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THE SITUATION.

In explaining why the dividend had been passed by the Canadian Pacific Railway Co., Sir Wm. Van Horne said no one could have foreseen, two years ago, what has since happened in the business world of the United States, which he likened to an earthquake. No end of expectations have been disappointed. Yet some things have happened which ought to have been foreseen. It ought to have been regarded as possible, from the first, that interest on the land bonds, in years when sales were slow, would have to come out of earnings. And it ought to have been foreseen that after a number of subsidiary lines had been taken over, they would occasionally press with a heavy burthen on the resources of the parent line. The company may have done the best possible in the straits in which it found itself, when it had to face the question of dividend or no dividend, but there is behind this the question whether it ought ever to have got into this strait? The company has suffered from the fact, common enough in every business, that it is impossible to reduce expenses in proportion to receipts. The \$4,000,000 set apart, in 1892, to ensure dividends in case of a decline in traffic, had to be drawn upon for other purposes. This is a contingency which, if it had been foreseen, would have robbed the special deposit of most of its charms. But if money in hand ready to pay future dividends is liable to disappear and leave only disappointment in its place, it is difficult to see what there is, in the shape of an extraordinary provision, for paying a dividend that can be relied upon.

France and England appear to be getting in one another's way, in the Upper Nile valley. The Royal Niger Company recently complained to the English Government that two French expeditions, under pretext of exploring, had in fact invaded the Upper Nile valley, which is under British protection. The alleged invasion is denied, on the part of France, by the official press. The fact that an expedition had been sent there was admitted, but it was added that the object was inoffensive, such as to ascertain a boundary. The British Government was uncertain as to the real facts, and it was anxious that the worst construction should not meanwhile and without absolute warrant be put upon them. Sir Edward Grey, Parliamentary Secretary of the Foreign Office, was put forward in the House of Com-

mons to ask the House not to give credence to rumors, but to wait for an official explanation from France. But the chief significance of the statement was in what followed. It was to the effect that if it should prove true that France had done what the Royal Niger Company alleged, it would be an unfriendly act, and that France had been given to understand that Great Britain would so regard it. Sir Edward Grey's statement was read from a paper understood to have been prepared by the chief of the Foreign Office, after a cabinet council had specially considered the matter. Such an emphatic statement, made with such deliberation and decisiveness of tone, is naturally regarded in the light of an ultimatum, and expectation is on tiptoe to see what the outcome will be. Before the official statement came, that part of the French press which does not wait on Government prompting refused to recognize the protectorate of England over the Upper Nile region. It would be useless to deny that the case is one of great gravity.

Just at the time when the movements of the French in the valley of the Upper Nile are causing uneasiness in England, a contest between the British and the Swatis, a fierce mountain tribe in Northern India, is inevitable. India is a long way off, and though no arrangement for a common defence of the Empire has been come to, Canada cannot be indifferent to whatever tends to disturb the peace and affect the trade of Greater Britain. For some years the hill tribesmen in the neighborhood of Peshawur have been making raids, pilfering and otherwise giving trouble. Several of their villages have, from time to time, been taken and destroyed, in retaliation, by the British. At the latest accounts 14,000 men of the British command were ready to move into the Pathon hills and go across country to the relief of Robertson and his besieged escort. The hill region of the Chitral has never been penetrated by a white man, but its formidable defiles and dangerous passes have been traced by native geographers. In this way a tolerably accurate idea of the geographical difficulties to be encountered, in the short route to the Chitral, has been obtained. An army of 14,000 men, who might encounter on the line of march through dangerous passes well known to the enemy, 70,000 or 100,000 fierce mountaineers, may count on having a perilous time. The number is not greater than the army which, in the fatal Cabul expedition, was, on the return to India, reduced literally to one man, and the difficulties to be encountered in the present expedition are spoken of as being probably as great. This expedition, if successful, will open a road from Peshawur to Russian Turkestan; and the nature of the mountain country is such that once in possession of the British the defiles could be held against any opposing force. In this way British India would obtain one more security against invasion.

Additional complications are always managing to crop up in the Behring Sea sealing business. Under the award of the Paris tribunal fire arms cannot be used to kill seals in Behring Sea. The British Government thinks that if British sealers have guns on board when in that sea the guns should be regularly sealed up, so as to show they have not been and cannot be used without proof of the fact being left behind in the breaking of the seal. Sir Hibbert Tupper, it appears, objected to this regulation as not required by the Paris tribunal; and that the Americans, when they induced the British Government to put forward this regulation, wished to make the possession by British sealers of firearms in Behring Sea proof of intent to use them illegally. There is more in the fact than the argument. The possession of forbidden weapons is always a presumption against the possessor. The sealers argue