

\$484,000 more than it is now ascertained that it will cost, Canada is, happily, no longer bound by the improvident proposal. It is easy to understand how the Newfoundlanders figured on the basis of an old offer which they had had the folly to reject, and Canada the good fortune to escape the consequences of. It is quite natural, perhaps, that each party to the negotiation should be unable to fall in with the views of the other. Newfoundland is now to try the effect of retrenchment and to go on alone; but it is not certain that she will not be obliged to retrograde to the position of a crown colony. Mr. Bond came to Canada to try to raise a loan of \$2,000,000, and when the inevitable failure came, he went to Boston and New York to try his fortune there.

American whalers push their way through Hudson's Bay to the north of the mainland of Canada, and to that arctic region they carry arms and intoxicants to the Indians, in violation of our revenue and other laws. They visit the rich whaling grounds near the estuary of the Mackenzie and Bathurst Rivers in the capture of the whale. They use the deadly bomb lance and the swivel gun. War upon the walrus is made by these visitors at the same time. If these animals are to be preserved from destruction, some regulations for the purpose ought to be provided. Beyond the limits allowed to the shore line, Canada has no right of control; but there ought to be some agreement, as in the case of seals. Governor Schultz, who brings the matter officially before the attention of our Government, thinks that some effort should be made to limit the catch of whales. These animals are easily driven from their accustomed grounds, and, if much troubled, they take refuge among ice, where man cannot follow. If an agreement could be come to not to use the bomb lance or the swivel gun, a distinct gain would be made. The means of enforcing any agreement, if made, would present a difficulty, and the cost of the operation might overbalance the profit of the trade. Time was when whale oil was of much greater value than at present, and when it was indispensable for many purposes for which it is not now needed. On this account, the whale fishery can never again have the importance that attached to it in the seventeenth century, when it was largely in the hands of the Dutch.

THE UNITED STATES INCOME TAX DECISION.

The second decision of the Supreme Court of the United States on the income tax, in which its previous judgment is confirmed, as to the points then decided, goes to the extent of setting aside the whole law. The tax on real estate or the rents or income thereof was at first declared to be a direct tax, and as it was not proportioned to the representation in Congress, of the different States, it is unconstitutional. In the second judgment, taxes on personal property or on income of personal property are declared to be direct taxes. When these deductions are made, there remain only a tax on occupations and labor; and the court is of opinion that so one-sided a tax was never intended to be levied. Congress could tax productive real estate, not unproductive, the court points out, as well as personal property, or the income arising therefrom, if it made the burden proportionate to the representation. But this would be the worst and most inequitable way of levying an income tax, for the richest sections of the country would pay no more than the poorest. Still, from a national point of view, it is important to know that the State is not absolutely debarred the resource of an income tax in time of extremity. In Canada, the taxing powers are similarly distributed. Here the right of direct taxation rests

with the Provinces; there, with the several States. But it does not follow that what constitutes direct taxes in the Republic would necessarily be the same here; they go upon what was understood at the time of the adoption of the constitution; we, who cannot go back to any such source, have only the authority of the economists for our guidance.

FINANCIAL REVIEW.

We give below a condensation of the figures of the statement of Canadian banks for the month of April, which bears date Ottawa, 17th May. It is compared with the bank statement for the previous month, and shows capital, reserve, assets and liabilities, average holdings of specie and Dominion notes, &c.

CANADIAN BANK STATEMENT.

	LIABILITIES	April, 1895.	March, 1895.
Capital authorized	\$ 73,458,685	\$ 73,458,685	
Capital paid up	61,699,493	61,688,839	
Reserve Funds	27,328,174	27,350,674	
Notes in circulation	29,152,152	29,414,796	
Dominion and Provincial Government deposits	8,416,046	9,543,430	
Public deposits on demand	65,578,633	63,452,044	
Public deposits after notice	114,457,027	114,417,688	
Bank loans or deposits from other banks secured	105,153	80,153	
Bank loans or deposits from other banks unsecured	2,415,699	2,791,222	
Due other banks in Canada in daily balances	137,409	180,815	
Due other banks in foreign countries	237,263	167,965	
Due other banks in Great Britain	4,711,184	4,137,789	
Other liabilities	360,341	366,165	
Total liabilities	\$225,570,990	\$224,552,151	
	ASSETS.		
Specie	\$ 7,914,449	\$ 8,058,599	
Dominion notes	14,106,055	15,071,091	
Deposits to secure note circulation	1,810,736	1,810,736	
Notes and cheques of other banks	6,915,332	6,056,477	
Loans to other banks secured	106,153	80,153	
Deposits made with other banks	3,067,974	3,284,390	
Due from other banks in foreign countries	19,949,220	21,214,061	
Due from other banks in Great Britain	4,448,161	4,113,422	
Dominion Govt. debentures or stock	2,690,779	2,685,139	
Other securities	18,032,609	18,736,595	
Call loans on bonds and stock	16,566,271	17,297,287	
	\$ 95,507,739	\$ 98,407,950	
Loans to Dominion and Provincial Governments	1,598,603	1,479,932	
Current loans and discounts	203,273,500	199,086,112	
Due from other banks in Canada in daily exchanges	131,137	136,754	
Overdue debts	2,928,751	3,042,985	
Real estate	1,088,091	1,062,473	
Mortgages on real estate sold	559,349	560,788	
Bank premises	5,501,983	5,510,838	
Other assets	2,051,483	2,019,553	
Total assets	\$312,740,834	\$311,289,599	
Average amount of specie held during the month	7,870,885	8,050,859	
Average Dominion notes held during the month	14,686,247	15,296,161	
Greatest amount notes in circulation during month	30,755,003	30,312,847	
Loans to directors or their firms	8,443,637	7,653,882	

From all quarters there come signs of improvement and evidences of a hopeful feeling of better times. The London *Economist* discusses the question from an English point of view, and comes to this conclusion for a variety of reasons. The signs of improvement in the United States are marked and general. It is impossible that there should be a revival of business in England and the United States without the wave of improvement breaking upon Canada also. And certainly Canada needs it. Our columns have referred only too often to the times of depression through which we were passing, and to the fact that profits of business had diminished in many cases to a vanishing point, and in others to a lower point still, viz., to a point at which