

ASSOCIATION FINANCES

J. C. BINNIE

Secretary-Treasurer
The Canadian Bar Association

The Report and Financial Statement of the Canadian Bar Association for 1945, presented to the Council Meeting in February by Mr. C. F. H. Carson, K.C., the Honorary Treasurer, indicates the necessity of considering methods of improving the financial affairs of the Association for the future.

Briefly, the receipts in 1945 from membership fees, including Review subscriptions, were \$12,602.22. For the same period disbursements amounted to \$28,223.52, leaving an unfavourable balance of \$15,621.30. Fortunately, the revenue derived from invested Capital and Endowment, coupled with Review advertising, sales of back issues, Proceedings and other sources reduced the actual deficit to \$8,656.35 for the year's operations. On the appeal of the President over \$7,000 was raised by special subscriptions from members throughout the Dominion, most of them for amounts of \$25.00. This sum, together with a small surplus in the Endowment Revenue Account, was sufficient to place the operating account of the Association in a solvent position to enter the 1946 financial year.

Last year's failure to limit expenses to revenue from membership fees and subscriptions did not create a precedent. The first published Treasurer's Report presented by Mr. John F. Orde, K.C., to the Second Annual Meeting of the Association in 1916 (page 64 of the 1916 Proceedings) showed that fees failed to meet expenses by \$213.34. For the following years increasing differences were reported, reaching \$5,719.81 in 1921. A similar situation has continued ever since.

The Association has been most fortunate in receiving donations from time to time which enabled it to carry on. In the early years of its existence generous grants were made by some of the provincial law societies. From time to time Sir James Aikens contributed a total of at least \$90,000, the income from which still constitutes a major source of funds. Many others have given generously of their time and money. In this way the Association has survived and grown and made its contribution to the profession and to the country increasingly felt, although the precarious financial position has been a continuing handicap and worry.

Only with the support of the general membership can the Association be put on a sound financial basis. There are now

more than three thousand Active members of record, an all-time high, the fee for whom is \$5 a year. In addition, there are almost two hundred Junior members at \$3 and a few Student and non-member subscribers to the Review who pay \$2 and \$5 respectively.

It will be recalled that until 1943 the fee for Active members was \$3; the membership fee, however, did not include a subscription to *The Canadian Bar Review*. Not all members of the Association subscribed to the Review and by amendment to the appropriate by-laws at the Annual Meeting in 1943 the membership fee was combined with the subscription and an amount of \$5 fixed to cover both. Fees and subscriptions produced a revenue of \$12,602.22 in 1945 as already mentioned, and should produce a similar or greater amount this year, though they are unlikely to reach the \$15,000 or more theoretically due from this source. There are always a number of members in arrears, despite the best efforts to collect, and deaths and resignations must be taken into account.

Income from Endowment and Capital, although reflecting the current lower interest rates, will total some \$4,300 in 1946 and it is hoped that advertising in the Review will yield in excess of \$2,000. Income from other sources, such as bank exchange and interest and the sale of back issues of the Review and Proceedings, should remain fairly constant.

What of the disbursements? These are divided into General Account and Review Account and are set out below in some detail.

General Account

	1945	1946 (estimated)
Salaries.....	\$5,406.53	\$6,210.00
Annual and Council Meeting Expense.....	2,120.21
Printing Annual Proceedings 1944.....	1,962.89	2,000.00
Printing and Supplies.....	2,022.46	2,000.00
Publicity—August Meeting.....	1,585.51	100.00
Telephone and Telegrams.....	1,107.52	200.00
Memberships and Grants.....	1,082.23	800.00
Hotel and Travelling.....	761.66	750.00
Office Furniture and Equipment.....	573.81	400.00
Postage.....	545.43	550.00
Miscellaneous Expense.....	520.86	500.00
Express.....	249.34	50.00
Commissions.....	155.50
Rent.....	138.00	1,200.00
Insurance.....	118.46	120.00
Interest and Exchange (net).....	13.40	15.00
Committee on Basis for Peace.....	478.84
Insurance Section.....	100.00	100.00
Taxation Section.....	100.00	100.00
	<hr/> 19,042.65	<hr/> 15,095.00

Except for those items specifically mentioned below, the expenses reflect the gradual increase in the membership and the overall increase in prices generally.

A substantial portion of the expenses in 1945 was incurred in preparation for the Annual Meeting, which was cancelled at the last minute. In the ordinary way these expenses would have been covered by registration fees. Another non-recurring item was the expense of moving the Secretariate from Winnipeg to Montreal.

Two items under anticipated expenses for 1946 call for explanation, Salaries and Rent. The responsibilities and duties of the Secretariate have increased with the membership and activities of the Association. Three full-time employees are now required to assist the Secretary-Treasurer, who is himself still on a part-time basis, and their salaries reflect the general increase in the cost of living and salary levels. They are fully engaged in the collection of fees and accounts, the maintenance of the necessary records and books of account, the addressing of all Review issues, proceedings and circulars and the miscellaneous typing and clerical work necessary to the operations of the Association. A great deal of secretarial work is still done, however, in the offices of members, which should properly be transferred to the Secretariate. This cannot be done without increasing the staff still further.

Heretofore accommodation for the secretarial staff, files and equipment has been supplied without expense to the Association. This happy situation has now changed and in future rent will have to be paid for new quarters. Some saving would be made, however, if accommodation could be found in which the back issues of the Review and Proceedings (for which there is a continuous demand) could be stored under the same roof as the Association offices instead of being scattered in various places as at present.

Review Account

	1945	1946 (estimated)
Printing.....	\$6,282.75	\$8,125.00
Salaries.....	2,293.00	4,250.00
General Expense.....	245.00	250.00
Commissions.....	321.42	350.00
Express.....	38.37	50.00
Supplies.....	300.00
	<hr/>	<hr/>
	\$9,180.87	\$13,325.00

Here again a substantial increase is to be noted under the headings of Salaries and Printing. The new Editor asked for and received authority to appoint Provincial Editors to assist in

obtaining material for publication, never an easy task, and he feels that better results would be achieved if they were paid an honorarium. In addition, the Editor required the part-time services of a stenographer as well as assistance in the preparation of material for publication, in proof-reading and reference-checking.

The printers have intimated that they can no longer continue the contract originally negotiated in 1935 on terms very favourable to the Association even for the time. Those who have had recent experience with printing costs will realize to what extent they have risen. A slight increase in the size of the Review by the addition of features of interest to readers also adds to the cost. There will be a comparable increase in the cost of printing the Proceedings too, although this will be charged against the General Account.

On the basis of 3000 members, the cost of operating the Association and publishing the Review in 1945 was approximately \$9.40 a member. The anticipated expenses for 1946—and they have been estimated very conservatively—indicate a per capita cost of approximately the same figure. Towards this the active member pays \$5 and the Junior and Student less. The revenue available from invested fees of Life Members is about \$3. The cost of publishing the Review alone equals the Active membership fee, even if considerably less than half the cost of the Secretariate is charged to the Review Account, although a considerable part of the duties performed by the staff relate directly or indirectly to the Review.

Obviously, if the Association is to develop towards its logical destiny and continue to merit the support of the legal profession, its financial house must be set in order and it must be assured of an income for the future sufficient to enable it to carry on its present activities and to expand them as the need becomes apparent. The measures adopted in the past of discharging deficits from capital or appealing for special contributions from some members does not seem to offer a permanent solution.

The matter was discussed briefly at the Council Meeting in February and one measure approved was the creation of a new class of membership, to be called a Sustaining Membership, for which an annual fee of \$25. was fixed. Sustaining Membership is optional and it is not intended that any special privileges should be attached to it. It should appeal, however, to many members who are unable to devote the time to participation in the

Association's activities, but who would welcome a means of lending greater tangible support to its work than is now possible within the limits of the active membership fee.

To what extent the revenue will be increased from this source is not known, but it is not expected to be sufficient to cover the anticipated deficit. Nor would an increase in the number of members appear to be the answer from the financial point of view, desirable as that is from every other aspect, so long as the cost per member exceeds the amount of the fee payable. The logical solution seems to be an increase in the amount of the fee.

If the active membership fee were raised to \$10 and the present membership of around three thousand maintained or increased (in respect to which there are differences of opinion), the revenue to be derived from fees would meet the present needs of the Association when added to the income from other sources. Some members of the Executive, seeking as wide a membership as possible, felt at the last meeting that a \$10 fee was too high and that some members would be lost if it were fixed at that amount, even though it is not out of line with the fees charged by other professional associations of a similar nature. An increase in the fee to \$7 was favoured by some, but such a fee would not produce enough revenue with other available income to meet anticipated expenses; an \$8 fee would be barely sufficient.

A circular has been sent to all members of the Council presenting the problem in greater detail than has been possible in this article. It is hoped that a solution can be found and acted upon at the Annual Meeting in August when the amendment to the by-laws creating the Sustaining Membership will come up for confirmation by the general membership. In the final analysis any association is what its members make it. If the Canadian Bar Association is to maintain its present position and expand in the manner all would like to see, the full support and financial backing of all members is an absolute necessity. If adequate support is not forthcoming, there would seem to be no alternative but to restrict the Association's activities to what can be accomplished within the limits of its existing income. No one having the interests of the profession at heart would admit that alternative to be desirable or necessary.