

## Industrial Accounting from a Practical Standpoint

By S. E. LE BROCCQ,  
*Vice-President of The Canadian Society of Cost Accountants; Comptroller, The Steel Company of Canada, Limited, Hamilton.*

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FIRST of all I wish to congratulate you on the inauguration of the Central Ontario Chapter of the Canadian Society of Cost Accountants. It is another evidence of the trend of modern thought arising from the realization that to be successful we have to consult with one another.

By this time no doubt you have made yourselves fully conversant with the aims and objects of our society. The practical function of the organization is that it provides an open forum for the exchange of ideas and the solution of one another's problems. The time has long gone by when any one business of any size can be run on the basis of one man's brains. True, there must be a leader, and he must be a man of high caliber, capable of good, sound leadership; but the conclusions arrived at by that leader, to be of real value, must be based on the findings of his technical men whose business it is to specialize in the various branches of the industry. It is only by the co-ordination of brain power that best results can be obtained.

When Mr. McKague asked me to prepare an address for this meeting my principal problem was to find a suitable subject in order to make our discussion of practical value, without rehashing theoretical viewpoints over and over again. I am going to take it for granted, therefore, that our respective accounting systems are based on sound fundamental principles and relate a few of my personal observations in the interpretation of accounting as generally applied.

### Theory Versus Practice

Sir Robert Falconer, President of Toronto University, at one of our C. S. C. A. conventions in Toronto, emphasized the importance of university training. He pointed out the truth that the untrained man is liable to jump at conclusions—the result of certain conditions to him seems obvious. The university man will not take things for granted—he will do some research work in connection with the problem at issue, record his facts and marshal them in such form that they will show what practical results will be obtained. On another occasion the president of a large corporation impressed upon me the importance of theoretical knowledge in order to apply fundamental principles, but at the same time emphasized the necessity of being practical in the application of my theories.