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ACCOUNTANCY:
ITS PAST AND ITS PRESENT

By CHARLES W. HASKINS

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AN ADDRESS BY

CHARLES W. HASKINS, C. P. A.

President of the New York
State Society Certified Public
Accountants, delivered before
the New York Chapter of
the Institute of Accountants,
Thursday Evening, January
25, 1900. ❧ ❧ ❧

ACCOUNTANCY: ITS PAST AND ITS PRESENT

By CHARLES W. HASKINS, C. P. A.

If some pulpit orator will give us a good Sunday sermon on the moral aspect of business accountancy, on the value of our profession to the well-being of society, his tongue will be "the pen of a ready writer." His theme will associate itself with exalted thought, and will don the graces of language of prophet, apostle and evangelist. Divinity has long used our technical terms in the painting of its propositions; as when Udall, in 1548, speaks of the judgment as "a general dale of accoumpte and audite to be made at the throne of God"; or when the author of *The Seven Sins*, in 1606, says: "Those heapes of Siluer will be a passing bell calling thee to a fearefull Audit." Theologians of to-day may with great mutual advantage elevate accountancy itself to a doctrinal platform, and teach and insisently remind us that its obligations are at one with the eternal principles of righteousness and truth. My own task, in what I shall endeavor to lay before you to-night, is a comparatively unpretentious one. I restrict myself to the practical aspect of accountancy; and, within this sphere, I have brought together certain items of information relating to various phases of its history; items that admit of no rhetoric or flights of imagination, and that will be "interesting" (as we call it), mainly, if at all, from the fact that a good proportion of them are thus presented for the first time.

In trying to get at the beginning of this important subject, I have been reminded of a certain eminent Frenchman, who writes very learnedly on the history of bookkeeping. He says we really must

overlook his want of erudition, for he isn't quite able to say just when or exactly how the Phoenicians, or the Tyrians, or the Carthaginians, or those early traders who came by caravan to buy the balms of Gilead, did begin to record their items of outlay and income. He thinks, on the whole, they did as a college-boy who puts down helter-skelter his weekly allowances, the marbles he loses, and the lickings he catches (1).

The beginnings of accountancy, after all, are easily enumerated. There are no beginnings. Its origin is lost in the mists of antiquity. It is supposed, however, to be as old as the knowledge of mathematics; abstract and concrete numbers are but another name, it has been said, for theoretical and practical accounting.

The stupendous engineering feats of the ancients, as their building of the Pyramids, the Roman Roads of Britain, the Chinese Wall, the Jewish Temple, and the great works of Athenian and other architecture, assuredly presuppose some adequate system of accountancy without which all would have been a monumental tower of Babel-like confusion.

The Bible affords us many traces of a knowledge of business accountancy—in the parables of the talents, of the ten pounds, of the steward who conspired with his lord's debtors to falsify their vouchers; in Paul's telling Philemon to draw on him for the debts of Onesimus; in the very organization of that mighty fabric of accountancy, the Hebrew Theocracy.

The life and upright character of Joseph; his administration of the affairs of Pharaoh; his celebrated "corn deal" in preparation for a seven-year's famine; his wise provision for his father's household; his tactful method of bringing his brethren to account; betray an aptitude in the giving and receiving of political, economic, commercial, financial and household accountancy that ought to

constitute him naturally the patron saint of the guild of accountants.

The classical writers, Greek and Latin, philosophers and poets and historians, from Herodotus and Aristophanes to Cæsar and Cicero and Tacitus, and the jurists down to the time of the Justinian Code, make frequent mention of various phases of accountancy. They have words and phrases for accounts of expenses and of debit and credit (2); for the making up of accounts (3); rendering accounts (4); giving in false accounts (5); passing a person's account (6); balances of accounts (7); account books (8); entries in account books (9); interest books (10); bookkeeping (11); bookkeepers (12); accountants (13); a chief public accountant or accountant-general (14); the auditing of accounts (15); audit rooms (16); auditors (17); salary or fees for the auditing of accounts (18).

A very few examples may suffice. Plautus says: "The account of debits and credits between us balances exactly." Cicero—"The account comes right to a farthing." Cæsar—"Of all this money a joint account is kept."

"To audit," writes Ulpian, a Roman jurist of the second century, "is to compare receipts and payments." And Cicero after such an audit, says that "there is a big difference whether money is in your box or is only among the credits of another man's account book."

Pliny, the elder, said that in his day an intermediate deity called Fortune was universally regarded as accountant of the ins and outs of human existence. "To her," he says, "are referred all our losses and all our gains; and in casting up the accounts of mortals, she alone it is that balances the two pages of our sheet" (19).

The early kings of England had a peculiar double-entry that brought accountancy and bookkeeping into very close touch. A book called the primary account was kept by one officer, and an-

other book, the secondary account, was kept by another functionary. These were separate and independent accounts, and neither was a copy of the other. But they were exactly alike; and line for line and page for page, they must agree; and the probatum, or sign of audit at the bottom of each page, could not be affixed until they did agree. No erasure was allowed; correction must be explained; and the probatum was separately added to every such explanation. The administrative genius of Henry II., about 1154, added a third, called the tertiary account, as a check upon the other two; "because," said he, "it is written, a three-fold cord is not easily broken" (20).

This scheme of accountancy had its origin in the Exchequer; but two concurrent accounts of the Royal Wardrobe for 1299, the second of which has recently come to light, show that it was also followed in the King's Household. As in the Exchequer, so in the Wardrobe, line almost answered to line, leaf and page quite answered to leaf and page, and the audit was carried out in like manner. Director Milman, of the Society of Antiquaries, says in describing these two accounts of the Wardrobe. "They correspond, as required by the rule derived from the Exchequer, leaf to leaf, page to page, almost line to line. The probatum, the mark of audit, has been affixed to the sum of every page, and to the sum of every leaf on its second page; and in some cases, where the sum has been apparently corrected by a second audit, a second mark is affixed to the finally stated sum. The rolls are separately kept accounts for the year, brought on the expiration of the year into agreement in the manner described" (21).

The destruction of the Houses of Parliament, sixty-five years ago, called attention to another ancient method of security. You remember Robinson Crusoe's calendar of a notch a day cut in a stick

of wood, and how he lost his reckoning when he was sick and unconscious. In some parts of England the village baker has a little stick for each customer, and cuts a nick in it for every loaf he lets him have on tick. Country bakers in France add the element of accountancy by splitting the little stick and giving the customer half; then, for every loaf taken, the split halves are fitted together and the notch is cut across both. The split-stick method, as a protection against fraud, was long in use in the English Exchequer. A depositor's name was written on the two narrow edges of a little flat stick, and notches of prescribed width, representing the amount of the deposit, were cut across the flat side. The stick was then split, and one of the halves was given to the depositor as a receipt, to be compared with its mate when presented. In 1834 it was found that there were vast piles of these old sticks, worn out, worm-eaten and absolutely worthless any longer. They were preserved at Westminster, and the order was given that they should be consumed in the stove in the House of Lords. The stove, overheated by these dry sticks, set fire to the paneling; the paneling set fire to the House of Lords; the House of Lords set fire to the House of Commons, and the two Houses were reduced to ashes (22).

The appointment of independent examiners of public and private accounts has been in vogue in Britain for untold centuries. Thirteen years ago a correspondent in Notes and Queries, an English medium of intercommunication, asked: "Can any reader give a reference to any earlier mention of an auditor than the statute 13 Edward I Cap. ii?" The editor repeated the inquiry ten years later; but as yet no reply has been received. This earliest known mention of a special examiner of accounts in Great Britain is dated 1235, and reads: "When the masters of such servants do assign

auditors to take their accounts and they be found in arrearages upon the account, all things allowed which ought to be allowed, their bodies shall be arrested, and by the testimony of the auditors of the same account, shall be sent or delivered into the next gaol of the King's in those parts" (23).

William Thynne, who died August 10, 1546, was one of two Examiners of the Accounts of the Officers of the King's Household. Furnival's account of him, published for the Chaucer Society, contains many references to rules for the examination of accounts. The following, from Duties of the Clerks of the Green-cloth, is dated 1539:

"Item the said Clerkes of the Green-cloth shall safely keep all their Bookes concerning their office, after they had ingrossed them up, privately to themselves, without the view or the sight of them to any other Officer unto the yeares end. And the said Booke shall be examined with the Accomptants and particular Clerkes for the perfecting of the same. And likewise shall the Clerkes, Comp-trollers and Clerkes Accomptants order all their Bookes touching their Offices.

"Item, that they shall make every halfe yeare a view of the expense of the Household, that it may be seen what the Charge amounteth to for the said halfe yeare" (24).

The Vision of Piers Plowman, written about 1340, shows that the appointment of special auditors was at that time common among the nobility. "I hold it right and reason," says a certain lord, "to take of my reeve all that mine auditor, or else my steward, counseleth me by his account and my clerk's writing. With 'Spiritus intellectus' they took the reeve-rolls, and with 'Spiritus fortitudinis,' I fetch it, wol he, nol he." And Dr. Whitaker, commenting on the passage, says: "These reeve-rolls, of which I have seen some, little later than our author's time, con-

sisted, for one year, of several sheets stitched together, and contained very curious and minute details of all the receipts and expenses of these officers. There was more order and exactness," he continues, "in the economy of our old nobility than we are apt to imagine" (25).

On a mural slab in the chancel of the old church of St. Mary at Chesham, England, is the following inscription: "Heere lyeth part of Richard Bowle, who faithfully served divers great lordes as auditor on earth, but above all he prepared himself to give up his account to the Lord of Heaven, and now hath his quietus est, and rests from his torments and labours. He was a lover of God's ministers, a father of God's poore, a help to all God's people, and beleeves that his flesh, which with the soule was long tormented, shall with the same soule be eternally glorified. He died the 16th of December, 1626, and of his age 77" (26).

The profession of accountancy ranked with that of barrister, at least in Scotland, as early as about 1650; and in England the historian Fuller (1655) thinks it worthy of exceptional remark that, in some things, "the Dean and Chapter of Paul's were both their own accomptants and auditors" (27).

Samuel Pepys writes, in 1667, of "the King displeasing the Commons by evading their bill for examining accounts." He makes frequent mention of this bill for accountancy; and speaks of accountants as public officers. On June 3 of that year, he says he was "in the Treasury-chamber an hour or two, where he saw the country receivers and accountants come to attend. I, upon desire, was called in, and delivered in my report of my accounts." And at one of these accountants he has his characteristic little fling: "A brisk young fellow," he calls him, "with his hat cocked like a fool be-

hind, as the present fashion among the blades is" (28).

Others, also, had their little joke in passing; and some gave the accountant a word of good advice. Tom D'Urfey, in his Pills to Purge Melancholy, sings of
"A British accountant that's frolic and free,
Who does wondrous Feats by the Rule of Three."

"Admonish accountants," writes Camden in 1605, "to be circumspect in entering."

The earliest known certificate of a professional examination of accounts is that of Snell, of London. The bursting of the famous South Sea Bubble in 1720 was followed by a Parliamentary investigation into the affairs of the South Sea Company; of which one Sawbridge, of the banking firm of Turner, Caswall & Co., was a director. A professional accountant of the name of Snell was engaged to examine the books; and his printed report is entitled, "Observations made upon examining the Books of Sawbridge and Company: By Charles Snell, Writing Master and Accountant in Foster Lane, London" (29).

In 1740, Horace Walpole, "His Majesty's Auditor-General of all his revenues of America," wrote privately to certain Governors complaining that the colonies were not voting him any tips over and above his Royal salary for auditing their accounts. Governor Clarke, of New York, bestirred himself as a true henchman in the matter; but Governor Belcher, of New England, read the letter out loud in a meeting of the Assembly. In the ensuing newspaper controversy in the Old Country it was recalled that a Mr. Blathwalte had been voted an allowance in 1709 for auditing some accounts in New England; and that up to that date such allowances had been frequently voted in New York and New England "from the time of the Revolution" of 1688 (30).

In 1794, a book showing "how to qualify any person for business without the help of a master," was published in Massachusetts by George Fisher, who styles himself an "accomptant." About the same time, three separate mathematical and commercial works, all entitled *The American Accountant or Accomptant*, were issued by different authors. One of these, by Chauncey Lee, to whom Columbia College afterwards gave the degree of D.D., is notable for its early use of the dollar mark, "a rude representation," says the editor of the *Mathematical Magazine*, "of the character now in use" (31).

Further investigation will doubtless increase this accumulation of historical notes; but the references I have given, covering every period except the dark ages and prehistoric times, and gathered from whatever sources were available—the Bible, the classics, and miscellaneous chroniclers—will serve as no mean testimony to the antiquity, the respectability, and the importance of the profession of accountancy. If now we look about us, at home and abroad, we see that new conditions in the progress of civilization are bringing the art and science of the accountant into relations of the gravest import, and into a new importance and prominence in the universe of affairs that may well cause every one of us to ask himself, "Shall I be of those who are equal to the occasion?"

It might be supposed that any movement to establish the profession of accountancy upon a solid basis of reliability and security would be found to have originated in some part of continental Europe, where the art of book-keeping has attained its highest development. Accountancy, however, in the higher sense and as a distinct profession, is not as yet so well known upon the continent as in Great Britain and the United States.

Italy, which gave to the money centre

of the commercial metropolis of the world its Lombards or "Long Beards," has her licensed professors of accountancy; and a number of Exhibitions of Accounts have been held in the principal Italian cities—Turin, Milan, Bologna, Palermo, and notably, in 1892, at Genoa, where two special sections were devoted to exhibits of educational and professional literature. "To the Italians," of mercantile science in nearly every department—in banking, currency, marine insurance, and so forth. Several textbooks on commercial subjects were published in Florence before 1400 A. D. Book-keeping by double entry was also a Florentine invention, seemingly first in use about the fifteenth century." To this let me add that logismography, a system of keeping accounts invented by the director of the department of government accounts in Italy, and now taught in all her technical schools, is believed by many to be superior to any other in exactness and celerity of registration, and in its almost automatic detection of error.

Accountancy in France is not yet wholly disconnected from other and often very miscellaneous employments; though Paris has a Chamber of Accountants, the conditions of membership in which are, that the accountant must be a native or naturalized Frenchman, of twenty-one years of age, not an immoral person, and must pay three francs upon entrance and a franc a month thereafter.

In Germany, the work of the accountant falls, as a rule, upon the notary. It may be said, however, that in Germany, France, Italy, Austria, Belgium, and some other continental countries, the foundation of a recognized profession is being laid by the introduction of the study of accounting as a prominent part of the system of national education. In the work of higher commercial education in continental Europe, and in the study of accounting connected therewith, Ger-

many is in the lead. Her commercial secondary schools have developed with the aid of provincial and State support, till at last a university has opened its doors for higher commercial education. On February 22, 1898, the University of Leipzig received an addition to its various courses in the shape of a higher commercial course. The cities of Madgeburg and Cologne are making earnest efforts to establish independent commercial universities. In Italy the State subsidizes the higher commercial school at Venice, reserving the privilege of having its consuls and consular agents prepared at that school. In Belgium the Government chooses its consuls from the graduates of the higher commercial school at Antwerp.

A report to the American Bankers' Association, commenting on the comparative indifference to commercial education in England, says: "Instead of taking hold of the subject at the right end and organizing a great institution in London which might serve as a model for such schools elsewhere, the English began their work in this field, as in many similar instances, by establishing examinations, and granting commercial certificates to all such pupils as could pass them. As there were no schools where the candidates could prepare for these examinations, they had to wait until existing classical or scientific schools could see their way to the profitable introduction of the commercial side. When a school here and there finally decided to open a commercial department it was found that in all England there were no properly qualified teachers for this work. The outcome of the examinations has been, therefore, most unsatisfactory" (32).

The recognition of accountancy as a distinct profession, demanding character,

fitness, education, training and lifelong devotion to an ideal of duty, originated in the wants and—shall I say?—the disasters of the modern business world. It is not true that the accountant lives on the failure of others; but it is true, and too often true, that not until after a spell of sickness does one see that prevention would have been better than cure. "The Chartered Accountant," said a recent writer in the New York Sun, "is the one valuable acquisition of many years of financial storm and disaster."

The Institute of Chartered Accountants in England and Wales was incorporated by royal charter May 11, 1880; its objects being, the elevation of the profession of public accountants as a whole, and the promotion of their efficiency and usefulness, by compelling the observance of strict rules of conduct as a condition of membership, and by setting up a high standard of professional and general education and knowledge. At that time there were already three incorporated societies of accountants in Scotland; and since then the "English idea," so called, of incorporation under governmental protection, has spread and taken root throughout the English-speaking world, until there are now many such recognized societies of accountants in the United Kingdom of Great Britain and Ireland, in her dependencies, and in the States of the American Union.

This new departure, this steady advance of an ancient and honorable profession to the very van of material progress, has brought into the language a number of words as yet hardly known to our dictionaries; so that for any adequate definition of "accountics," "accounting" or "accountancy," the inquirer must go to men of affairs.

The following definition, from the standpoint of the business man, was given by Mr. James G. Cannon at the first annual dinner of the New York

State Society of Certified Public Accountants in 1897: "Those who are familiar with the course of events must recognize the fact that the work of the world is resolving itself into special departments. This is true of every branch of industry, not excepting bookkeeping. Time was when, under this heading, everything pertaining to entries in books was included; but we have come to recognize the difference between the mechanism and the art—between the skill of properly recording and balancing and the science of technical examination and development. 'Bookkeeping' is still the name of the one, but 'accountancy' is the title of the other."

President Guthrie, of the Birmingham Chartered Accountants' Students' Society, said, a few weeks ago: "The mere technical ability to record mercantile and financial transactions in proper books, and to render statements of account in suitable and tasteful form, may be said to describe the limits of the journeyman bookkeeper. But an accountant, to practice in an industrial, financial and metropolitan centre, is called upon not only to record transactions and give expression to their aggregation, the incidence of their debits, and the destinations of their credits, in suitable figures and forms; he is called upon to initiate, to organize, to negotiate, to advocate, to arbitrate, and to administer affairs, businesses, and estates of every description and kind, and between all sorts and conditions of men and women. In the daily practice of his profession an accountant never knows what department of manufacture, concern, or affairs he may be called upon to deal with on the morrow."

A good bookkeeper, gentlemen, is able at any time to make out from the books he has kept a statement of the business covered by those books and of its gains and losses. So that bookkeeping in any sense—expert bookkeeping, or detective

bookkeeping—is but an incident in the work of the accountant. Nor is the accountant a mere certifier to the truth or falsity of another man's bookkeeping. The profession of accountancy covers everything pertaining to the business of preparing, examining, investigating and auditing all classes of books of accounts. The accountant is called upon to plan, to arrange, to adapt books of account for any purpose, any business, any enterprise. He examines, he audits, he adjusts, he writes up, he balances any book or books for corporations, for joint stock associations, for estates, for copartnerships, for individuals. In case of their insolvency, he examines their accounts and prepares reports of their condition and statements and schedules of their assets and liabilities, and, generally, of their accounts and affairs; and he is ready to act as the assignee for the benefit of their creditors and to prepare plans and statements and schedules for the adjustment, the readjustment, the compromise, the payment of their obligations and liabilities, and for the reorganization of their business. Accountancy prepares and examines and reports upon plans and agreements and statements of all kinds of undertakings, whether financial, commercial, industrial, or manufacturing; and in the same way it has to do with the organizing, or the consolidating, or the reorganizing of business enterprises and of property interests; and the accountant is ready to act as attorney or agent for the parties in interest for the purpose of carrying the plans into effect. Accountants organize books of estates; they take charge of such books; they make proper schedules and accountings for assignees, for trustees, for executors, for administrators, whether for use in legal proceedings or in any other way. And of the accuracy of his work, whether of examinations, of audits, of balances, of investigations, the public accountant is

prepared to add his authoritative signed certificate of guarantee.

The profession of accountancy looks out to-day upon a vast New World of commerce and finance; upon a boundless extent and infinite variety of debit and credit; upon a restless and resistless tide of international exchange of credit and commodities; upon a steady march and overwhelming volume of manufacture and trade and investment, at which the very kings of it all themselves stand aghast, and in all the turnings and twistings of which every man must go by rule or go under. On every book, and over every desk and bench and counter, should be written the one motto of safety, the lesson of accountancy, "Know thyself."

In this great modern monetary world the accountant finds his clientele. "Every man his own accountant" is a thing of the past, if it ever existed. Few men, without the aid of the independent accountant, could learn the condition of the joint stock company, or the firm, or the business—specially if a large one—in which he is interested or is asked to embark his fortune. The first man the accountant meets, his friend or his next-door neighbor, and from that all the way up through every branch of trade and even of government—manufacturing firms and companies, railroad and other corporations, cities, towns, counties, states, and possibly, the general Government of his country—may at any time need his independent, disinterested services as a professional expert.

As an illustration of the increasing recognition of the importance of professional accountancy, and of its employment in the very highest places of financial trust, I briefly mention the fact that in 1893 two independent professional accountants, of whom I had the honor to be one, were selected by a Joint Commission of Congress to effect a complete revision of the methods of business of the

Executive Departments of the United States Government, with a view to expediting and simplifying the public business. After two years of hard labor, this important task was accomplished; the report of the experts was adopted; the new methods suggested by them, founded entirely upon the laws and principles of business, were put into immediate operation, and the success of these methods was attested by all the accounting officers of the Government after they had been in practical operation long enough to make the rendering of a judicial judgment upon them possible. This work, the most important of its kind undertaken since the foundation of the Government, resulted in a saving to the Treasury of the United States of more than \$600,000 annually, as well as in greatly expediting, facilitating and safeguarding the public business. A full account of this work may be found in the reports of the Joint Commission of the Fifty-third Congress to Examine the Executive Departments (33).

Lest you may think this an altogether unheard-of proceeding, let me say that seventy years ago a Commission appointed by the British Treasury "to inquire into and state the manner in which the accounts are kept in the principal departments of income and of payments, with a view to render the system more uniform, as well as more capable of affording ready and satisfactory information on the nature and amount of expenditure," reported that in the army, navy and ordnance the correct application of funds had been fully attained by the gradual introduction of new registers, such as the increasing wants of each office had from time to time demanded; but that the want of system, resulting from these incidental arrangements, had tended to embarrass the general statements of the accounts, and to shut out the public from a due acquaintance with the details of the expenditure. And this

defect of arrangement the Commission proposed to correct by establishing throughout the departments a new general system of accounts, founded on the mercantile system of bookkeeping (34).

A few quotations—and this line of reference might be indefinitely produced—will serve to indicate the increasing appreciation of the profession of accountancy and the wide field of its operations.

Joseph Ansell, President of an English law society, said, in the latter part of 1899: "I know of no profession which is, and which ought to be, in closer touch with the members of my profession than that of the accountant. Year by year lawyers see the advantage of utilizing the services of the members of the accountants' profession. No lawyer in his senses would dream of settling draft forms of articles of partnership unless he called to his aid some accountant well-known in the profession; or of settling articles of association without the help of an accountant. And no man ought to dream of winding up the estate of a deceased client without the aid of an accountant" (35).

President Fowler, of the New York, Ontario & Western Railroad, said to a correspondent of the New York Times in 1897: "One advantage of the system is that directors of corporations which adopt it are, to some extent, relieved of responsibility, which as individuals they should not be called upon to assume. No business man who attends weekly or monthly board meetings can be expected to wade through the voluminous accounts and books of even the smallest railway company. Few of us would be able to verify the statements for ourselves, even if we had the time and inclination. The independent audit and examination by experienced and trustworthy accountants, who are directly responsible to stockholders, relieves the director of a burden which he should hesitate before

assuming, as he is obliged to do under the old system" (36).

President Baldwin, of the Long Island Railroad, says: "Everywhere we turn, we find some lack of faith in the statements of public corporations, and it is only by employing such a system as is presented by the Certified Public Accountants that the truth can be ascertained. I believe that the auditor of a railroad company should be appointed by the Board of Directors of the road, and not by the President or any one official. He is then free to act independently and to the best interests of the company he is serving, and he is not hampered by the feeling that he is dependent upon this or that official for his bread and butter."

J. Lindsay Reid, in an article written some years ago for the North American Review, said: "In the case of private or 'close' corporations, a few have their books audited by expert accountants. Now and then one encounters a president of a corporation who declares that he would not hold office for a day if the books of the concern were not audited periodically by an expert."

The Mail and Express, of New York, says of the accountant: "Much of his best work is along the line of rejuvenating the business of concerns that have for years been losing ground and gradually becoming bankrupt through the unwillingness of the managers to employ the modern methods of their competitors, or because of their ignorance of the existence of such methods. New life has been inspired in many a failing enterprise by some quick-witted accountant who has speedily recognized its need of different methods and a change of management. There is nothing so enlivening to a business as a periodical change of the point of view of the managers; and this is one of the best influences that the certified public accountant imparts."

Let us now turn our attention for a

moment to the legal status of accountancy in the United States and the efforts of the profession to secure to itself a solid bulwark and vantage ground of worth and efficiency in the business world.

In 1896, the Legislature of New York, at the request of the accountants of the State and for their protection, passed an act "to regulate the profession of public accountants." This act provided for a class of public expert accountants to be known as "Certified Public Accountants," and to have the exclusive right to use the abbreviation C. P. A.; and it authorized the Regents of the University to establish examinations and to issue certificates of recognition of such Certified Public Accountants. Other States are considering, and one or two have effected, legislation based upon this law of the State of New York.

Under this law the Regents appoint a board of three examiners, who hold two examinations annually. A full C. P. A. certificate is granted only to those at least twenty-five years of age who have had three years' satisfactory experience in the practice of accounting, one of which shall have been in the office of an expert public accountant. The examinations cover the theory of accounts; practical accounting; auditing, and commercial law. They presuppose, in harmony with the law and the rules of the Regents, a high order of professional education and efficiency.

And where, it will be asked, is this education obtainable? We have theological universities; we have colleges of medicine; we have law schools. But where is there a university or college or school of accountancy?

America—"fast" as we are said to be—was not built in a day. Accountancy, as we have seen, has been a growth; a sure and steady growth. And, so far, the profession has been able satisfactorily to

answer every question in its time.

The time, it would seem, has come to answer this question; a question that brings us face to face with the one great existing want of the profession—a special educational institution worthy to stand alone as the Alma mater of the coming generation of accountants—a question which, while it indicates the duty lying next in our path of progress, points back, as I believe, to an already established line of procedure to be followed in any effort to fulfill this obligation to ourselves and our successors.

It is believed that in direct line with the public accountants act of 1896 and with the Regents' examination, a school of accountancy can be established under such patronage, guidance and protection as together shall constitute a guarantee of stability and success; and that a school thus safeguarded may be so organized as at the same time to be thoroughly American in character and yet to utilize the advantages, without the disadvantages, both of the English system of articulated clerkship and of the Continental system of class study.

There are colleges, not only for what have been long known as the learned professions, but for almost every calling that may have seemed in any sense to require a special education or even technical training. There are schools of mines, of agriculture, of pharmacy, of forestry, of nursing, of military and naval science, of veterinary surgery, and of a hundred other arts and sciences. And in some cases two callings will so far overlap each other that it has taken special legislation to keep them apart. Dentistry, for example, a branch of minor surgery, occupies a high position as a profession; and in our dental schools anatomy, physiology, toxicology and materia medica and therapeutics are so emphasized that it has been found necessary to make it punishable by fine or imprisonment for

a dentist, as such, to practice the profession of a physician.

The educational needs of the commercial world are beginning to find recognition, especially on the continent of Europe. In the establishment of colleges for higher commercial education England is behind even the United States. As for a college of accountancy, there is not one on the face of the earth. The formation by articled clerks in Great Britain of Chartered Accountants' Students' Societies has resulted in some good lectures and debates and a certain amount of class study; and accountancy is said to be taught in two of the evening schools of the London School Board. But a London bookkeeper, writing under date January 2, 1900, says that he recently attended one of these latter and found that the tuition was ordinary elementary book-keeping, and that the teacher's knowledge of accounts was quite theoretical.

If, then, the accountants of the United States, than whom there is not to be found among the professions a more magnanimous or public-spirited class of men, shall succeed in bringing about the foundation of a strictly professional college of accountancy, they will have led the way in one of the most important educational movements of the century—whether you call it the nineteenth or the twentieth—and will have won the gratitude, as they will doubtless have had the co-operation, of business men, of educators, of philanthropists, and of those moralists who recognize in business accountancy the “very conscience of the modern commercial world.”

“We have now seen that accountants and their work have been known and recognized from time immemorial. We have caught glimpses of accountancy approaching us out of the mists of the ages. We have seen it taking shape as a kind of Levitical or thirteenth tribe distributed among the classes and callings of

men of affairs. And we see it now, endeavoring, as best it may, to maintain its appointed station on the watchtowers of the business world. With increasing recognition of its indispensibility, its efficiency will increase; and, on the other hand, with an increase of efficiency, an increase of recognition will be won and accorded. As we aim at good work and high professional skill; as we exemplify a high standard of probity and honesty; as we remember, with Epicurus, that to become rich is but an alteration of our affairs and is not in itself an advantage; as we illustrate the words of Montaigne, that men should not live for themselves but for the public; so will we educate the public to understand and acknowledge this interdependent relation, and more and more cordially to welcome us to our place in the centre of the system of trade and commerce on a professional plane alongside that of the law.

FOOT NOTES.

1. Larousse; article Tenue des Livres. 2. Ratio; gramma; grammateion; logismos; accepti et expensi. 3. Ratio conficere. 4. Logizomai; apologizomai; ratio reddere. 5. Falsas ratio inferre. 6. Apoluein tina euthunes. 7. Dialogismos. 8. Codex; codex accepti et expensi; tabulae. 9. Aliquid in tabulas referre. 10. Calendarium. 11. Ars rationaria. 12. Actuarius. 13. Calculator; rationarius; actor summarum; a rationibus. 14. Logista. 15. Euthune. 16. Logisterion. 17. Euthunos; euthunter; logistes; exetastes. 18. To exetastikon. 19. Pliny, Bk. 2, ch. 7. 20. Archaeologia, Vol. 48, p. 282. 21. Report Society of Antiquaries. 22. Annual Register for 1834. 23. Stat. 13 Ed. I. cap. 2; also Notes and Queries, Jan. 15, 1837. 24. Chaucer Society Publications. 25. Piers Plowman XXII 462 (C), XIX 457 (B). 26. Notes and Queries, Dec. 22, 1894. 27. Fuller's Church History. 28. Pepys' Diary. 29. Mackay's Memoirs of Extraordinary Popular Delusions. 30. Gentleman's Magazine, 1741. 31. Report Commissioner of Education, 1898. 32. Report of Professor James. 33. Reports of the Joint Commission of the 53d Congress to Revise the Methods of Business of the Executive Departments. 34. Treasury Commission Report, 1829; also, Quarterly Review, Nov. 1829. 35. Account of Annual Dinner Birmingham C. A. S. S., 1899. 36. Times, Feb. 7, 1897.