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CAPSULE COMMENTS

United States of America Before the Securities and Exchange Commission in the Matter of McKesson & Robbins, Inc. – Testimony of Expert Witnesses. (Washington D. C., GPO, 1939; Reprint ed., New York: Garland Publishing Co., 1982 638 pp., \$60.00).

This book contains a wealth of material on auditing practice prior to McKesson Robbins. Twelve expert accounting witnesses — Samuel Broad, Charles O. Wellington, Victor H. Stempf, William H. Bell, Norman J. Lenhart, John K. Mathieson, Henry A. Horne, Charles B. Couchman, Hiram T. Scovill, Joseph J. Klein, George D. Bailey, and Charles W. Jones — provide their views of the state of auditing practice in the 1930s. The questioning of each witness is structured according to the outline found in *Examination of Financial Statements* (1936). If one wanted to examine and compare opinions and practices with respect to specific topics such as internal check and control, cash, receivables, etc., a very useful table of contents in the front of this volume provides page citations for each witnesses testimony on each topic.

While most of the testimony is consistent, i.e., the 1936 pamphlet had not been meant to do more than convey the best practice of the time and to educate the public as to the limitations of audits, some of the witnesses are more candid. For example, Lenhart (p. 224) said he thought the “primary purpose of preparing and publishing this bulletin was to forestall publication of some similar bulletin by some other body, governmental or otherwise.” Testimony shows that differences in practice existed among the various types of firms and the biographical data, especially with respect to the education and training of the expert witnesses, make this volume a useful addition to any historian’s library.

Fourth International Congress – 1933. (London, Gee & Co., 1933; Reprint ed., New York: Garland Publishing Co., 1982 638 pp., \$80.00).

The 1933 Congress, held in London, reflected the concerns of accountants and others with the economic turmoil of the day.

Considerable attention is given to international finance and to accounting for exchange fluctuations, which should make the volume of interest to anyone interested in the evolution of accounting for foreign exchange. Considerable space also was given to the problem of developing principles for treatment of holding companies and subsidiaries, an important issue of the period. A survey article, "Capitalist Combinations in Industry in Light of Present Day Needs," by C. H. Nelson provides some interesting historical data on the consolidation of industry.

The volume also contains three articles expressing British, Continental and American views toward the auditor's responsibility in relation to balance sheets and profit and loss accounts. Although Robert Montgomery noted, his article would have been different had he anticipated the responsibilities conferred upon accountants by the Securities Act of 1933. The discussions of each of the various topics by accountants from a number of countries tend to be very interesting and enlightening since they highlight some major differences in accounting practice that existed at this time.