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The C. P. A. Bulletin

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No. 7

The National Association of Certified Public Accountants
WM. DE LAROCHE ANDERSON, Consulting Accountant, Acting Editor

May 1, 1922

Notice of Annual Meeting National Association of Certified Public Accountants Monday, June 5th, 1922

Are you in good standing?

"None but full members in good standing in the Association shall be eligible to vote. Voting may be either in person or by proxy." Article 4, Paragraph 6, By-Laws.

Your 1922 membership card, indicating your continued maintenance of "National" qualifications and professional standards and the payment of required annual dues (\$5), identifies you as still being a "National Certified Public Accountant" to the Association and to the business public as well. Send in at once for this card or it may again escape your attention.

Pursuant to Article 4, Paragraph 3 of the By-Laws, National Association of Certified Public Accountants, notice is hereby given of the Annual Meeting to be held at the offices of the Association, No. 56 Franklin National Bank Building, Washington, D. C., on Monday, June 5, 1922, at eleven o'clock a. m.

(Signed) J. R. HUTCHISON,
President.

BY-LAWS

Article 4—Meetings

The Annual Meeting of the members of this Association shall be held in the principal office of the Association in Washington, District of Columbia, on the first Monday of June of each year, at eleven o'clock A. M., if not a legal holiday; but if a legal holiday, then on the following Monday.

Special meetings of the members may be called at the principal office of the Association at any time by the President of the Association, or by resolution of the Board of Governors; or upon written request of two-thirds of the entire membership of the Association.

Notice of meetings, written or printed, for every regular or special meeting of the members, shall be prepared and mailed to the last known

address of each member, not less than two weeks before any such meeting; and if a special meeting, such notice shall state the object or objects thereof.

A quorum at any meeting of the members shall consist of a majority of the entire membership, represented in person or by proxy. A majority of such quorum shall decide any question that may come before the meeting.

The election of Governors shall be held at the Annual Meeting of Members. The election shall be by ballot, and each member present, in person or by proxy, shall be entitled to cast one vote for each member of the Board of Governors to be elected. There shall be no cumulating of votes. The member receiving a majority of the total number of votes cast shall be declared elected.

None but Full Members in good standing in the Association shall be eligible to vote. Voting may be either in person or by proxy.

The order of business at Annual Meetings, and, as far as it applies, at all other meetings of the members, shall be:

1. Calling of Roll.
2. Proof of Due Notice of Meeting.
3. Reading and disposal of any unapproved Minutes.
4. Annual Report of Officers and Committees.
5. Election of Governors.
6. Unfinished Business.
7. New Business.
8. Adjournment.

NATIONAL ASSOCIATION NOW LEADS ALL OTHERS

In less than a year the National Association of Certified Public Accountants has taken the lead among the various Associations of the Profession of Accountancy. The National Association

of Cost Accountants is a fairly close second while the American Institute trails a poor third.

The reason for this standing is that the National Association, organized just at a time when a general dissatisfaction with existing conditions within the profession had crystalized, expressed this dissatisfaction in organizational form and presented a policy which met with general approval and adopted methods through which this policy might be successfully developed and made effective.

The strong position of the Cost Accountants is due to the contribution to the profession and to the business public by this Association of a valuable specialized service of high economic importance.

Two or three thousand professionals may deny National leadership, but these are silenced by the overwhelming reply of the approximately 10,000 applicants and 3,000 accepted professional members of the National Association.

MONTHLY STATE CHAPTER ITEMS

Eight States have already organized State Chapters of the National Association of Certified Public Accountants. It would be very interesting to the members of the Association generally to be informed of what is going on within the profession in the various States. This information could be furnished through the columns of The Bulletin. If the secretaries of the various State associations will send in monthly reports, the editor of The Bulletin will run a column under the head of "State Chapter Items" which will be interesting and instructive to all. It is suggested that this matter be considered by the various Chapters and that the editor be informed of any suggestions in the matter.

THEY ADMIT IT

There is no doubt that the benign power of the controlling clique, which guides the American Institute members in the paths of rectitude and of professional proficiency, which watches over their goings and their comings, which says who shall be and who shall not be admitted into its shining realm of **A. I. A.—c.p.a.-dom**, is the **ONLY POWER** in this broad and sunny land of ours, among all its 110,000,000 souls, in this respect, they only are IT. **THEY ADMIT IT.**

The following excerpt from an editorial in *Journal of Accountancy* of March, 1917, in which the Institute relates its successful combat against the proposed general registration of Accountants by the Government, through the Federal Reserve Board, shows clearly what the Institute thinks of the Government, the law, the C. P. A. Boards of the various States, C. P. A.'s and Accountants generally, and, above all, how "little" it thinks of itself.

"The American Institute for reasons mentioned below opposed the plan of registration, however, and it is gratifying to know that the arguments adduced against the idea have led to its postponement and, we hope, to its permanent abandonment. It is only fair to say that members of the Federal Trade Commission and the Federal Reserve Board were not unready to listen to the views of accountants.

"So many inquiries on the general subject of registration have been received by the institute and in the office of this magazine that it seems desirable to explain briefly some of the many reasons why registration would have been a misfortune from the effects of which the (the Institute) profession might not have recovered for many years.

"The fundamental weakness of governmental control is exemplified in the lack of success of the C. P. A. movement. It was hoped that under State regulation of accountancy the profession would obtain general recognition more rapidly than would be possible without actual statutory provision; but twenty years' experience of the C. P. A. laws has proven disappointing in many respects. Of course there are many C. P. A. laws which are excellent, and many C. P. A. certificates which are an indication of ability, but the fact remains that the idea of placing the control of a profession in political hands

is wrong essentially. It is impossible to separate politics from political appointments. The reorganization of the national association of accountants last fall was carried out with the prime object of overcoming those things which registration would involve.

"In the report of the committee which was adopted at the convention in September emphasis was laid upon the wide variety of C. P. A. laws and the impossibility of counting upon proper administration even of the best of them. Standards must be set by the profession itself. Suppose, for example, that medicine, law or engineering were to be brought under the supervision of political appointees—what would become of their professional character? No one but an accountant should set the pace for other accountants to follow.

"**GOVERNMENTAL CONTROL HAS BEEN WEIGHED IN THE BALANCE AND FOUND WANTING.** Why, then, think of perpetuating it by such a plan as that of registration? The control which the scheme seemed to promise is apparent and would not be actual. Discipline would be impossible and faults would be seldom detected. Governmental registration would embrace good and bad. No bars would be set up and the inefficient and worse would practice under the seal of government approval with a very small chance of ever incurring the reprimand of the reserve board.

"The plan of registration offered no means for restricting practice by unqualified men. Such restriction can be effected only by such an organization as the American Institute of Accountants and by requiring examination with subsequent liability to discipline. It is illogical to expect the proper standard to be set up and maintained by any other kind of central power.

"Registration would set a premium upon mediocrity and inferiority. How could the banker distinguish, in the absence of personal acquaintance with the accountant, between honesty and ability and dishonesty and inability? With the seal of approval given by the bureau of registration there would be prima facie evidence of ability when in reality there might be sheer ignorance, if nothing more reprehensible.

"Registration would certainly include all the bad and probably only a part of the good. Many of the leading accountants have expressed their unwill-

ingness to accept the principle of registration. Hence we should be confronted by the anomaly of some banks accepting the statements of accountants known to them without the government's approval and the government urging the acceptance of names about which the banks might have grave doubts.

"**LET THE STANDARDS BE SET BY THE INSTITUTE**, which embraces (1,500) of the (25,000) accountants actually in practice, and will in time embrace an even greater percentage of them. The institute is the accountants' own organization, **FOUNDED TO THROW OFF POLITICAL INFLUENCE** and lack of standardization. Let the government report to the institute the faults of its (1,500) members and punishment will follow swiftly and surely. (And here emphasis should be laid upon the importance of reporting cases of malpractice and negligence. Accountants, government officers and the public generally should be ready to lodge complaints in the interest of that higher code of ethics to which American business aspires.)"

NATIONAL ORGANIZATION

In a territory as wide as is continental United States, it is impossible to organize a National organization with best results upon a plan which requires the affairs of individuals, communities and States, to center directly into the National headquarters office.

It is too large a unit for direct centralization to be effective.

The National organization which has been found most effective is that which provides for the local, State, District, and National unit.

The National Association in the first instance operated directly with the individual unit all over the country, and later operated through State organizations where State organizations had been formed. This method was used not because of approval of the method by the National officers but on account of the fact that the Association had been in existence for such a short space of time, during which time it had to meet on the one hand a most overwhelming flood of inquiry and application for membership, and on the other had to combat an opposition springing up in many quarters that its position was analogous to an attempt to raise and organize an army in the

midst of the prosecution of a war and it had to operate without prearranged plans.

The Officers of the National Association are at the present time slowly but surely setting up an organization based upon well conceived plans, which in other organizations have proved successful nationally, and which eventually will place the National Association in the strongest organizational position and will give the greatest satisfaction to the members and allow of the best service by the Association to the profession and to the public.

Under this plan it is proposed to have the local unit in all cities of a size to warrant a local unit, a State unit in each and every State, a District unit comprising a suitable number of adjoining States, and finally the headquarters unit located at the National Capital. State units have already been organized in a number of the States, and in some instances local units have been established. There are already two District units, one comprising the New England States under the general supervision of a District representative in the person of Melville D. Thomas, who maintains District headquarters at Hartford, Connecticut; the other the South-eastern District comprising the States of North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi and Tennessee, under the supervision of Major T. S. Newton, with District offices at Atlanta, Georgia.

About May 1st, the Eastern District will be organized and Capt. William de LaRoche Anderson, with District offices at No. 63 Fifth Avenue, New York City, will be placed in charge. This District will comprise the States of New York, New Jersey and Pennsylvania.

The organization of other Districts will be accomplished as rapidly as is consistent with securing the services of able District representatives.

The duties of the District representatives will be to organize and to coordinate the Association's activities; to promulgate and promote its general policies and principles; to bring to the attention of educational, business, finance and credit agencies, and to professional accountants generally, the professional value of the Association; and to advise and assist local and State executives and generally to act as liaison officers between them and headquarters at the National Capital.

STATE CHAPTER ITEMS

The regular meeting of the Connecticut Chapter was held at the office of the T. M. Byxbee Company, New Haven, Connecticut, on Thursday evening, April 20, 1922.

The following members of the Executive Committee were elected: W. H. Brooks, secretary of the T. M. Byxbee Company, to serve for five years; W. A. Musgrave of W. A. Musgrave & Company, to serve for four years; James B. Butler of Butler, Derrig & Tenney, to serve for three years; S. Earl Shook, to serve for two years, and Alton B. Copeland, to serve for one year.

The Committee on Chapter Certificate made its report, which was accepted, and the committee was instructed to secure 250 Chapter Certificates printed. The report of the Committee on Code of Professional Conduct was referred back to the committee for further consideration and for report at the next meeting. In accordance with an amendment to the by-laws, the position on the Advisory Board held by William C. Woodford was declared vacant and Mr. William H. Brooks of the T. M. Byxbee Company was elected to fill the vacancy.

A discussion as to the advisability of securing an injunction against the State Board of Accountancy, restraining them from permitting the American Institute of Accountants in any way to conduct the examinations or to mark the examination papers was had. The president stated that he had been informed by two very high-class attorneys of Hartford that there was no question but what the injunction could be secured. The question was left for later decision. After hearing an address by a member of the Connecticut Society of Certified Public Accountants and of the American Institute the meeting adjourned to meet after a dinner to be arranged for on May 18.

EDUCATIONAL ADVERTISING

Dear Sir:

It strikes me that the C. P. A. Bulletin could be made a very prolific source of advertising for the practicing members of the National Association of Certified Public Accountants.

The April first Bulletin is one that the members of the National Association who are in practice could well

afford to buy by the hundreds. In the place on the back of it for the accountant's name, address and telephone number he could have it so printed as to make a house organ out of it. He could mail it to firms, prospective clients, and it would not only be an advertisement for him but would be an education for the public.

Let me know what you think of this?

Yours truly,

MELVILLE D. THOMAS,
President, Connecticut Chapter,
N. A. C. P. A.

FEDERAL RESERVE FORMS

While many accountants are already familiar with the forms of Profit and Loss Account and Balance Sheet recommended by the Federal Reserve Board there are still many who have only casually considered them. These forms are presented in this issue of the Bulletin with the view of inviting comment and suggestions. The treatment of contingent items, hypothecation, good will and sundry other items invite discussion and comment, and the Editor of the Bulletin would be glad to receive the views and comments of members for publication.

The treatment of good will as shown, it has been ascertained from a member of the Federal Reserve staff, is not to be understood as a hard and fast recommendation to be applied in all cases. In connection with the treatment of contingent liabilities the Federal Reserve official called attention to the following, from the 1921 report of the Comptroller of the Currency:

Since September 12, 1916, it has been the policy to show rediscounts as contingent liabilities. This practice was followed notwithstanding that the Supreme Court of the United States, in the case of Cochran v. United States (187 U. S., 286), held that—

The "liabilities" of a national bank, which are required by Revised Statutes section 5211, to be stated in the reports of the Comptroller of the Currency, include contingent as well as absolute liabilities; and hence an unmatured note, payment of which at maturity is guaranteed by the bank, should be included in the list of liabilities.

Hereafter national banks will be required to include rediscounts in their aggregate resources and liabilities in reports of condition.

FORM FOR PROFIT AND LOSS ACCOUNT

Advised by the Federal Reserve Board

Comparative statement of profit and loss for three years ending.....19 .

	Year ending—		
	19—	19—	19—
Gross sales.....	\$.....	\$.....	\$.....
Less outward freight, allowances, and returns.....
Net sales
Inventory beginning of year.....
Purchases, net
Less inventory end of year.....
Cost of sales.....
Gross profit on sales.....
Selling expenses (itemized to correspond with ledger accounts kept).....
Total selling expense.....
General expenses (itemized to correspond with ledger accounts kept).....
Total general expense.....
Administrative expenses (itemized to correspond with ledger accounts kept).....
Total administrative expense.....
Total expenses
Net profit on sales.....
Other income:			
Income from investments.....
Interest on notes receivable, etc.....
Gross income
Deductions from income:.....			
Interest on bonded debt.....
Interest on notes payable.....
Total deductions
Net income—profit and loss.....
Add special credits to profit and loss.....
Deduct special charges to profit and loss.....
Profit and loss for period.....
Surplus beginning of period.....
Dividends paid
Surplus ending of period.....

SUGGESTED FORM OF CERTIFICATE

I have audited the accounts of Blank & Co. for the period from.....to.....and I certify that the above balance sheet and statement of profit and loss have been made in accordance with the plan suggested and advised by the Federal Reserve Board and in my opinion set forth the financial condition of the firm at.....and the results of its operations for the period.

(Signed) A. B. C.

FORM OF BALANCE SHEET
Advised by the Federal Reserve Board

ASSETS.	LIABILITIES.
Cash:	Bills, notes, and accounts payable:
1a. Cash on hand—currency and coin	Unsecured bills and notes—
1b. Cash in bank.....	2. Acceptances made for merchandise or raw material purchased
Notes and accounts receivable:	4. Notes given for merchandise or raw material purchased.....
3. Notes receivable of customers on hand (not past due).....	6. Notes given to banks for money borrowed
5. Notes receivable discounted or sold with endorsement or guaranty	8. Notes sold through brokers....
7. Accounts receivable, customers (not past due).....	10. Notes given for machinery, additions to plant, etc.....
9. Notes receivable, customers, past due (cash value, \$....)	12. Notes due to stockholders, officers, or employees.....
11. Accounts receivable, customers, past due (cash value, \$....)	Unsecured accounts—
Less:	14. Accounts payable for purchase (not yet due).....
13. Provisions for bad debts	16. Accounts payable for purchases (past due)
15. Provisions for discounts, freights, allowances, etc.	18. Accounts payable to stockholders, officers, or employees
Inventories:	Secured liabilities—
17. Raw material on hand.....	20a. Notes receivable discounted or sold with indorsement or guaranty (contra)
19. Goods in process.....	20b. Customers' accounts discounted or assigned (contra).....
21. Uncompleted contracts .. Less payments on account thereof.....	20c. Obligations secured by liens on inventories
23. Finished goods on hand.....	20d. Obligations secured by securities deposited as collateral..
Other quick assets (describe fully):	22. Accrued liabilities (interest, taxes, wages, etc.).....
.....	Other current liabilities (describe fully):
.....
.....	Total current liabilities.....
Total quick assets (excluding all investments)	Fixed liabilities:
Securities:	24. Mortgage on plant (due date....)
25. Securities readily marketable and salable without impairing the business	26. Mortgage on other real estate (due date.....)
27. Notes given by officers, stockholders, or employees.....	28. Chattel mortgage on machinery or equipment (due date.....)
29. Accounts due from officers, stockholders, or employees.....	30. Bonded debt (due date.....)
Total current assets.....	32. Other fixed liabilities (describe fully):
Fixed assets:
31. Land used for plant.....
33. Buildings used for plant.....	Total liabilities
35. Machinery	Net worth:
37. Tools and plant equipment.....	34. If a corporation—
39. Patterns and drawings.....	(a) Preferred stock (less stock in treasury)
41. Office furniture and fixtures.....	(b) Common stock (less stock in treasury)
43. Other fixed assets, if any (describe fully)	(c) Surplus and undivided profits
.....	Less—
.....	(d) Book value of
Less:	good will
45. Reserves for depreciation.....	(e) Deficit
Total fixed assets.....	36. If an individual or partnership—
Deferred charges:	(a) Capital
47. Prepaid expenses, interest, insurance, taxes, etc.....	(b) Undistributed profits or deficit
Other assets (49).....	Total
Total assets	

ANNOUNCEMENTS

The firm of Mattingly & Nutt has been dissolved and hereafter C. W. Nutt and Robert S. Rains will be associated as partners under the firm name of C. W. Nutt & Company, Accountants, Auditors and Tax Consultants, 347 Madison Avenue, New York City. Mr. Rolland L. Nutt will be the representative at Munsey Building, Washington, D. C.

Executive Service Bureau, Kansas City, Mo.

The Bankers Audit Company, located at 411-13 Bonfils Building, Orville C. Henderson, C. P. A. (N. A.), at 519-20 New York Life Building, and the Executive Service Bureau, Second Floor, 912-14 Grand Avenue, have consolidated their work under the name of EXECUTIVE SERVICE BUREAU and will be located at that firms' old address on Grand Avenue. The new organization will be headed by Mr. Al. Nusang as President. Mr. Nusang is also the president of the Atlas Printing & Letter Company and is very active in business and civic affairs throughout the city. The Federal Tax Service Department will be in charge of Orville C. Henderson, C. P. A. (N. A.). Mr. Henderson came to Kansas City permanently in 1920 as manager of the Bankers Audit Company and has later been in practice personally as a tax consultant. He was formerly junior partner in the accounting firm of Tromley & Henderson of Portland, Oregon, and President of Orville C. Henderson & Co., of Salt Lake, Utah.

QUESTIONNAIRE

As a public accountant which would you rather have:

A certification by some Board or Institution which based its test of your qualifications upon an academic examination, or, a certification by an Association which has found you to be endorsed by satisfied general clients; that you "know the game"; and has found that you have the ability to honestly sell yourself and your product, which is good.

Of what value would your certification, by a Board or Institution, be to you if you were not certified by your satisfied clients?

Of what value is any certification based upon a rating standard, other than that approved and accepted by Business and Finance, even though

it is so difficult in its peculiar and unusual form that few are able to meet it; and even though it is a much higher standard than is required in the successful practice of your profession.

THE FUNDAMENTAL TROUBLE WITH ACCOUNTANCY

The trouble with the profession of Accountancy is that it is founded upon a title or designation, or titles and designations, rather than upon comprehensive legislation providing for a reasonable qualification to enter into and practice the profession.

So long as this condition exists and accountants persist in taking and maintaining their rating upon arbitrary titles and designations, there will be organizations of various kinds operating to give the accountant what he wants.

Under present conditions we have the State Boards of Accountancy giving titles and designations; we have the American Institute giving titles and designations; we have the National Cost Accountants giving titles and designations; the California Association likewise, and there are numerous others and there no doubt will be more.

Just so long as the accountant sticks to the theory that a certificate of title shall be the basis upon which he shall be judged for his qualifications, and just so long as the accountant neglects to regard his profession as a profession and neglects to provide for the qualification of all of those who shall practice the profession, just so long will organizations spring up to furnish new and grander titles for his consumption.

With the profession generally in the condition which is current, of chaos, turmoil and invidious comparison, no one can contend that the principle of certification of title has been a success. There is nothing logical which can be brought forward to indicate that under this principle the profession as a profession ever will be a success.

The American Institute and its predecessor organization are responsible for the extension of the title principle, through legislation upon which to build the profession of Accountancy. This principle was taken from the English method. In England, classes are recognized and titles are recognized, and in England this method has been and can be successful. It is, however,

totally in opposition to American psychology and has not been and cannot be successful in this country. As long as the designation C. P. A. consists of a professional decoration, a great majority of American professionals, owing to inherent prejudices, will refuse to seek it merely upon the ground that it is a decoration. The mental attitude of the average American is opposed to the decoration. A tremendous number of Americans who went into military service, have failed to apply for the medal indicating their service. An overwhelming majority of high-grade accountants have not and will not, seek the designation of their profession because it has been placed upon the basis of decoration or title. The American lawyer does not sign an opinion with L.L.B. or letters representing any other degree he may possess appended to his signature. The American lawyer does not go around proclaiming the superiority of his degree obtained at Harvard over the degree which some other lawyer has obtained at Yale. Under this title system the profession of Accountancy is bound to be divided into conflicting bodies, subdivided into conflicting subdivisions, and there cannot exist a homogeneous profession. There cannot exist a full professional influence and only a meagre economic value can come out of the profession which should be the medium of expression of commerce and trade, of solvency and insolvency of the activities of the people. The American Institute is pledged to this "title" principle and gives no indication of being able to conceive of the profession of Accountancy being organized along the lines of representative American professions.

It is a fallacy to believe that a profession may be "held up" by the segregation of a small percentage of the most proficient and by the freedom of control of a grand majority of those practicing the profession. In the profession of Law, the organization of an association composed of the Judges of the Supreme Bench, with possibly the inclusion of Elihu Root and Secretary of State Hughes, would have no beneficial result to the profession as a whole. The standard of the legal profession is raised by the intermingling, association and cooperation of good, bad and indifferent lawyers practicing all as lawyers and members of a single profession, which all are pledged to uphold to the extent of the ability of

each individual, the profession which they practice. The high-grade lawyer is the leaven of the profession of law and his success redounds not only to his own benefit, but to the benefit of his whole profession.

In contradistinction to law, in accountancy the attempt is made to separate the leaven of the profession from the loaf, which attempt if successful would result in that there would be two elements, one a cake of yeast, the other a sodden mass of nondescripts, which being separated one from the other would fail to produce the economic value obtainable only in the fusion of both. We cannot lift ourselves by our bootstraps. The level of the profession can be raised by no artificial or arbitrary means. An artificial elevation of the few can only result in a lower average of the many. The profession, to rise, must rise together, and must start from a point at which the majority of the profession finds itself and which is the point at which the business, financial and credit agencies of the country, and the public generally, have established as a standard of acceptable service; and, from that point, elevate itself as a whole profession, the vanguard in touch with the rear guard, and at all times both part of the main body. The profession as a profession cannot elevate itself above the standard set by business, by merely setting arbitrary standards for professional titles as, under these circumstances, such titles will only be professional ornaments without practical value.

In its fight for the profession there has been no attempt or desire on the part of the National Association to create antagonism against any organization as such, there is no attempt on the part of the National Association to create antagonism of accountant against accountant, and the only antagonism which the National Association seeks to create is against principles and methods and policies which are subversive to the profession as a profession. In other respects the policy of the National Association since its organization has been to preach and promulgate the doctrine of "One for all, and all for one" within the profession of Accountancy.

The following article which appeared in the January issue of the C. P. A. Bulletin indicates the attitude of the National Association then and now:

"THE CURRENT CONDITION OF THE PROFESSION"

There is no profession in the country today which approaches the Profession of Accountancy in the current existing condition of chaos, discord, disagreement and narrow-minded selfish objective within the profession. It is a painful thing to have to announce but the National Association feels that it is necessary. If the profession is to maintain its existence as a profession and if it expects to continue to command public respect, no matter how painful it may be, it is vitally necessary that the professional situation be visualized for what it actually is in order that those who are its members may come to their senses and to some constructive generally accepted and acceptable basis of understanding among themselves with which they may stand united before the public, not united by States, not united by Associations or Organizations, but united as a National profession. No organization, as full of internal strife and bickerings as is the profession of Accountancy, can hope to have the wide and important influence in the economic affairs of the nation that the profession of Accountancy should have while it is in its present condition of internal chaos. The principal common activity of the accountant, speaking in the general sense, is knocking other accountants, by States, by organizations and by individuals, which is WRONG—ALL WRONG. We are today the greatest advertising medium against ourselves that could be devised. We have lost all sight of the fact that a discredited accountant is a discredited accountant, whether he be of Maine or California, and that we all share, being accountants ourselves, in the lessened public regard for the accountant generally, which is the net outcome of the individual discredit. We sneer at accountants by States—we sneer at them by organizations, and we sneer at each other individually, and we wonder if the business world and the people sneer at us. There seems to be no way but our way, no standard but our standard, and that way and standard of ours can only be successfully attained by very few, and even those are not quite up to us. We have our standards in the clouds, each on his own cloud at that, but the trouble is there is no connection between cloud

and cloud, nor from the clouds to the ground—and, unfortunately, we do our business on the ground. We must be practical—we can't go along with our heads in the air without a great big bump coming to us. This statement of condition is, we think, not overdrawn. We have Accountants haled into court in New York City by other Accountants; we have meetings in Connecticut by the A. I. A. against the National Association; we have a lawsuit in North Carolina by North Carolina Accountants against North Carolina Accountants; we have the National Association taking out an injunction against the State Board of North Carolina; we have that board passing first a scurrilous resolution against the National and later being forced to rescind it; we have a court decision which invalidates many State Certificates and casts a cloud on many others; we have Accountants meeting in Chicago against Accountants elsewhere; we have Accountants' threats against Accountants almost from every State and against every State and private organization. Here at the National Capital where peace and the spirit of Christmas is in the air generally, there is no peace coming in from all the land to or for accountants. It is shocking to be in the position where all this discord registers. Something must be done if we, as Accountants, are to retain our self-respect and the respect of others, and the first thing to do is to realize the seriousness of the situation which the National Association attempts to show here and by other articles in the Bulletin; and then to make a professional New Year resolution that, while we have our own opinions and stand on them, yet we will fight for the profession as a profession, and for professionals as professionals, and in charity, justice and with open mind, realizing that we may be wrong and others may be right, approach and thrash out professional questions, not in a spirit of animosity, as individuals, but as integral parts of a whole, on the welfare of which is dependent the welfare of all individually."

The National Association's only word as to the various organizations of the profession is that the accountant must tie to those which he considers represent that which is best for the advancement of the whole profession, and that he lend his individual weight through such organizations to the advancement of the profession.

New York Supreme Court Holds With National Association. Examinations for Membership C. P. A. Allowed. American Institute Influences Thwarted and Harass- ing Program Meets First Defeat.

The National Association, through the right and able leadership of Frank Broaker, C. P. A., N. A., N. Y., chairman of the New York State Protective Committee, won its victory in the courts. The case was a motion before the Supreme Court to restrain the National Association from holding examinations in the State to confer the Membership Degree of C. P. A. The motion was denied and the injunction was vacated.

The moving power behind the scenes was the American Institute of Accountants through the person of J. S. M. Goodloe, Member. This action to prevent examinations, together with a similar action now before the Illinois courts, initiated by Edward E. Gore, also a member of the Institute, was undertaken against the National Association on the heels of a hearing before a Senate Committee at Washington at which both Goodloe and Gore charged the National Association with not examining qualifications for certification (pages 35 and 38, Official Hearing). In their peculiar state of mind, in Washington they charge the "crime" of no examinations; in New York and Illinois just the reverse. Apparently anything will serve so long as it serves to delay the end.

The Institute's battle to harass the National Association and to continue its monopolistic control of the qualification and disqualification of accountants is rapidly and surely being lost.

Examinations

Examinations for membership and C. P. A. Certificate in the National Association of Certified Public Accountants were held in New York City, at Broaker Building, 63 Fifth Avenue, at 9 A. M., Thursday and Friday, April 27 and 28.