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Book Reviews

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Book Reviews

CHARLES WALDO HASKINS, A BIOGRAPHY. *Prentice Hall, Inc.*, New York.

A little while ago a London accountant was asked why it was that the profession of accountancy developed so extraordinarily in Great Britain during the last quarter of the nineteenth century. His discerning reply was to the effect that the profession was peculiarly fortunate in the number of exceptionally able men found in its ranks during this period. It was because Charles Waldo Haskins was a man of large stature, in intellect and emotion more noticeably even than physically, that it is appropriate and profitable that he should be remembered. The development of human society has always sprung from the numerically insignificant group of great leaders. They have been the pace-makers; they have fixed the standards and set up the ideals.

In the history of accountancy in America, Mr. Haskins will always be known as one of the outstanding leaders in the days of its early development. Cut down, as he was, in the prime of life and after a comparatively brief professional career, nevertheless, because of his vision, his force of character and his persuasive personality, he gave a great impetus to the group of men who, as accountants, were then trying to find themselves and to establish their profession. It is highly fitting, therefore, that his partner, Mr. Sells, who, we may be sure, always encouraged and supported the policies and plans of his partner, has now published this outline of Mr. Haskins' life and work, including in the volume a number of addresses delivered at the unveiling in 1910 of the memorial tablet to Mr. Haskins in New York University. Those who had the good fortune to know Mr. Haskins will be grateful for this volume which will freshen many delightful memories; while to that larger number who have taken up the work since Mr. Haskins passed on and to that still larger circle yet to come, this book will be read with interest, and out of it men will draw inspiration from the record of a life characterized by breadth of vision and earnest, unselfish devotion to duty.

J. E. STERRETT.

MINIMIZING TAXES, by JOHN H. SEARS. *Vernon Law Book Co.*, Kansas City, Missouri. 706 pages.

In these latter days when the great majority of the adults of our country come into direct contact with the taxing functions of the government any one who can give trustworthy information as to the right way through the difficult taxation maze gets immediate and absorbing attention. Evidence supporting this statement is found in the large number of books published recently whose subject matter is federal taxation, especially federal income taxation. This does not appear wonderful when it is remembered that the subject is intricate and complex even to those who specialize in it. It follows, therefore, that when a book is published with the somewhat alluring title of *Minimizing Taxes* it is quite probable that it will awake a deal of curiosity as to how the desirable result is to be obtained.

Approaching the book from this standpoint one is not disappointed, for John H. Sears, the author, a member of the New York bar, shows how important it is to consider the form of the organization which is carrying on, or is to carry on, a given enterprise, from the standpoint of the several taxes to which it will be subjected. He also shows the importance the situs of the enterprise bears to the matter of its taxes. Another important feature of the book is that it shows the difference between tax avoidance and tax evasion. Many taxpayers ignorantly drift into the dangerous shoals of evasion when they simply are endeavoring to guide the business craft through the difficult channel of legitimate and just taxation. Mr. Sears does not attempt to show how close to the shoals the ship may be steered without danger, but rather furnishes a chart which will insure the most rapid and safest journey to the desired haven. Taxation currents and tides are changing from year to year, but in general it will be a long time before the routes outlined in the book will no longer be safe and sure.

Mr. Sears is happy in his prefatory statement, with reference to part I of his book, that

"It is intended that part I shall be frank and devoid of that mock patriotism which preaches from the taxing power's vantage point and secretly takes advantage of any loophole in the law. No tricks are advocated or alluded to in this book except to illustrate the fundamental difference between avoidance and evasion."

The only exception we would take to the above language describing the intent of the book is to the word "except" in the last-quoted sentence. We would substitute for it the words "but the intention is."

The phrase which most frequently assails the wearied ears of the government's taxing officials and to which they yield only tolerant acquiescence is: "We want to pay our just amount of tax, but * * *." We have heard a legend that some of the tax officers have advocated the hanging upon the walls of their conference rooms a motto reading:

"We know you want to pay an honest tax, so begin with the 'but.'"

It is every taxpayer's duty to pay his just tax, though the law often works inequities, and it therefore devolves upon him to be informed upon all phases of the taxing laws—not only those of the federal government, but those of the several states as well. Thus equipped he need not assume a defensive attitude in urging the merits of his particular case. In view of the conciseness of the manner in which it is written *Minimizing Taxes* supplies a surprisingly comprehensive outline of these laws and as such is a distinctly desirable addition to a library upon this subject. Part I of the book explains and contrasts avoidance and evasion of taxes and sets forth valuable information as to the selection of form of the business organization in order that taxes may be legitimately minimized. Part II gives a synopsis of the tax systems of each of the states as well as of that of the United States and is therefore a guide as to the best situs for the activities of a given enterprise with reference to the taxes to which it will be subjected.

STEPHEN G. RUSK.