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THE SITUATION.

At Tuesday's meeting of the Congress of the British Chambers of Commerce, in London, every part of the Empire was represented. The president of the London Chamber, Sir John Lubbock, presided. The battle between Free Trade and a certain degree of protection was opened by Sir John Lubbock, who made a motion in favor of a Free Trade Union of Great Britain and her colonies. An amendment was offered by Sir Charles Tupper, favoring slight preferential duties against foreign trade and for the assumed benefit of the Empire at large. Thus, at the outset, the issue resolved itself into a question between Free Trade and discrimination within the Empire. The Canadian delegates favor the amendment; most of them pledged to take that course carried with them resolutions of boards of trade in favor of discrimination. With many of the British delegates any policy which would raise the price of food was a fatal objection. A Free Trade Union with Great Britain the colonies will oppose, most of them having entered on a career of Protectionism. A general resolution favoring a closer commercial union between the colonies and Great Britain was adopted; but it has no special significance except to show the feeling apart from interest.

Railway grants, which nearly disappeared last session, have again found a large space in the supplementary estimates at Ottawa. The list comprises both re votes and new items. The policy of these grants is not a satisfactory one, and last session there was some ground to hope that it would be abandoned. Of course the pledges made by previous votes have to be redeemed. But the policy ought to be considered with a view to its suppression; or if this is impossible, these grants should be confined to colonization purposes, as is the case in Ontario, from which province the Dominion might take an example.

Quebec is lucky in the possession of statesmen who are resolved to raise her from the slough of financial despond into which mismanagement and corruption had plunged her. The Government had the courage to avoid the fatal advice to depend altogether on borrowing; advice which, if followed, would have had the effect of forcing the province into a position of utter desperation. Henceforth, Quebec enters on a new career, and her financial autonomy will prove her salvation. A personal property tax was deliberately rejected by the Government, after full examination, on account of the difficulty there would be in collecting it; if the business tax selected instead does not cover the ground, it was supplemented by others which look in that direction. The mining law gives the Government the right to impose royalties after mining properties have been in private hands five years, as against seven in Ontario. Henceforth not more than 1,000 acres of mining lands will be included in one grant; and before the grant is made some prospecting is required to be done by the purchaser. Of the new taxes, the city of Montreal will pay a large proportion, more than one-half, but they have been arranged in such a way as to have elicited the approval of the Board of Trade.

On the silver question, there is little choice between the platforms of the two great American parties. Both assume that silver can be made to do duty, as currency, in unlimited quantities, on a level with gold. But where is the line of equality to be drawn? That silver should pay debts, in proportion to its value as a metal, is intelligible. If these platforms intend to assume that the law can give a fictitious value to silver, in unlimited amounts, disappointment is inevitable. A silver dollar worth seventy cents would not pay more than seventy cents of American debt owing to a foreign nation, while the law might compel it to be taken in payment of debt in the United States. In the latter case the creditors would lose the difference between the value of the silver and the gold dollar. When this point was reached the double standard would lose all semblance of unity; and when a man was selling a bushel of wheat, he would insist on knowing, in advance, in which metal he was to be paid. People would cease to take bank notes, on any other terms, if they were subject to the contingency of a discount of thirty per cent. The party platforms bring the United States distinctly nearer to the silver standard.

Reports from Berlin state that German financial support to Italy has been promised on condition that King Humbert maintains the Italian army on the present footing. A reduction, stated as high as 50,000 men, had, it would seem, been under discussion as a financial necessity. Unless Germany proposes to subsidise her ally, and intends only to aid her in securing a loan, without incurring the responsibility, it will not in the end amount to much. German banks, as the story goes, are to be persuaded to take up an Italian loan, aided, if necessary, by a syndicate. This appears to be a

scheme of forcing the market, but if Italy had to pay the loan herself, it would at best be only a temporary resource; in the future the Italian finances would feel the full weight of the burthen, and things would become worse instead of better. In some eventuality the support of Germany might have to take a more substantial form, and this is probably what is intended. The expenditure of Germany, in connection with the army and navy, meets considerable opposition in time of peace; the probability is that, in the event of war, the necessary supplies would be readily voted: but if to those proper to the nation a subsidy to Italy had to be added, the strain could not fail to be felt, perhaps in more ways than one.

With the independent border tribes on the frontier of India, the Ameer of Afghanistan is having trouble. He is anxious to get the independent chieftains to acknowledge his authority—a step to which Great Britain, as the owner of India, is opposed. The Indian Government some time ago notified him that it was expected that he should not seek to extend his authority westward, advice which he appears not to have heeded. However, in his enterprise on the border land, it looks as if the independent chieftains would prove too much for him. He has met some defeats, a loss of 1,500 men in killed and wounded, and his forces appear to be in a critical position.

Grenier is the name of a French official accused of selling to foreigners secrets connected with the defence of the nation, and Capt. Borup of the U. S. embassy is the purchaser. The papers include plans for the defence of the French ports on the Mediterranean and Corsica. Borup admits the offence; Mr. T. Jefferson Coolidge, the American Minister to France, defends the act so far as to allege that Borup has only done what all military attaches do, when opportunity occurs. M. Ribot, the French Foreign Minister, denies the practice, and says that, if it did exist, it would not be less censurable in the person of Borup. It is difficult to see what the United States wants with documents of this kind. Grenier's offence is one of the most serious of which the official of any nation can be guilty.

In British Columbia there is a proposal to establish a Central Farmers' Institute, to promote the material interests of farmers, afford them protection against possible encroachments of other interests, to enforce the laws passed for the protection of farmers and stockraisers, and to watch legislation which has bearing on farming industry. It is difficult for farmers to unite; politics generally separates them, and when they do form associations, they are apt to attempt to enforce crude notions which would not benefit them if put into practice.

So far the attempt to restrict immigration in the United States has not diminished the total number of immigrants. And now a new source of population has been opened. Russia sends 75,000 of her