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## Letters

Stanley H. Stearman

Robert M. Smith

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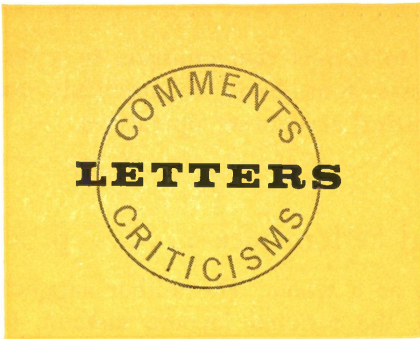
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**Position distorted**

In the May-June [1970] issue of *MANAGEMENT SERVICES* [p. 8], you state that the National Society of Public Accountants is a strong supporter of HR 6778 because we claim that the bill assures that "professional accountants are a class protected by Congress." It is our opinion that you have distorted our position.

It is true that we are in favor of HR 6778, but this is because it contains a provision which prohibits banks from engaging in the business of providing auditing or other professional services in the field of accountancy. This is our only interest in the bill, and nowhere have we taken a position on any other provision. If this prohibition were in any other bank legislation, we would, dare say, support that bill also.

We favor such legislation because it is our belief that accounting services and banking business should be separate and distinct. The effect of this provision in HR 6778 is to protect all accountants, whether they be CPAs, members of NSPA, or unaffiliated with any accounting organization.

As to computers, we stated in

our testimony before both the House and Senate that:

"Our position is that the banks should not be precluded from using their computer capacity to perform ordinary bookkeeping services for the public."

Your reference that NSPA claims that HR 6778 assures that professional accountants are a class protected by Congress is completely in error.

A series of suits challenging the validity of banks' engaging in non-banking activities were dismissed by the courts because the persons bringing the suit were not in a class protected by statute. However, Judge Aldrich, in the *Wingate Corporation v. Industrial National Bank* case (USCA, First Circuit, #7186) did say that data processing firms and accountants were in a class protected by statute:

"In order to prevent such corporations being used as a subterfuge for entering into the non-banking business of data processing, and to protect the interests of certified public accounting firms, Congress provided in Section 4 of that Act [(12 USC, 1864) (1962 Bank Service Corporation Act)] that 'No bank service corporation may engage in any activity other than the performance of bank services for banks.' The legislative history is clear. The prohibition was initially proposed in an amendment requested by the National Society of Public Accountants, which objected to the original version of the bill which would have allowed bank service corpor-

ations to solicit outside business. The accountants feared the threat against their business posed by the corporation's computers."

As stated above, we seek to protect all accountants and, therefore, support HR 6778 for the reasons stated.

*Stanley H. Stearman, Executive Director  
National Society of Public Accountants  
Washington, D.C.*

**Cannot agree**

I regret very much your feeling that we misinterpreted your organization's position on HR 6778 in our news story in the May-June issue, but the line about professional accountants being a class protected by Congress is a direct quote from an article by you that appeared in the February, 1970, issue of your official publication, *The National Public Accountant*. I concede that your actual quote was "... the bill [HR 6778] seems to indicate that professional accountants are a class protected by Congress," and our paraphrase was "... the bill assures that 'professional accountants are a class protected by Congress.'" I concede that "seems to indicate" is considerably less definite than "assures," and I will be glad to make a correction to this effect, but I cannot agree that the meaning of the statement that appeared over your signature in the NSPA official publication was distorted in our news report.

*Robert M. Smith, Editor*