

stand why Americans should have the opportunity of exchanging some of their surplus gold for Exchequer notes. Mr. Labouchere says:

"We can see nothing derogatory in selling the bonds to America. It is an indication of the enormous growth of wealth in the United States. Nor would we be surprised if, in view of their continued prosperity, our American cousins were to act as our bankers in the future in a good many instances. We can see no harm in such relation."

What is thought of the matter in question in New York, may be gathered from the following official statement made by a representative of the syndicate handling the loan. He said:

"The American subscriptions to the new loan are in excess of \$55,000,000, and \$28,000,000 will be allotted on the subscriptions. The high proportion of the allotments to the subscriptions seemed the source of considerable surprise, and according to well-informed financial interests who have opportunity to speak from a knowledge of the facts, it may be added that this large allotment will probably result in immediate sales of a considerable amount of the Exchequer notes allotted to speculative bidders, and that therefore, British investors who are grumbling at the fact that so large a proportion of the loan was placed here will have opportunity of purchasing the notes at a slight premium over the price of issue. It is stated in responsible quarters that the actual shipments of gold as a direct result of the loan—in other words, in actual direct payment of the loan—will not exceed \$10,000,000. This amount, it is understood, was guaranteed by Messrs. Morgan & Co., and Baring, Magoun & Co., and the Bank of England is allowing nine days' interest at 3 per cent. on these shipments. The balance of the purchase money will, it is understood, be paid through American credits abroad.

Among the foreign houses here there seems a disposition to regard the current loan as merely the beginning of a series of such loans, and among some of the houses there appears a disposition to regard the returns as not making a particularly attractive investment, especially in view of the short term."

The Late Lord Russell and Civilization. Among the many expressions of regret at the death of the Chief Justice of England, appearing in the American papers, we find several references to his memorable address on arbitration delivered before the Bar Association some years ago. His subject was International Law, and the impression he created upon some of the best and brightest minds of the United States may be gathered from the following remarks of the New York "Evening Post":—

"He spoke but a few months after President Cleveland's Venezuelian outburst, and he was compelled to comment with much reserve on the relations between this country and England. But as he turned away from the past and contemplated the future, his constraint ceased, and he appealed to the generous emotions of his audience with an eloquence that aroused unparalleled enthusiasm. We can pay no better tribute to his memory than to quote the words

in which he described civilization, as not dominion, wealth, luxury; not even a great literature and widespread education:

"Its true signs are thought for the poor and suffering, chivalrous regard and respect for woman, the frank recognition of human brotherhood, irrespective of race or colour or nation or religion, the narrowing of the domain of mere force as a governing factor in the world, the love of ordered freedom, abhorrence of what is mean and cruel and vile, ceaseless devotion to the claims of justice. Civilization in that, its true, its highest sense, must make for peace."

DIRECTORS AND THEIR RESPONSIBILITIES.

From Another Point of View.

(Article No. 2.)

The auditing of a company's affairs by its directors is frequently a mere perfunctory looking over of securities and ticking off of amounts, and a routine certifying that the figures are correct according to the books of the company. Auditing should be left to those who have been educated to the business. The manager of a bank or of an insurance company, resting secure in the conscientious and complete fulfilment of his duty, welcomes investigation by competent accountants or auditors, as it can only discover and reveal his practical merit and worth. Directors may be responsible to the shareholders they represent to the extent of being bound to exercise a vigilant care over the interests of the corporation. But we think it will be admitted that it is better they should rely absolutely upon the accuracy and honesty of executive officers, than by unwise interference to spoil the work of the officials who are paid for the competent performance thereof.

An English reviewer some years ago said that after a somewhat wide and lengthened observation he was convinced that, if it were possible to submit the question to the vote, and the voting were by ballot, at least nine-tenths of the insurance officials would vote directors, if not a nuisance, at all events an incumbrance at once costly and useless. This was an extreme view. There may be occasions and circumstances in which directors are able to take a more or less serviceable part in the control of an insurance company. However, these are quite exceptional, and, indeed, few and far between. There is something at once ludicrous and pathetic in the spectacle of a dozen of middle-aged or elderly gentlemen, sitting down once a week at the board-room table, to make believe they are "discussing" questions, of which, as a general rule, they are most profoundly ignorant. They are prone to imagine that they are performing valuable services on these occasions, and to pocket their fees with an unruffled conscience; and, if the manager be a good tactician, it is his policy rather to foster than to discourage the illusion. As a matter of fact, however, he invites them to decisions which are already cut and