

truth, and nothing but the truth, shall appear in the financial statements of their company clients. The following words of Lord Chelmsford cannot be too oft repeated or too widely known: "It seems to me that it would be unreasonable conclusion, from the mode of appointment of these officers, that they were thereby constituted agents, so as to conclude the shareholders by their knowledge of any unauthorized act of the directors. It would not be part of their duty to enquire into the validity of any transaction appearing in the accounts of the company. Their duty is to inspect, examine, and check the receipts, payments, vouchers, and accounts of the company." Nor can it fairly be urged that the usefulness of auditors is lessened by their freedom from partizan obligations, for the contrary is actually the case. When a company passes into the control of bondholders the duties of auditors remain unaffected, and their obligation to see that the truth only is published, is neither lessened nor increased. The statutory provision under which the control of the legal estate of the company so passes implies that auditors must report, not to the shareholders who appointed them, but to the controlling body, and their function of safe-guarding the interests of other creditors, or of the general public, would be continuous throughout.

Though differing from the *North British Economist* in one rather important particular, we heartily commend the article to the consideration of all interested in the subject, and have much pleasure in quoting its concluding words: "An auditor should possess a keen, trained intelligence, enabling him adequately to grasp the meaning of articles of association, and correct accounting; penetration to go beneath the surface of things; fearless courage to probe wherever anything unsound comes in his way, and independence enough to state his conclusions, even if adverse, in the face of day, in the presence of all whom they concern. He must withal be courteous, and free from a temperament of unworthy suspicion. His mottoes may be '*Fidus et audax*,' and '*Suaviter in modo fortiter in re*.'"

FOREIGN WOOLS, &c.

Appearances favor somewhat higher prices for wool. As to foreign wools, the quantity disposed of daily at the colonial sales in London, Eng., from September 16th to 22nd inclusive, would average 10,000 bales. The attendance of buyers was very good and prices realized were from 1 to 2c. per lb. higher than last July sales. The finer grades were keenly competed for, lower grades hardening materially in price.

As it is anticipated from the trade troubles in Australia that the June clip cannot be on hand for November sales, the number of bales held over from September sales will reach 170,000, and the prospect is for higher prices, unless in the meantime disposed of by private contract. The market is stated to be in a position just now for the successful working of a corner, everything being in favor of the holder. The selections offered consisted chiefly of scoured wools, Australasian merinos, cross-breeds, both fleece and skin sorts, and an abundance of inferior grades. The Antwerp

sales opened with a visible supply of 22,000 bales; 7,000 were disposed of by auction, 4,000 by private contract, the remaining 11,000 bales being withdrawn for higher prices. The prospects for buyers at November sales are not very favorable. Cape and Australian wools are bound to be high, as well as merinos and Victorias.

In Montreal, the market rules strong, and mill representatives are said to be buying pretty freely. In the Toronto market some considerable parcels have been sold this week for export to the United States, in anticipation of the coming into force of the McKinley Bill on 1st proximo. There is no change in Canadian quotations in the meantime.

SEALSKINS AND THE MARKET.

"The very limited catch of sealskins," says the *Cloak and Suit Review*, "estimated at about 21,000, that will be sent to London by the North American Commercial Co., has already had the effect of increasing prices on manufactured goods at least 20 per cent. The importers have advanced their stock 50 per cent. Prices have advanced on all kinds of furs, except mink, which has resisted all attempts to boom it. The outlook is for a diminished catch of seals from now on, which will cause a continued increase in prices. Sealskin promises, therefore, to be a much more exclusive article of wear than ever. If there is money to be made on a rising market, the present outlook is most encouraging for the fur trade.

"There is a fear expressed in some United States circles that there will not be enough made-up garments to supply the demand, and some of the small houses may have difficulty in taking care of their orders. Those firms, however, who have a liberal supply of skins on hand will reap a considerable benefit. The fur trade is at present having a boom, with the season rapidly advancing, and that there will be a still further advance at the next London sales is a foregone conclusion. Sealskins cannot be replaced to-day, even at the advance, because they are not to be had, and retailers will be acting a wise part if they maintain their prices on seal garments and furs in general. The fur business with manufacturers has been and is excellent, and the belief in a good retail season is well founded.

"Long garments will receive more attention when the cold weather arrives. Sackes are favored to a certain degree, but the great demand for jackets has somewhat interfered with their sale. There never has been such a variety of jackets and capes as can now be seen in the market. Up to the present cloak manufacturers have been selling short garments principally, but as the season advances it is probable that a demand for longer garments will arise, in which case fur trimmings will be largely used."

BUSINESS IN THE STATES.

The condition of the great industries generally measures with substantial fidelity the condition of productive industry and legitimate trade throughout the country. Agriculture, the iron and steel manufacture, the cotton, woollen, silk, rubber and leather manufactures, and the business of transportation, embrace so large a proportion of the hands employed, and yield so large a part of the actual products, that there can hardly be adversity when these prosper, nor prosperity when these languish. The yet unwritten record of the year 1890 can be very accurately foreshadowed, if it can be determined with

substantial correctness how the balance stands with these great industries taken together.

There is no longer room for doubt that the yield of cotton will be about the largest ever recorded, and the output of animals is also larger than ever. The hay crop has been full, and some of the minor crops. But the yield of wheat, corn, oats and potatoes, and of most kinds of fruit, will be much below the average. It is the custom in some speculative circles to reckon the entire value of these crops at their prices at some principal market, and thus to arrive at the conclusion that the farmers having larger prices for a small crop, get more money than they would if large crops were sold at lower prices. Everybody realizes that there must be a fallacy somewhere in this reasoning, but many do not detect where it is. The fact is that the farmer himself has to consume a large proportion of the crops in any case, whether prices be high or low, and profits by high prices only on the part remaining for sale. Thus of wheat the farmer himself has to consume the fifty million bushels used for seed, and in farmers' families, numbering nearly half the entire population, is consumed nearly half the wheat consumed in this country. Thus it may be roughly said that the farmers actually sell about 290 million bushels of a crop as large as that of 1889, about 490 million bushels, but sell not more than 200 million bushels out of a crop of 400. At \$1 per bushel the smaller crop would yield in money \$32,000,000 less than the larger crop at 80 cents per bushel. The same principle applies even more to corn, of which the farmers themselves consume much the greater part, less than a fifth going out of the counties in which it is grown.

It must be reckoned that agriculture has sustained a severe loss, then, in the partial failure of Northern crops. The amount of that loss in money cannot be exactly measured, but it may be roughly estimated at \$100,000,000. As respects the other great industries the account can be more accurately made and is more encouraging. The production of iron, as all know, has far exceeded that of any previous year, and likewise the production of all articles fashioned from iron and steel. In 1880 the value of all such products was more than three times the value of pig iron alone: reckoning on that basis, the value of all products of this branch should be about 50 millions greater this year than last. In the cotton industry there has been little if any increase thus far in quantities consumed, and in wool there is seen a decrease of fully 20 million pounds foreign, with no appreciable increase in domestic wool consumed. In silk this year there has been an increase of about 5 per cent. thus far, and in India rubber an increase of about 10 per cent., which would together about compensate in aggregate value for the probable decrease in products of woollen manufacture. Thus the textile and rubber manufactures as a whole may be put down as about holding their own this year, while a decided increase appears in the leather and boot and shoe industry, which may be roughly estimated on the basis of recorded shipments from Boston and the manufacturing towns at about 5 per cent.

Putting these industries together, it may be seen that the probable loss in value of farm crops marketed exceeds the gain in the other industries mentioned, though not very heavily. It will naturally be asked how it comes to pass that the volume of traffic represented by exchanges shows a decided increase. The answer is that the effect of partial failure of