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National Association of Certified Public Accountants

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The C. P. A. Bulletin

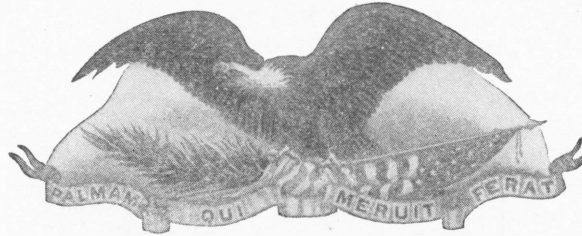
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Vol. 3, No. 8-9

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

Aug.-Sept., 1924

VACATION NUMBER



NATIONAL ACCOUNTANT

Member

National Association of Certified Public Accountants

The National Organization of Certified Public Accountants

NEW YORK STATE C. P. A. VS. D. C. BOARD OF ACCOUNTANCY

In the matter of the application of H. Ely Goldsmith, Certified Public Accountant of the State of New York, for a peremptory or alternative writ of mandamus,

VS.

R. G. Rankin, Wm. Clabaugh and John J. Miller, as members of and constituting the Board of Accountancy for the District of Columbia.

The demurrer must be overruled. The answer makes it plain that the respondents have acted in no arbitrary manner in refusing to the petitioner a certificate as a certified public accountant of the District of Columbia, but have exercised merely the discretion vested in them by the recent Act of Congress approved February 17, 1923, creating a Board of Accountancy in and for the District of Columbia, the respondents constituting said Board and being sued as such.

The Court is of the opinion that the law of New York does not extend to certified public accountants of the District of Columbia, a "similar privilege" as that which the Act of Congress accords, and that even if it did, there has not been set in motion or established in New York the machinery or procedure to enable citizens of the District of Columbia to obtain there the privilege sought here by the petitioner, who is a New York certified public accountant.

Nor have the respondents denied to the petitioner any right that he possesses, in refusing him the access to their records, which he demands.

Demurrer overruled.

F. L. SIDDON, Justice.

June 26, 1924.

Law No. 68901.

THE C. P. A. BULLETIN

The official publication of the
National Association of Certified Public Accountants.
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945 Pennsylvania Avenue,
Washington, D. C.

Subscription price \$2.00 per year.

BOARD OF GOVERNORS AND OFFICERS

PRESIDENT, E. LONG, of California.
FIRST VICE-PRESIDENT, L. J. ADAMS, of New York.
SECOND VICE-PRESIDENT, DON. R. HUTCHISON, of D. C.
TREASURER, WM. A. OWEN, of Kentucky.
SECRETARY, C. P. TIMMONS, of Oklahoma.
DIRECTOR, WM. M. WILLIAMS, of New Jersey.
DIRECTOR, J. R. HUTCHISON, of Iowa.

EDITORIAL

By E. Long

"Every day in every way" the National Association is maintaining and restoring to the profession the C. P. A. designation as the standard degree of accountancy for Certified Public Accountants within the United States.

The professional accountants in 1896 were successful in having the first certified public accountancy law passed. The Act became a law in the State of New York and a C. P. A. board was appointed to examine and determine the qualifications of applicants who applied for admission to practice as Certified Public Accountants. From time to time other States enacted a similar law. In 1923 all States, territories and provinces within the United States had an accountancy law, regulating the granting of certificates or accountancy degrees, these 48 variety of laws differed somewhat, but with each State, its own C. P. A. law is supreme.

Certain accountants of the profession lacking faith in the ability and integrity of the State Boards of Accountancy and doubting the wisdom of State licensing, organized in 1916 a District of Columbia Corporation, known as the American Institute of Accountants, for the purpose of issuing a new professional accountant designation, independent of all State laws, and to maintain through State legislation control of the State C. P. A. Boards and place the examinations under the supervision of this private corporation.

Immediately there was a movement to foster this new designation and one

firm after another ceased to use the designation C. P. A. and substituted the fact that they were members of this non-state licensed organization and used the designation Member A. I. A. This left the State licensed certified public accountant without representation, for after the organization was completed, the State licensed certified public accountants were not eligible to membership, without first taking the new organization's examination the same as any accountant who applied for membership, thus, a continuous squabble between State C. P. A.'s and A. I. A.

In June, 1921, when the State licensed certified public accountants with faith in the integrity of the State licensing boards and confidence in the licensing system of the various States, decided there was a field for a national organization in protecting the certified public accountant from the onslaughts of the District of Columbia corporation and its monopolistic control of the profession of accountancy with its A. I. A. designation. Thus, on June 4, 1921, the National Association of Certified Public Accountants was incorporated and began its work of restoring to the professional accountant the designation of Certified Public Accountant (C. P. A.). In 1921 the District of Columbia had no District C. P. A. Board, neither did it endeavor to control accountancy in any shape or form, therefore the National Association of Certified Public Accountants through its charter secured the right to hold examinations and grant the C. P. A. degree, which resulted in many examinations being held in Washington, D. C., and many other cities, and the

conferring of the degree on 3032 applicants, this is not considered a high percentage when taken into consideration at that time there were approximately 42,000 practicing professional accountants within the United States. In 1914 a number of accountants endeavored to create for the District of Columbia a District C. P. A. Board; in this they failed; again in 1916 another attempt was made, but it likewise failed. In May, 1922, the National Association of Certified Public Accountants drafted a bill and presented it to Congress through the Commissioners of the District of Columbia. Many meetings attended by numerous accountants, not members of the National Association, were held and many changes made in the bill as originally drafted. In February, 1923, the Congress of the United States enacted a law creating a District Board of Accountancy and rules and regulations regulating accountancy in the District of Columbia. In May, 1922, when the National Association presented its bill to be enacted, creating the D. C. Board for the District of Columbia, the National Association discontinued the holding of examinations for the issuing of the National C. P. A. degree.

In 1921, soon after the National Association was organized, the American Institute of Accountants seeing itself losing control of accountancy in the United States, there was organized the Federation of Certified Public Accountants with William A. Gillespie, of Baltimore, Md.; Geo. A. Scott, of Charlotte, N. C.; Wilbur A. Harrison, Secretary, and others who were members, associated or in sympathy with the A. I. A. This Federation did not seem to prosper so it was taken over by a new corporation which was formed and known as the American Society of Certified Public Accountants, with W. D. Springer, of Ann Harbor, Michigan; H. A. Keller, of Columbus, Ohio; Wm. Dolge (alias Wm. Duarfy), San Francisco, California; George W. Schwartz, of Chicago; Wilbur A. Harrison, Secretary, and others. From correspondence on file it would indicate that the American Society of Certified Public Accountants was organized by members of the A. I. A. for the purpose of putting the National Association of Certified Public Accountants out of business, and re-establishing the designation of A. I. A. for the professional accountant. Then there was an organization formed as the Dis-

district of Columbia Institute of Accountancy, with Wm. A. Clabaugh as President, Frank Weber as Vice-President, and James A. Councilor as Secretary and Treasurer. The above officers are also members of the A. I. A. or the American Society.

Those in opposition to the National Association of Certified Public Accountants did not confine themselves to the District of Columbia. In Chicago the International Federation of Certified Public Accountants and Auditors, organized by one Ira L. Sink, a Certified Public Accountant, holding the degree issued by the State of Mississippi. Mr. Sink was at one time a member of the National Association but was dropped from its rolls for reasons best known to Mr. Sink.

Mr. Wm. A. Gillespie, an organizer and member of the American Society of Certified Public Accountants, has recently been sentenced to one year in the Maryland State Penitentiary for falsifying his audit, the report of the Union Finance Company. His partner was given a three months sentence and the indications are that the Grand Jury will indict other accountants, connected with Gillespie, before the case is finally ended.

The National Association of Certified Public Accountants has endeavored from its inception to maintain the designation of C. P. A. for all professional accountants. It may be possible to maintain several accounting designations for a limited time, but however, it is only a question of time when the accounting profession will only recognize the standard designation of Certified Public Accountants. It would seem best to bring about the standardization of the designation C. P. A., that all accountants should be certified and the practice limited to those only thus certified. With only about 7,000 State Certified Public Accountants in the United States, however, as against 35,000 practical professional accountants, it seems to be impossible under the present system with each State having a different C. P. A. law and trying to control accountancy within and without its State.

There should be an Inter-State degree, a bill enacted by Congress, creating a standard board of accountancy to be recognized by each State and territory granting to all professional accountants the right to practice his profession regardless of the State in which he may reside. This

(Continued on page 4)

BY-LAWS OF THE
NATIONAL ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

Adopted June 10, 1924

ARTICLE 1

Name

This organization shall be known as National Association of Certified Public Accountants.

ARTICLE 2

Full Membership

The following described persons may become members of this Association:

(a) Holders of certified public accountants' or chartered accountants' or Licensed Accountant's certificate who have actually taken the written examinations under the laws of the State or territory under which the said certificate was issued.

(b) Holders of certified public accountants' or chartered accountants' certificate admitted under the waiver clause; or licensed accountants; or holders of accountancy degrees or the equivalent thereof, who have had three years experience as a professional accountant, the last year of which must have been the year next preceding the date of this application.

(c) Teaching experience of three years or more in a recognized school in a course of not less than two scholastic years in higher accountancy preparing pupils for the examination for certified public accountants or business administration, the last year of which must have been the year preceding the date of this application.

(d) Applicants who have satisfactorily passed the U. S. Government Interdepartmental examination known as examination C or senior auditor (highest grade), and have had one year or more experience as auditor for the U. S. Government.

(e) Applicants who have passed the U. S. Civil Service Commission examination for senior auditors or grade three auditors (highest grade), and have had two years or more experience as an auditor.

(f) Applicants who have had five years or more actual and continuous experience in professional accounting, three years of which must have been in a public accounting office of the grade of a senior accountant.

ARTICLE 3

Other Memberships

In the event that an applicant for membership in this Association should submit proofs as to his knowledge of and proficiency in the theory and practice of accounting and the Board of Governors should determine that such proofs as are submitted are satisfactory but that the said applicant does not yet possess sufficient practical experience or other requisite knowledge necessary for admission to Full Membership in this Association, such applicant may be admitted as Fellow, Associate or Junior Member of the Association. But, if admitted, as set out in the foregoing, no Fellow, Associate or Junior Member shall have either the right or privilege of voting at any of the meetings of this Association.

Should, however, any such Junior, Associate, or Fellow Member, at any time subsequent to his admission into Junior, Associate, or Fellow Membership, acquire the necessary experience and knowledge theretofore lacking, and shall present to the Board of Governors proofs thereof, and should said Board deem such subsequent proofs to be satisfactory, then and in that event, the said Junior, Associate, or Fellow, upon filing application therefor, may, at the discretion of the Board of Governors, be admitted to Full Membership in this Association.

Fellow Membership

(g) Applicants who have had five years or more experience in a public accounting office, two years of which must have been of the grade of a senior accountant.

Associate Membership (In Practice)

(h) Applicants who have had three years experience in a public accounting office, two years of which must have been of the grade of a senior accountant.

Associate Membership (Not In Practice)

(i) Applicants who are in harmony with and believe in the principles of the National Association of Certified Public Accountants and desire to further the interests of its members.

Junior Membership

(j) Applicant must have the equivalent of a high school education with one year's experience as an accountant, or be a graduate from a course of study in accountancy with one year's experience in accountancy or have had two year's experience in the practice of the profession of accountancy.

ARTICLE 4**Meetings**

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 one-third 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 to be held.

A quorum at any meeting of the members shall consist of the members present 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 the 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.

ARTICLE 5**Board of Governors**

The affairs, business and properties of the Association shall be under the general supervision of a Board of Governors.

At the Annual Meeting of Members, and at each annual meeting there shall be elected, from among the members in good standing in this Association five additional members to act as Governors, and these five additional members, together with the two members of the Board, shall constitute the entire membership of the Board of Governors, that is to say, seven members in all.

The election and terms of office of the five additional members shall be as follows: One (1) shall be elected for a term of three years; and four shall be elected for a term of one year. And at each annual meeting of members, one member, in good standing in this Association, shall be elected for a term of three years and four for one year each.

In the event that a vacancy occurs in the Board of Governors, such vacancy shall be filled by the remaining members of the Board of Governors.

The Governors, thus elected or appointed, shall serve until the election or appointment and acceptance of their duly qualified successors.

Regular meetings of the Board of Governors shall be held in the principal office of the Association in Washington, District of Columbia, on the last Saturday of each month; but if such Saturday be a legal holiday, then on the following Monday.

Special meetings of the Board of Governors may be called at any time by

EDITORIAL

(Continued from page 3)

degree should be authorized by Congress with the general supervision and examinations under the control of the United States Civil Service Commission. This would do away with 48 different accountancy laws, 48 boards of accountancy and many law suits that are now pending by one C. P. A. against another.

The Association

It will be seen that instead of a condition of cooperation with resultant "standardization," which is one of the purposes of the National Association of Certified Public Accountants, that the uncalled for litigation, as well as other "underhanded methods" indulged in by certain enemies of progress, has had the effect of dwarfing to some extent, the great work which the Association has undertaken, nevertheless we have now reached a point where this condition is beginning to clarify and cannot remain as a "stumbling block to our progressive methods," thanks to those loyal members of the Association who have given their whole-hearted and unstinted support through every trial, without which we could not have reached our present position of strength and permanency.

An organization such as the National Association is naturally handicapped in attempting to furnish a given service to its members when the personnel of the Association is so widely scattered. Remember, our membership list is represented in every State in the Union, together with some membership in foreign lands. It is for this reason that we must appeal to every member for cooperation that we may know and act on what may prove to be best for all parties concerned. The campaign now on for securing new members is a move in this direction.

All professional organizations are obliged to call on their members for the kind of active support which builds up substantial strength. When strength and unity of action is once built up and well established the organization can afford to introduce innovations and launch out into new fields of constructive work. There is a vast field for new undertakings among accountants which the Association will undertake to set forth from time to time.

We want every man in this organization in the game.

UNITED STATES BOARD OF TAX
APPEALS GIVES REGULATIONS
FOR HEARING CASES

**Rigid Code to Govern Actions of Tax-
payers Claiming Error in Charges.
Board Retains Right to Disbar At-
torneys and Accountants.**

The newly formed board of tax appeals announced its regulations governing cases which the Treasury has been unable to settle with the taxpayer. The regulations include a rigid code of rules for persons admitted to practice before the board.

Under the rules any taxpayer, dissatisfied with the determination of tax liability by the bureau of internal revenue, may initiate an appeal by filing with the board a petition of his claims. It must include the following general information:

"Clear and concise assignments of error, alleged by the taxpayer to have been committed by the commissioner of internal revenue in determining the tax liability of the petitioner.

"A clear and concise statement of the facts upon which the taxpayer relies as constituting the basis of his appeal.

"The petition shall as far as possible be complete in itself so as to fully but briefly inform the board of the issues to be presented.

Five Copies To Be Filed

"Five clear copies, either typewritten or printed, shall be filed. The original shall be signed and duly verified by the taxpayer.

"The appeal is filed automatically upon receipt of the petition by the board, which will serve one copy on the commissioner of internal revenue."

In regard to the admission of persons to practice before it, the board said a registry of those admitted would be kept although any individual taxpayer or an officer of a corporation may appear in his own or his corporation's behalf. Generally, the board will admit to practice attorneys who are admitted to practice before the Supreme Court of the United States or the highest court of their state or territory or the District of Columbia, or certified public accountants duly qualified under the laws of any state or territory.

"The board," the regulations provide, "may in its discretion deny admission, suspend or disbar any attorney or accountant.

the President, or by unanimous written consent of all the members of the Board, or by the presence of all said members at such meeting.

Notice of Special Meetings shall be mailed to each member of the Board not less than five days before any such meeting, and notices of Special Meetings shall state the purpose thereof.

A quorum at any Regular or Special Meeting of the Board shall consist of not less than three members, one, at least, of which shall be an executive officer. A majority of such quorum shall decide any question that may come before the meeting.

The members of the Board of Governors shall be compensated by the Association for all transportation and all other expenses incurred when on business for the Association, and in addition thereto shall receive such per diem allowance as the Board of Governors shall, in their opinion deem proper.

Officers of the Association shall be elected by ballot. Governors at their first meeting after incorporation, and after the election of Governors, each subsequent year.

The Order of Business at any Regular or Special Meeting of the Board shall be:

1. Reading and disposal of any unapproved Minutes.
2. Reports of Officers and Committees.
3. Unfinished Business.
4. New Business.
5. Adjournment.

ARTICLE 6

Officers

The Officers of this Association shall be a President, a First Vice-President, a Second Vice-President, a Secretary, and a Treasurer, who shall hold office until their successors are duly elected and qualified. The positions of Secretary and Treasurer may be united in one person; or the positions of Second Vice-President and Treasurer may be united in one person.

The President shall preside at all meetings; shall have exclusive direction of all of the affairs of the Association; shall sign or countersign all certificates, contracts, and other instruments of the Association as authorized by the Board of Governors; shall make reports to the Governors and members, and shall perform such duties as are incident to his office or are properly required of him by the Board of Governors. In the absence or disability of the President, the First Vice-President shall exercise all of his functions. And in the absence of both President and First Vice-President, the Second Vice-President may exercise such functions.

The Secretary shall keep the records of all meetings; shall have charge of the Seal, Books, Papers, Documents, and all other Records of the Association; shall sign, with the President, such Instruments as shall require such signature; and shall make such reports and perform such other duties as are incident to his office, or are properly required of him by the Board of Governors.

The Treasurer shall have the custody of all moneys and securities of the Association, and shall keep regular books of account and shall balance the same at least each month. He shall sign or countersign such instruments as require his signature; shall perform all the duties of his office or that are properly required of him by the Board of Governors; and he shall give such bond for the faithful performance of his duties in such sum, and with such securities, as may be required by the Board of Governors.

In brief, the Executive Officers of the Association shall have exclusive charge and direction under the President, of the administration of the business and affairs of this Association, all with the advice and cognizance of the Board of Governors.

ARTICLE 7

Examinations

From time to time, as the necessity therefor arises, the President shall nominate for the consideration of the Board of Governors a committee on examinations to be officially designated Board of Examiners, one, at least of which shall be a member of this Association and in good standing in the same, and who shall act as the Chairman of said Board of Examiners.

The Board of Examiners, when the nomination of said Board shall have been confirmed by the Board of Governors, shall convene and formulate rules for the proper conducting of the prescribed qualifying examinations of this Association. Examinations may be either written or oral, and such Rules,

Regulations and Conditions as are formulated by the Board of Examiners shall be submitted to the Board of Governors for approval, and when so approved shall forthwith become effective and operative.

ARTICLE 8 Certificates

When, and in the event that, an applicant for membership in this Association has been certified by the Board of Examiners to the Board of Governors that he has satisfactorily passed the qualifying examinations of this Association as to proficiency in, and knowledge of, the principles and practice of professional accounting, and regarding his qualifications to practice as Public Accountant, and has complied with all other requirements of the Association, and has been formally passed upon and approved by the Board of Governors and accepted as a member, such applicant, so certified and accepted as a member, shall be entitled to receive, and there shall be delivered to him, this Association's certificate admitting the said applicant to membership in this Association.

Every member of this Association, in good standing therein, shall be entitled to receive, and there shall be delivered to him the aforementioned certificate.

In the event that, in the opinion of the Board of Governors of the Association, there appears to be just cause therefor, any certificate theretofore issued by this Association may be suspended. If, after due investigation, at which investigation the holder of such suspended certificate shall be notified to be present either in person or by proxy, it shall be the decision of the Board of Governors, expressed by a vote of at least three-fourths of the total membership of said Board that grave reason therefor is apparent, the suspended certificate shall be recalled for cancellation, and the membership of the holder thereof, together with all rights and privileges in this Association, shall forthwith cease.

All certificates issued by this Association shall remain the property of this Association, they shall be numbered consecutively, and strict account of all certificates issued shall be kept by the Secretary.

ARTICLE 9 Seal

The Corporate Seal of this Association shall consist of two concentric circles, between which is the name of the Association, and in the center shall be inscribed "Washington, D. C.," and such Seal, as impressed in the margin hereof, is hereby adopted as the corporate seal of this Association.

ARTICLE 10 Amendments

These By-Laws may be amended, repealed, or altered, in whole or in part, by a majority vote of the 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.

"It shall have the right at any time to inquire under oath into the terms and circumstances of any contract of employment of any attorney or accountant by the taxpayer he represents."

Any individual taxpayer or member of a partnership or officer of a corporation may appear for himself or such partnership or corporation upon adequate identification to the board.

An application for admission to practice should be addressed to Chas. D. Hamel, Chairman, United States Board of Tax Appeals, Investment Building, Washington, D. C.

Form No. 198

I, (your name) hereby apply for admission to practice before the United States Board of Tax Appeals

and submit the following:

1. I reside at (street number) (city) (county of) (State of).
2. My office address (street number) (city) (county of) (State of).
3. I was admitted to the bar of the (enter name of highest court), (of the state of) on the (state day, month and year) and have never been suspended or disbarred from practice before said court or any court of any State or the United States, except as follows (state exceptions). I am a member of (state membership in professional societies).

Certified Public Accountants will use the following:

I was issued a certificate and authorized to practice as a Certified Public Accountant by the (give name

of Board or Commission) of the (State of) on the (state day, month and year) and such certificate has never been revoked nor have I been suspended from practice, except as follows: (state exceptions).

I am a member of (state names of Accountants' Societies to which you belong) and have never been suspended or expelled from any such society or any other recognized society of Certified Public Accountants, except as follows: (state exceptions).
(Name of applicant).

This should be followed by an affidavit sworn to before a notary public.

Certificate (Suggested Form)

I, (state whether Clerk of Court or Secretary of State Board or Commission of Accountancy) hereby certify that (your name), the applicant for admission to practice before the United States Board of Tax Appeals, is duly admitted to practice as (state whether attorney or C. P. A.) by the (state name of court or State Board or Commission of Accountancy) of the (State or District of) and that he is now in good standing as such (state whether attorney or C. P. A.).

Signed by (Clerk of Court or Secretary of Board or Commission of C. P. A.).

Twelve Members Appointed

The act provides under the revenue law of 1924 that the board shall consist of seven members "except that for a period of two years after the enactment of this act the board shall be composed of not more than 28, or such lesser number as the President determines to be necessary.

Of the twelve members whose appointments have been announced, seven were selected from the general public, namely:

- A. E. Graupner, of California.
- J. S. Y. Ivins, of New York.
- A. E. James, of New Jersey.
- John M. Sternhagen, of Illinois.
- Sumner L. Trussell, of Minnesota.
- John J. Marquette, of D. C.
- W. C. Lansdon, of Kansas.

Five were appointed from the personnel of the Bureau of Internal Revenue, namely:

- Charles D. Hamel, North Dakota.
- Benjamin H. Littleton, Tennessee.
- Jules Gilmer Korner, Jr., North Carolina.

- Charles P. Smith, of Massachusetts.
- Charles M. Trammell, of Florida.

It is probable the remaining members of the board will soon be appointed.

J. R. HUTCHISON & CO.

945 Penna. Ave., N. W., Washington, D. C.

Auditors—Accountants—Industrial Engineers—Attorneys

J. R. HUTCHISON, C. P. A., Accountant in Charge

Certified Bonded Accountant

Member of the National Association of Certified Public Accountants and the Constructive Division Association

ACADEMIC CRITICISM

By W. M. Williams

Even the courts have begun to resent the intrusion of the "academic critic" who as a class seems to believe that all human affairs should be measured and conducted by academic rule rather than by experience developed from common sense.

Judge Julius M. Mayer of the United States Circuit Court of Appeals has resented criticism directed against the court career of the New York Railways Company recently concluded in his court. This receivership began March 9, 1919. A part of the remarks made by Judge Mayer were:

"When I speak of the uninformed I include a certain type of academic students or teachers of the law who know nothing whatever about practical affairs, and who in their cloistered environments know nothing whatever of the driving, pulsing life of a great community of which the court is a part when it administers affairs of this character."

The criticism must have been well founded else it would not have been uttered by so eminent an authority, hence the question of how far such criticism shall be tolerated.

The recent remarks of Governor Smith on the attempt to pass a new "Accountancy Law" in New York State are fresh in the mind and coincide with the foregoing; all of which confirms a remark of a former President to the effect that the voice of the people does not proceed from the universities.

No one does or can rightfully question the value of the university as a developing influence for ideas in advance of the present and the formulating of thought best calculated to serve the world. Many do object to the current tendency on the part of

collegians to foist untried ideas upon the public and to criticize those who have contributed far more in experience and wisdom.

The learned are humble always. Fools are arrogant, intolerant and prone to criticism. Judge Mayer need not feel that he has exceeded the conventional in stating publicly that which is thought so generally. The question is how long will the public tolerate the intrusion of the academic upon the practical and what method will be adopted to impress upon the former that such intrusion is unwarranted and not welcomed.

UNCERTIFIED PUBLIC ACCOUNTANTS TAKE OBJECTIONS TO THE NEW FORM OF APPLICATION FOR ADMISSION TO PRACTICE BEFORE THE UNITED STATES BOARD OF TAX APPEALS.

Public Accountants Protective Association of America

Hartford Building,
Chicago, Illinois.

July 29, 1924.

The recently appointed Board of Tax Appeals at Washington has ruled that only certified public accountants and certain lawyers are to be permitted to practice before that Board, thereby excluding many uncertified public accountants who are as well qualified both in ability and in law, to practice before that Board as are the certified public accountants.

This action calls for a prompt and vigorous protest from all uncertified public accountants.

An organization known as "The Public Accountants' Protective Association of America" has recently been organized, its object being the "protection and advancement of public

accountants and the profession of accountancy."

All uncertified public accountants are invited to attend a meeting to be held Friday, Aug. 1st, 1924, at Stevens Restaurant, 17 No. State St., for the purpose of adopting a resolution protesting against the unwarranted discrimination by this Tax Board against uncertified public accountants.

Dinner will be served at 6:15 P. M., price \$1.25, and the meeting will be called to order at 8:00 P. M. You are urgently requested to attend and bring with you any other uncertified public accountant who may be interested.

Please advise by telephone (State 5195) not later than Thursday, July 31st, if you will be present.

(Signed)

LEGISLATIVE COMMITTEE.

DEAR MEMBER:

You have received our letter asking to aid us in securing a member for the new 2,000 Membership Club. How does it appeal to you? A number of applications are already registered for examination. We expect to increase our office force to examine the applications and properly record and issue membership certificates to successful applicants. So you see we have the machinery set in motion.

We are writing this letter today for the Bulletin to let you know that we are depending on every member to do his part, because you must realize that your interests as well as the Association's and the profession you represent depends upon the success of this drive.

When you fully realize the importance of organizing every factor and the interests of every individual in the accountancy business, that we may push through the next session of Congress the proposed Civil Service law regulating the practice throughout the United States, you will see what we are driving at, when we ask you to put your shoulders to the wheel. When we say that a big man's job is mapped out for us this year, we mean just that plus the support of the 3,300 members of this Association.

The effort you made to become a member of the National Association has been repaid. We take the liberty to assert that no member can successfully say that the Association has not

done as much or more than was expected of it. The increased usefulness of our organization must from now on depend upon the well directed efforts of the membership.

It is not an unreasonable demand we are making on your time to ask you to give the organization the boost it needs right now that it may accomplish its worthy designs. If you can't find men of merit in your home town who would be interested in securing one of our certificates of membership, send the application to some good man you know outside and make him come across.

If you will soberly think this over a minute you will agree with me that it is all worth while.

WE MUST BE OVER THE TOP OCTOBER FIRST.

Yours sincerely,

E. LONG, President.

ANNOUNCEMENTS

Mr. Alexander Ball, Certified Public Accountant, announces that he has moved his office to 1219-20 Hearst Building, corner Market and Third Sts., San Francisco, where he will continue in the general practice of public accountancy.

D. A. Dollarhide, Dean, Washington School of Accountancy, Washington, D. C., announces a Special C. P. A. Coaching Course beginning the first Monday in September. The course is designed to give the student experience in the most difficult part of the C. P. A. examination problems and the solving of them under actual C. P. A. examination conditions.

Mr. J. R. Hutchison, formerly president of the National Association of Certified Public Accountants, announces the opening of an accounting office in the Franklin National Bank Building, Washington, D. C.

The following professional accountants recently visited the offices of the National Association:

Kenneth A. Douglas, New York City.

Joseph H. Starry, Richmond, Va.

Chas. B. Sippel, Chicago, Ill.

John J. O'Brien, Tulsa, Okla.

Joseph Resnick, New York City.

Laurence A. Smith, Kansas City, Mo.

Bert F. Jones, Memphis, Tenn.

M. H. Newton, Pittsburgh, Pa.

L. E. Sylvander, Pittsburgh, Pa.

W. J. Bienemann, Baltimore, Md.
A. Willit, San Francisco, Calif.
R. C. Chapman, Chicago, Ill.
B. E. Gilbert, Philadelphia, Pa.
Moses Hirsch, New York City.
Ernest Kritter, New York City.
Samuel M. Shirley, Knoxville, Tenn.
B. A. Timmons, Knoxville, Tenn.
Wm. McCormick, Omaha, Nebr.

BOOK REVIEW

Receipt is acknowledged of a copy of Nicholas Thiel Ficker, book on Industrial Cost-Finding, published by the Industrial Extension Institute, New York City.

Notwithstanding the commendable progress which has been made during the past ten years in the direction of standardization, it is important not to overlook the fact that much further progress must be made before anything approaching a fixed universal cost policy will be possible of attainment.

The author presents in this treatise what is to be considered the best examples of present-day practice.

Cost finding embraces not only the accounting phase, but also the collection of the data which makes such accounting possible. This treatise acquaints the student with both the collection and accounting phases of industrial cost finding, without attempting to infringe upon the field of general financial accounting practice.

A careful examination of the book has been made by us and we believe it to be an authority on Industrial Cost-Finding.

BANKRUPT AND INSOLVENT PERSONS AND COMPANIES

It may seem an anomaly to speak of a bankrupt or insolvent person being subject to the income tax, but it was evidently in the contemplation of Congress, in enacting the law of 1918, that such cases might arise, as witness the provision that the penalty for non-payment shall be exacted from the estates of insane, deceased or insolvent persons. It is a general rule of law that a bankrupt's estate is not withdrawn from taxation in the hands of his trustee. And it was ruled under the corporation excise tax law, 1909, that, where a corporation subject to the tax had gone into bankruptcy, the return of net income was to be made by the trustee in bank-

ruptcy. So, where an assignee for the benefit of creditors carries on the business of the assignor, and makes a profit, it is subject to the income tax law. The same principle would apply to a corporation in the hands of a receiver. It is true that a contrary doctrine prevailed under the corporation tax law of 1909, but that was only because the tax was not laid on the income of the corporation, but on the privilege of doing business in a corporate capacity.

The New York courts hold that in an action to foreclose a mortgage, a receiver of the rents and profits is not liable for any income tax under the federal statute upon money received or paid out, and is not found to make any return, as such rents and profits are in no sense "income." But the Treasury Department does not acquiesce in these decisions. See Reg. No. 33, Art. 209.

JOHN O. BERKLEY, Member

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CHANGE OF ADDRESS

Subscribers to the C. P. A. Bulletin should notify the Secretary of the National Association of Certified Public Accountants, 945 Pennsylvania Avenue, Washington, D. C., of change in address before the twentieth day of the month preceding the month of publication.