

the proportion of those on demand being, however, lessened. Less is due to banks in Britain and more to those in the United States. A slight lull in business during January is indicated by the decline in transactions between banks.

Call loans on stocks and bonds are shown to be slightly less, which one would hardly expect considering the degree of activity existing in the stock exchanges; there is a trifling decline also in current loans and discounts. But of the present activity in trade all over Canada there is no room to doubt; indeed the volume of current loans and discounts is \$22,000,000 greater than at this time last year. This activity is not so noticeable in the wholesale importing and distributing trade as it is in manufactures, which are proceeding upon a scale and in directions which have, we are warranted in saying, never before been known in this country. And judging from what is going on in the extension of enterprise, it would seem that the conclusion has been reached by our most prominent business firms that there is to be no treaty with the Americans. Acting upon this belief our business world feels more free to act undisturbed by apprehensions of what a treaty might bring about and more resolved than ever to rely on ourselves and to cultivate trade with the mother country.

It was feared that deals in England would show a decline, but according to latest accounts this is not the case, for the price is well kept up. It is an important act, too, that our coarse lumber is finding better market among the Americans as well as among our own people. The outlook for business of all kinds is promising; the feeling of the people and the preparations they are making in all directions points to a large and active trade in the current year.

The amount of money on deposit in the chartered banks, the Government savings banks and the loan companies in January, 1897, amounted to \$285,769,000; in January, 1898, it had risen to \$315,064,000 and last month it was \$341,727,000. This is a rate of growth which is very satisfactory.

## ABSTRACT OF BANK RETURNS.

31st January, 1898.

[In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in the other Prov's.	Total.
Capital paid up .....	35,311	17,334	9,647	62,292
Circulation .....	16,835	12,496	5,680	35,011
Deposits .....	109,889	88,882	31,865	230,636
Loans, Discounts and Investments .....	119,736	88,439	38,821	246,996
Cash, Foreign Balances (Net), and Call Loans .....	49,537	36,581	10,990	97,108
Legals .....	7,186	6,111	3,125	16,422
Specie .....	3,883	2,857	1,758	8,498
Call Loans .....	6,728	10,974	2,299	20,001
Investments .....	9,997	20,415	4,736	35,148

31st January, 1899.

[In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in the other Prov's.	Total.
Capital paid up .....	36,051	17,553	9,678	63,284
Circulation .....	17,854	12,800	6,262	36,916
Deposits .....	118,933	100,420	36,493	255,846
Loans, Discounts and Investments .....	129,382	101,563	40,671	271,616
Cash, Foreign Balances (Net), and Call Loans .....	51,835	35,526	15,182	102,543
Legals .....	8,249	5,731	3,593	17,573
Specie .....	4,084	3,105	2,508	9,697
Call Loans .....	8,576	14,353	3,389	26,318
Investments .....	10,345	22,762	4,784	37,891

Government Savings Banks .....

Montreal City and District Savings

Bank .....

La Caisse d'Economie, Quebec.....

Loan Companies, 1898, say .....

\$ 85,881,000

Bank Deposits .....

255,846,000

Total deposits of all kinds .....

\$341,727,000

GOVERNMENT CIRCULATION.

Small.....	\$ 8,625,574
Large .....	15,807,550
	<u>\$24,433,124</u>

Gold held, \$13,077,461 = 53.52 per cent.

THE ONTARIO NEW TAXES.

In providing new taxes the Ontario Government had to keep in mind the necessity of steering clear of the hidden rock of indirect taxation. For their guidance they had a chart in the form of a decision by the Privy Council, which arose in a Quebec case, in which the attempt was made to set aside the tax on the alleged ground that it was indirect. The Privy Council took the view that the taxes could not be shifted, being too small for almost infinite subdivision. This was a more or less theoretical view of the case; if the tax did not remain as a burthen on the individual on whom it was levied, it would have the character of an indirect tax, and a province, under the Confederation Act, would not have the power to levy it. So it must be with these new taxes. If it were possible to speak of them in the bulk we should have to say that they are not specially onerous. This is true of most of them. Mr. Harcourt, the Provincial Treasurer, was able to say, to their credit, that the wealthy men of Ontario did not wish to avoid their just share of taxation. He also said that the banks approved of the basis of the actual scheme. It is precisely because the rate proposed is, in most cases, low, that no serious opposition by interests affected may be offered. But there are already criticisms and they will probably increase. No doubt it is an unfavorable time to put a tax on the loan companies; they have had a bad time of it for some years past, and have not been doing well. One of the most doubtful items is the tax of one per cent. on the premiums of life insurance companies. If this one per cent. be added to the premiums which insurers pay, the limit between direct and indirect taxation will have been passed, but this is not practicable. One way to relieve the life companies would be to deduct the amount of tax from the bonus, if any, to be paid to participating policy-holders. At this point the greatest danger seems to be incurred of striking the hidden rock. The Toronto Street Railway Company thinks it has special reason to complain. Other objections and criticisms will crop up; it is too soon to say whether changes are likely to be made. In taxing corporations there is one danger against which it is desirable to guard. Where an individual has his or her all in a company, and has an income of, say, only \$400, he stands, in this lumping system, to be taxed on the full amount; if his property stood alone he would be free of municipal tax. He has nothing to spare from his means of living for the taxgatherer, municipal or provincial. It would be a just thing, if practicable, to ascertain what actual incomes ought, on this rule, to be reserved solely for the sustenance of the owners. If this principle should be recognized, could not some means of making the exception be found?

ASSESSMENT INSURANCE AND FRILLS.

We plead guilty to having often laughed at the vagaries of fraternal societies and assessment insurance bodies, and we are not going to apologize for it. Some of the things they do are so silly that only ridicule can show them up, for there are some phases of folly untouchable by logic, and not to be reached by argument. Display counts for much in the procedure of such associations. From the flags and banners on