

SCAN



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Season's Greetings

REFLECTIONS

**William Simms Lee
(C.A. 1885-1941)**

Very few Maritime based firms had their beginning almost 100 years ago. The firm of Lee & Martin, Chartered Accountants, had its origin in 1887 with one man, Mr. William Simms Lee, F.C.A.

Mr. Lee, having obtained his accountancy designation in England, came to Canada in 1887, setting himself up as a sole practitioner in Halifax. On November 2, 1902 the Council of the Dominion Association of Chartered Accountants "after careful examination" granted Mr. Lee the distinguishing letters of F.C.A. (Can.)

A widower, Mr. Lee lived quietly by himself. He built a log cabin on an island near Timberlea, and it was there that he entertained his favorite guests. Mr. Lee cut a forceful figure. He was well over 6 feet tall and was a very stubborn man. He was also a man who took his religion very seriously. Mr. Lee was ordained a lay reader of the Anglican church, and actually built a church in the vicinity of Timberlea. He ran the church himself, engaging the services of a minister for funerals. It is uncertain whether or not he conducted any weddings, but he got the bishop out once a year for dignity's sake.

During his years of practice he held such audits as the Nova Scotia Tele-

phone Company and its associated company, Eastern Trust Company; Clayton's Manufacturing Company, a large manufacturer of clothing in Halifax who shipped to all parts of Canada; the Bras d'Or Coal Company and its associate Furness Withy Shipping Company; and the Diocese of Nova Scotia.

A favorite story told about Mr. Lee involves an audit at the Eastern Trust Company. There were no interims in those days, and before his co-auditor, Oxley and Johnson, arrived in the trust company offices, he proceeded to the board room and took off his coat. In those days, bookkeepers wore green eyeshields and green cuffs. He got all decked out in his regalia, rang the bell and said to the clerk "Produce the books and vouchers!". This was promptly done, but along with it was a printed copy of the financial statements, already duly certified by the auditors. Mr. Lee took one horrified and enraged look at this, rang the bell and ordered the General Manager to appear. He returned the books and vouchers and promptly walked out after insisting that his name be removed from the certificate. Eastern Trust Company never saw him again in the capacity of an auditor.

About 1890, the Maritime Tele-



phone & Telegraph Company, then known as Nova Scotia Telephone Company, had a new General Manager in the name of J. H. Winfield. Young Mr. Winfield insisted before the Board that before any dividend could be paid, a strange reserve called "depreciation" would have to be recorded. The Board of Directors were appalled. That was not to their liking as they felt sure that this silly reserve would kill the annual dividend. The regular auditors of the firm at that time supported the Board. Young Winfield finally persuaded the Board to call in

over...

an arbitrator, none other than Simms Lee. Having just recently come out of England, where depreciation reserves were common practice, Mr. Lee supported Winfield. So impressed were the Board of Directors that Mr. Lee was promptly named the auditor for succeeding years.

Another example of Mr. Lee's firm determination was his adamant stand that the Nova Scotia Institute's Council set-up an examination committee to monitor professional examinations. For many years in Nova Scotia, students enrolled at the Maritime Business College in preparation for the writing of their C.A. exams. Mr. Kaulback, the principal, taught, set and marked all papers. Mr. Lee strongly objected to this procedure, feeling that it put too much power in one person's hands. He could not convince the Nova Scotia Institute Council to set-up an examination committee, so he resigned from the Institute. Even 20 years later, he refused to re-enter since the changes he wanted had not taken place.

Mr. Lee was just as stubborn when the Income War-Tax Act was introduced in 1917. Mr. Lee decided he would have nothing to do with it, he didn't believe in it. He was already in his sixties and very set in his ways. In his later partnership, Mr. Lee gave consent to Mr. Martin to examine and approve income tax returns for his clients. This led to some interesting and favorable results. The clients had no one to blame but themselves for any shortcomings however, as Mr. Lee, their auditor, had always refused to look at their tax returns.

Mr. Lee eventually decided to take on a partner by the name of Mr. Gerald Martin. Mr. Martin received his C.A. designation in 1938 and the partnership Lee & Martin was formed in that year. One of the articles of the Partnership Agreement was that Mr. Martin was to assist Mr. Lee in Sunday church services (fortunately this is no longer a requirement for partnership in Lee & Martin).

When the Diocesan audit was finished each year, Mr. Martin would go along with Mr. Lee to see the bishop, who would very carefully finger the papers and look very serious. He would say to Mr. Lee, "look here, sir, I have told you before that it is quite

improper for the title deed of the church to be in the name of a layman. What are you going to do about it?". Mr. Lee would turn to Martin and say, "I am getting absent minded, you must remind me about this," which pleased his Lordship the Bishop. Outside on the street, Mr. Lee would say, "I'm dammed if I'll ever change the deed, so you might just as well forget

to remind me. It's my church!". The church was deeded over to the Bishop when Mr. Lee died.

Editor's note

The Committee plans to feature additional articles of this nature in future issues. Any suggestions as to subjects can be submitted to any Committee member.
