

James H. Gibson Craig, Bart. And from the London Board :—Alexander Drake Kleinwort, Esq.; Charles W. Mills, Esq.; and Baron Schroder. These gentlemen are all recommended for re-election.

The following extraordinary directors retire by rotation :—The Earl of Strathmore; the Earl of Aberdeen, and Sir Matthew White Ridley, Bart. They are also all recommended for re-election.

REPORT BY THE AUDITORS.—Having made such an inspection of books and documents as we considered necessary; having conferred with a committee of the directors, with the manager at Edinburgh, and with the auditor appointed by the directors, and received such explanations as we required, and having also carefully perused the company's contract of copartnership, their royal charter, the various Acts of Parliament which have been passed to regulate their affairs and the bye-laws of the company, so as to make ourselves acquainted with its constitution, —we beg to report as follows :—

1. The balance-sheet and revenue accounts submitted along with the foregoing report by the directors are in accordance with the books of the company.

2. Detailed lists of all the investments of the company have been laid before us, bearing certificates by the directors' auditor in satisfactory terms as to the existence of the securities representing them. These lists have been carefully examined by us, with special reference to the company's powers of investment, and we have found that the investments are all of the description authorised by the constitution of the company.

3. We have made enquiry as to the system in use for maintaining a supervision over the sufficiency of the securities for investments, with reference more particularly to loans on heritable security within the United Kingdom, and we find that this subject has received and is receiving most careful consideration, and that in full detail, by the directors and officials of the company. We have received explanations which satisfy us that the amount at which the investments stand in the balance-sheet of the company is considerably within their real value.

4. The subject of expenses has had our anxious and careful consideration, and we are much impressed, as are also, we believe, the directors and officials of the company, with the great importance to the shareholders of a due regard to economy. We have had laid before us in very considerable detail statements of the whole expenses of the year, showing under various heads the expenditure at the different offices and branches of the company, and these we have scrutinized and compared with corresponding statements for the preceding year, asking and receiving explanations where these seemed to be necessary. We have satisfaction in reporting that we find that statements are from year to year prepared which cannot fail at once to call the attention of the directors to the exact locality and extent of any increase which may take place in the expenditure, and thus to suggest to them how it may be possible to curtail the expense of the business consistently with a due regard to the efficiency of the management. We have suggested that in future a somewhat fuller statement of the expenses, arranged under convenient heads, might with advantage be given in the annual accounts.

5. Though perhaps scarcely falling within the scope of our enquiry, we think it may be satisfactory to the shareholders to know that a most careful record is from year to year kept, not only of the general results of the company's business, but of the results at each office and branch, so as to guide the directors in keeping a watch over any department where the results may have proved unprofitable, and in fostering business of a remunerative character.

REVENUE ACCOUNTS FOR THE YEAR ENDING DECEMBER 31, 1884.

Fire and General Account.

	£.	s.	d.
Fire insurance fund at December, 31, 1883	1,737,129	5	2
Reserve	£1,144,576	19	11
Premium reserve	369,248	9	11
Profit and loss	228,303	15	4
	£1,737,129	5	2

Revenue of '84	1,201,068	11	11
Premiums less re-insurances	1,114,068	18	0
Interest and dividends ..	86,898	11	5

Transfer fees.. 101 7 6

£1,201,068 11 11

£2,938,197 17 1

	£.	s.	d.
Dividend and bonus paid out of balance at Dec., 31, 1883 :—			
Dividend and bonus on paid-up shares, due April and October, 1884	142,335	0	0
October dividend on new shares, on which the calls made have been paid by instalments since July 1, 1883	2,553	0	0
	£144,888	0	0

Charges against revenue of '84.. 1,046,014 7 7

Fire losses, less re-insurances ..£	704,357	0	2
Commission...	177,012	6	9
Expenses of management ..	159,544	2	10
Superannuation fund..	1,000	0	0
Income-tax ..	3,086	16	6
Balances irrecoverable..	1,064	1	4
	£1,046,014	7	7

Balance of fire fund at Dec. 31, 1884 ..	1,747,295	9	6
Reserve	£1,700,000	0	0
Premium reserve	371,356	4	4
Profit and loss	205,939	5	2
	£1,747,295	9	6

£2,938,197 17 1

TEXTILES IN BRITAIN.

MANCHESTER, 7th May.—The market opened very flat, and has shown no recovery. The demand is insufficient to impart a healthy tone to yarn or to give firmness to quotations. These are very seldom above the lowest rates of last week. In cloth the best feature is a little more inquiry for Mexicans, but the prices offered are not often good enough to find acceptors. The China inquiry is also at prices sellers decline. Buyers for India seem to be better supplied with practicable orders.

WOOLLENS.

BRADFORD.—The slightly improved tone noticed in our last report of the wool market was fully confirmed. Staplers' stocks have been brought within reasonable limits, and, mohair and alpaca are without variation. Spinners of worsted yarns keep well employed. In piece goods the home trade is flat, but there is a revival in the American demand for worsted coatings and other goods, and makers of camlets and lastings are busy.

DUNDEE JUTE AND HEMP.—The speculative demand for jute has increased, but the late advance is supported. In Dundee jute fabrics meet a good demand at firm rates, also jute yarns. "There has been a fair inquiry for flax goods on the spot during the week. Prices show little change, but holders show more disposition to advance than reduce their limits, owing to the prospect of comparatively small shipments during the summer. Nothing of interest has transpired in Manila hemp, which is firm."

Commercial.

MONTREAL MARKETS.

MONTREAL, May 20th, 1885.

The trade situation presents no new features. Dry goods show rather an increased movement since the more genial weather, but orders in all lines continue to be carefully restricted. Remittances are mending, but only slowly. Farming operations are progressing fairly well, but warm rains are needed to start the grass and vegetation generally. The stock market rules

dull, with very few sales reported. Money continues at old rates.

ASHES.—Continue rather weak, with receipts and sales both moderate. No. 1 pots are quoted at \$3.75 to \$3.80, seconds \$3.20 to \$3.25. There have been no recent transactions in pearls.

CEMENTS, FIRECLAY, &c.—Fresh stocks of cements are arriving, and last quotation of \$2.75 for Portland in lots, would be shaded for delivery ex. ship. Roman and Canadian as before. Fireclay \$2 per bag; firebricks \$25 to \$30 per thousand.

FISH.—Only very little doing in this line, mainly in salmon. Prices are mostly nominal. North Shore salmon \$14, \$13, and \$12; British Columbia ditto \$11 to \$12; Gaspe cod \$4 to \$4.25; American \$3 to \$3.25; boneless cod 4 to 5½, as to quality and packing.

DRUGS AND CHEMICALS.—Stocks of heavy chemicals are arriving pretty freely, and prices have been subjected to considerable revision as noted below. There is some excitement in quinine and prices have receded materially. German manufacturers are pushing their product hard into the States, and American makers have met the competition with a heavy cut in prices. Carbolic acid is advanced. We quote: Sal Soda, \$1.10 per 100 lbs.; Bi-Carb Soda, \$2.50 to 2.60; Soda Ash, \$1.65 to \$1.75. Bichromate of Potash, per 100 lbs. \$8 to 9.50; Borax, refined, 11 to 12½; Cream Tartar crystals, 31 to 33c; do., ground, 35 to 37c; Tartaric Acid crystals, 52½ to 55c; do. powder, 55 to 58c per lb.; Caustic Soda, white, \$2.40 to 2.60; Sugar of Lead, 9 to 11c; Bleaching Powder, \$2.25 to 2.50 according to lot; Alum, \$1.65 to 1.90; Copperas, per 100 lbs., 90c; Flowers Sulphur, per 100 lbs., \$2.75 to 3.00; Roll Sulphur, \$2.40 to 2.60; Sulphate of Copper, \$5.00 to 5.75; Epsom Salts, \$1.25 to \$1.40; Saltpetre, \$9 to 9.50; German Quinine, hard to quote; American do. 90c. to \$1.10; H. Ward's about \$1.15 to 1.25; Opium \$4.35 to 4.50; Morphia, \$2.20 to 2.30; Gum Arabic, sorts, 40 to 45; White, 50 to 65c; Carbolic acid, 55 to 65c; Iodine Potassium, \$4.25 to 4.50 per lb.; Iodine, \$5.00 to 5.50; Iodoform, \$7.50 to 8.00.

DRY GOODS.—Business, according to most authorities, is better, travellers' orders, letter orders are frequent, and some houses report visits from country buyers, mainly, so far, from the Eastern Townships. The fine weather is doubtless exerting a beneficial effect on business, and matters with the city retail trade are fairly lively. Remittances are on the mend, but the improvement is slow, and there is as yet nothing to boast of in this respect. Cotton values are firm, with a tendency to a slight advance in some lines which are sold ahead.

FURS.—Some fair lots of rat and fox skins have come in within last few days, but prices in all lines are weak and more or less nominal. Sorting of rats is very strict and 10c. is paid for prime skins only. We still quote: Beaver, fall \$2; do winter, \$2.50; spring Beaver \$3; Bear, \$7.00 to \$10.00; do., cub, \$5.00 to \$6.75; Fisher, \$3.00 to \$5.00; Red Fox, 60c. to 75c.; Cross do., \$2.00 to \$3.00; Marten, 60 to 80c.; Lynx, \$1.75 to \$2.75; Mink, average 35c.: fall muskrat 5c.; winter Muskrat, 6c.; spring, muskrat, 10c.; Otter, \$6.00 to \$8.50; Raccoon, 60c. average; Skunk, 15 to 20c., average; fine dark skins will bring \$1.

GROCERIES.—The feature of the week is the pronounced advance in sugars, in which there is quite an excitement. A cable from Greenock announces a rise of one shilling, and standard granulated is now held at the refinery here at 7c. stiff, and no great desire to sell at that price. Yellows have advanced proportionately, and 5c. is the lowest price in them. Molasses remain quiet at 30 to 31c. for Barbadoes. Prices of teas are steady; stocks of Japans are very light, and there will hardly be enough, according to some, to last till new crop comes in. In dried fruits stocks of Valencia raisins, bad and good, are about all used up. For tobaccos there is a big demand, probably due to the impression prevailing that an additional excise will be imposed, and some leading lines are hard to get. In canned goods tomatoes are selling well, and can't be had under \$1; corn \$1.40 to \$1.50 and scarce; sardines 11½c.; lobsters \$5.50 to \$5.60. Rice \$3.40 to \$3.50.

LEATHER AND SHOES.—Some shoe manufacturers have been favored with fair sorting orders, and one or two have had some government work, but generally speaking business is not lively, and travellers in some sections report business very bad. Payments in this line are not gener-