

THE HARVEST AND ITS EFFECTS  
ON BUSINESS.

We can now speak with some degree of confidence of the harvest and its effects upon the condition of business, for the greatest dangers to the crops have been passed, and the gathering in has fairly commenced in several districts. We had occasion during the past month to pass through several different sections of Ontario, and with a very few exceptions, we have rarely observed the crops generally, present so luxuriant an appearance. There are and always will be, exceptions in every locality, and there are some localities which are exceptions to the Province generally; but taking Ontario as a whole, and all kinds of crops, we feel warranted in the opinion that the harvest now in process of reaping will be above the average. Much of the hay has already been secured, and the yield is unusually heavy, the result, no doubt, of the abundant rains we have had this season. There are some complaints of the appearance of midge and also of rust in the fall wheat; but these appear to be local and exceptional, and there are good reasons to believe that, with the exception of low lands, the yield to the acre will be at least as large as during any year of the present decade. Barley, peas, oats—all look promising, and the whole circumstances justify the belief that 1876 will be a prosperous year for the agricultural community. It will be a fortunate thing for the Dominion, if nothing occurs to mar this prospect, and prevent hopes from being realised. An abundant harvest could scarcely come at a time when it is more needed. Business in many branches of trade continues dull, the pressure of indebtedness is still seriously felt in every part of the Dominion, and the depression has been aggravated by fears that the process of improvement will be very slow and very tedious. The favourable prospect of the crops has already created a rather more hopeful feeling at the business centres, but during a season of "hard times" such as Great Britain, the United States and Canada are passing through, confidence is of slow growth. There can be no uncertainty about the result, however, should present anticipations as to the harvest be fully realized: it must help towards decreasing the monetary stringency, and restoring the business of the Dominion to its normal condition. The improvement will not be so much felt in consequence of the continued dullness in our second great productive interest, the lumber and timber trade; but that some signs of better times will appear, cannot be doubted. There is

the greater assurance of this from the fact that our importers have considerably reduced the obligations incurred for the enormous importations of foreign goods in 1872, '73 and '74, and that stocks have been much lessened in many lines, during the past two years. All these circumstances are slowly working in the direction of the improvement of business, and very gradual though the process of recovery must be, they will make themselves more or less felt during the coming fall and winter.

## TAXATION.

Not long before Sir Francis Hincks retired from the position of Finance Minister, he ironically said that he had never known such a general desire on the part of the people of Canada to be more highly taxed than was manifested in the various demands made upon the Government to raise the tariff. The old-fashioned dread of taxation, indeed, seems, in some quarters, to be passing away; but we do not see why the Tax gatherer should be more welcome than he used to be in the days gone by, and it may be well for the people of Canada to consider whether their fiscal burdens of one kind and another are not already beginning to unduly press upon the industries of the country. We do not now refer simply to the imports imposed under the Tariff by the Dominion Parliament, most of which are at the rate of 17½ per cent. This is, probably, not an excessive rate, but let us look at the other indirect, and the large amount of direct taxes the public are called upon annually to pay. We have not merely one, but five sets of taxing machinery—in other words, five different bodies which are legally empowered to impose and collect taxes. They are as follow:—1st.—The Dominion Parliament; 2nd.—The Local Legislature; 3rd.—The Municipal Councils; 4th.—The County Councils; 5th.—The Boards of School Trustees.

All these systems of taxation are going on at once, and let any citizen, of moderate wealth, sit down and count up the total which he pays to all these bodies annually, and he will find that, in the aggregate, it foots up to no small amount. Assuredly the people of Canada do not enjoy their blessings for nothing, and the tendency at present is to increase taxation higher and higher. This is most noticeable, we are inclined to think, in the Municipal Councils. Their imposts are direct, and are a severe burden in many places; but, notwithstanding this, fresh by-laws, to borrow money for municipal projects, are constantly being brought before the rate-

payers, and unless the latter look sharp and take strong grounds against being further burdened, their lot will soon be far from comfortable. The expenditure of County Councils, too, we find to be steadily on the increase, and some School Trustee Boards are certainly very liberal in their outlay. In the expenditure of our Government also, the general tendency is towards increased expenditure, although we feel bound in justice to say that the estimates passed at Ottawa last March were a reduction of over \$2,000,000 upon those of the previous year. Until people feel the crushing effects of high taxation, they are not inclined to cry out against it. When it becomes seriously felt, however, it is then often too late to get rid of the burden, and it hangs like a pall upon the industries and prosperity of a country. We have five bodies, as we have pointed out, constantly taxing us, and in view of the heavy engagements entered into by the Dominion for the construction of the Pacific railway and other public works, it is time the people awoke to the dangers of increasing taxation, and the baneful effects it may have upon our future prosperity. This is becoming a real and serious danger, and unless the thinking portion of the people become aroused thereto, they may have to repent of their folly when it is too late.

## SPREAD-EAGLE BANKING.

Some time ago we took occasion to express our opinion of a project of the Maritime Bank of St. John, New Brunswick, to open an office in London, England. The idea of a small bank like this, with a capital of \$400,000, and deposits and circulation of only a few hundred thousand more, opening a bank in the city of London, and ranging itself alongside great banks like the Montreal and the British, seemed in our humble judgment, preposterous. Such a proceeding we feared would tend to bring Canadian banking into contempt, and there would be great danger of discredit to them all, from the abuses which would be almost certain to creep in if the project were persevered in: for this would enable the bank to use a very dangerous amount of credit by drawing on its own office and keeping the bills afloat for two or three months. There would be a check, of course, in the difficulty of negotiating such bills, but the bank would no doubt float them for a time if it were willing to sell them at a price to cover the risk of taking them. We do not, of course, deny that such bills might be drawn with prudence, and no damage to anybody