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All roads seem to lead to the law

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Recommended Citation

Haskins & Sells Bulletin, Vol. 14, no. 02 (1931 April), p. 3-4

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SEVENTH: That all of the subscribers to this Certificate are of full age; that at least two-thirds of them are citizens of the United States; that at least one of them is a resident of the State of New York, and that of the persons named as directors at least one is a citizen of the United States and a resident of the State of New York.

IN WITNESS WHEREOF, we have made, subscribed and acknowledged this certificate in duplicate.

Dated this 26th day of October, 1928.

(Signed) CHARLES S. LUDLAM
 ARTHUR H. CARTER
 ARTHUR S. VAUGHAN
 CHARLES E. MORRIS
 ARTHUR B. FOYE.

STATE OF NEW YORK }
 COUNTY OF NEW YORK } ss.

On this 26th day of October, 1928, before me personally came CHARLES S. LUD-

LAM, ARTHUR H. CARTER, ARTHUR S. VAUGHAN, CHARLES E. MORRIS and ARTHUR B. FOYE, to me known and known to me to be the persons described in and who acknowledged the foregoing Certificate and severally duly acknowledged to me that they executed the same.

(Signed) S. I. BOLLES,
 Notary Public, Suffolk County
 Certificate filed in New York
 County, No. 895.

(SEAL) My commission expires March 30, 1929.

I, Phœnix Ingraham, Justice of the Supreme Court of the State of New York, hereby approve the foregoing certificate of incorporation.

Dated: New York, Nov. 5th, 1928.

(Signed) PHŒNIX INGRAHAM,
 Justice Supreme Court
 1st Judicial District

All Roads Seem to Lead to the Law

THE certified public accountant has been charged in the past with the necessity of acquiring many qualifications, if he wishes to merit approbation from all and sundry who have occasion, or seize an opportunity, to pass judgment on him.

In the past it has been held, that he must be educated liberally and professionally; trained for his calling and work; careful, clever and skilful. He must be strong in health; happy in disposition; poised in the many trying situations in which inevitably he will find himself. Like Cæsar's wife, he must be above suspicion. Now, it seems, he must have considerable knowledge concerning common law.

Statutory laws of various kinds affecting the work of the accountant, have had his attention for many years. He has known that it was his duty to be familiar with them and to be guided by them. Instances of these are the tax laws, the interstate commerce laws, corporation laws, and laws

governing bankruptcies, negotiable instruments, etc.

Only recently, however, has the consciousness of the accountant been pricked with the necessity of finding out something about negligence and fraud. This necessity arises because of the accountant's relationship to clients in contract and to those in the general public who may have occasion to consider and perhaps act on the representations in his reports.

Negligence and fraud, in their application to accountancy, are governed by common law; not by statutes. By common law is meant the decisions which have resulted from litigated cases. Out of these decisions certain doctrines have been developed. The doctrines have been revised as new light has been thrown on the subject matter by new cases and as further thought has been given by the learned justices who have considered them. Attorneys try the cases. Juries find the facts.

The judges instruct as to the law, and apply it in appropriate situations.

Cases affecting the accountant's liability have been few in this country. Consequently; there is as yet little related common law. English decisions have constituted the principal authority for decisions. They have dealt, almost entirely, with relations between the accountant and his client. Recently, however, the accountant's relationship with third parties has been brought into the foreground for consideration and decision, and in New York

State the matter has been carried up to the Court of Appeals.

The result generally may be regarded as satisfactory from the accountant's point of view. The decision, notwithstanding, presents, most strikingly, the necessity on the part of the accountant to acquaint himself with the subjects of negligence and fraud. He must learn their elements, their significance and application and how they affect him in the practice of his profession. Again, the accountant is led to the law.

Unemployment Reserves

UNEMPLOYMENT reserves as a corrective of the present economic depression are being advocated, debated, scorned and berated by legislators, social economists, labor leaders, and various others. But as yet little has been heard from the consumer, who always pays. Being unorganized and having no official spokesman, probably nothing will be heard from him unless he awakes to the fact that he has been saddled with an incubus, and individually begins writing "letters to the editor."

Considering this matter, one is reminded of school-day problems in arithmetic. "If six men can do a piece of work in four days, how long will it take one man to do it?" Anyone who ponders that question in its application to unemployment reserves, scarcely may escape a conviction concerning them.

Paraphrasing the foregoing question, one might propound another, viz.: "If a certain amount of individual purchasing power can be developed out of a piece of work which one man could do in twenty-four days, and there are six men seeking work, which would be the more desirable from every point of view, to employ one man or six?"

Assuming that one man were to be employed, what would be the effect: on him, on his employer, on the community, and

on the five men who were not employed?

The one man would spend his wages for food, and shelter, and fuel, and perhaps clothing. He would be sought by suppliers, and would be the envy of the other five. The employer would be the butt of jibes, subject to threats and perhaps attack from the unemployed. The benefit to the community would be limited to the comparatively few merchants from whom the one man would buy. The other five men would be without means to satisfy the economic wants of themselves and those dependent upon them.

How would the five men live? How would they get food, shelter, and fuel? Would they get such necessities from the one working man; from the employer, out of his own funds, or out of funds which he might raise by taxing his customers; or from the local government? Should they receive these things gratis or in exchange for their labor, or by way of obligation as under a loan?

In these questions one finds most of the troublesome features of unemployment insurance. They are the essential points which must be considered and they present the main questions which must be resolved. They may be summed up in one representative question, "What to do with workmen in periods of business depression?"