EFFICIENCY IN ACCOUNTING.

Dominion Association a Success—Joint Stock Company Law.

The chartered accountants of Winnipeg, Man., recently held their annual gathering. The medal presented by Mr. W. A. Henderson for the best all round papers in the intermediate class at the chartered accountants' examination was won by Mr. R. C. Macdonell, the presentation being made by the president, Mr. H. M. Cherry. In his presidential address Mr. Cherry stated the position which accountancy occupies and should occupy in the business world. Until quite recently it was not generally accepted that accountants should have a definite professional standing in the community as they have elsewhere. Business health can only be kept in sound order by careful accounting and this is almost as essential to social well being in this age, as the elimination of obvious causes of disease to which human beings are subject. Business mortality as well as human mortality can be diminished by common sense regulations which tend towards eliminating quackery either in medical or accounting practice.

Speaking of the services to societies which accountants render, Mr. Cherry said: Our relations to the public are two-fold, as accountants and as auditors. A man may, by the possession of knowledge, be an expert accountant, but to be an auditor in the best sense of the word, must also possess in a marked degree the qualities of self-reliance and courage. Occasions may arise where an auditor finds himself in hopeless disagreement with his client upon a question of the proper method of treating certain items in his client's accounts. Upon such occasions, where convinced that his viewpoint is correct, he must be firm and courageous. To maintain his attitude may mean a temporary sacrifice of material benefits, but he should remember that in the practice of any profession sacrifices of all kinds are required, and he should be prepared to subordinate his personal advantages to the good of the profession at large, and its standing in the estimation of the public, for we stand or fall in the estimation of the public, not only as individuals, but as representatives of the profession generally.

Aim to Advance Along Broad Lines.

It has been stated that we are endeavoring to build up an association which will become a close profession, solely in our own interests. Such statements cannot be too strongly denied. I am voicing the sentiments of the members of this association when I say that our aim is to advance strictly along broad lines. As an association, we desire to promote an increased knowledge of accountancy, as laid down in the preamble to our charter, a part of which reads: "The said association has been formed for the purpose of raising the standard of accountancy within the province," also for the purpose of "securing to the public a guarantee of efficiency and reliability as regards services performed and certificates issued by those parties as public accountants."

Public Becoming More Appreciative.

As time goes on the public is becoming better educated to the necessity of closer inspection of business methods by properly qualified men, and the high place which the name "chartered accountant" occupies in the estimation of the public, is due to the fact that our qualifying tests ensure the possession of special training and knowledge. It has been charged that we set our standard of examination unnecessarily high, so as to place a limit on the number of successful candidates. I think if we sought for the real reason for the high percentage of failures, we would find that it is because our intermediate examination has been open to all candidates, irrespective of preliminary training or service, and a number of candidates try this examination who are insufficiently prepared. On the other hand, it has been found that at both the intermediate and final examinations, the candidates, who are successful are those who have served a term in a chartered accountant's office, where they naturally acquire a more adequate preparation for the examinations. Our association has no intention, by its qualifying tests to place an insurmountable barrier in the way of any candidate. Our aim is, rather to ensure that all who succeed in passing the examinations, and who are admitted to membership, shall be men having a considerable knowledge regarding the subjects coming within the scope of a chartered accountant's work, men capable of reflecting credit upon the association and the standing of the profession.

Dominion Organization a Success.

We have to congratulate ourselves on the successful reorganization of the Dominion Association of Chartered Accountants, which was accomplished last year. The Dominion Association now acts as a parent body in an advisory capacity to all provincial associations. We can now look forward to the introduction of an equally high standard of examinations for all the provinces, and the interchange of membership courtesies, which is already established between some of our associations. As illustrating how provincial associations have been brought closer together, the examinations conducted by us last spring were joint examinations for the provinces of Manitoba and Alberta, which may be taken as the forerunner of one examination for all provinces, or at least, for the provinces in the west.

A subject of some importance which might be mentioned is that of the existing legislation with regard to joint stock companies. The Accountant in recent issues has been publishing a tabulated statement giving a comparative analysis of the company laws of the United Kingdom and the Empire. In making a comparison between the Companies Act of Manitoba and that of the Dominion of Canada, I note that it points out the following omissions from the Manitoba act: Provision that a prospectus must specify contracts entered into, by, or on behalf of company, or be deemed fraudulent. Liability of the directors where loan is made to a shareholder. The liability of the directors to creditors where business is commenced before 10 per cent. of the capital stock has been subscribed and paid for. Provision that a printed statement of the affairs and financial position of a company be annually laid before the shareholders at or before each general meeting.

Others who addressed the meeting were Messrs. Ronald, Pitblado, Bunsell, Tarr, Reade, Trueman, Love, Scally and Turner.

STATISTICAL FALLACIES.

The Life Underwriters' Association of Montreal held its first meeting for the season recently when there were 60 members present, with Mr. J. C. Tory, M.P.P., in the chair. The cup won by the Montreal Association at Winnipeg for having made the largest percentage of increase of membership, was presented to the Association. Mr. Tory, in accepting the same, reviewed the progress of the past two years, the membership having grown in that period from less than 30 to 182.

The resignation of Mr. J. C. Tory as president, and Mr. G. E. Williams as secretary, were accepted. These gentlemen occupy the same offices in the new Incorporated Provincial Association, and have retired on that account. To fill the vacancies created, the following were elected as officers:—President, Mr. H. H. Kay; vice-president, Mr. A. C. Champagne; secretary, Mr. W. W. King.

Mr. T. B. Macaulay, F.I.A., managing director of the Sun Life Insurance Company had been announced to give the address of the evening on "Financial Aspects of Life Insurance." Owing to illness, he was prevented from being present, and Mr. A. B. Wood, actuary of the Sun Life, read a paper prepared by Mr. Macaulay on "Statistical Fallacies." The paper made very clear the foolishness of arriving at conclusions, on insufficient data. It particularly referred to the theory, that the first born in families were inferior, physically and morally, to the later born. Mr. Macaulay showed that this theory had been proposed on altogether insufficient statistics. Before reading the paper Mr. Wood referred to the interest taken by the management of his company, and he believed the management of all other companies in the important work being done by the Underwriters' Associations.

The council of the Life Underwriters' Association of Quebec met in Montreal, November 2nd. Mr. Tory, the president, was in the chair, and the members of the council from the three associations in the province were present. A resolution passed by the Quebec Association was presented, asking that all official documents of the associations be printed in both languages. This was agreed to. Another resolution passed by the same association was submitted, referring to the action of a new life insurance company in the province, who do not employ agents, but who pay medical examiners a bonus for introducing business to them. This action was strongly condemned, and it was decided to bring the matter to the attention of the College of Physicians and Surgeons of Quebec, it being held that such action on the part of medical men was unprofessional. The annual meeting of the provincial association will be held on Monday, December 11th.

CHARCOAL EMBERS CAUSE FIRE.

That the fire which destroyed the church of St. Irenee, Montreal, was caused by an ember charcoal which fell from the censer in the hands of an acolyte, was proved at the investigation held before Fire Commissioner Latulippe at Montreal. Fire Chief Tremblay stated that he arrived on the scene fifteen minutes after the alarm was given, and he discovered that the pressure of water was not sufficient. One of the acolytes, a lad fourteen years of age, was examined, and he told of dropping a piece of burning charcoal from the censer, which broke into fragments, and some pieces of which rolled near a cupboard of priestly garments. He thought he had gathered up all the pieces, but could not be sure. Another boy said that all the pieces were not gathered up.