instances the defalcations have covered an extended period of time, during which the accounts in which the false entries have occurred have been audited at intervals. What occurs to everyone is how can these falsifications escape the detection of an auditor who is conscientious in the discharge of his duty ?

An auditor is a person who is appointed and authorized to examine accounts, compare the charges with the vouchers, examine the parties and the witnesses, allow or reject charges upon proper proof, and state the balance. He is the trusted agent of those who have put their capital into the undertaking, and on him they rely. He is well paid, and if he is negligent in his duty he should be made to bear the loss brought on his employer by that neglect.

That an auditor is so liable to make good the losses occasioned by his neglect, to the extent of the loss, is well settled by the law of the land, and every auditor who fails in his duty should be pursued in the courts and made to pay the penalty. This is the best way to restore public confidence in our business and municipal book-keeping.

A good idea of the extent of the liability of an auditor for his own neglect, may be gathered from the decision of the English Court of Chancery in the case of the Leeds Estate Building and Investment Co. against Shepherd. In that case the articles of association of a limited company, formed in 1869 for the purpose of lending money on security, provided that when the company should pay a dividend of 5 per cent., the directors should receive a fixed sum for each attendance, and a further fixed sum for every additional one per cent. of dividend that the directors might declare dividends upon such estimates of account as they might see proper to recommend, so that *no dividend should be payable except out of profits* ; that they should annually lay before the company a statement of the income and expenditure of the past year, and a balance sheet containing a summary of the property and expenditure of the company ; and that the accounts of the company should be examined every year, with the vouchers relating thereto, and the correctness of the balance ascertained by an auditor, who should make a report to the members on the balance sheet and accounts, stating whether in his opinion the balance sheet was a full and fair balance sheet, containing the particulars required by the articles, and properly drawn up so as to exhibit a correct view of the state of the company's affairs. The company never made any annual profits, except in one year, when it made a profit of less than 5 per cent. ; but the directors in every year from 1870, when the company commenced business, declared and paid a dividend of 5 per cent. and upwards, and they remunerated themselves on the corresponding scale, and, under the authority of a resolution of the company, paid bonuses to the manager. Such payments were, in fact, made out of capital. The balance sheets on which the dividends were declared, were prepared, not by the directors, but by the manager. They were delusive, they over-estimated the assets of the company, and were framed with the object of showing a profit available for a dividend. The auditor never looked at the articles of association, but accepted the statements of the manager, and certified from time to time, that the accounts submitted to him were true copies of those shown in the books of the company. No proper statement of income and expenditure, or auditor's report was ever laid before the company. The directors did not know the true state of the company's affairs, or that the balance sheets were delusive. They never exercised any judgment with reference to the accounts, but relied entirely on the manager and auditor.

The Court decided that the directors were jointly and severally liable to make good all sums improperly paid out of capital ; and further, that it was the duty of the auditor, in auditing the accounts of the company, not to confine himself to verifying the arithmetical accuracy of the balance sheet, but to inquire into its substantial accuracy, and to ascertain that it contained the particulars specified in the articles of association, and was properly drawn up so as to contain a true and correct representation of the state of the company's affairs ; and that as the improper payments by the directors of dividends, bonuses and directors' fees were the natúral and immediate consequence of breach of duty on the part of the manager and auditor, the manager and auditor were liable in damages to the amounts so paid.

THE MANITOBA WHEAT CROP.

It is worth while directing attention to the unusually good quality of this year's wheat harvest in Manitoba. That province has repeatedly shown in former years, yields of this cereal remarkable in quantity, and once or twice of a quality almost uniformly the best. But where the quantity was unusual, there were generally drawbacks, such as frosted wheat, etc. This year, however, we hear nothing of frosted grain, and the quality is such as no one can take exception to. No such showing has been made in Manitoba for years. It contrasts strongly with the returns from Minnesota and Dakota wheat, as inspected at Minneapolis, where the quality was much lower.

The books of the Dominion Government grain inspector at Fort William show that up to the 19th of this month 5,595 cars of wheat of this season's crop had been delivered at that point, representing at, say, 750 bushels to the car, 4,250,000 bushels. Of this quantity of wheat 75 per cent. is graded No. 1 hard, and 22 per cent. No. 2 hard, leaving only 3 per cent. of lower grades. Practically, therefore, the entire crop is of fine milling quality, a very striking circumstance.

Another thing shown by the figures submitted is that the crop has begun early to move and been carried rapidly to the great lakes. At a corresponding period of 1896, namely, on 19th October, only 2,407,000 bushels had gone into the Fort William elevators. In this respect, also, the present season is somewhat exceptional.

CUSTOMS ENTRY REGULATIONS.

Numerous complaints have been received by the Department of Customs as to the complicated methods of making an entry of goods under the preferential clause of the new tariff. Frequent changes have been made by the Comptroller in his efforts to satisfy all parties and still guard the revenues. Last Saturday further instructions were issued in regard to this matter, the new memorandum being a consolidation of previous orders, with certain amendments. We elsewhere give the substance of the instructions. It is important to note that two changes have been made. The obligations on the exporter to make his declaration before a magistrate, mayor or city notary, or like official is abolished, and a "subscribing witness" substituted. This change while having the effect of saving time, as there is nothing to prevent the exporters' clerk from being the witness, will also lessen the expense of shipping. The officials before whom the declaration was made were entitled to fees, varying in different countries, and these amounts were usually added to the invoice. The exporter's declaration is no longer needed for goods under $10 in value, the department being satisfied with the declaration of the importer. These changes are commendable in that they simplify the details of trade. It remains to be seen whether unscrupulous traders will take advantage of them to further dishonest practices.

THE COMMERCIAL VALUE OF THE MAPLE.

There are more than sentimental reasons why the maple tree should be held in regard by Canadians. As a source of commercial profit the value of this tree is not sufficiently appreciated. According to the census of 1891, the annual production of maple sugar in Ontario amounts to 5,665,796 pounds, which means, at average market prices, almost half a million of dollars. This industry is capable of greater developments, and the merchants of the country should be interested in encouraging farmers to take it up more extensively. The sugar bush of the Michigan Agricultural College yields an annual return of twelve per cent., valuing the wood land at $50 an acre. A Simcoe county farmer estimates that the yield of ten acres of maple trees, when the sap is converted into syrup and sugar, gives a net return of about $10 per acre. In addition, there is to be considered the annual growth