

either party be asked to gamble in a transaction which easily admits of conditions fair to both sides? Only in a secondary way can the City be interested in the question of profits. The main question for the City authorities should be the obtaining of an efficient service at the lowest possible rates. If the enterprise is not profitable, the City should not ask a dollar from it for the public treasury. If, as is more likely, the moneys paid by the patrons of the railway produce enough to give the Company a liberal return on the value of their property, and beyond that a large surplus, why should that surplus not be divided on terms to be adjusted between the two partners, the City and the Company, instead of the City's portion being limited to the sums specified by the Company?

Nobody should desire to see the Company treated ungenerously. They have a certain property which they will put into the reorganized enterprise. Whatever is the fair value of that property is the capital on which they should receive dividends. The dividends should be allowed in a liberal spirit and the interests of the capitalists protected by giving them a first claim upon the net earnings, leaving the City's interest to take a subordinate place. Surely this would be a generous treatment of the Company. To introduce into the discussion questions concerning the bonds and stocks of the Company is to create confusion. Any financial arrangement that will enable the Company to demand from the citizens patronizing the railway dividends on alleged capital which is not represented by value in the undertaking will be a great injustice to the people. It is this kind of a deal that the public need to guard against.

Let the capitalists receive a return — a liberal return — on the value of that which they bring into the new scheme, and let any surplus profits that cannot conveniently be applied to reduction of rates be fairly divided between the City and the Company as partners in the enterprise. Such an arrangement would give the undertaking a sound financial basis, assuring the investors of a liberal return on the value of their property. More, under such a scheme of reorganization the Company's shares representing value would not only have an assurance of safe dividends at fair rates, but would carry prospects of additional profits from the distribution of the surplus, which would make the stock very attractive.

The Company will hardly be disposed to favor such a plan, because they seem to think they can easily obtain an arrangement that will be even better for their interests. But such a scheme as we have suggested will be readily accepted by the Company if the City authorities insist on it, because, while less than what the Company are aiming at, it will still be a sound and profitable basis of agreement. If the Tramways Company will not be content to make some such fair arrangement now, let the whole business alone until the present franchise expires, when there will be no lack of financial people to take up so promising an enterprise.

The New Emperor-King

THE passing of the old Emperor Francis Joseph marked the continuance to the end of a life of tragedy. The violence which in so many cases caused the death of members of his family did not reach him personally. He was allowed to die peacefully in his chamber. But he died in the midst of an almost world-wide slaughter, for the existence of which he shared responsibility with the German Kaiser, and which had, under his eyes, brought disaster upon his country and death to hundreds

of thousands of his own people. Such a death cannot be called peaceful. The old man's grey head was indeed brought down in sorrow to the grave.

But, "the King is dead, long live the King," once more tells of the passing of one monarch to make way for another. What of the new ruler, Charles I, Emperor of Austria and "Apostolic King" of Hungary? It may be that the war, with all its horrors, will for the time at least make the path of the new monarch easier than it would have been under other conditions. No other nation has within its borders more diversified and more conflicting elements than Austria-Hungary. The effort to hold control of the turbulent races of the population called for the exercise of qualities that are not easily found. The old Emperor, with all his faults, had some qualities that commanded respect, and probably his great age tended to incline his people to be more tolerant than they would have been under a younger sovereign. Austria and Hungary, though nominally one nation, are really two, and they have little in common. In only a few departments of administration are they united. In all other things they are separate nations. They are not even commercially one, for each country maintains a tariff against the other. Hungary has chafed under the Austrian connection. Many observers have felt that on the passing of the aged Emperor, the strongest bond of union between Austria and Hungary would disappear, and his successor would have to face grave internal difficulties. If Francis Joseph had died in time of peace perhaps these predictions of trouble would have been realized. But the old Emperor passes off the stage at a moment when both Austrians and Hungarians are engaged in a desperate struggle with foreign foes. It is probable that this situation, so dreadful in many respects, will make for a unity of the people which will be more advantageous to the new Emperor-King than the blessing of peace would have been.

Trade After the War

WE PRINT to-day a very interesting contribution to the question of after-the-war trade policy from the pen of Mr. F. C. Salter. Mr. Salter is a Canadian who has had large experience in business — especially in relation to railroads and emigration — in the United States and Canada, as well as in England, where he has resided for some years. Mr. Salter's views — or rather the views of business men whose attitude he endeavors to express — are perhaps out of harmony with much that is written and spoken in these days concerning the trade policy that should be pursued by Canada and by the Empire after the war. The infamy of Germany in bringing about the war, and in her methods of prosecuting the conflict, has produced in the British as in the Canadian mind a horror and indignation which naturally lead to a desire to cut off all relations with a Government and people who are responsible for these crimes. Hence a ready assent is given by many readers to every suggestion looking to the making of agreements for non-intercourse with the enemy country. The wisest course, however, is to reserve these questions for consideration in the light of later events, and retain freedom to do what may seem best when the time for action arrives. The trade relations between nations are sometimes complex and have wider bearings than appear on the first view. Some of the reasons for a reservation of conclusions as to Empire policy and Canadian policy will spring from the reading of Mr. Salter's article. Meanwhile there is no danger of the German enemy

gaining anything from such suspension of judgment. No law, treaty or agreement of any kind will be necessary to prevent any extensive trade with Germany and her partners in crime. In the heart of every British subject there will be an unwillingness to resume such relations, a feeling that time only, and the passing away of the present generation, can obliterate.

A Civic Investigation

UNDER authority of a Provincial law which allows such an inquiry to be made when applied for by fifty or more citizens, Chief Justice Archibald has received a largely signed petition which he has transferred to Mr. Justice McDougall, who has announced that, in accordance with the prayer of the petition, he will proceed immediately to hold a general investigation into the civic affairs mentioned in the application. While the grounds set forth in the application are pretty wide, nearly all of them have a relation to alleged efforts on the part of representatives of the Montreal Tramways Company to exercise an undue influence upon Mayor, Controllers and Aldermen, in connection with the desired renewal of the tramways franchise, and to obtain an improper influence through the press for the promotion of the Company's interests. In one formal inquiry and in several proceedings in the courts references have been made to such matters in a manner that was well calculated to create a desire for broader enquiry than was allowed by the scope of the immediate proceedings. Such a condition of affairs naturally gave rise to suspicions which would increase if the impression prevailed that no inquiry could be held, and in this way much injustice might be done. In view of what has already been made public, it is certainly best for the public interests that a full and untrammelled investigation shall take place. The representatives of the Tramways Company will, it is to be presumed, welcome the inquiry and avail themselves of an opportunity to show that all their dealings with the public in connection with renewal of the franchise have been of a legitimate business character.

Germany's Wicked Partner

IN a western city of the United States a good deacon, who was the chief proprietor of an important newspaper, frequently found it necessary or convenient to endeavor to relieve himself of responsibility for articles complained of, by explaining that in his absence they had been written by his partner. The deacon's wicked partner thus became quite famous. Germany is finding it convenient to resort to the wicked partner plea in the case of the sinking of two British hospital ships in the Aegean Sea. The record of Germany in deeds which violate all the rules of war is so bad that the public are ready enough to believe that the destruction of hospital ships was the work of the German submarines. Germany, however, enters a protest against this conclusion, and by way of explanation a Berlin despatch suggests that the sinking may have been done by a submarine which some time ago was sold by Germany to the Turkish Government. It may be well for the moment to suspend judgment. The Turk — the unspeakable Turk — was long regarded as the most cruel and uncivilized of Europeans. But to his credit it can be said, on the authority of British soldiers from Gallipoli, that the Turk learned to fight like a gentleman at the very time the German developed all the brutality of barbarism. Before the wicked-partner is condemned one will have to look more closely into what the deacon has been doing.