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THE SITUATION.

France has fixed a quarrel upon the Kingdom of Siam, though upon what precise grounds is not clear. The government of Siam refused leave to two French gunboats, the "Comete" and the "Inconstante," to enter the Meinam river, on which Bangkok, the capital, is situated, about twenty miles from its mouth. The refusal was accompanied by a threat that if the vessels crossed the bar at the mouth of the river, they would be sunk. The government appears to have regarded the threatened ascent as having a hostile intent. The resident French Minister gave assurance that the advance of the boats would be stopped. But in spite of this undertaking, the boats crossed the bar, and fighting took place between them and the Packman forts. The French throw the blame of the collision on the Siamese. They excuse themselves to the British Government by alleging that the action of the boats in going up the river was without instructions; but, at the same time, explanations are published, bearing a semi-official aspect, alleging that what was done was not a violation of orders. Mr. Gladstone says England is relying upon the assurances of France. How does the capture by the French of the forts Douthane-Tapham square with this assurance? The French press is bellicose over the Siam incident. If English subjects resident at Bangkok require protection, the British Government announces that war ships will be promptly despatched for that purpose. Siam borders at one point on British India, to which the action of the French in that part of the world cannot be indifferent. The indications are that the French people would not favor the annexation of Siam after their experience in Cochin China.

Little by little the full meaning of the changes in the Indian currency come to

hand. While the free coinage of silver is closed against individuals, the India mint will not cease to coin rupees on government account. And Mr. Gladstone gives assurance that the quantity to be coined will depend upon the public requirement, and not be made to suit the convenience of the Indian Government. The rupees which it may coin the Government expects to exchange for gold. This is expected to lead to a gold reserve which will render possible the adoption of the gold standard at some time in the uncertain future. The belief is that at least £50,000,000 of gold, now supposed to be hoarded, will be brought from its hiding places. Should this be realized, the adoption of the gold standard in India would draw much less than has been feared on the world's outside supply of that metal. At present, silver is not demonetized. The continuous fall of exchange, due to the depreciation of the rupee, meant bankruptcy at a calculable distance of time. One effect of the measure will be to help the revenue of India.

The arbitration to settle the disputed account between Ontario, Quebec and the Dominion, is in full swing at Ottawa. Each party to the arbitration is stating the case from its own point of view. A new statement of the account between the parties, it seems, will be requisite, to enable the arbitrators to decide upon the respective contentions. From the arguments of Mr. Ritchie and Mr. Hogg, it appears that much depends upon the construction of the Acts of 1873 and 1874, according better terms to the Provinces. The contention is, that when the Dominion assumed the surplus debt of Ontario and Quebec to the amount of ten millions of dollars, the amount to be credited to each Province was not ascertained; that the two Provinces, taken together, have been overpaid to something like \$700,000, leaving the question of the claim of each open. The Provinces contend that, on the true construction of the Act of 1874, when all the items charged in respect to the excess of debts of the Provinces were assumed by the Dominion, a proper construction of the Act of 1874 will show the balance to be the other way. There is, besides, the question of whether the Dominion should pay compound or only simple interest on amounts due to the Provinces. Did the Dominion, by rendering an account at the request of the Provinces, make itself liable for compound interest? The Dominion relies on the fact that the form of the account was specifically "without prejudice." There is the further question, whether the Finance Minister in 1884, in a conference with the Provincial Treasurers, admitted the claim for compound interest; also a question whether Sir John Macdonald sanctioned the claim by endorsing the account. The Dominion contends that the account was furnished merely as a basis for adjustment, and not as an admission of the claim of the Provinces to compound interest on running accounts.

Though the city council of Toronto refused to defer the voting on the Sunday street

car question till January, it has passed a resolution intended to have the effect of prohibiting the men working in connection with the cars more than six days in the week. The resolution requires the company to enter into agreement before the vote is taken not to require or permit their men to work more than six days in the week; and Mr. Grace, on behalf of the company, said the guarantee would be given. As a matter of fact, the men work seven days in Montreal and at St. John, N.B., as cab or carriage drivers do here and elsewhere, and it remains to be seen whether a resolution to prevent this can be enforced in Toronto. The Mayor thought there would be difficulty in getting extra men to run the cars on Sunday in Toronto, and suggested that instead of prohibition of seven days work, Sunday work should bring double pay; but the suggestion was not acted upon. The company is ill-advised and acts against its own interests when, in the midst of the election contest for the right to run the cars on Sundays, it slaps in the face the citizens whom common prudence requires it to conciliate, by issuing a writ against the corporation and forcing the fight on the question of permanent road beds.

A call for a silver convention of the National Bi-Metallic League has been issued from Washington. The meeting will begin at Chicago, August 1. The declared object is "to maintain the money of the constitution," as silver is called. An attempt is made to expand the organization by inviting all economic associations and industrial organizations to send delegates. The meeting of the convention six days before Congress will assemble is evidently intended to bulldoze the council of the nation. In Colorado, failing banks and other signs of panic will prepare the way for the convention. But it is not probable that anything which can be done at Chicago will save the Silver Purchase Bill. The callers of the convention pretend to believe that the recent financial disturbance was largely artificial and needless, and was brought about as a means of establishing "finally and for ever the single gold standard, and at one stroke to change all debts to gold debts, with a never-ending rise of gold and fall of prices." They would probably admit that the bank and other failures at Denver were real. The silver advocates were sure to make a last desperate effort of some kind, and it is better that their exertions should take on oratorical than the blood-drawing form previously threatened. They have had their day and done about all the mischief that is likely to be endured at their hands.

A short harvest in England of wheat and hay is now a matter of certainty. The deficiency will chiefly affect English farmers. Imports will be larger, but there will be no difficulty in obtaining the necessary supplies to make up the deficiency, and there is at present no certainty that the price of wheat will rise much. All crops, both of roots and grain, are below an average. So much is certain. The imports, on the whole, will have to be considerably in-