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C. P. A. Bulletin, Vol. 3, No. 2, February 1, 1924

National Association of Certified Public Accountants

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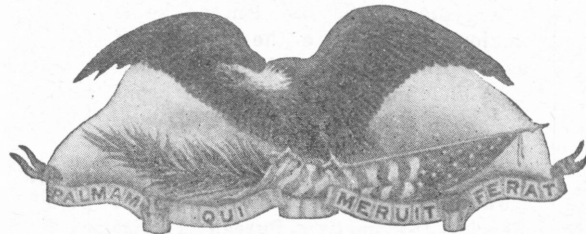
The C. P. A. Bulletin

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Vol. 3, No. 2

The National Association of Certified Public Accountants
945 Pennsylvania Ave., Washington, D. C.

February 1, 1924



NATIONAL ACCOUNTANT

Member

National Association of Certified Public Accountants

The National Organization of
Certified Public Accountants

LICENSES FOR ACCOUNTANTS

Apropos of the present criticism and prosecutions of the practice of unauthorized physicians and pharmacists, and consistent therewith, may I not ask why the authorities in the several States will permit the unlicensed and uncontrolled practice of expert accountancy, or public accountancy by quacks and others? Is not this practice as important to the business and economic life of the country as is the practice of medicine to the human life of the country? It seems to me that the public practice of all professions should be licensed. * * * It is only in this way that the public can be assured of honorable and efficient service, to which I believe all reputable practitioners would gladly subscribe. Such licensing would be a help and protection to an honorable and increased practice. Many incidents of malpractice on the part of certain practicing accountants in recent months ought to be a warning to legitimate business of the necessity of licensing all who practice professional accountancy. The Chambers of Commerce and Merchants' Associations should call upon the Legislatures to enact such legislation. Lawyers, professional engineers, pharmacists, doctors and even plumbers are licensed, and why not professional accountants?

Henry Aitken, Jr., in New York Times.

EDITORIAL

By J. R. Hutchison

At the Special Meeting much constructive work was planned for members of the Association. Several committees were appointed and data requested to be furnished and submitted for approval at the annual meeting in June. The names of those appointed were omitted from this issue of the Bulletin, but each member appointed will in due time be notified and given an outline of the special work he or she is expected to do. The Board of Governors are expected to submit a code of ethics governing the conduct of its members, therefore, if you, as a member, have any suggestions to offer do not fail to send them to this office.

The National Association has made a wonderful advancement in the past two and a half years and is now recognized as the National Organization of Certified Public Accountants. The National has always presented the theory that accountants should be licensed, the same as lawyers, doctors, dentists, and other kindred professions. Note the article on the front page by Mr. Aitken, who has in that article the right idea. The law should go farther and instead of leaving it to the individual State to control, accountancy should be brought under inter-state control, so that an accountant can go from one State to another without losing his identity. The practice of accountancy is an inter-state proposition and we believe the inter-state accountancy bill proposed by the National will when enacted meet the requirements, and will allow accountants to go from one State to another, thereby raising the standard of accountancy to that of a profession.

It is not the intention of the writer to bring the mis-deeds of accountants to the attention of the public, but would it not be much better more especially for the client if all accountants were bonded. Many members of the National are bonded and if more investors would ask when presented with a financial statement, "Is the accountant who prepared this statement bonded?" less money would go into the pockets of the professional stock selling corporations.

Congress is now investigating the so-called medical diploma mills, and the indications are that many who are holding the individual state medical permit will be brought up for

investigation and their permit cancelled. Accountancy for the business man, financially, is just as important as the doctor or dentist for the patient, then why not have Congress enact an accountancy law regulating accountancy, with a severe penalty for mis-deeds, and with the Civil Service Commission to pass on those who are capable and qualified to become professional accountants. Read Mr. Deming's article, copied in this issue of the Bulletin, as he is anxious to promote the interest of accountants and to assist the business and financial men of this country in securing dependable and worthy help.

The office force has been a little slow this year in sending out the Special Information Bureau Service card, these cards are now printed and ready for distribution. All members holding the 1924 Bond card will receive the Bureau Service card. This card gives you the use of the Washington Office and such information as you may desire about Washington and the Government departments as can be furnished by the officers of the Association. We find this service very valuable especially to members who are far away from Washington.

The Association has secured a very desirable new location in the Franklin National Bank Building on the fourth floor, the front suite formerly occupied by the Northwestern Milling Company, and will move into its new office on the 15th of this month.

The National is much in need of a club house, a home, a place where our members can stay while in Washington, a meeting place for accountants. Ways and means are now being considered for the building and financing of such a home.

SENATORS GET STORY OF "DIPLOMA MILL"

Witness Tells Subcommittee U. S.
Has 25,000 Illegal Medical
Practitioners

Operations of the "diploma mill" ring were described today to a Senate education subcommittee by Harry T. Brundige, who recently made an investigation of the subject.

The subcommittee will go thoroughly into the whole subject. Dr. Augustus S. Downing, secretary of the University of New York, will be

invited to cooperate, and Mr. Brundige also will be examined more fully later. Today he told the senators there were eleven of the "diploma mills" over the country and that there are 25,000 illegal practitioners in the United States, operating in every state in the Union.—Washington Star, Jan. 14, 1924.

PRESIDENT DEMING OF THE CIVIL SERVICE COMMISSION URGES OPENING ELIGIBLE LISTS FOR USE OF PRIVATE INDUSTRY

William C. Deming, President of the United States Civil Service Commission, made some interesting suggestions in his address before the recent meeting of the Reform League. His address was of particular interest as outlining the work of the Commission, together with the hopes and plans of its membership.

He touched upon Reclassification and Retirement provisions, and explained at some length the thought of the Commission that it would be excellent for the service if the list of eligibles in excess of possible appointment were made available to American industry.

The great advantage of this plan, if proper legislation could be secured authorizing it, would be the inducement it would hold forth to take the Civil Service examinations.

Mr. Deming's address in part was as follows:

Four Hundred Thousand Classified

There is one thought and one ideal which is paramount among us, and that is to carry out the spirit as well as the letter of the Civil Service law. When every classified department and every appointing officer recognizes that it is not only the law, but the best party policy, many of our troubles will have been dissipated like mist before a rising sun. We recognize our responsibility as the direct personal agency of the President of the United States in supplying the Federal Government with more than 400,000 employees in the classified service.

Our duty does not end with the holding of the examinations or the certification of eligibles. We should see that no department or bureau violates the law or ignores it.

My colleagues and I consider membership on the United States Civil Service Commission on a par in dignity and responsibility with any other administrative office in Washington. I would make no invidious comparisons because no part of the Federal Government is unimportant. I would not underestimate the economic or social value of the great work of reclamation or construction of highways, the improving of rivers and harbors or operating Federal Reserve banks, adjusting tariffs and hundreds of other conspicuous agencies of Federal activity, but it is with some pride and satisfaction that we point to the fact that the Civil Service Commission deals with the human element in government and is in direct contact with all departments. It is our responsibility to supply Uncle Sam with the right quality, as well as quantity, of working material.

We conduct the greatest school, as it were, in the world, and I have been much impressed with the growing and abiding educational and moral effect of the more than 1,000 different kinds of examinations given annually by our Commission.

The cumulative result of several hundred thousand men and women preparing for and undergoing competitive examinations annually is far beyond the estimate we ordinarily place upon it. Obviously a greater number of men and women take civil service examinations than there are places to be filled; more than 200,000 last year. Many more eligibles are provided than there are openings upon the Government rolls.

Extend Use of Eligible Lists

This has suggested to the Commission the practical desirability of making the surplus list of eligibles available to industry and to the professions, which can be done without prejudicing the Federal service. Executive or legislative authorization would be required, but I believe it would popularize examinations, and prove useful and effective both from the standpoint of the employee and the employer.

The United States Civil Service Commission has built up an organization comprising more than 3,500 local boards throughout the country, with thirteen district headquarters functioning through the central office at Washington. This organization, trained in the administration of per-

(Continued on page 7)

THE JANUARY SPECIAL MEETING OF MEMBERS OF THE NATIONAL ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS HELD JANUARY 14, 1924, PROVED A SUCCESS.

SUMMARY

OVER 80% OF THE MEMBERS ENTITLED TO VOTE WERE PRESENT IN PERSON OR BY PROXY.

THE STANDARD FOR C. P. A. APPLICANTS, DESIRING MEMBERSHIP UNDER THE RECIPROCITY CLAUSE, EXPERIENCE CLAUSE RAISED FROM ONE YEAR TO THREE YEARS.

ANNUAL OR SPECIAL MEETINGS MAY BE HELD IN WASHINGTON OR ELSEWHERE.

NO CHANGE MADE IN THE ARTICLES OF INCORPORATION.

NEW SET OF BY-LAWS AND A CODE OF ETHICS TO BE PREPARED.

A COMMITTEE SELECTED TO PURCHASE A NATIONAL CLUB HOUSE.

A WOMAN'S COMMITTEE ON ACCOUNTANCY SELECTED.

COMMITTEE APPOINTED TO DRAFT AN INTER-STATE ACCOUNTANCY LAW.

Pursuant to call and notice of a Special Meeting of the Members of the National Association of Certified Public Accountants, as printed in Vol. 2, No. 11, of the C. P. A. Bulletin, dated December 1, 1923, and mailed to all members in good standing on December 5, 1923, setting forth the objects thereof, was called to order by President Hutchison at 11 A. M. on January 14, 1924, there were represented in person or by proxy more than 80% of the members in good standing and entitled to vote.

Article 10, Amendments, was amended to read as follows: "These By-Laws may only be amended, repealed, or altered, in whole or in part, by a majority vote of the entire membership of the Association present in person or by proxy at any Regular Meeting of the Members, or at any Special Meeting where such action has been announced in the Call and Notice of such meeting.

"The Board of Governors may adopt additional By-Laws in harmony therewith, but shall not alter nor repeal any By-Laws adopted by the members of this Association."

Article 2, Full Membership, was amended as follows: " * * * engaged in the practice of professional accounting for a period of one year." This was amended to read three years. Also the last six lines in paragraph "C" were stricken from that Section.

Article 4, Place of Meetings. The

first three paragraphs were changed to read as follows:

"The Annual Meeting of the members of this Association shall be held 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.

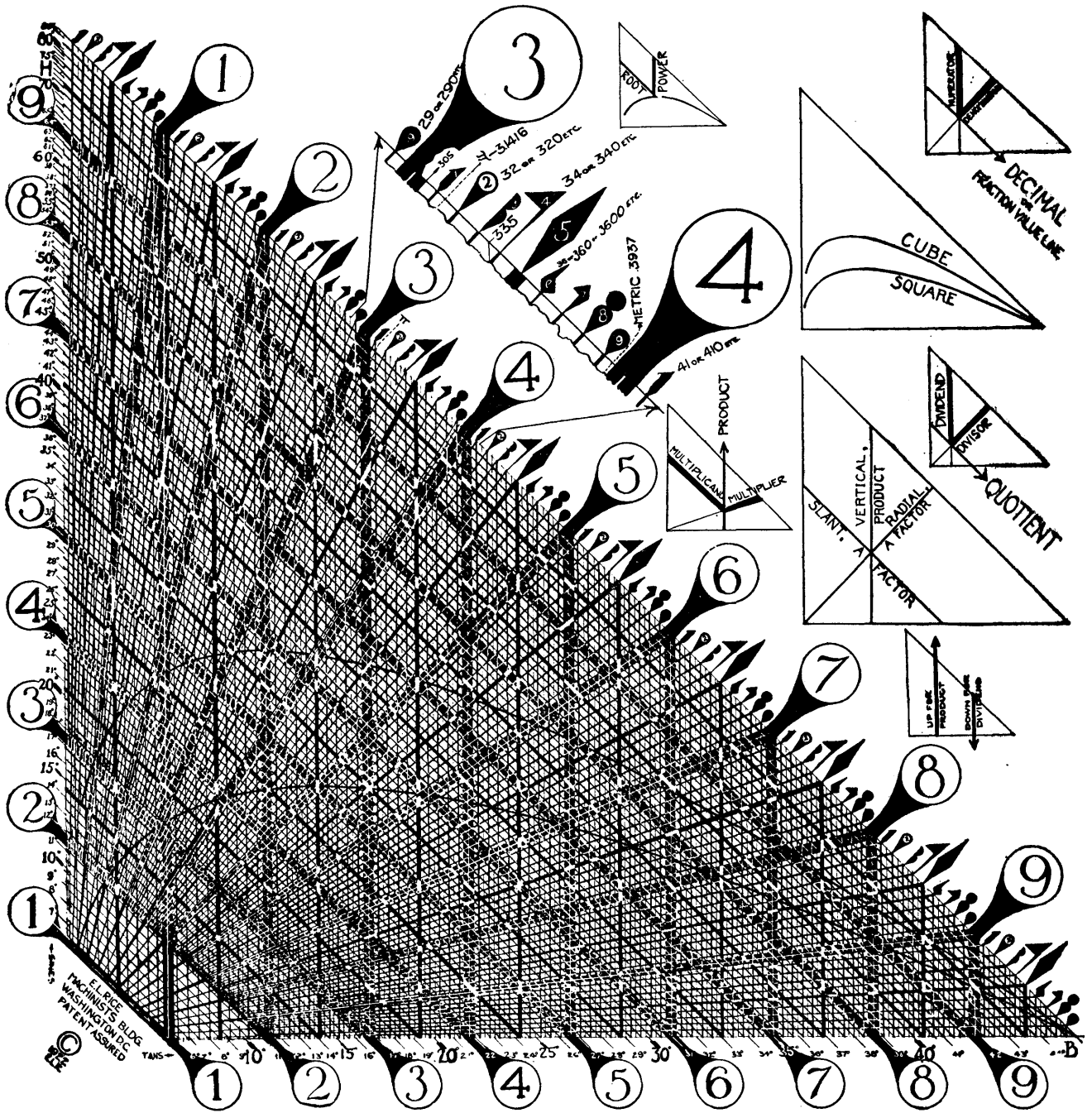
"Special meetings of the members may be called at any time by the President of the Association, or by resolution of the Board of Governors; or upon written request of two-thirds of the entire membership of the Association.

"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, and the place where held."

Articles of Incorporation

After a general discussion on the subject of changing the Articles of Incorporation and issuing the National Degree, a lengthy discussion both pro and con was held. Those in favor of the change recommended that the Articles be changed so as to issue the degree or incorporate in Michigan or some other State and issue the National degree from that State. Those opposed to any change recommended that the Articles of Incorporation remain as they are and

(Continued on page 6)



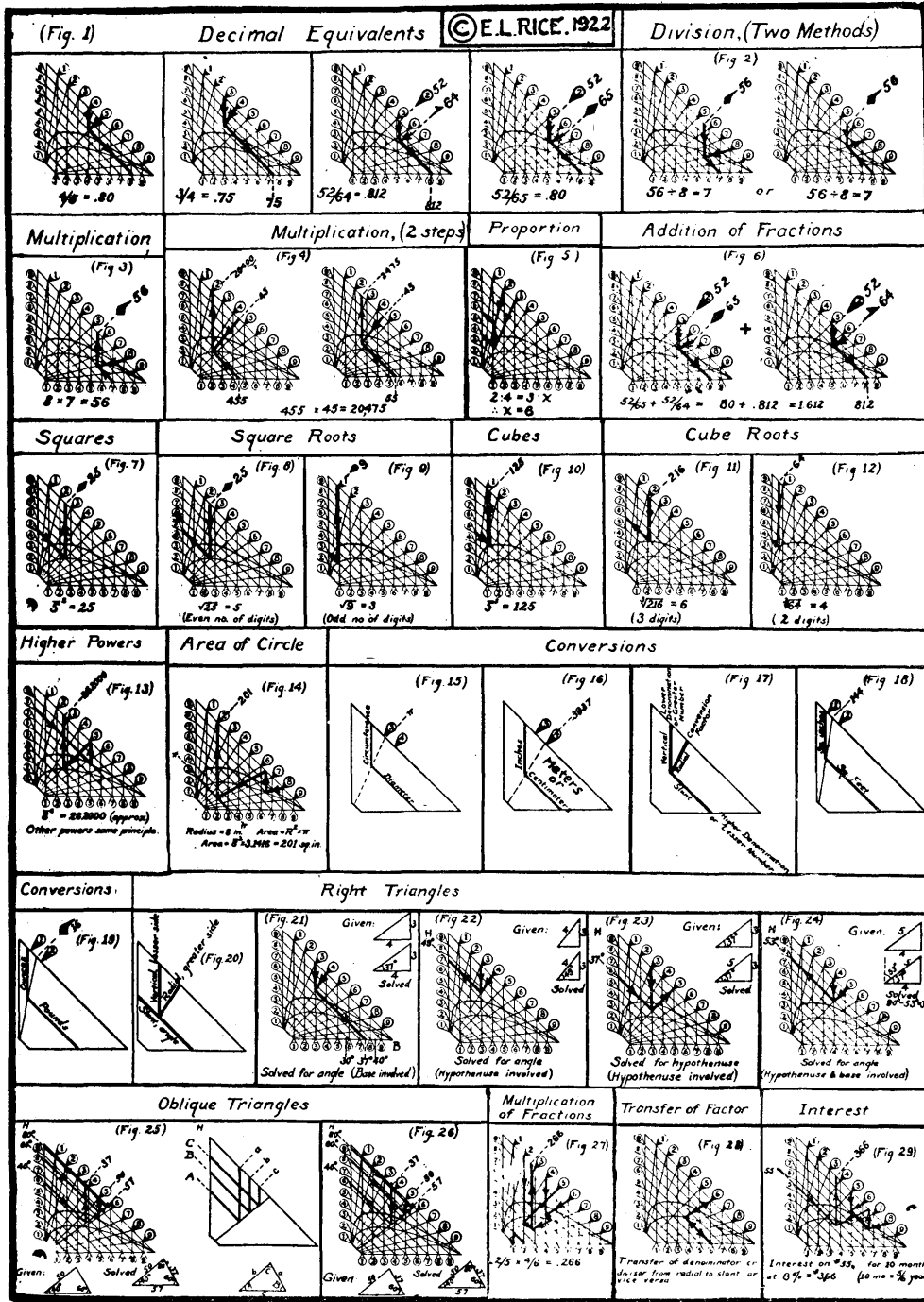
A CALCULATING CHART
By E. L. Rice

This chart accelerates multiplication, division, finding of decimal and metric equivalents, conversion between different units, finding of roots and powers; permits of multiple operations in one, and the solving of any problem in triangulation. The accuracy is of the same order as that of a slide rule, and the device has the added advantage of no mov-

able parts, and the consequent freedom from error due to warping. The full-sized chart has a further commendable feature in that, owing to the individuality of the divisions, most of the operations may be made at a glance, and therefore much more rapidly than can otherwise be done.

The chart is divided into four sets of lines; namely, slant lines, which are factors, and may be divisors, angles, quotients, centimeters, kilowatts, denominators, decimal equivalents, or other factorial elements;

radial lines, which are also factors and may perform substantially the same functions as the slant lines, vertical lines, which may be used as products, dividends, lesser sides of triangles, inches in metric conversion, horse-power hours, numerators, the lesser denomination in all conversions, and other functions; two curves running from one lower corner to the other, the upper curve being the cube root curve, which is used to obtain cubes and cube roots,



Fractions—Common fractions preferably read with vertical as numerator, radial as denominator and slant as quotient or decimal equivalent. (Fig. 1.)

Addition and subtraction of fractions—Read decimal equivalent on slant, and add or subtract decimals. (Fig. 6.)

Multiplication of fractions—Intersection of decimals. Transfer one decimal from slant to radial on square curve. (Fig. 27.)

Division of fractions—Follow slant of dividend fraction to base of chart and vertical from there to intersection of slant decimal of divisor; read quotient on radial.

Proportion—The means and extremes intersect on the same vertical. (Fig. 5.)

Interest—Months given, read 6ths of year; thus 4 mo. equals 2-6, 5 mo. equals 2.5-6. Days given, read vertical of number of days over intersection of 365 radial. This determines slant. Follow slant until it intersects radial of rate of interest. Follow vertical from this intersection to top and back on radial to slant of given sum. Read answer on vertical. (Fig. 29.)

Mechanical calculations are of growing importance in industry and the mechanical arts, and reliable methods for saving time without a sacrifice of accuracy are much appreciated. We are glad, therefore, to present a new calculating chart, together with rules for its use and examples of its application in the various branches of mathematics.

The illustration is a reduction from a wall chart which facilitates following the lines and curves and makes possible calculation at a glance. Copies of the charts with instructions may be procured through the National Association of Certified Public Accountants, 945 Pennsylvania Avenue, Washington, D. C., at the following prices: Size 16½ inch on book paper, 50 cents, on ledger paper \$1.00.

ACCUSED OF FRAUD

James C. Keighley, indicted in April, 1921, for alleged false claim against the internal revenue bureau, was arrested in Pittsburgh, Pa., and has been returned here by Detective Sergt. Cullinan. Keighley was employed as an inspector and is charged with padding his expense account. He was turned over to United States Marshal Snyder.

and the lower curve the square root curve, which is used to square numbers and to extract square roots.

**How the Chart Is Used
Arithmetic**

Multiplication—Slant and radial lines are factors, vertical is product. Either factor may be multiplier and the other multiplicand. (Fig. 3.)

Division—Vertical is dividend;

either slant or radial may be divisor and the other slant or radial the quotient. (Fig. 2.)

Factoring—Lines intersecting on the vertical are its factors. All factors are determined at a glance by running the eye down the vertical. Factoring, however, is now useless, as addition and subtraction of fractions are done at a glance without the necessity of finding the L. C. M. or G. C. D.

SPECIAL MEETING OF MEMBERS (Continued from page 3)

that the litigation should be carried through to a final and satisfactory conclusion. This discussion finally led to the following motion, which was duly made and seconded: "Shall we change the Articles of Incorporation?" A vote was taken and the ballots counted. The Chairman announced the motion was lost.

By-Laws and Code of Ethics

The Board of Governors were instructed to draw up a new set of By-Laws and a code of ethics to be submitted to the next annual meeting for adoption.

Club House

The members present appointed the Board of Governors a committee to investigate the feasibility of buying a home to be used as a Club house for the members of the National Association of Certified Public Accountants. Said committee to report its plans and specifications for approval and final action at the next annual meeting.

Woman's Committee

After a general discussion on the subject of women in the accountancy field and believing the feminine mind to be capable of assisting in furthering the best and most vital interests of the profession of accountancy, the following resolution was introduced:

Be it resolved, that a Woman's Committee is hereby appointed by this body consisting of lady members of the National Association of Certified Public Accountants.

Be it further resolved: It is imperative that the feminine sex should be represented by a committee of women, therefore this committee shall prepare for presentation at the next annual meeting, such data as they find expedient, as well as a proposition in the interest of women in accountancy, and, more especially, relating to the proposed National Accountancy bill.

Place of Meeting

The Secretary read many letters and invitations from various Boards of Trade, Chambers of Commerce and other civic organizations, inviting the National Association to hold its next Annual Meeting in their respective cities. A motion was finally made and seconded recommending that the

Association hold its next Annual Meeting in Washington, D. C., on Monday, June 2, 1924, provided, however, said place of holding said meeting shall be finally determined by the Board of Governors.

Inter-State Accountancy Law

By and with the consent of the members present a Committee was appointed to prepare an interstate accountancy bill, or an act to be presented and enacted by Congress to regulate accountancy between the several States, or a bill that could be enacted by Congress, with the supervision under some federal department and with the examination under the United States Civil Service Commission. The committee appointed consisted of a member from each of the various States, officers of the various State Chapters, members of the Board of Examiners and members of the Board of Governors.

Foreign Committee

A committee of foreign members were appointed to draft a code of ethics, other rules and regulations governing foreign accountants and a clause to be inserted in the proposed National Accountancy Law governing foreign accountants while in the United States or its provinces practicing the profession of accountancy.

January 14, 1924.

J. R. Hutchison, President,
National Association of Certified
Public Accountants.

Dear Sir:

I wish to thank you for your promptness in forwarding to me the inquiry of the Automobile Insurance Company as to my present address. This little service brings home forcibly to me as a member and to the Automobile Insurance Company the importance of a common center or a clearing house through which business concerns and accountants can be placed in communication with each other.

Over two and a half years ago, while employed by a firm of public accountants, I was assigned to a case requiring the investigation of a large fire loss in which the above mentioned firm was the insurer. After repeated attempts to settle, suit was brought and it was very necessary that I appear as a witness in this case; in the meantime I had left that city and assumed that the firm who

employed me would naturally take care of their clients. Certain developments during the preparation of the trial made it impossible for anyone other than myself to testify; naturally the Insurance Company was quite alarmed when they were unable to learn through my former employer where they could reach me. The fact that I was a member of this Association, however, remained in the mind of the attorney for the Insurance Company and by communicating with you he was immediately placed in touch with me, with the results that the Insurance Company will now be prepared to make a proper adequate defense, while I will have earned a fee that I would not have otherwise received. This is only one of the many benefits that I have received through membership in the National Association.

Again thanking you for your promptness in forwarding the inquiry to me, I am,

Yours very truly,

G. W. RHEIN INDICTED IN INCOME TAX CASE

Accused of Conspiring to Extort and
Defraud in Federal Collections

RELEASED ON \$4,000 BAIL

Fifty-Five Complaints Against Ad-
juster and Bozman, It Is Claimed

George W. Rhein, of the firm of Sheffer & Rhein, income tax adjusters, with offices in the Marine Bank Building, was released yesterday under \$4,000 bail by Judge Morris A. Soper, in the Federal Court. Rhein was indicted by the United States grand jury on charges of conspiring to extort and defraud in connection with the collection of Federal income taxes. He will be arraigned in court in a few days, it was said.

The indictment charges Rhein with conspiring with James D. Bozman and others unknown to the jury, to defraud the Government and certain individuals. There are three counts in the bill, and the alleged transactions involve nearly \$3,000 said to have been collected by the men. Only a small part of this according to the indictment, was turned over to the Government.

"We have information as to 55 cases in all against the accused," said

James T. Carter, Assistant United States District Attorney. "Fifteen of these have been investigated. For the purposes of the hearing the indictments mentioned only three. It is evident that their operations were conducted on a large scale. Others may be involved before the case comes to trial."

Prominent Saloon Man Mentioned

One of the "others" is said to be a prominent saloon man, who is reported to have furnished lists of other saloon keepers who were thought to be doing a large business and might be fit subjects for "investigation."

Most of the alleged operations of the accused, according to Mr. Carter, were among saloon keepers. Bozman, he said, made a partial confession of his part in the alleged transactions, but when arraigned he pleaded not guilty. He is out on \$1,000 bail on these charges, but there are other charges against him individually upon which he likewise was obliged to furnish bail for court.

The three alleged victims mentioned in the indictments are Webster Bierman, John F. Mashmeyer and George E. Caltrider. Bierman is recorded as having been "assessed" \$2,219.67. He is said to have paid \$2,000 of this in cash and the balance by check. The Government, according to Mr. Carter, got the check, but the cash was not turned in.

Said to Have Paid \$360

Mashmeyer is said to have paid \$360 and Caltrider \$350. The Government, Mr. Carter said, got none of this money. Caltrider, however, becoming suspicious, is reported to have demanded his money back and got it, according to Mr. Carter.

Another man involved in the grand jury indictments, and who is charged with partial complicity with Bozman, is John Goldwine. Goldwine, Mr. Carter said, is accused of having participated with Bozman in returns from a number of collections said to have been made from Lithuanians in small amounts.

Bozman, at the time of his arrest about two weeks ago, was a deputy collector in the office of Galen L. Tait, Collector of Internal Revenue. He was dismissed following revelations as to his alleged conduct.—*Baltimore Sun*, Jan. 12, 1924.

PRESIDENT DEMING, CIVIL SERVICE COMMISSION (Continued from page 3)

sonnel work, could easily conduct an experiment by which the employers of the country, both public and private, outside the Federal Government, would be privileged to draw upon the Commission's classified lists of eligibles.

We could announce also to the employees in various lines of work that they are privileged to avail themselves of the Commission's examinations with a view not only to Federal employment but to other public and private employment as well. After careful observation and analysis a report upon such an experiment could be made to the President and Congress with the results I am sure that would be satisfactory to every one concerned.

The critics of the merit system, and there are still a few left, who believe that there has been no progress in the methods of our organization, nor improvements in the system, speak without a true knowledge of the facts. Improvement has been constant.

We point with pardonable pride to the splendid work of our research division, now in charge of Dr. L. J. O'Rourke. A summary of his work will be found as a part of our latest annual report, soon available, and all who are interested in the Civil Service will find it worth reading.

Physical Examinations

It is not sufficient that the United States Civil Service Commission should provide a working personnel, but it is important that the men and women who come into the service

should, as the lawyers say of those seeking justice in the courts, come with clean hands. The men and women who assume the responsibilities of public positions should be able to meet and pass reasonable mental, moral and physical requirements.

The late President Harding gave his attention especially to this need and one of his last official acts was his executive order of June 18, 1923, directing the departments to avail themselves of the Public Health Service in the matter of physical examinations.

It is hoped that this agency will be extended by the aid of Congress to the end that every employee in time will come into the service with a certificate of good health. It is not sufficient that he should be equipped mentally because a sound mind and a sound body should go together. In time a Civil Service position will carry with it the badge of physical as well as mental and moral efficiency.

The United States Civil Service Commission has long recognized the need of a modern and scientific classification of Government employees. The ground work for this reform was laid in the act of March 4, 1923. If the spirit of the law is followed a long step will have been taken toward proper job specifications, just allocations, and adequate compensation.

Progress Has Been Constant

Forty years ago there was but a handful—14,000 in the classified service—and more than 100,000 outside. Today the principle is established and 400,000 employees are under the merit system.

The Nation has gone far along the lines of Civil Service reform, im-

JOHN O. BERKLEY, Member

NATIONAL ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS.

Special attention given to installation of accounting systems.

Tax investigations and practice.

Investigational work along industrial and economic lines undertaken by experts associated with me.

I represent many accountants throughout the country in large and small matters involving their interests in Washington, D. C.

417 Union Trust Building, 15th & H Sts., N. W. WASHINGTON, D. C.

provement and efficiency, and we are now so nearly over the top numerically with respect to the total number now employed in the executive branch of the Government that it is no wild flight of the imagination to foresee the time when the executive branch at least will be almost 100 per cent classified, including Postmasters, Revenue Collectors, and the Prohibition Unit.

It would not be fair to the organization over which I have the honor to preside, or to the Federal Government as a whole, if I failed to give you my observation and belief that the infractions of and infringements upon the classified service are not so numerous or alarming as they seem. In proportion to the more than 400,000 people employed violations are not so serious as to threaten the breakdown or seriously affect the prestige of the classified service.

We have the cooperation and sympathy of President Calvin Coolidge. It will be remembered by your President and Secretary and Mr. Dana that when we made a call upon the President he voluntarily solicited recommendations looking to the improvement and extension of the Civil Service. People generally are responsive to any reasonable appeal, and I know of nothing of an economic or political nature for which a better case may be made than the destruction of the "spoils system" and the continuous expansion of the merit system.

I have never found it difficult to secure a hearing when a cause is just, and I shall consider it my special duty to do my utmost in carrying the Civil Service message to Garcia. The Nation is being influenced by a better National and official conscience. Appointments made upon merit, without regard to political, religious or other such considerations are a convincing symptom of a healthy body politic.

The millennium in public service has not been reached nor will it ever be reached. There will never come a time when there will not be room for improvement. The situation is encouraging, however, and the cause moves steadily forward. I think it is true of the classified service as of other activities in everyday life, that it is better to travel hopefully than to arrive, and that the best success is to labor. It is our duty and it will be our pleasure to carry on.

ACCOUNTANT VS. ATTORNEY

The fields of usefulness in the cases of Councilors at Law and Councilors in Accounting, frequently are identical. This is particularly so in the matter of interpreting contracts and how the interpretation affects the interests of the parties working the contract. The attorney will naturally be inclined to confine his diagnosis to how the law governs such cases and what will be the court's opinion in support or destruction of the contract. If the attorney's business experience outside of his profession, is broad and comprehensive enough his judgment may be invaluable. Otherwise he may advise along lines which will only complicate a business situation frequently more important than the mere value of winning a law suit. The experienced accountant is invariably imbued with the idea of counting the costs. His mind runs along the lines that his "bread and butter" comes in more liberal allowances, when he can save, and promote for his client, business, not only for the day but for the future. His mental attitude is best satisfied when he can suggest a constructive policy that will neither destroy the interests of one or interfere with the rightful gains of another. In other words the American accountant who is abreast with the progress of modern business believes that he represents the idea that commercial and industrial activities should represent the best in the material progress of the human race, and that his profession should be called upon to properly record these events, that all parties concerned may be benefited thereby.

We do not say that laws never have a constructive or educative value, but we do say that they too frequently serve only to catch the unwary, and that laws, the principle for which, had their origin centuries ago are not conducive to the development of that commercial intercourse which means that "I should be willing to do for the other fellow what I am expecting him to do for me."

Commercial transactions are frequently of such a character that no one but an experienced accountant can analyze each transactions relation one with the other. Frequently the relations of these transactions are of a constructive nature and when properly tied up will offer the way to success when if not understood will serve only to dissipate resources.

It is not inappropriate for me to call attention to the fact that many valuable estates and the businesses which formed the basis for building these fortunes are dissipated into thin air by those in charge who have not taken the time or pains to know the means by which safety and progress may be secured. To save what may often be only a nominal fee a correct audit is not obtained and irreparable losses result. Extravagances are permitted and poor management continued. Legal advice is resorted to instead of proper understandings and correct knowledge.

Public accountants have no quarrels with the legal profession, but they do insist upon letting the world know the value of their professional practice.

Methods of doing business among men who wish to be regarded as responsible for their undertakings and correct in their conduct are finding out more and more value each year in consulting regularly with accountants who will advise them advisedly. The conduct of a physician who advises a patient without first properly diagnosing the case and feeling sure of his ground is generally reprehensible. That is just as true of any other sphere of human activity.

A great many very capable accountants, fearing they may be accused of being guilty of unprofessional ethics, restrain their efforts and confine their field of usefulness only to those who come to them often when dire calamity is threatening. Had the accountant properly made known to people in his community not on his list of clientele the possibility of his services the danger might long before been avoided.

The object of the writer in presenting these few scattering ideas is not to set forth the notion that the auditor or accountant can furnish cures for all the ills of an improperly managed business. He frequently can go no further than simply to furnish the information that will serve as a guide post. The rest, the business man must furnish himself.

Respectfully submitted,

JOHN O. BERKLEY.