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Book Reviews

Harold Dudley Greeley

W. H. Lawton

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Book Reviews

ESSENTIALS OF ECONOMICS, by FRED ROGERS FAIRCHILD. *American Book Co.*, New York. 543 pages.

This book is intended primarily for high-school students, but it gives a summary of the fundamentals of economics which can be read to advantage by adults who have not had systematic training in the subject. For such readers it not only states the generally accepted principles of the science without involving them in the finer-spun theories, but it also gives the scientific slant on ideas and terms, such as wealth, capital, value and the like, which are used loosely and colloquially by everyone in daily conversation. The author disclaims any intention to advance propaganda. He endeavors merely to present facts and to account for them, and he properly insists that economics is not ethics. The book is scholarly in that it stresses principles and does not simply marshal data in encyclopædic array.

There are eight parts which deal respectively with fundamental terms and ideas; production; demand, supply, price and value; money and banking; trade and transportation; risk; government; distribution. An excellent index requires thirteen double-column pages. At the end of each chapter are exercises for class-room use and references to other books for further study. Throughout there are many simple explanations which can not fail to clarify matters on which popular misconception is common. For instance, the author's explanation of stock-watering is particularly lucid. His last chapter is given over to propositions for changing the economic system. He seems fair in stating the salient points of each proposed change and soundly conservative in pointing out the probable dangers of each one. He is fortunate in writing recently enough to review the railroad situation under government control during the world war.

As might be expected from the fact that the book is elementary, little attention is given to the evolution of economic society or to the economic development of the United States. For the same reason, presumably, the chapters on distribution are placed at the end and certain chapters not commonly found in economic texts are added. One of these deals with graphic presentations.

It is about another of these somewhat novel features that accountants will find ground for disagreement with the author. When he leaves the field of economics and enters that of accounting, the author loses some of his surefootedness. While it is an excellent idea to acquaint students with the forms of financial statements, it does not seem wise to teach them that appreciation in value of fixed assets constitutes an earning to be credited to surplus available for distribution. The author fails to personify the business of a sole proprietor, with the result that there is a confusion between net income and savings which is unfortunate in view of our income taxation. His accounting definitions and his use of the word "balance" are not in accordance with the best practice.

Other points on which one might disagree lie in the field of economics. For example, in the discussion of business cycles he overstates the influence of crops, although he makes no mention of Jevons and the sun spots. In explaining bank discounts, he fails to point out the usual requirement that a portion be left on deposit, under which the nominal interest cost is greatly increased. Savings banks are described as invariably paying interest, whereas in most if not all cases dividends are declared. Capital stock without par value is not mentioned.

On the whole the book is an excellent one. Its treatment of such topics as speculation and international trade makes it readable for adults and as an elementary text it should give definite direction to students' thought and provide inspiration for further study.

HAROLD DUDLEY GREELEY.

WAREHOUSING GENERAL MERCHANDISE. *American Warehousemen's Association*, Pittsburgh, Pennsylvania. 415 pages.

As a result of consideration of the subject of equitable rate bases, the American Warehousemen's Association appointed a committee, known as the central bureau committee, which has now published an encyclopædia containing important information relative to individual commodities and their storage and handling classifications for rate-making purposes. The book will doubtless be of great value to those for whom it is compiled. The rates mentioned are not intended to do more than indicate what must be charged in order that a given return on investment may result. The data contained in the book are the result of experiences of warehousemen throughout the country.

W. H. LAWTON.

Clarence L. Ebbels

Clarence L. Ebbels, member of the American Institute of Accountants, died at Summit, New Jersey, August 4, 1923. Mr. Ebbels, a native of Canada, received his certificate as certified public accountant from New York and had been many years engaged in public practice in that state.

American Institute of Accountants—Massachusetts Chapter

The following have been elected officers of the Massachusetts chapter of the American Institute of Accountants: President, Hollis H. Sawyer; vice-president, Stanley G. H. Fitch; secretary, Frederick Bond Cherrington; treasurer, Arthur Taft Chase. The above officers and J. Edward Masters constitute the board of directors.

Nevada State Board of Accountancy

At a meeting of the Nevada state board of accountancy the following were elected officers: D. J. Sullivan, president; C. F. De Armond, vice-president and E. S. La Tourrette, secretary.