

One might expect that the President of the oldest of the modern day service clubs might be articulate, challenging and hopefully inspiring. However as you heard I'm a Chartered Accountant and who ever heard of a Chartered Accountant who was inspiring. Well perhaps your members from Deloitte Touche/Samson Belair or Price Waterhouse might qualify but not me. However I think I have at least chosen a very challenging subject; "Service Clubs-Voice for Business, Paths to Peace".

Many years ago when I was a member of both the Executive of the Ontario Institute of Chartered Accountants and the Canadian Institute I often spoke to local accounting associations and very often to student bodies. I would talk

glowingly about my profession and explain how it was the guardian of the free enterprise system. The independent auditor, expressing opinions on the audited financial results was one of the keys in the self regulatory system on which investors could rely.

Unfortunately today for many reasons this is not necessarily the case. Investors make decisions on breaking news, often not waiting to see that the information or leak is accurate. Time after time publicly traded companies have had to re-state their annual financial statements and in some cases they have restated a single year more than once. Public accountants lost some of their essential “Independence” when they started providing consulting services to many of their audit clients.

As a practicing Public Accountant I was always a little jealous of “consultants”. They would come into a company discuss the problems with the existing employees, come up with a substantial list of suggestions mostly garnered from the client’s employees. Wrap it all in a large and very impressive report, charge a big fee and move on to the next client. Never to be heard from again. While I as the company’s auditor would also provide recommendations and advice but I would have to be around to explain why my recommendations didn’t work.

Consequently, in many cases, particularly in the United States but also here in Canada and other parts of the world when the auditing firms became the dominant consulting firms a problem

of independence arose. Consulting divisions, of accounting firms, became a substantial portion of the public accounting firms' revenues and in my opinion set the stage for a loss of independence. The fact that at least one, tier one, international public accounting firm and several tier two firms have collapsed and that the American Institute of Certified Public Accounts no longer exclusively develops and promulgates Generally Accepted Accounting Principles (GAAP) is proof that the trust of the investing public and the regulators, in my profession has been shaken.

As a result we have new laws enacted like the Sarbanes-Oxley Act that have added huge costs to corporate America and have frightened more and more of

the smaller public accounting firms from undertaking audit assignments.

During the last two weeks we have continually heard of the battle between Wall Street and Main Street. Politicians in the United States, primarily because of the presidential election campaign have been creating the idea that these two streets have different objectives. The fact of the matter is that they are dependant on one another. It is on Wall Street that the capital is brought together that allows small business to grow, create jobs, and become internationally competitive.

It is on Wall Street that banks and insurance companies acquire the money to loan for house mortgages, student loans, vacations cottages, new cars and the list goes on and on. It is on Wall

Street that the investment bankers and stock brokers act as the intermediaries to facilitate the effective flow of money to both Wall Street and Main Street.

So what does all this have to do with service clubs? Well service clubs which started with Rotary over a hundred years ago have a membership composed primarily of business and professional men and women. In Rotary alone there are more 33,000 Clubs, which can be found in 170 countries, with more than 1,200,000 members. This means that we have a membership that represents both Wall Street and Main Street.

Usually the members break bread every week, work together to carry out projects that benefit both their local communities as well as international communities.

Rotary is not alone, there are many service clubs; Lions, Kiwanis, Optimist, Richelieu, and Kinsmen just to name a few of the larger ones. At last count there were more than thirty international service clubs.

Now, as you might expect, I feel that Rotary is the best because I'm more familiar with its strategic plan as well as having traveled the world, particularly during these last two years and seen the fantastic work that is being carried out by its women and men members. Last year I flew over 500,000 air miles, visited 51 countries. I met with business, religious and political leaders from Presidents, Prime Ministers to State Governors and the Mayors of cities on five continents. They all praised the

work of service clubs and of course
Rotary.

The Object of Rotary is simple: Foster the ideal of service as a basis of worthy enterprise.

In particular it is to encourage and foster-

First: The development of acquaintance as an opportunity for service, (You see when the business leaders of a community come together they are able to identify the needs of a community.

They also have the financial clout, or the influence to get the job done.)

Second: High ethical standards in business and professions; the recognition of the worthiness of all useful occupations and the dignifying of each Rotarian's occupation as an opportunity to serve society.

Third: The application of the ideal of service in each Rotarians personal, business and community life.

Fourth: The advancement of international goodwill, and peace through a world fellowship of business and professional persons united in the ideal of service.

I can assure you that the other service clubs have equally high objectives.

Now you are probably asking yourselves but what does all this have to do with business. I understand that question.

During my forty-six years as a Rotarian, I have come to realize and connect the idea that as a member of a service club that, I not only made friends, carried out some great service projects in my city as

well as in countries on at least three other continents, but also improved my professional practice.

As a young Rotarian I was introduced to something known in Rotary as the “Four Way Test”. This simple set of four questions developed 75 years ago by a young business man to save a company on the verge of bankruptcy, was framed and displayed on my office wall to be seen and read by my clients, as well as by myself and staff.

These four questions;

“Of the Things we think, say or do:

Is it the Truth?

Is it Fair to all concerned?

Will it build Goodwill and Better Friendships?

Will it be Beneficial to all concerned?

I would hope that my professional practice would have been successful even if I had never belonged to a service club. However I don't believe I would have been as successful if I had not been influenced by the "Four Way Test" and the core values of Rotary which are: Fellowship—Service—Diversity—Integrity –Leadership

When I see a community with an active service club I see a town that doesn't just benefit from service projects. Rather, I see a community that benefits because its business community becomes committed to ethical practices and that benefits everyone who lives there.

Given the events of the last few days in the United States and around the world; who could argue against the idea of

business deciding to embrace high ethical standards when dealing with their customers, suppliers, competitors, their employees and even the government. If the leaders of our corporate giants and our professions were to act with integrity, based on high ethical standards would we be listening today to the battle between Wall Street and Main Street?

Last year I read an article co-authored by Daniel Muzyka of the Sauder School of Business at the University of British Columbia and Darcy Rezdac, Managing Director of the Vancouver Board of Trade, which cited the decline of business engagement in civic affairs. Calling it “disengaged thinking” and a “flawed approach to business engagement in civic affairs.” The article went farther and stated “that

connectedness to community not only enhances the civic and economic environment, it can also be essential for the company's reputation, value creation and bottom line." Furthermore it stated that "Being engaged with all our stakeholders, including the broader community, best enhances corporate well being and long-term shareholder value".

Consider for a minute, if Maple Leaf Foods had a member in most of Canada's service clubs, who were able to explain the company's position all across the country. What a benefit that would be to regaining market share following their recent disastrous product contamination.

After reading this article on the decline of business engagement in civic affairs, I wrote to the CEOs of two hundred

Fortune five hundred companies. I explained about Rotary, its efforts to serve communities, its emphasis on raising the ethical standards of our businesses and professions and suggesting that they encourage senior managers in their companies to join a service club like Rotary.

I recognized that my letter might go into the wastebasket, so I had a Rotarian phone the CEO's office and ask about the letter. Many offices said they didn't get it so we faxed them a copy. A few companies redirected the letter to their Charitable Foundation office that wrote back and suggested that we make application by completing their forms in triplicate. I liked those because I was able to write back and say that we weren't asking for money, rather we

were asking how Rotary could help them.

The replies I received were; gratifying, ugly, amusing but mostly non existent. As President of Rotary International, I met with Kings, Presidents, Prime Ministers, State Governors, Mayors, The Pope, the Patriarch of Constantinople, leaders of the; Muslim, Hindu and Hebrew faiths and they welcomed my visit or my letters.

However I can't say the same for most of the CEO's of some of our largest companies in the world. They didn't, in most cases, have a single person on their staff to acknowledge my letter. Here is where we see the disconnect between Wall Street (or big business) and Main Street.)

I suggest that Service Clubs can help bridge this very essential disconnect and one where service clubs with quality business and professional persons as members can be both an effective and essential voice for business.

This brings me to my second contention that service clubs can build “Paths of Peace” in a world that I believe is yearning for peace. As I traveled extensively during the last three years on five continents of this world I found everywhere the great disparity that exists between developed and developing countries.

I recognize that even in the very poor countries, there are some very wealthy people. But the vast portions of their populations are starving. I remember as a school boy we used to bring in our

pennies to help feed the starving babies in China. The difference was that at that time, most of the people in China did not know how well my classmates and I were living.

Today all over the world we have instant communications that allows those in the developing countries to know how much higher the standard of living is in developed countries as compared to their own.

Let's face it, the biggest difficulty that threatens peace all around the world, is the economic disparity that exists between the rich and the poor. If you are hungry and someone offers you a meal if you will train to be a terrorist, you are more likely to. If you have nothing it is not hard to convince you to tie on some

bombs, blow yourself and as many innocent people as possible into oblivion, because you will earn yourself a place in paradise.

I think people are coming to understand that the biggest challenge the world faces is an economic one. Until we recognize that we, in the developed world, must share our abundance, not only with the poor of our own country, but also with the poor of the developing world, we will not have peace.

Service clubs can and are effectively bridging that gap. When our clubs undertake projects in our local cities, towns and villages they are addressing the problem that exists at home. However they are probably in the best position to provide sustainable projects

in the developing world as well. Here often because of graft, corruption and political instability, it is often very difficult for the governments of developed countries like Canada or even the United Nations to carry out meaningful projects. They are unable to reach those in need. It is a well known fact that unless you can engage the people you are trying to assist, the possibility of having a sustainable project, which benefits people long term is extremely difficult.

Service clubs like many of the major humanitarian organizations have persons working on the ground in these developing countries. They are in touch with the villagers, they talk their language and their big advantage as service club members is that they are not

being paid. Often they have much better contacts with government officials and as a result they can cut through the bureaucracy and the graft that plagues so many developing countries.

That is precisely why the Bill and Melinda Gates Foundation gave Rotary last year \$100 million US to help with the world-wide polio eradication campaign. It is why the Google Foundation contributed US\$3million. It is why Rotary now partners with the Coca Cola Foundation and the Pepsi Foundation to bring clean water to those in need in Africa. It is also why the Bill and Melinda Gates Foundation announced only last week that they were donating \$600,000 US to Rotary's Micro-Credit initiatives in Ghana.

When I had the opportunity to meet Mr. Grimsson, the President of Iceland I was explaining the peace efforts of Rotary. How this year, as we do most years, we will have more than 8,000 students living in a foreign country, how our Group Study Exchange program allows several thousand young business and professional people to visit a foreign country and live and talk with people engaged primarily in their own field of employment. How the Rotary Foundation has allowed more than 34,000 students to study at a foreign university. And as I spoke about our most recent program that allows 70 students each year to study for a Master's degree in Peace and Conflict Resolution, at six world famous universities. He said to me Mr.

Wilkinson Rotary is making peace possible.

I asked “Mr. President why do you say that?”

And he explained.

Rotary is made up of more than 1,200,000 men and women members.

They represent virtually every business and profession. They come from 170 countries; you have members from every race, colour and religion and you are able to exist without fighting.

All the world needs to have peace is to have more Rotarians.

I said “Mr. President I couldn’t have said it better myself.”

Rotary’s peace efforts are to a very large extent based on something that a Nobel Peace Prize winner once said. In 1964, Lester Pearson before entering politics

and after just receiving the Nobel Peace Prize spoke at the Rotary International Convention in Toronto. He said “You can’t have peace until people know each other and people can’t know each other until they have met” That is what service clubs do and why they deserve our support. They bring people together, both locally and internationally, they work to serve others and by doing so create Paths of Peace.

Thank you for listening.
Merci beaucoup.