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Editorial

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The JOURNAL of ACCOUNTANCY

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A. P. RICHARDSON, *Editor*

EDITORIAL

Things as They Are

“The problems confronting us are many and complex, but putting aside all selfishness may we continue to work for the upbuilding of our profession in a spirit of honesty, of courage and of common sense.”

These words come down through the years intervening since the congress of accountants in 1904 as a perpetual challenge. But it is a challenge that accountancy in America can meet. The profession has laid aside selfishness and has worked whole-heartedly for the common good. To take one instance, where many could be cited, witness the endowment fund of the Institute, now amounting to more than \$170,000, which has made possible a consulting and advisory service such as is scarcely rendered by any other profession to its members or to the public. To the fund must be given the credit, too, for the *Accountants' Index* which, although published only a few weeks ago, has taken its rank as one of the works of a generation. The cost and risk involved in this publication would have been prohibitive to any private undertaking, while the service the *Index* will render is not confined to accountants—it will help educators, lawyers, financiers and business men of all walks.

The profession has contributed liberally to business education, to the conduct of the recent war and to public service. It has evolved standards of qualifications and uniform examinations that are now in force in some thirty-six states. It has developed a national organization that works harmoniously with the state organizations and it now has headquarters in a building of its own. And through national, state and in a newer and most promising type of regional meeting it is promoting that spirit of professional solidarity, indicative of vigorous life.

In a world containing so much of trouble and discouragement, it is worth while, even at the risk of a charge of egoism, to pause for a brief review of the milestones in accountancy in America since 1904. It may be an inspiration toward better things.

As We Advance

Now that accountants are beginning to come to that point of public prominence which the importance of their vocation justifies, it is probably inevitable that there should be an increasing amount of criticism of the profession.

The insignificant man in the country town seldom attracts much favorable or unfavorable comment; but when he moves into the big city and becomes a power his enemies seem to multiply almost as rapidly as his friends. In somewhat the same way, the accounting profession has lately come in for several attacks which in the old days of the profession's unimportance would probably not have been made.

During the war and even more since the war, the public has begun to awake to the fact that the accountant is not merely a necessity but also a blessing to the body politic and commercial. Accountants have been appointed to positions of great trust and responsibility in governmental, financial and industrial undertakings—positions whose duties did not seem to be solely or even chiefly associated with questions of accounts. The modern accountant has become financial advisor not only of business men but of governments.

Even in Great Britain, where for many years prior to the war the profession was better recognized than here, accountants have increased their sphere of influence during war and reconstruction and have undertaken and carried to a successful conclusion tasks of such great value nationally and internationally that the profession now stands at the very forefront.

It is pleasant to remember these things as we prepare our minds for consideration of attacks which have been made.

For example, the *Brooklyn Daily Eagle* not long ago reported that Mark Eisner, former collector of internal revenue of Manhattan district, speaking before the members of the Brooklyn Bar Association, declared that

The whole system of income taxation as it exists today is the plan of accountants, although it is gradually being revised as solicitors for the treasury department get more control of the work, and soon the whole scheme will be perfectly simple and decipherable, even to a school boy.

The paper which reported this remarkable declaration is not given to misstatement, although it may have erred in the present instance. If, however, the report was correct, Mr. Eisner has qualified, in our estimation, as a wit. Everyone knows that when phraseology is that of the law it is perfectly simple. Yet we have labored—and still do labor—under the impression that accountants had done more than any other advisors to bring about the application of business sense to the administration of the law.

Mr. Eisner must have had his tongue in his cheek when he spoke.

The *Minneapolis Journal* in a comparatively recent issue quotes Roger W. Babson as saying:

People little realize what the income and other federal taxes are doing to kill prosperity and enterprise. The bank clearings, building permits and other figures now coming out for the two weeks preceding March 15 (when the federal tax statements were due) indicate that the time which 5,000,000 people have given simply to preparing these reports resulted in a loss of about \$1,000,000,000 in sales, \$550,000,000 in manufacturing and \$500,000,000 in other lines. If we add to these figures the time of bookkeepers, accountants, government tax officials, collectors and inspectors whose work is wholly unproductive, and who—from the economist's point of view—are simply parasites on the country, we have far greater losses.

We have long had a suspicion that there was something the matter with the economists. It is evidently their point of view.

Mr. Babson deserves to rank with Mr. Eisner as a wit.

Now comes the *Philadelphia Public Ledger* with these kind words:

Coal needs an investigation. Not by a bunch of certified public accountants or sociologists, who love a smell for the smell's sake, but by a body of men in whom the country has confidence.

This is very indelicate of the *Ledger*. And what have accountants done to offend? We had entertained the belief that the country year by year was displaying greater and greater confidence in accountants.

Speaking seriously, it is really unfortunate that so excellent a paper as the *Public Ledger* should be guilty of so silly a remark. Would the paper suggest that accountants should be eliminated from investigations? Would the investor be pleased? Would the man of business feel safe?

As stated at the beginning of this comment, attack is the penalty of prominence, and we must make the best of it. We can only hope that no attack will ever have greater foundation in fact.

American Institute of Accountants

The annual meeting of the American Institute of Accountants will be held at the New Washington hotel, Washington, D. C., Tuesday and Wednesday, September 20 and 21, 1921. Meetings of the council of the Institute will be held on Monday, September 19, and Thursday, September 22.

Attention is drawn to this meeting because of its importance. Several matters of great moment to the whole profession and therefore to the business public will be under discussion, and forward steps may be taken.

It is hoped that all who are interested in the progress of accountancy who may be in Washington at the time of the meeting will feel free to attend the open sessions of Tuesday and Wednesday, when in addition to discussions of professional procedure there will be many excellent addresses on accounting subjects.