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provided that a substantial cash deposit shall accompany the tender. The contractor must take the risks of gain or loss which attend every business enterprise. If all goes well and he makes a very handsome profit, nobody complains. He has won it fairly. If things do not go well, if from any cause his venture proves unprofitable, he must be content to bear the loss. That is the fair rule of such transactions, and the only rule that a Government can afford to recognize. No doubt many cases have occurred in which such losses and much hardship have been suffered by contractors. But here is a case in which a contractor calls upon the Government to bear his loss, and the Government obligingly agree to do so. No wonder the Auditor General asks, what is the use of asking tenders if such a claim is to be recognized?

A few years ago a contractor in Ottawa tendered for a large Dominion building. His price was known to be low. But he was an experienced and responsible contractor, who had put up his deposit, and business rules required that the work be awarded to him. The contract proved disastrous to him; he lost very heavily, perhaps was financially ruined by it. But what could be done? He had made his bargain and had to live up to it. No kindly Department or Treasury Board decided that the public must bear his loss. He had to bear his burden until he reached the grave not many weeks ago.

The new principle now laid down by the present Government, through their Treasury Board, opens the door to dangerous things.

Emperor or President?

THE oriental mind is not easily understood. There is some philosophy which tells us ways that are dark and tricks that are vain the heathen Chinese is peculiar. To-day these qualities seem to be particularly well illustrated in the person of Yuan Shi-kai, the head of the Chinese Government. Yuan encouraged revolution against the Monarchy, and succeeded in making himself the President of a Chinese republic. A few months ago rumor attributed to Yuan an ambition to occupy, not the temporary throne of the President of a republic, but the perhaps more enduring seat of a monarch. It was widely reported that he was laying his plans to have himself proclaimed Emperor of China. When these reports reached the President's ears he became very angry. They were, he said, the slanders of his enemies, and without the shadow of a foundation. An American correspondent, desiring to interview the President, prepared a series of written questions. Yuan had no hesitation in answering fully and explicitly. The correspondent published the President's statement as follows:

"The Republic has not been a failure. It is absolutely certain to continue. Monarchical government is as dead in China as it is in the United States, where, excepting in a very limited sense, it never existed.

"I am President of China. I have no desire to be anything else. I am misrepresented even in the American and British press. Your journals cannot too strongly impress upon the officials and people of the United States that the assertions to the effect that I am in favour of the re-establishment of the monarchy and that I desire to be Emperor are made by my enemies, not by my friends.

"Some of my critics, both at home and abroad, think they see in my order for the official resumption of Confucianism a reversion to all things old. There is no political significance in this reaffirmation of our national belief in the Great Sage, unless it might be taken that the closer knitting together of a people in morals and ethics had political significance. It is true that as late as yesterday the Council of State advised that I issue an order for the assembling of a citizens' convention to act on a new constitution. The question of reverting to a monarchical form may be brought up; I presume it will, and that it will be discussed earnestly and at considerable length; but there is not the remotest chance that the royalists will be in a majority."

An occidental statesman might have deemed it expedient to be more diplomatic, less frank. Yuan would have none of such methods. He declined to use any vague or uncertain terms. The plainest and the strongest language was employed to assure the world—and particularly the Western world—that the monarchy was the dearest of all dead things, and that he lived only to maintain the republic. But a very little while after the world received this assurance of Yuan's devotion to the republic the startling news came that the so-called Citizens' Convention had chosen Yuan to be Emperor! At a New Year's reception at Peking he received addresses and congratulations as an Emperor.

This sudden transformation does not appear to have given general satisfaction. Revolution against the Emperor broke out. Now comes the news that Yuan has renounced his Imperial character, declared himself President again, and taken to his Cabinet a number of Republicans who are prepared to make the

revolutionary disposed to make the Emperor any longer, he is willing to be President. The one important thing is that Yuan Shi-kai shall be on top. But there are influential groups in China which are not prepared to adapt themselves to his conveniently adjustable system, and so he is obliged to face another widespread revolution.

The Mexican Situation

ALTHOUGH President Wilson is not a man of sanguinary disposition, he may be pardoned if he desires to receive confirmation of the various reports of the death of the Mexican bandit leader Villa. Mr. Wilson's policy of "watchful waiting" in Mexico can hardly be said to have turned out well. His refusal to recognize the pretensions of President Huerta was based on a high view of public affairs. Huerta's connection with the downfall and death of Madero left him well open to suspicion, and President Wilson was unwilling to treat with a man whom he regarded as a murderer. However, Mexico is Mexico, and some things have to be said and done in dealing with such a country which may not bear close examination in the light that comes to other parts of the world. The British Government, with large experience in dealing with turbulent countries, came to the conclusion that Huerta probably was the best of a bad lot, and that since he seemed to have about as much control of Mexican affairs as anybody had since the retirement of Porfirio Diaz, the recognition of Huerta was the most promising

way of reaching something like national order.

Perhaps Mr. Wilson now finds reason to regret that he did not follow the British example. Huerta, established at the City of Mexico, with the recognition of the United States, might have brought about a better condition of affairs. He could hardly have made matters worse than they have been for the past year or two. At long last, President Wilson decided to recognize Carranza as the "First Chief" of the Mexican Republic. Villa revolted against Carranza, and, regarding the Americans as Carranza sympathizers, attacked the American town of Columbus, just across the boundary line, killing and wounding American citizens. Believing, with good ground, that Carranza's forces could not be relied on to pursue and punish Villa, President Wilson sent an American army into Mexico, having first, it was believed, obtained the virtual consent of Carranza. At Parral a few days ago, a party of the American force was attacked by the Mexican people. Subsequently it was admitted that some of the Carranza troops joined in the attack. Now Carranza confesses that the anti-American feeling among the people is so strong that he cannot control it, and he asks that the American army be withdrawn from Mexican soil.

For the Americans to withdraw their forces while Villa is unpunished is almost too much to expect. Into this situation comes the report that Villa was wounded and has died. Confirmation of this report would solve the American Mexican problem, for the moment at least. The Americans have declared, with sincerity beyond question, that they have no desire to invade Mexico. Their only object in crossing the border was the pursuit, capture and punishment of Villa. If assurance of Villa's death can be given, there is no reason to prevent the immediate withdrawal of American forces. But while there

more remain in Mexico, in the face of Carranza's demand for their withdrawal. A clash between the American and Mexican soldiers seems almost unavoidable. And apart from the soldiers, the one thing upon which Mexicans of all factions seem to be able to unite is hostility to the Americans, or "Gringos," as they are called. This hostile feeling is not of recent growth, but of long standing, and nothing that President Wilson and his associates can say as to the present good intentions of the American Government will remove it. The situation is full of peril.

Better Pay Straight Salaries

A NEW BRUNSWICK paper states that it cost \$5,826.89 to collect the succession duties of the Province last year. The amount, it appears, was paid in fees to the Attorney General. Premier Clarke held the office for six weeks, which proved to be the fruitful period, as he received \$5,350.80 of the amount, while the Hon. Mr. Baxter, who held the office for ten and a half months of the year, found his time a lean one, yielding only \$476.09. It is a pity that the Province adopts this ancient and objectionable method of paying its officials. The salaries allowed to the Ministers are miserably small. The remedy would seem to be the increase of the salaries to respectable figures. The system of allowing Ministers to receive part of their remuneration on the form of fees is not a good one.