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National Association of Certified Public Accountants

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The C. P. A. Bulletin

No. 1

NATIONAL ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

Editorial Greetings

In presenting this, the first issue of the C. P. A. Bulletin, the staff of the National Association of Certified Public Accountants extends to the general membership its first official greetings. We are, as yet, all, individually and collectively, just professional acquaintances—but from now on—it behooves us all to join in a close bond of professional friendship which will redound to our individual benefit and which will fortify our collective association as a tower of strength for a truer, broader, more liberalized attitude toward merit and ability in accountancy wherever and whenever found.

Remember Our Prophecy

Remember, always, that we are standing squarely on the good old American principle of "May the best man win." By opening the doors to a free competition, on the unqualified basis of merit and capability, for rating of professional proficiency and excellence, we are destined to serve a long felt public and professional want in giving to all the opportunity to serve at a rating to which their qualities, by right, entitles them, in giving the advantage to the public and to the profession of a more economic service, and, in the Americanization of the profession of accountancy throughout our whole land.

Aim at the Stars

We are planning great plans for an association program which should be most valuable to all. More about this in later issues of the Bulletin.

Let Your Light So Shine

You may not have time to advertise by writing a book but you can contribute interesting items of what new or unusual things you have done professionally to the Bulletin editor who will present them, with your name attached, to the world, through these columns.

Important Notice

Our first assembled examination will be held in Washington Thursday and Friday, 17th and 18th of November. We feel that those who successfully pass them will be "business men who specialize in accountancy," with all that that implies. Send in for applications.

Solid Foundation

We have founded the profession on solid rock where it belongs, by making it, through the agencies of business, the medium of presenting and recording economic expression. The following is a foreword to the oral part of our first examination.

Inasmuch as highest grade accountancy, in the broad sense, is the science of accurately and comprehensively reflecting the operation of economic forces, through the records and accounts of the agencies of public, business and financial organizations and individuals, a general knowledge and comprehension of this fundamental subject is deemed es-

sential upon which to successfully and intelligently build a superstructure of proficiency in the mechanics and general requirements of accounting practice.

This subject is therefore placed first in our examination program.

Inasmuch as units of public, organized, and private activity are the agencies of true economic expression it follows logically that a good general practical knowledge be had of public, organized and private business and finance, in order to recognize and value the expression so as to truly reflect and record it.

The subject of business and finance is, therefore, placed second.

Natural mental capacity and quality, of a scope and of a type adapted to perform the particular service, must be present in order for one to rank high in the profession of modern accountancy, together with the ability to preface and support the written by the spoken word from a personality that is acceptable. In an effort to rate, as will be rated by the world, despite any certificate to the contrary, those who seek the highest rank in accountancy, we take into account these factors by setting them upon this program of examination as important ratable factors.

Oral Examination?

Yes, half of our examination will be oral. Of what use is all the technical knowledge and ability in the world if you can't sell it in the first place and support it before that large number who can only understand clearly the spoken word.

Junior Examinations

Tests will shortly be sent out to junior members of the association who apply for them. These tests, in a series of three—preliminary, intermediate and final—are designed to guide our juniors to an eventual certification. The junior successfully passing the third test will be considered as qualifying for examination for certification. Encourage your junior associates to better work by having them join the association which will help them to a degree.

Legislation

The Capper Board of Accountancy bill has not as yet been taken up and there seems to be no chance of any consideration before next session of Congress.

Drop In

All members visiting Washington are requested to drop in and sign the register and give us the news and any other contribution they may care to make. This is your office—make use of it. There's a desk here for you.

Service Bureau

If we can do anything for you here in Washington which does not require personal attention rely on your service bureau here, which is on the job all the time to save you money and time. Charges based only on actual cost of service rendered.

Pro and Con

Editorial New York American, September 16, by B. C. Forbes, noted financial writer.

FINANCE AND BUSINESS

By B. C. Forbes

America's great business organizations have not been built up by men who simply sat back and waited for orders to fall into their laps. Success in this country has been won by those who fought hard to overtake it. In Britain many notable business concerns have been handed down from previous generations, but Americans of today have had to achieve success for themselves.

A battle between American and British interests is to be waged at Washington next week. The British, it is conceded, are more strongly entrenched than the Americans. In fact, they are admitted to be in control of the situation. Red-blooded Americans, however, are determined to put up a real American fight to throw off this British yoke and to enforce a declaration of independence. The outcome is of interest to everyone in the business, financial and professional world.

Here, briefly, is the position: When America had to go to Britain and other European countries for capital, British bankers, British investors and British laws demanded that British accountants be employed by the American companies applying for funds. Then, too, no American corporation could launch a subsidiary or other company in Britain without employing British accountants to audit its statements, the law specifying that none but British accountants could perform such services.

This naturally led to British accountants coming over here to make audits, and large American companies found it more convenient to employ these British accountants than American accountants. The foreign accountants thus gained an early and firm foothold here.

In time they captured control of the American Institute of Accountants, and have held on to this control with the proverbial bulldog tenacity of John Bull. Taking ad-

vantage of the dominating position thus attained by them, they are now determined to stop the inroads which have been made during recent years by progressive American accountancy firms. The growth of American accountancy has, in fact, been sufficiently notable to alarm their British rivals.

For the progress made by American accountants there has been solid reason. First of all, American accountants, unlike the British, decided to cast aside old-fashioned methods and to improve and extend their services to business, banks, etc. The customary audit of a British firm merely amounts to a checking up of the books laid before them and a certification that things are as represented in the statement of accounts.

American accountants, however, began to render services far beyond this. They equipped themselves and their organizations to offer valuable suggestions on such matters as how to institute simple, scientific methods of ascertaining costs. "Cost accountancy," as it exists today, is an American contribution to the science of business. American accountancy firms spend large sums to secure the services of the ablest of engineers and other experts, and thus equipped themselves to show manufacturers and others how to reduce overhead and a hundred and one other improvements in the running of their business.

American accountants, with characteristic American initiative and enterprise, have been conducting campaigns to familiarize the business world with the various services they are capable of rendering. Many of them have spent large sums in newspaper, magazine and trade journal advertising campaigns to emphasize the value of cost accountancy and the other services up-to-date American accountancy firms are capable of furnishing.

Alarmed over the increasing demand for the services of American accountants, the British accountants, taking advantage of their control of the American Institute of Accountants, have hatched a scheme to for

(Omission in Copy)

out for more business through advertising of any kind whatsoever. They are maneuvering to relegate American accountants to the background so that the older established British firms will not suffer from aggressive American competition.

The British-controlled "American" Institute of Accountants named a committee which will bring forward for adoption at next week's annual convention in Washington a recommendation that no advertising of any kind be permitted hereafter. It is interesting to note that of this committee one is English born, the second a partner for many years in a leading English firm in this country, leaving only one member free from English connections.

From the letters I have received since commenting on this subject some time ago, I am convinced that the English accountants will not be able to carry out their little scheme to muzzle American accountants without a stiff fight.

Since the English law demands that every concern which issues shares to the public submit a balance sheet every year audited by an English chartered accountant, American accountants can offer little competition abroad. Why wouldn't it be absolutely fair for the United States to pass similar legislation, demanding that only American accountants be employed by all companies having stock owned by the public?

Again, the "American" Institute of Accountants admits to membership any chartered accountant who comes over from Britain without any examination whatsoever. But the British Society of Chartered Accountants does not recognize any American chartered public accountant who goes over there. Here, surely, is a one-sided arrangement which is not flattering to America.

Among the excuses given by the Committee of Three of the latest maneuver to hit at American accountants is the declaration that all advertising is unethical and unprofessional. Will those who have employed advertising to fill churches, to endow universities, to build hospitals, to strengthen the Red Cross, to encourage saving, to recruit armies and navies, etc., please take notice and henceforth desist from a practice which these two English-minded and one American accountant have decreed to be unprofessional and unethical?

Or will this Committee of Three and its English sponsors find that, while Americans are easy-going and tolerant, there is a limit to what they will stand in the form of foreign domination of their domestic affairs?

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From Journal of Accountancy, November issue, official organ of American Institute of Accountants.

District C. P. A. Bill

Senator Capper, of Kansas, has introduced in the Senate of the United States a bill, No. 2351, providing for the creation of a certified public accountant board in the District of Columbia. This bill has been approved by the council of the Institute and it is hoped that it will be passed without amendment of any kind. It is particularly necessary that such a bill should appear on the statute books of the District in order to offset possible efforts to lower the value of the C. P. A. certificate by organizations operating in parts of the country in which there is no restrictive legislation. All the forty-eight states now have C. P. A. laws. The District of Columbia and Alaska are the only parts of continental United States in which there is no such legislation.

Friends of accountancy should use their efforts to encourage the enactment of Senator Capper's bill without alteration or addition.

C. P. A. (N. A.)

This certification is just as valuable as you wish to make it. It may represent the highest rating in accountancy—it might become worthless?

It's up to every member, working, individually and collectively, to make and maintain the professional and commercial value of his certificate by liberal support of the association from which it issues.

We feel that if every one of our membership, over two thousand strong, contributes only a reasonable amount of personal interest and support to the organization that it will not be long before it will be acknowledged by business and by the profession generally that C. P. A. (N. A.) stands not for "Water for Stock" but represents true services rendered, paid in 100 per cent for cash.

It is up to you.