349,361
1881-82....	66,364,313	48,723,202	35,977,156
1882-83....	94,648,191	57,655,698	64,995,582

We see thus that the receipts of the Northwestern markets have been very much greater this year than ever before—about 17,000,000 bushels, or 26 per cent. more than in 1879-80, which was up to this year the winter of largest receipts, and 28,000,000 bushels (42 per cent.) more than last year. Though for the entire five months the movement has been extraordinarily large this year, this is not true of the April movement. For the four weeks ending April 28th the bushels received and shipped were:—

	1879.	1880.	1881.
N. W. receipts....	11,250,898	13,214,345	15,223,508
N. W. shipments....	12,183,859	21,478,184	14,597,985
Atlantic receipts....	18,272,531	19,170,621	16,938,906
	1882.	1883.	
N. W. receipts.....	12,597,893	11,782,751	
N. W. shipments.....	13,210,228	10,078,655	
Atlantic receipts.....	5,935,810	9,583,014	

Thus the Northwestern receipts in April were less than last year even, and much less than in 1881, when navigation was not open as well as less than in 1880, when it was, and the Northwestern shipments were less than in any previous year since 1877."

—The Ontario Bureau of Industries makes an unfavorable report on the condition of the fall wheat. The report, with commendable caution, says it is too soon to form an accurate opinion on the prospect of this crop. The facts given are, however, mainly unwelcome. East of Toronto come good accounts; west, the reverse; and unfortunately 80 per cent. of all Ontario wheat is grown west. In January a large area of grain was covered with sleet and ice. The frequent thaws made a heavy crust of ice, in some places. The quantity of snow, where it was not frosted over, does not appear to have had an injurious effect. The crop was in many instances, put in too late and the young plants did not become strong before winter set in. Of rye and clover the accounts are favorable. Cattle got through the winter well and have a healthy appearance. The spring opened late and farming operations were retarded. The fruit trees are late in blossoming, a fact which is in itself disadvantageous but which may prevent injury by late frost. An average crop of wheat cannot, we fear, be looked for.

—The lumber trade of the Ottawa district is opening rather quietly, this season being a backward one and the mills being some two weeks later in starting. However several pretty large sales have been made to outside parties, at prices on the whole a