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APPRECIATION TO RETIRING EDITOR

The members of AWSCPA and ASWA, and all the readers of THE WOMAN CPA are deeply indebted to Corinne Childs for her valuable contribution in serving as Editor for the past fourteen issues. She not only continued the high standards already established for the publication but also gave generously her time and efforts to making it an even better professional accounting periodical. She carried on an extensive correspondence with women accountants in foreign countries, which resulted in several interesting articles written by these women for the magazine. She has also given tremendous help to her successor by formalizing the editor's procedure in writing and by giving her every help and encouragement in the transition.

Serving as Editor is only one of many contributions of Miss Childs to the two societies. During the year 1955-1956 she served as President of AWSCPA. She is a founder and past president of the Tulsa Chapter of ASWA. She has also served THE WOMAN CPA as Associate Editor and as a contributor. She is both a CPA and a lawyer and at present practices law in Tulsa, Oklahoma. She is also active in other professional societies and in civic affairs. In private life she is Mrs. Fred C. Dennis. Retiring from the editorship will give her many hours to devote to her practice, her home, and other interests.

Our sincere gratitude goes to Miss Childs for serving so ably as Editor.

Fundamental Differences

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a primary investment market for England in the last century, adopted English accounting ideas as did the countries of the British Commonwealth for the same reason.

This process of accounting concepts following investment funds is still continuing. Greece, which has received large amounts of American foreign aid, developed an audit report along American lines and took over many generally accepted accounting and auditing standards from the United States. Germany, which has recently received large amounts of American capital through the formation of German subsidiaries, is beginning to change its accounting concepts. For one thing, the German law was changed a few years ago to permit corporations to present their financial statements in conformity with the standards set by the Securities and Exchange Commission in order to sell their stock on American exchanges.

Differences Due to Political Development

The effect of political decisions on accounting may be realized when the impact of the Sixteenth Amendment on accounting in the United States is considered. There is hardly an area of accounting which has not been influenced by Federal income taxation.

Another major influence on accounting in the United States, one which had no equivalent in Europe, was the stock market crash and the resultant formation of the Securities and Exchange Commission.

The Stock Market Crash and the SEC

Until the 1920's American stockholders closely resembled European ones in that they were usually rich and held large blocks of stock, but during the twenties millions of Amer-

icans plunged into the stock market by buying small parcels of shares. After the stock market crash the Securities and Exchange Commission was organized to protect the investors through application of the principle of "full disclosure." Since its inception the SEC has had far-reaching effects on accounting practices, especially on statement presentation.

Since the trend towards diffusion of stock ownership started in Europe only after the last war, European statements are still much less informative than American statements. European management still feels that accounting records are confidential and that the public is only entitled to the information which the law requires to be published in the annual report. The absence of information considered relevant by American accountants, such as the method of inventory valuation or the basis of investments, can probably be excused on the grounds that the accounting systems in Europe conform to the legal requirements, as often stated in the auditor's report, and that stockholders are presumed to know the law.

World Wars I and II

It is easy to see that war exercises an enormous influence on the life of a country. What is not as easy to see is that wars can cause changes in accounting practices, most often through their side effects, like inflation. The two countries in Europe which have suffered the most from inflation since World War I are France and Germany.

In France the inflation started during World War I. A 1914 French franc was equal to over five francs in 1925, to over twenty francs in 1945 and to almost two hundred in 1958. It is obvious that with such rapid inflation financial statements had to be adjusted for price-level effects in order to have any mean-

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