United States has lately made several minor advances.

Summing up, all classes of those interested in both branches of the hardware trade appear quite satisfied with the prevailing conditions. The demand is both strong and broad, and, while the present state of prosperity throughout the whole country keeps up, there would seem to be no cause for anxiety lest steady prices with, if anything, an upward tendency, will not prevail for some time to come.

WHAT ACCOUNTANTS SHOULD KNOW.

Some weeks ago, we had an article on reinsurance liability, pointing out what it was and urging that fire insurance companies should make provision for it, a thing that some newly formed companies had not done. Following upon this article, two correspondents expressed themselves as approving our recommendation, and deprecated the furnishing of statements to the public, as to the condition of companies, which did not take into account all the features of their position. A chartered accountant of Ontario took exception to a criticism by one of these letters, of Canadian accountants as being less thoroughly equipped for their business than English. And half a dozen letters have been written about the matter, pro and con. It may be well, in warning our correspondents that enough letters have passed, to endeavor to sum the matter up editorially.

"Fiat Lux" came down heavily upon weak, inexperienced or incompetent auditors, and criticized unfavorably various accountants whose work he had seen here. To such a statement, made anonymously, as that Toronto accountants were superficial, Mr. Edwards took exception, and resented the notion that an accountants' association, such as is sought to be incorporated at Ottawa, could furnish the benefits its advocates sought. Now it would be absurd to deny that there are weak-kneed and incapable auditors in Toronto, as there are elsewhere, persons bearing the name of auditors and engaged as such without possessing either the moral or intellectual fibre to qualify them for so responsible a post. What is it an auditor has to do? He has to examine and criticize the doings of a company manager and directors; to see if these men are properly qualified; to ascertain if they have broken the common law or violated any condition of the charter; to see that they make adequate provision for liabilities; and if the company be an underwriting one to see that policy-holders' rights are protected. All this, *in addition to* the mere scrutiny of the company's books and money box to find out if the cash account balances or the balance sheet is correct by the rules of arithmetic. Now there are in Canada plenty of men employed as auditors who are incompetent to do all this, although they may be able to keep books and to check statements of figures.

The argument has been used that we in Canada are not worse off in this respect than the United States or even Great Britain. And it may be further contended that just as a doctor's or a lawyer's degree vouches for a certain measure of medical or legal knowledge in the holder, but does not profess to endow him with moral fibre, knowledge of the world, or good manners; so the possession of an accountants' certificate is no guarantee that the holder is either a statesman or a gentleman. Not all doctors are good doctors. Not all lawyers are able lawyers. Not all accountants are fit for the higher responsibilities of their profession.

The Ontario Institute of Chartered Accountants has been in existence for a number of years and has made creditable progress in raising the status of accountancy in the province, having been established at a time when some elevating agency of the kind was needed. It has a membership of seventy or more, among them many persons of acknowledged high professional skill and excellent character. There are affiliated with this institute four or five institutions which undertake educational work of a class suitable for students, and there also exists, we are told, a Chartered Accountants Students' Association, numbering about eighty members. The examinations each year are attended by nearly forty candidates, and we have heard that the standards of these examinations are so well maintained that the average number of successful candidates has never exceeded forty per cent. As to the *esprit de corps* of the Institute, it has always been marked, and we are quite sure that the council is desirous of maintaining a high moral and technical standard. There may have been instances of members of the Institute failing to protect the public interest, but in its whole history we have heard of but one instance of a chartered accountant of Ontario having deliberately defaulted in any respect, and this member was summarily expelled. From these facts it may be concluded that to be a fellow of such a body means something worth while, and that Fiat Lux, in his facile criticism of individual members for their "mechanical methods and superficial knowledge," did less than justice to a worthy institution.

ENLARGED VIEWS IN FRATERNAL ASSURANCE.

A very welcome and sensible utterance is that of Dr. Mallory, president of the Canadian Fraternal Association, which met last week in Toronto. It is welcome as showing that some of those who govern fraternal bodies in Canada are being aroused to the fact that their rates of assessment are too low to do what they propose or promise in the way of sick benefit and life assurance. It is sensible in that it exhibits a disposition to amend former faults and to frame a new scale of charges that will remove from many fraternal bodies a reproach that has too long attached to them.

Dr. Mallory declares himself an advocate of a uniform system of minimum rates of assessment, to be adopted by all fraternal societies on a table sufficiently high to meet the necessities. This, he points out, can be attained in two ways: "1st. By a voluntary agreement among ourselves. 2nd. By compulsory legislation on the part of the Government." He continues:

"We admit practically that the tables of rates under which the majority of us are doing business are insufficient, and that our plans are wrong, that we are misleading our membership when we tell them by inference, if not in words, that they are to receive whole life protection. We do not want any more societies started on a wrong system, but we want to go on and get in new members on our old tables, which we admit are faulty. It is a difficult matter to change plans