

markets in the United States easy, expeditious and economical, therefore the benefits of the new supply must go to the consumers in the United States rather than to the Canadian producers.

This impression is contrary to the fundamental laws of commerce. The final price of a commodity is dictated by the producer, and the cost of delivery is in addition to his price, which may make it undesirable to the buyer and prevent a sale. Hence cheapening of the cost of delivery is so much added to the sale profits of the producer.

With a sea-port in Ontario, where the sea food produced in the northern waters is concentrated, the market value will be established at that point in view of the time and cost of shipments to an adequate market. If this cost can be reduced the net return to the Ontario seller is correspondingly increased; therefore, the enquiry in the interests of Ontario should be:—What is the most economical route to market both as to time and cost? The money paid by the consumer goes to the producer, and this in the case of the Hudson Bay fishery industry will bring a new source of wealth to Ontario with the luxury of fixing the price of what it has to sell.

Delay in reaching this position involves the loss to this Province of a great sum, possibly millions of dollars annually, which the enterprise and capital of its citizens should now be gathering in. It is admitted by the "World" that there is a great deal to be said in favor of the scheme which has during the month of March been outlined for its readers by the "Monetary Times." We quote as follows from the "World" article:—"The argument for a direct route from the Arctic Circle to Chicago, [St. Paul, St. Louis], is that, in any case, the population of Ontario which could be served with Hudson Bay fish will not be large enough to consume a sufficient quantity of that edible to pay for a railroad; whereas, by making the directest communication with United States territory, there is immediately within commercial reach a population of 30,000,000 people, to whom fresh fish is at present a costly luxury." The conclusion of the writer is that:—"Here, then, is a scheme which has many appearances of feasibility, and which the Ontario Government may soon be invited to support. It may cause other parties interested in lines of communication with Hudson Bay to hurry up their plans."

PROFESSIONAL AUDIT AND STANDARDIZATION OF MUNICIPAL ACCOUNTS.

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From the recent English mails we gather the latest steps in the movement among publicists, economists, and representative bodies, to control more closely the spending powers of the British municipalities and urban councils. One of the more important is the conference of Chambers of Commerce, industrial (masters') associations, municipal and local authorities, delegations, and professional societies, convened by the "Municipal Trading Committee" of the London Chamber of Commerce. This convention was held on March 5th, at the Whitehall Rooms, Hotel Métropole, and among the influential attendance were to be seen Lords Avebury, Brassey, and Rothschild, representing the London Chamber of Commerce; while the Scotch Institutes of Accountants and Actuaries; the English Institutes of Chartered Accountants, and Incorporated Accountants; the Institute of Bankers; and numerous

federations of trade employers in the United Kingdom were represented by leading members. Mr. Felix Schuster, banker, presided.

The first resolution was moved by Mr. Thomas F. Blackwell, (president of the London Chamber), and was in these terms:—"That this Conference expresses its regret that effect has not been given to the recommendations of the Joint Select Committee on Municipal Trading (of 1903), as regards appointing professional auditors of municipal accounts."

In moving the resolution Mr. Blackwell recognized the excellent work which had been done by the municipalities of all the large cities and towns of the United Kingdom, and that all residents enjoyed benefits unknown forty years ago. The conference was not called to discuss the debatable question of municipal trading, but surely the most strenuous supporters could not object to the accounts of the municipalities being kept correctly and skilfully. As rate-payers, every one would feel it right that the accounts should be examined by independent and professional auditors, who should be satisfied that the money had been well spent in the public interest for the benefit of the people.

Mr. J. M. Fells, F.S.A.A. (London Chamber), in seconding, said he was one of the witnesses before the Joint Committee of seven members of the House of Lords, and seven of the House of Commons. Eleven sittings were held, twenty-nine witnesses examined, and over four thousand questions asked and answered. The recommendations of the committee were not framed in a spirit hostile to the municipalities; but, on the contrary, the merit of their report is shown by the fact that persons in favor of municipal trading and those opposed, are equally in accord with its conclusions. It was difficult, he declared, to decide what it is that keeps the Governments of the day from acting upon the report; except, perhaps, the permanent officials of the Departments involved by the suggested changes.

It was moved by Mr. C. Charleton, (deputy-chairman, London Council), "That this Conference is convinced of the desirability of securing as far as possible the standardization of municipal accounts on business lines." It might be considered that the sting of the resolution was in the tail. The principal points to be defined were the *Sinking Funds*, and, even more important, the question of *Depreciations*, which has not been adequately treated in numerous municipalities' accounts. There should also be an actual distinction between all departments, as there is in all well-conducted businesses; and, in arriving at the profit and loss accounts, all these accounts should be based upon "income and expenditure," and, not merely upon "cash receipts and cash payments."

Mr. Dixon H. Davies, of the Industrial Freedom League, seconded, and pointed out that vital differences occur in the methods of various authorities of keeping accounts, rendering them to the ordinary economist really valueless from the point of view of comparing the cost or the profit or efficiency of various undertakings.

Mr. Fells pointed out that recommendation No. 9 of the Report states:—

The committee are doubtful whether it would be possible to prescribe a standard form of keeping accounts for all municipal or other local authorities, having regard to the varying conditions existing in different districts. But they recommend that the local Government departments should invite the Institute of Chartered Accountants, the Incorporated Society of Accountants