

10-1919

Report of the President

Waldron H. Rand

Follow this and additional works at: <https://egrove.olemiss.edu/jofa>



Part of the [Accounting Commons](#)

Recommended Citation

Rand, Waldron H. (1919) "Report of the President," *Journal of Accountancy*. Vol. 28: Iss. 4, Article 1.
Available at: <https://egrove.olemiss.edu/jofa/vol28/iss4/1>

This Article is brought to you for free and open access by the Archival Digital Accounting Collection at eGrove. It has been accepted for inclusion in Journal of Accountancy by an authorized editor of eGrove. For more information, please contact egrove@olemiss.edu.

The Journal of Accountancy

Official Organ of the American Institute of Accountants

Vol. 28

OCTOBER, 1919

No. 4

Report of the President*

In presenting the report of your president there is prominently in mind the words of a predecessor who was permanent chairman of the first congress of accountants ever held in this country. Listen:

"I feel whenever I meet my professional brethren that we ought to exchange congratulations upon our membership in a profession, so young, so energetic, so free from traditions that stifle, while yet maintaining well defined principles of ethics, and most of all so full of possibility for the employment of every faculty of mind and heart in noble service in the field of life. . . . To me the crowning glory of our profession is that it must ever stand for the highest ideals in the life of the individual and for the slow but sure evolution of society into a state where honor and honesty shall not be mere abstractions."

We may keep profitably these thoughts, so beautifully and zealously stated by Mr. Sterrett, before us throughout our meeting, and carry them with us to our homes and business circles with profit to our profession and to ourselves.

The duties of the presidency have not been found irksome, although they were undertaken with feelings of sincere apprehension of personal inability to meet the requirements acceptably and worthily.

This has been due largely to the constant and wise support of an executive committee whose superior it would be difficult to obtain; to the faithful assistance of our secretary and our treasurer and to the uniform willingness of our members, with but slight exception, to serve your interests as committeemen.

* Presented at the annual meeting of the American Institute of Accountants, Cincinnati, Ohio, September 16, 1919.

The Journal of Accountancy

In the course of the year it has been our privilege to address the state societies of Massachusetts, New York, Pennsylvania, Virginia, Delaware and Maryland and the Pittsburgh Institute of Accountants.

We were obliged to forego the pleasure of a trip to Oklahoma because of serious conflict with other engagements.

The principle topic of our addresses has been the individual responsibility of each member of the institute—its existence—its importance—a plea for its acceptance—and the splendid results thereof indicated.

I rejoice in an incident which indicates that one, at least, has been favorably impressed. A member has written asking to be put at work on any of the committees and promising faithful service. And this incident leads me to emphasize the importance of attendance of committee members at the meetings of their committees. The attendance of the executive committee for ten meetings has been somewhat remarkable. We have eight in all, including the secretary, who are expected to be present, and three of these have been absent but twice, two but once, and two not at all; and in every case of absence there have been valid excuses and sincere regrets expressed. In another important committee we frequently have been troubled to secure a quorum.

The beginning of the year found us deep in the horrible struggle of war—the greatest this world has ever known—probably the most barbarous ever known. We have had, all of us, our part in it, with varying degrees of activity. Our members, many of them, have been devoting their whole time working in the service of our country, some in a military, some in a civil capacity, and the future of all, a year ago, was uncertain and critical.

Thank God, we have been victorious in war; and there seems to be a treaty of peace in the making.

We are entering upon a period of readjustments and reorganizations. There never have been placed upon the public accountant greater responsibilities, nor so varied and in such numbers, as have been born of this war, and I believe our good reputation has been so advanced and so extensively recognized that we may consistently look forward to a period of even greater and more important work in the future.

Report of the President

Probably there were never before so many and such strong temptations besetting the citizens of this country in their determination of net income and of balance-sheets—temptations to twist and to turn, to magnify and to minify, in attempting to decrease the amount of indebtedness to the government. Professed ignorance of the law's meaning and professed inability to understand the forms for returns prepared by government have furnished a multitude with excuses for doubtful and wrongful returns. Comparisons by government examiners frequently require a demand for explanations, and then there comes an increased dependence upon the public accountant to straighten things out. Not infrequently, this proper care results in great saving to the taxpayer who previously had been depending only upon his own office staff.

It is unquestionably the fact that accountants are receiving in many cases too small compensation for their services to the public, and in the extra preparation required for tax work it is only just that their charges should be increased from what they have been heretofore; but there has been noticed a disposition by some accountants, especially some so-called "tax experts," whose ideals and ethics are not in keeping with those of the profession, to adopt a practice in regard to fees which is open to criticism.

Our minds must be set against contingent fees, so-called, as unprofessional and reprehensible.

We repeat the expressed wish of President Davies, uttered last year, that every reputable and qualified public accountant in the country should be enrolled as a member of the institute.

It has not been the intention of the board of examiners nor of the institute that such accountants should be obliged always to pass a technical written examination. In many cases an oral one may be substituted, which while being so conducted as to prevent the passing of unqualified men, presents no real difficulties to the experienced practitioner. The following is the rule governing such cases:

The board of examiners in its discretion may allow any candidate who has had five years' practice on his own account or seven years of experience in public accounting, who is thirty years of age or has passed a written examination conducted by a recognized accounting body, to take an oral instead of a written

The Journal of Accountancy

examination in one or more subjects. The determination of who shall be considered as practising public accountants shall be made in all cases by the board of examiners.

We believe there are many practising accountants outside our membership who can be induced to become members when they are made to understand the great advantage which will thereby accrue to them.

There also are instructors in accounting who are qualified for membership with us and should be members with us. One of the declared objects of our institute is to develop and improve education—and another is to unite the accountancy profession of the United States.

If there exists uncertainty in the mind of anyone regarding his qualifications for membership a letter to the board of examiners stating his condition will receive prompt and intelligent response.

Let no one imagine the institute membership to be a body of too great exclusiveness. I trust we always shall promote and maintain high professional and moral standards; but there is not one of us who will not gladly welcome the addition to our membership of qualified men, who will not make a dignified and honorable effort to secure such as members.

The special committee on increased membership doubtless will have soon a most interesting and valuable report for your consideration.

One of the most important matters before you is the subject of relationship of the various state societies and of our members in various quarters, classified locally, with the national body. This subject is not new. It must be wisely determined so as to keep alive constantly in various localities all the professed objects of our national institute.

Mr. Montgomery's committee will report upon this subject.

The Chamber of Commerce of the United States of America requested the institute to nominate two members to serve on a committee on cost accounting. This invitation was accepted by the council on April 14th and the executive committee approved the nomination of Edward E. Gore, of Chicago, and David L. Grey, of St. Louis, to act for the institute on the committee.

On invitation of the Chamber of Commerce of the United States we have appointed the members of the committee on

Report of the President

federal legislation, consisting of Adam A. Ross, Harvey S. Chase and John B. Niven, to serve as a special committee on a budgetary system in the United States.

The familiar activities of the institute will be reported upon by the officers and by the various chairmen of committees. The endowment fund, that splendid achievement of those who felt and continue to feel the personal responsibility upon them; the statistical library and the work of your librarians; THE JOURNAL OF ACCOUNTANCY, our well managed, national professional mouth-piece; the board of examiners which, under the guiding hand of Teele, has done well an immense amount of work; and all the others, too, will be subjects of reports as usual.

Mention should be made on behalf of correct accounting principles of *Standard Methods for Preparing Balance-sheet Statements* prepared by the institute and issued by the federal reserve board.

Among our losses by death, none has been felt more strongly in the active work of the institute than the passing from us of Bertram D. Kribben. Mr. Kribben's membership in the board of examiners was filled by the selection of Ernest Reckitt.

In closing, I would repeat the words quoted in beginning this report:

"To me the crowning glory of our profession is that it must ever stand for the highest ideals in the life of the individual and for the slow but sure evolution of society into a state where honor and honesty shall not be mere abstractions."

WALDRON H. RAND, *President.*