

meaning of sec. 260, and some one should be stationed on the tender to warn persons crossing the track.

The rule "stop, look and listen," as applied by the Pennsylvania State courts to persons about to cross a railway track, is not in force here and is not considered one that should be adopted.

COUNTY OF HALTON V. THE GRAND TRUNK RY. CO.—In 1874 the county of Halton gave to the Hamilton & North-Western Railway Co. a bonus of \$65,000 to be used in the construction of the railway upon the condition that the company should remain "independent" for twenty-one years. In 1888 the Hamilton & North-Western Railway Co. became (as was on the facts held) in effect merged in the Grand Trunk Railway Co., and ceased to be an independent line.

Held, that there had been a breach of the condition entitling the plaintiffs to recover the whole amount of the bonus as liquidated damages.

CHEMICAL ENGINES.

The efficacy of what are known as chemical engines—that is to say, those which instead of water throw upon a fire a liquid chemical mixture which rapidly quenches fire with the use of less liquid than a water engine requires—is largely admitted. But their adoption is a matter of slow growth. This is not easy to understand when we remember that it is a published experience that from 50 per cent. to 90 per cent. of the fires occurring in certain towns and cities in a certain recent period have been extinguished by these engines. The reduction in rates of fire insurance in places which are provided with chemical engines is another feature worth bearing in mind.

Here and there villages and towns are providing themselves with fire-fighters of this kind. The Hiram Walker & Sons Company, Limited, has obtained several of them, three in all, we believe, from Mr. Wm. Morrison, of this city. The particular apparatus in question is a double chemical fire engine and hose wagon, by which are secured in one combination two of the most essential arms for fighting fire. This machine, we are told, has capacity for carrying 1,000 feet of steam fire engine or water works hydrant hose, in addition to its own chemical hose, while its chemical capacity was up to the standard laid down by the Canadian Underwriters' Association.

The Messrs. Walker, who do not usually do things by halves, have erected a \$10,000 engine house, resembling in its architectural features the pretty stations of the Lake Erie and Detroit River Railway. It is fitted with electric lights and is in all respects a neat and convenient fire station.

SHODDY AGENTS.

Keep your eyes open for a new kind of shoddy swindle. The *Ottawa Journal* tells of how some fashionable bank clerks in that city became easy victims to a plausible swindler who dangled a tempting bait in the shape of cheap clothes. He represented himself as a son of J. S. Drummond, tweed blanket and shawl manufacturer of Bannockburn, Scot., who was introducing to Canadians some special and superior lines of grey tweeds. To get the stocks into the Canadian market, he said, they had decided to dispose of pieces in suit lengths of about seven yards, which would come to about £1 10s. to £3, British

money (say \$12.50 to \$15). In order to accommodate their patrons, they had arranged with a certain fashionable tailor of Toronto to follow after him and make up the suits at £1 8s. each (say about \$7.) The so-called agent did a good business until the ledger keeper of the Merchants' Bank "smelt a rat," and submitted the goods to a local tailor, who said that they were not Scotch tweed at all, but cheap Canadian shoddy worth about 45 cents per yard. Then a detective appeared on the scene, and the Bannockburn (?) boy vanished like the smoke from certain historical scorched pancakes of that neighborhood. It is said that where successful the so-called Drummond made a profit of \$12 on each suit length.

ONTARIO ACCOUNTANTS.

At the recent meeting of the Ontario Institute of Accountants in the Y.M.C.A. hall, the president, Mr. H. W. Eddis, delivered his inaugural address. In doing so he took occasion to make a historical sketch of the Institute, the object of which, as set forth in its charter, was "the more effectually to give effect to the aims sought to be accomplished as an intellectual and educational movement to raise the standard of accountancy." He referred also to the papers which had been read before the members during the year, among which was one on The Silver Question, by Geo. Hague, Esq.; Partnership, by D. E. Thomson, Q.C.; Watered Stock, by J. T. Moore, F.C.A.; Arbitration and Award, by the President; Joint Stock Companies, by Geo. Edwards, F.C.A.; Scientific Definition of Money, by W. Houston, M.A.

The worthy president laid great stress upon raising the standard of membership, "and, if found advisable, of placing some more stringent conditions as regards the admission of new members." He comments in another portion of the address upon the urgent need of care in this respect. We quote his words: "However great the acquirements and ability as an accountant, of a candidate, if he be unable to establish an unblemished character for integrity, good moral conduct and steadiness, we would not admit him into our ranks, and our charter gives us the power of expelling any member for misconduct."

It is important to observe that membership in the Institute, however, is not to be understood to certify that a man is endowed with all the virtues, or that he possesses all the talents, or even that he has acquired all the perspicuity in book-keeping or dexterity in figures that a mortal may attain. There are grades within the Institute. And more than this, that body has a rule that when his conduct becomes a matter of public concern, any member must, when called upon by its council, pass an examination either for a diploma or a certificate. And we learn from the same paragraph that the appellation "Chartered Accountant" is limited to members holding a diploma or certificate.

It must be remembered that a public accountant cannot plead ignorance or inability to tackle to any matter placed before him. He must be armed on all points, able and ready for any investigation, however difficult or intricate, as he never can tell when he may be called upon to bring his knowledge and experience into operation.

No man can be regarded as competent to undertake the very varied and responsible duties that may at any time devolve upon a professional accountant, unless his mental faculties have been expanded and disciplined, and in a word "educated" by earnest and prolonged intellectual training. A man can

keep books, examine vouchers, cast up accounts, whose education is very imperfect, but such functions are to the higher branches of accountancy what mere bricklayer's work is to architecture, or the quarryman's to sculpture.

There has been too much cause given for the opinion held by some that a professional accountant is one who has been unsuccessful in other cognate lines of business.

The Institute desires to correct this by a persistent policy of reserving its honors and its recognition, in any form whatever, to those whose intellectual ambition cannot be satisfied with the narrow routine life of a bookkeeper, and who have qualifications for public service much wider and more valuable than are needed in a private office.

The Institute desires to do for accountancy what the Law Society does for legal practice. It must, to do its proper work, open its portals only to those who, besides practical experience, have also the educational status that can command respect for the profession, and also the character that will justify the Institute to confer on the candidate its diploma or certificate.

Whilst on this subject I would like to state as my decided opinion, that as by our charter the degree of F.C.A. can only be conferred upon members of our Institute, it can only be held as long as the recipient, either of this degree or of our certificate, remains a member.

In my last inaugural address I called special attention to one important part of the duties of a public accountant, viz., that of auditor, and I may be pardoned if I repeat briefly some of my remarks on that occasion. A tyro in accounts can check the accuracy of postings, but to perform an auditor's duty efficiently requires more than mere clerical accuracy.

An auditor cannot be expected to entrench upon the functions of a manager or directorate, and while he must fearlessly fulfil the duties which come within his border, he must be careful not to overstep these limits. In a loan society he cannot be expected to decide upon the character of a loan, or the title or valuation of the securities. In an insurance company, upon the rates of insurance, or classification of risks; in a mercantile company, upon the prices of goods purchased and sold; or in a manufacturing company, upon the special cost and details of the manufacture; yet under all these varied circumstances he must not consider his duty as an auditor as finished, when he finds the balance sheet corresponds with the various books of the company.

In a financial company he must be acquainted with the laws governing the company's operations, and satisfy himself of the existence and safe custody of the various securities.

In an insurance company he must be familiar with the principles of earned and unearned premiums and the Government insurance reserve.

In a manufacturing or commercial company he must see that the profit is correctly arrived at, that proper allowance is made for wear and tear and depreciation, that the stock is not overvalued, and that dividends are paid out of realized and not out of expectant profits.

And under all circumstances, that a statement presented to shareholders is an honest expose of the company's affairs, and especially that no ascertained losses are covered by imaginary valuations.