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## Book Reviews

W. H. Lawton

C. B. Williams

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## Book Reviews

TELEPHONE RATES AND VALUES, by CHARLES W. MCKAY. *The Cornhill Publishing Co.*, Boston. 245 pp., cloth.

An engineer's text-book on the subject of appraising the property of telephone companies for rate-making purposes. The author assumes, rightly I think, that courts and commissions are fairly committed to the doctrine of reproduction new less depreciation as the main basis of valuation for rate-making purposes, so his manual is devoted to the proper methods and procedure to be followed in making an inventory of the plant, ascertaining fair unit costs, and building up scientifically from these the fair value on which rates which will produce a fair return may be fixed. He includes, of course, the intangible, or "non-physical," as he prefers to call them, assets, i. e., the cost of franchises, cost of establishing business (or going value) and the cost of financing.

As might be expected from an engineer, practicality is the key-note of the book—what to do, how to do it, with occasional pertinent explanations of why it should be done—e. g., his careful discussion of the various types of depreciation peculiar to telephone plants. It is a book for engineers by an engineer, but one that every accountant with public utility connections can read with profit. While it deals with telephone properties in particular there is much that applies to all other forms of utilities, and a thorough understanding of the principles and methods involved will go far to lessen friction between engineer and accountant, each of whom has his own function, as Mr. McKay well states (p. 185).

Wisely, I think, the author avoids much discussion of theories of valuation in the abstract. Wherefore I wonder that he should have included Dr. Maltbie's paper on the appreciation of land as income. Of course, he is not to be held responsible for the doctor's ingenious argument, but it is apt to mislead the unwary student since there is no contrary authority given to offset it. But surely it must have occurred to Mr. McKay that there is a vast difference between charging operating expense with current depreciation, that is known to be going on, and crediting income with appreciation that is not realized, may never be realized and certainly cannot be unless and until the land is sold! How would he replace a worn-out unit with the appreciated value of the land? Incidentally, Dr. Maltbie's jocose illustration of the income tax (p. 175) is singularly inapt. Since when has the treasury department required a taxpayer to return as income the appreciation of unsold land?

W. H. LAWTON.

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COST CONTROL AND ACCOUNTING FOR TEXTILE MILLS, by EUGENE SZEPESI. *Bragdon, Lord & Nagle Co.*, New York. 441 pages.

In this book the author approaches his subject in a way that is different from the usual cost accounting textbook. The industrial accountant will find the subject discussed in language with which he

is familiar. Methods are suggested, followed by arguments for their adoption which should enable the accountant to make his own decision as to the desirability of the plans proposed. The public accountant, who is interested in cost accounting for textile mills, will find here an explanation of the manufacturing processes together with statements and illustrations of the means employed to obtain the costs. Many accountants will not agree with some of the methods suggested; nevertheless they are thought-provoking and may incline some to be a little more practical and a little less theoretical. It is an interesting book, well worth reading, and would be an addition to any accountant's library.

C. B. WILLIAMS.

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## American Institute of Accountants

REGIONAL MEETING, CLEVELAND, MAY 6, 1922

A regional meeting of the American Institute of Accountants was held at Cleveland, Ohio, May 6, 1922. Representatives of western New York, western Pennsylvania, West Virginia and Ohio were present. The chairman of the committee on arrangements, Charles Cullen Roberts, presided, and there were nearly 200 persons in attendance. After consideration of invitations for the next meeting of the region, it was decided that the meeting should be held at Cincinnati on November 11, 1922. George R. Lamb of Cincinnati was appointed chairman of the committee on arrangements.

A paper entitled *Training Young Accountants\** by John R. Wildman was read and followed by discussion led by W. A. Coy. Following the discussion a resolution was adopted to the effect that in view of the demand for university training for accountants, an effort should be made to encourage the establishment of a school of accountancy and business administration at Western Reserve university, and that the American Institute of Accountants should be requested to approve the course of technical study. The chair appointed, as a committee to discuss the matter with the Western Reserve university and with the American Institute of Accountants, W. F. Vieh, A. G. Potter and W. A. Coy.

John B. Niven read a paper entitled *Why Accounting Is a Profession and Not a Business*. The discussion was led by L. W. Wilson.

M. Hazel Geisler spoke on the subject *Woman's Place in the Accounting Profession*.

W. S. Hallanan, state tax commissioner of West Virginia, read a paper dealing with the sales tax of West Virginia. This paper was followed by general discussion.

J. Hugh Jackson presented a paper on the subject *Treatment of Redemption Funds\**. The discussion was led by G. R. Lamb.

At the banquet at the evening at the Hotel Cleveland, the toastmaster was E. W. Doty and the speakers were Carl H. Nau, president of the American Institute of Accountants, Edward E. Gore, A. P. Richardson, E. H. Jaynes and H. C. Robinson.

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