

University of Mississippi

eGrove

Newsletters

American Institute of Certified Public
Accountants (AICPA) Historical Collection

10-1-1925

C. P. A. Bulletin, Vol. 4, No. 10, October 1, 1925

National Association of Certified Public Accountants

Follow this and additional works at: https://egrove.olemiss.edu/aicpa_news



Part of the [Accounting Commons](#)

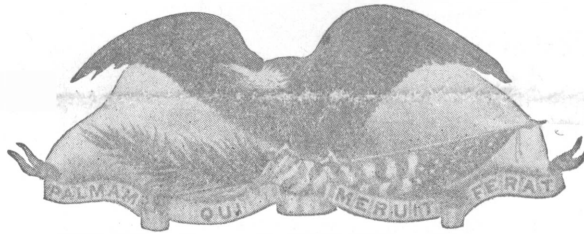
The C. P. A. Bulletin

Copyright, 1925, National Association of Certified Public Accountants

Vol. 4, No. 10

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

October 1, 1925



BONDED ACCOUNTANT

MEMBER

National Association of Certified Public Accountants

THE NEW ACCOUNTANCY LAW FOR THE STATE OF ILLINOIS IS HELD VALID.

THE NEW ACT FOR ACCOUNTANTS IS VALID. RULING: THE VALIDITY OF THE PUBLIC ACCOUNTANCY ACT, PASSED AT THE RECENT SESSION OF THE GENERAL ASSEMBLY, WAS UPHELD BY JUDGE E. S. SMITH IN THE SANGAMON [ILL.] CIRCUIT COURT YESTERDAY, WHEN A PETITION FOR INJUNCTION TO RESTRAIN A. M. SHELTON, DIRECTOR OF REGISTRATION AND EDUCATION, FROM ENFORCING THE ACT, WAS DENIED. THE NEW LAW PROVIDING FOR THE LICENSING OF PUBLIC ACCOUNTANTS BY THE STATE DEPARTMENT WILL BECOME EFFECTIVE OCTOBER 1.

THE ATTACK ON THE VALIDITY OF THE LAW WAS MADE IN A PETITION FILED IN COURT SOME TIME AGO BY GEORGE E. FRAZER AND EIGHTEEN OTHER ACCOUNTANTS OF CHICAGO. THEY ALLEGED THAT THE LAW WAS DISCRIMINATORY. THE BILL WAS PASSED IN BOTH BRANCHES OF THE ASSEMBLY AFTER AN INTERESTING CONTEST. FORMAL NOTICE OF A LEGAL CONTEST WAS FILED AND THE BILL FOR INJUNCTION WAS RECORDED SOME TIME AGO.

THE ANSWER TO THE ORIGINAL BILL WAS FILED BY CULVER & FULLMER, PUBLIC ACCOUNTANTS, OF AURORA. P. F. FULLMER, AURORA, AND TILLMAN L. LUSK, ACCOUNTANTS AND AUDITORS, OF CHICAGO, WHO WAGED A FIGHT FOR THE BILLS BEFORE THE LEGISLATURE, AND STATE REPRESENTATIVE E. B. BROWN, PARIS, WHO INTRODUCED THE BILL IN THE HOUSE, WERE PRESENT IN COURT WHEN JUDGE SMITH HEARD THE CASE.

[Continued on page 3]



THE C. P. A. BULLETIN

The official publication of the
National Association of Certified Public Accountants

Published monthly by the Association at
945 Pennsylvania Avenue,
Washington, D. C.

Subscription price \$2.00 per year.

BOARD OF GOVERNORS AND OFFICERS

PRESIDENT, WM. M. WILLIAMS, of New Jersey.
FIRST VICE-PRESIDENT, Bert F. Jones, of Tennessee.
SECOND VICE-PRESIDENT, DON R. HUTCHISON, of D. C.
TREASURER, WM. A. OWEN, of Kentucky.
SECRETARY, C. P. TIMMONS, of Oklahoma.
DIRECTOR, WM. H. GOFORTH, of Pennsylvania.
DIRECTOR, J. R. HUTCHISON, of Iowa.

EXECUTIVE COMMITTEE

J. R. HUTCHISON, Chairman.
MELVILLE D. THOMAS, Allentown, Pa.
LAWRENCE J. ADAMS, New York, N. Y.

EDITORIAL

By Wm. M. Williams

The amendment to the Minnesota C. P. A. law, known as the World War Veterans' Accountancy Act, was defeated during the last legislature session by its failure to be brought before the House for consideration, due to the rush of business at the close of the session. A similar bill was enacted admitting some 25 disabled service men to the bar without taking the prescribed scholastic examination. The proposed Minnesota act reads, in part, as follows:

"Section 1. Any person who, before July 1, 1926, receives a diploma or certificate from the University of Minnesota, or from any recognized school of accounting certifying that he has completed the full course of instructions prescribed by such school and sustained a satisfactory examination therein, and who served in the military or naval forces of the United States during the World War, and who received an honorable discharge therefrom, and who was disabled therein or thereby, within the purview of the provisions of the act of Congress, approved June 7, 1924, known as the "World War Veterans' Act of 1924," or within the purview of the provisions of the several acts named in and superseded by the said "World War Veterans' Act of 1924," and in accordance therewith has received vocational training and rehabilitation in accounting, shall, upon submission of evidence of said facts and of evidence that he is an adult resident of the State of Minnesota and of good moral character, and has had at least twelve months' experience in accounting, and upon application therefor before July 1, 1926, together with payment therewith of the fee provided for by law,

to the State Board of Accountancy, be admitted to practice as a certified public accountant, without examination, and shall be known and styled a "Certified Public Accountant," and shall have appended to his name the abbreviations "C. P. A."; said State Board of Accountancy shall thereupon forthwith issue a certificate entitling said person to practice as a certified public accountant as herein and by law otherwise provided. Provided, further, That any person who served in the military or naval forces of the United States during the World War and received an honorable discharge therefrom and who has been practicing in this State as a public accountant on his own account for more than three consecutive years immediately preceding the passage of this act, and who shall apply in writing to the State Board of Accountancy within one year after the passage of this act, shall thereupon receive from said board a certificate entitling him to practice as a certified public accountant."

GEORGIA'S PROPOSED BILL FAILS

The proposed accountancy bill introduced in the Georgia State Legislature passed the Senate but failed to come before the House for consideration, due to its being held up in the committee room. The proposed bill was deficient in many ways, as it followed too closely the C. P. A. law in force in that State and overlooked the interests of the public accountants in practice. The proposed bill contained 28 sections, many in conflict with one another, making the bill cumbersome and uninterpretable, which, no doubt, was the cause of its defeat.

THE ILLINOIS LAW

Mr. Edward E. Gore, former president of the American Institute of Accountants, addressed the Illinois So-

ciety of Accountants relative to the situation which has arisen with the passage of the new accountancy law in his state. National members will recall that Mr. Gore attacked in court the National Association and will remember that the court decided in favor of the National Association, and to the effect that the National certificates were legal, effective, and in full force. The court further ruled that damages be awarded against Mr. Gore in favor of the National, which Mr. Gore later paid in full.

The Illinois Society has retained counsel and given notice of its intentions to institute proceedings which will test the new law. The new law places the practice of accountancy on a professional basis, and those who are not C. P. A.'s shall be registered and certified as public accountants and permitted to style themselves as "Licensed Public Accountants." A new and practical designation is set up. The accountant who passes the examination now is to be known and styled a "Public Accountant." In the course of time, as the law now stands, the Certified Public Accountant will pass out of existence and the public will soon learn that a Public Accountant means a Licensed Public Accountant and no other. Accountancy in the State of Illinois has become a profession. It is very gratifying to note that the professional accountants of Illinois had the courage to step out and proclaim for accountancy one designation and one standard. Outside of the practice of accountancy, who ever heard of a double-decked proposition such as accountancy has? We predict that many of the states will follow the example set by the State of Illinois.

CLASS LEGISLATION

The Alaska new accountancy law as amended (see reprint elsewhere in this issue) places accountancy in that territory strictly within a class legislation. It removes from the Board of Accountancy the power to submit its own questions, but must use such questions as the American Institute of Accountants may submit, regardless of whether applicable for the Alaskan or not. Prominent attorneys have advised that the bill appeared to be in violation of the Alaska territorial constitution, as the American Institute of Accountants is no part of the federal government of Alaska. The American Institute of Accountants, being a foreign corporation, organized for the purpose of selling its publications, and, through the Journal of Accountancy, to advertise and sell such publications, therefore, it would appear that the territorial legislature went beyond its authority when it granted the exclusive sale of accountancy questions to the American Institute of Accountants against all other publishing houses. Consequently, if the law is allowed to stand as passed, a close corporation, consisting of one publishing house, will

predominate in Alaska. The whole thing is ridiculous in the extreme, and against the interests of professional accountants. It illustrates again the need for eternal vigilance and emphasizes the undesirability of such acts, but exemplifies what can be done under the influence of politics. Such an act as the one passed in Alaska is one of the main reasons for the existence of the National Association of Certified Public Accountants.

CONFERENCE OF ASSOCIATION EXECUTIVES

In February, 1925, a conference of association executives was called together at Atlantic City, N. J. Some 15 or more associations whose objects as outlined by the chairman was to bring together the executives for the purpose of advancing the combined interests of all who were represented. A very interesting program was carried out, which resulted in the formation of a super-association with Mr. W. L. Chandler as Chairman and Mr. W. E. Bullock as Secretary. The second conference will be held on October 16 and 17, 1925, at the beautiful Briarcliff Lodge, thirty miles north of New York City. The secretary informs us that an elaborate program has been prepared and a large attendance is expected.

DEPARTMENT OF EDUCATION

A new bill providing for a Department of Education, as quoted in another article, is very gratifying to this Association, and the indications are that the bill will become a law. The bill, as outlined, should take over the D. C. Accountancy Board, thus placing the examinations under federal supervision, where an equitable and just examination may be given and graded according to the merits of the papers submitted. The bill should be made broad enough to cover the supervision of all state examinations which are of an interstate nature. As the accountant is required to go from one state to another in pursuit of his profession, it is highly necessary that a section be incorporated in this bill to protect the accountant in his profession and to regulate his acts while in pursuit of his practice in other states.

ACCOUNTANCY PROFESSION

Has not the time arrived when all independent accountants and independent associations should be joined together and form an allied organization for the advancement of accountancy and the individual accountant? It appears to the writer that the double decked system of professional accountancy as it now stands has been and is a failure. It may be advisable for each association to retain its original organization, but to affiliate under one general organization for the benefit of all. Our files show that the following state and territorial legislatures will be in session during this winter:—Alaska, Arizona, Cuba, Kentucky, Lou-

isiana, Massachusetts, Mississippi, New Jersey, New York, Rhode Island, South Carolina and Virginia. We shall be pleased to hear from our members and others who are interested in the formation of an allied accounting association.

ANNUAL DUES

The necessity for the elimination of a few members each year for the non-payment of dues is regretted. This is true and necessary in every organization. The annual dues of \$10.00 is a small amount, and, if you are not in possession of your 1925 card, send in your check for \$10.00, payable to the Treasurer of the National Association of Certified Public Accountants at once. This will place you in good standing and eliminate your name from the delinquent list.

BONDED ACCOUNTANTS

Many members of the National Association are bonded, and all new members who have enrolled during the past year are carrying the bond. Beginning with the calendar year 1926, all members who pay dues for that year will be bonded. At the annual meeting held last June, the dues for the calendar year were placed at \$10.00. This amount also covers subscription to the C. P. A. Bulletin and the premium on the bond. The bond is an honesty bond, issued in the sum of \$1,000.00, and is a guaranty of honesty to every person during the life of the bond. The new bond certificate for the year 1926 will be ready for delivery at an early date.

MEMBERSHIP FEE

The fee for admission to membership in the National Association of Certified Public Accountants is \$15.00. This fee carries with it the dues, subscription to the Bulletin and the bond premium for the balance of the year 1925. Each member who is conducting an office with accountant employees for his own protection and the protection of his clients, should insist that each employee be a member of the National Association and covered by an indemnity bond.

THE NEW ACT FOR ACCOUNTANTS IN ILLINOIS IS HELD VALID

[Continued from Page 1]

Judge Smith upheld the contention made in the answer to the original bill that when the act is properly understood and construed, that there is no serious inconsistency in its provision that would make it unenforceable or cause any difficulty in the administration of the law under the examining board provided for in the civil administrative code.

"There is subsequently no ground on which any of the acts in question should be held invalid, but the presumption of law in favor of their validity is fully sustained," the answer said. "The specific objection made to the public accountants' act appears to

be due to a misconception or confusion in regard to certain terms or provisions of the act. For instance, Sections 3 and 4 specify identical qualifications of public accountants and certified public accountants, so-called. Section 6 provides for the issuance upon examination of a certificate, which would manifestly be applicable in either case and would make the holder thereof a certified public accountant under said act. A proper understanding of this provision likewise obviates the objections made in Sections 9 and 11.

"The most serious objection is made to the public provision of Section 16, which permits public accountants of other state, who may not be certified or licensed, to practice in pursuance of any engagement originating from without this state. This provision is probably necessary, however, as any restriction or regulation on such business would very likely affect or burden interstate commerce and would, therefore, be invalid."—[Springfield, (Ill.) State Journal, September 9, 1925.]

POOR BOOKKEEPING

The average construction man knows little about keeping books. In fact, most of us do not know a double-entry ledger from a journal. Most of us do know, however, how to keep time. All of us know when we are overdrawn at the bank, and when the interest on our notes must be paid. But when it comes right down to proper accounting, not one construction job in fifty keeps the records that it should.

In these days of stiff competition it is absolutely necessary to know costs. Lumping off the job does not get by any more. It really never did. Nowadays, our worst curse is the outfit which guesses at its costs and shoots at a price. These are the people who make it hard for responsible concerns to get work at living prices.

There seems to be no use in trying to get some men to face the facts which well-kept books bring out. Sooner or later, they will fail, anyway. The men who do expect to make good must have accurate accounts on which to base their judgment.

Construction work is a complicated business. At the same time, it is not difficult to set up books for field operations. Any good man who has had the right kind of banking or commercial house accounting experience can do the trick. He will probably include a lot of charges to which you will not be agreeable. For example, your personal automobile and your entertainment. He will, however, fix things so you can make sure whether you are getting ahead or slipping. Once set up, a set of books for a construction job are not hard to keep. They will be worth more than their cost in keeping before you know how much you are spending for items that do not seem to amount to much.—[Successful Methods, New York City.]

A LETTER FROM GEORGE O. MAY

56 PINE STREET
New York

August 20, 1925.

To the Members of the American Institute of Accountants:

I have learned with regret that an amendment to the constitution of the Institute is to be proposed at the annual meeting in September, the object of which is to restrict membership to those possessing a particular form of evidence of qualification. My interest in the Institute impels me to indicate briefly why I think this amendment should be opposed.

No doubt in time the membership of the Institute will come to consist entirely, if not entirely, of holders of C. P. A. or similar certificates, but that position should be brought about naturally and not by any edict of exclusion.

I do not speak as an executive of the Institute, past or present, the only important appointments I have held having been on the Board of Examiners and on the Committee on Administration of Endowment. These appointments I accepted gladly because I felt, and still feel, that the hope of the profession lies less in legal restrictions than in education and a persistent collective effort to raise our standards.

For the enforcement of restrictions where they may be necessary the State Societies and the American Society of Certified Public Accountants are available. I believe the true policy of the Institute is to continue to welcome into its membership all reputable and qualified accountants, many of whom may be debarred for one reason or another from securing a formal certificate, and to devote its efforts and its resources to making those members, and the profession in general, more proficient and more valuable to the community.

The proposed change seems particularly inopportune now when the relations between the Institute and the Society are the subject of conferences and when there is a recrudescence of activity in State legislation, some of it of a novel character, such as the Illinois law which creates in the same State both Public Accountants and Certified Public Accountants.

I have no personal interests at stake, but perhaps the fact that lack of a specific form of evidence of educational qualifications has precluded me from securing a certificate in this State enables me to appreciate better the position of others who may be faced by a similar difficulty.

In national affairs we are passing through a period of restriction and exclusion, and it is not unnatural that some should regard restriction and exclusion in the profession as the measures which best promote their interests. I am convinced, however, that this is a short-sighted view and I trust that the Institute will draw its inspiration from the earlier policies of our country and put its faith in education, efficiency, and freedom of opportunity, rather than in restriction.

Yours very truly,

GEORGE O. MAY.

OUR REPLY

September 9, 1925.

Mr. George O. May,
Care Price Waterhouse and Company,
56 Pine Street,
New York City.

My dear Mr. May:

Your circular letter of August 20th has been read with considerable interest, although I am not a member of the Institute.

Your attitude toward the tendency on the part of the Institute to exclude men like ourselves, who are established firmly in the public confidence in our chosen profession, but who cannot turn back our mental processes to the scholastic stage, is commendable.

This inclination on the part of the Institute has aroused opposition of so many accountants that an era of "wild cat" legislation is here, and apparently a method is not at hand whereby it may be controlled. This in itself is proof that the policy of the Institute should be along more liberal rather than restrictive lines.

The Institute could have added to its membership without harm to itself a majority of the men now engaged in advocating legislation which will break down effectually the C. P. A. laws. This was not done and the opportunity for so doing seems to have been lost.

I thank you upon behalf of more than three thousand members of the Association which I represent, for your admirable position, and beg to remain,

Very respectfully yours,

(Signed) W. M. WILLIAMS.

THE SURETY BOND

For Practicing Public Accountants of
the National Association of Certified
Public Accountants.

By Wm. de La R. Anderson

The value of the principle of bonding practicing Public Accountants has been questioned, since its inception by the National Association, by many of the Accountant members of the Association. This principle has been derided generally by rival organizations of accountants. However, the National Association, representing the views of the majority of its members, always has held firmly to the belief that all human nature is weak at best, and that that weakness extends even to Public Accountants, certified or otherwise. Holding this belief, the National Association sometime since, devised and supplied to its members a fidelity bond for their protection and for the protection of the Public. The National Association claimed that this bond would have a beneficial influence on the bonded member in the practice of his profession, and that it would save from financial loss those who might otherwise suffer, human nature being what it is, at the hands of any who succumbed to the many temptations always surrounding the accountant in his practice. It has taken over three years to have this "fact" bear out the National "theory" of its bond. Now the National Association knows, and every member and the general public now can know, that the bond of the National Association represents the actual as well as the intangible value claimed for it and in it. Rival associations and unbonded accountants no longer may carp and cavil at the National Bond which now has proved to be good for its face value and which, further, has amply proved the soundness of the principle back of it. In a fair and square test, through the person of one who generally and normally was known to be a high grade man, who was a "State" certified and foreign-chartered accountant, a person of financial responsibility and high integrity, a person worthy of and holding the highest positions of trust, the National's bond has made good. Such a person, and no less, has gone wrong; human fallibility thereby truly is proved in this case. The fact that the individual had been certified and chartered did not deter him, neither did it help those who suffered through his wrong. It was the bond of the National Association which saved from serious loss five individual members of the National Association. It was the National Association bond which would have saved any five persons from such a loss. It was the National Association's bond which showed that such losses always would be limited to the responsible person involved—and that he alone must suffer the penalty for his own acts.

The National Association deploras the fact that such things do occur—it deploras losing faith in one of its own—it deploras the drastic effect on such a one, personally, that the application of its bond penalty will entail. The National Association should feel now that it can come proudly before the public, stronger than ever, in being the only accountant's organization which makes financial responsibility a prerequisite and which offers truly definite protection to the public, in the practice of the profession of accountancy, through its membership bond, irrespective of what individual person, position, or professional title, is affected thereby.

The National Association well may feel that the saving of the very considerable losses to seven of its members, under the plan, which the Association had devised to care for just such contingencies amply exemplifies the protection which it continually has maintained existed in its bonded membership. The members of the National Association who have paid their dues and who thereby automatically are bonded, well may feel that in their membership they enjoy an actual value to themselves and to the public not as yet obtainable through any other association. Those members who are delinquent in their dues, and thereby remain unbonded, now may realize the serious importance and value of giving their attention to this detail. Other associations who have cavilled and carped at the National's bond plan might begin to copy that plan, for, once public accountants and the public generally appreciate the value of the National's bond, as it now can be appreciated by National members, there will be very little business for those who cannot or will not offer through themselves accountancy service which is guaranteed by something more tangible and more valuable than mere academic titles and tests.

The prediction is offered that within a very few years, the principle of bonding public accountants as instituted by the National Association of Certified Public Accountants, will have become adopted generally throughout the length and breadth of the country.

HEADQUARTERS

The headquarters of the Association in Washington, District of Columbia, are in the Franklin National Bank Building, Pennsylvania Avenue and Tenth Street. In its large and well lighted rooms may be found an ample supply of desks and typewriters, which may be made a great convenience to visiting members. Professional appointments may be had there also.

A cordial invitation is extended to all members to visit and make use of the headquarters.

Questions and Answers on Taxation

OVERPAID CORPORATE INCOME

Question:

As a sole stockholder of a corporation having overpaid taxes for prior years by several hundred dollars. Claim for refund or credit of overpaid taxes as yet is not barred by the statute of limitations.

As I am the sole stockholder, can I apply the overpaid corporation taxes due the corporation against income taxes due from me as an individual?

Answer:

It has been held that an individual and a corporation (if he be sole owner) are two separate entities, the individual is not allowed to take credit against his own taxes, any taxes overpaid by the corporation.

It is suggested that you file claim for refund for the overpaid corporation taxes.

LAND PURCHASED FOR SUBDIVISION

Question:

(A) We have purchased a farm adjoining the city and now are subdividing it into city lots to be sold on the installment plan. How should the sale of the lots be handled for income tax returns?

(B) How should the seller of the farm handle his sale if the farm was sold for part cash and balance by note secured by mortgage?

Answer:

(A) The cost should be apportioned to each lot and the sale of each lot should be held as a separate transaction.

(B) It has been held that the entire profit from the sale of real estate for part cash, part notes and an existing mortgage was taxable in the year of the sale.

[Note: The Association maintains a special information bureau service for its members. The officer in charge will endeavor to answer promptly, to the best of his ability and information obtainable, all questions submitted relative to Tax Matters and other Governmental Departments.]

JOHN O. BERKLEY

Public Accountant

417 UNION TRUST BLDG.,

Washington, D. C.

Specializes in Investigational
Matters for Public Accountants
and Attorneys Throughout the
Country.

His services include Income
Tax Investigations — Land
Titles — Government Con-
tracts and details of new
Commercial Enterprises
which the Government is
recommending

**FEDERAL
INCOME TAX INDEX**



On the subject of federal income taxes nothing can be more thorough, more complete, and inclusive than the above. 800 pages of reference lead you *instantly* to every official authority: Law, Regulations, Rulings, Treasury Decisions, and Decisions of the Board of Tax Appeals.

In addition to comprehensiveness there is the uttermost simplicity of arrangement. The data arranged alphabetically like a dictionary is easily and promptly located. The Index takes the "search" out of research. The last three years are in permanent form. The current material is in a single cumulative Supplement, which never piles up but always remains convenient.

Accountants in every state have been using this Service for years.

Address
Income Tax Index Service, Inc.
9-15 Clinton St.
Newark, New Jersey

Send me information concerning the
Federal Income Tax Index.

Name

Address

THE NEW ALASKA ACCOUNTANCY LAW

From the C. P. A. law, as approved May, 1923. Sections 1, 2, 5, and 6 have been changed. Section (1) omits the political party. Sec. (2) changes the term of office from 2 to 6 years. Sec. (5) the written examinations shall be those prescribed by the A. I. A. Sec. (6) fee reduced from \$100.00 to \$25.00.

The Law As Amended

(Approved April, 1925)

Be it Enacted by the Legislature of the Territory of Alaska:

Section 1. There is hereby created a territorial board of accountancy consisting of three members. Each member of the board shall be a person skilled in the knowledge and practice of accountancy, a citizen of the United States and a resident of the territory of Alaska, and, except as hereinafter provided, shall have passed a satisfactory examination and received a degree in public accounting as a certified public accountant under the laws of the Territory of Alaska. The first three members of the board, by virtue of their appointment, shall be deemed certified public accountants during their term of office.

Sec. 2. The first three members of the board shall be appointed by the governor of Alaska within thirty days after the date on which this act becomes effective, or as soon thereafter as may be convenient. Of the members so appointed, one shall hold office for the period of two years from and after January 1, 1925, one for four years after said date, and one for six years after said date, and until the appointment of their successors. Each second year the governor, with the advice and consent of the senate, shall appoint one member of the board who shall serve for a term of six years and until his successor shall have been appointed. A vacancy on the board shall be filled by the governor by appointment for the unexpired term, subject, however, to confirmation by the senate when the senate shall next again be in session after the date of such appointment. The appointment of a member of the board to fill a vacancy on the board shall be in all respects valid and effective unless and until the senate shall refuse to confirm such appointment.

Sec. 3. The board shall organize by electing one of its members president, and one secretary and treasurer. The secretary and treasurer shall give bond to the territory in such sum and with such sureties as the board shall direct, which bond shall be executed in duplicate, one for filing with the board, and the other with the territorial treasurer. The board shall keep a record of all its proceedings, and shall report annually to the governor.

Sec. 4. A citizen of the United States and of the Territory of Alaska, not less than twenty-five years of age, of

good moral character, who shall have a diploma from a recognized high school or shall present satisfactory evidence of an equivalent education, who shall have had not less than five years' experience in the practice of accountancy, and who has received from the territorial board of accountancy a certificate of his qualifications, shall be styled and known as a certified public accountant, and no other person, except as hereinafter provided, shall assume such a title or use the letter "C. P. A." or other words indicating that he is a certified public accountant. Upon presentation of evidence that he is a holder of the degree of certified public accountant, such holder shall be exempted from the performance of jury duty in civil actions if he so requests. A certified public accountant shall not be subject to examination on confidential communications between his client and himself nor forced to divulge any information which he shall have acquired as a confidential communication, except at the instance of his client, and any certified public accountant who shall otherwise divulge such information shall have his certificate revoked and shall not afterwards be licensed to practice accountancy in the territory.

Sec. 5. Examinations shall be held at the times and places selected by the board, but the board shall not hold more than two examinations in any one calendar year. Examinations shall be written and such additional oral examinations may be given as the board may prescribe. **THE WRITTEN EXAMINATIONS OF APPLICANTS SHALL BE THOSE PRESCRIBED BY THE AMERICAN INSTITUTE OF ACCOUNTANTS IN THE RULES OF THE BOARD OF EXAMINERS OF THAT INSTITUTE APPROVED ON JUNE 13, 1922, OR AS MAY BE ALTERED FROM TIME TO TIME BY THE COUNCIL OF SAID AMERICAN INSTITUTE OF ACCOUNTANTS.** The board may make the necessary arrangements with the council of the American Institute of Accountants to grade the answers of the candidates, but the final grading of the answers shall be made by the board. Provided, however, that in any case where the person wishing to take the examination resides in a place remote from the meeting place of the board, the examination of such person may be given under the supervision of some reliable person, not a member of the board, of good standing in the community in which he resides, such examiner to be appointed by the board. In such cases, the board shall make proper rules and regulations to insure a fair and proper examination. The answers of the person or persons so examined shall, upon close of the examination, be immediately sealed up by the examiner and forthwith transmitted to the board by registered mail, and the board shall thereupon grade the examination papers the same as in the case of persons

examined before the members of the board. Nothing herein contained shall be so construed as to prevent one member of the board from giving examinations under directions of and with consent of the board, but all examination papers shall be finally graded by the board.

Sec. 6. At the time of examination, each applicant shall pay to the board a fee of twenty-five dollars (\$25.00) which shall not be refunded, but an applicant may be re-examined once without the payment of an additional fee within (18) months from the date of his first examination. All fees so collected shall be covered into the territorial treasury.

Sec. 7. For the establishment and maintenance of the board there is hereby appropriated out of any money in the territorial treasury not otherwise appropriated, the sum of five hundred dollars, the same to be disbursed as other territorial funds, but vouchers for all such disbursements must be approved by at least one member of the board.

Sec. 8. A person who shall qualify for examination and shall, in addition, present satisfactory evidence that he is the holder of an unrevoked certificate from another state or a foreign country, may be granted a certificate by the board without formal examination, and, upon the payment of such fee as the board shall direct, but which shall not exceed one hundred (\$100.00) dollars.

Sec. 9. The board shall have the authority to revoke upon reasonable cause any certificate issued by it after a hearing shall have been had by the board. The holder of such certificate shall be notified of such hearing at least two months prior to the date thereof by registered mail.

Sec. 10. Where practicable, and in consonance with the best interests of the territory, the governor shall, in the appointment of all accountants and auditors for the territory, give preference to those holding certificates from the board as certified public accountants.

Sec. 11. Nothing in this act shall be construed to prohibit any person from practicing accountancy. Nothing in this act shall be construed to prohibit the holder of an unrevoked degree from another state or foreign nation from describing himself as so authorized; provided, that such person shall indicate in full, not by abbreviation, and after each title or description each and every time it is used, the source thereof or authority therefor.

Sec. 12. Any person or persons who shall unlawfully make use of words or descriptions to indicate that he or they are in possession of a certificate from the board shall be deemed guilty of a misdemeanor, and shall be punishable by a fine of not more than one hundred (\$100.00) dollars or imprisonment for not more than one month, or both, at the discretion of the court.

Sec. 13. The secretary and treasurer of the board shall each year, within thirty days after January first, render to the governor of Alaska a report setting out the number of persons examined by the board during the preceding calendar year, the number who received the degree of certified public accountant from the board, the number of those examined who failed to pass such examination, the number of persons re-examined, the number of certificates revoked, and the total amounts received and disbursed by the board. With such report the secretary and treasurer of the board shall transmit, by money order, draft or other form of exchange, payable to the treasurer of the Territory of Alaska, all funds in possession of the board.

The Governor of Alaska has appointed the following accountants as members of the territorial board:

- John E. Meals, Anchorage, Alaska.
- Wallis S. George, Juneau, Alaska.
- Barney A. Rosselle, Juneau, Alaska.

COOLIDGE TO INSIST ON NEW DEPARTMENT

Will Ask Congress to Create Educational Director in the Cabinet—Hines May Get the Post

[By John Edwin Nevin.]

Swampscott, Mass., Sept. 4.—President Coolidge today accepted the gauge of battle thrown down by those who are insisting that a department of education shall be created, to be headed by a cabinet officer and which will devote all of its attention to education alone. Commissioner of Education Payson Smith, of Massachusetts; A. Lincoln Filene and Mrs. F. E. Bagley, of Boston, called to urge the President to approve a bill which they plan to have introduced into Congress.

The President told them that, in his opinion, such a measure did not go far enough. He let them understand that he stands squarely on the proposal in the governmental reorganization bill which would create a department of education and relief and under which would be consolidated all of the governmental departments which have to do with both education and relief, including the veterans' bureau activities for the rehabilitation of veterans of the World War.

If a new cabinet position is to be created, it must have at its head, he will insist, a man broad enough and of enough diversified qualities to allow him to manage all of the bureaus now scattered through the various departments and which deal with the subjects of education and relief.

The spokesman paid a high compliment to Brig. Gen. Frank T. Hines, director of the Veterans' Bureau, when he suggested that he was a man of cabinet calibre, but who was carrying on a great work while ranking merely

MELVILLE D. THOMAS, C. P. A.

ACCOUNTANT AND AUDITOR

Audits Investigations Systems

FEDERAL AND STATE TAX RETURNS

303-7 Perkin Building
Allentown, Pa.

945 Pennsylvania Ave.
Washington, D. C.

Bonded Member, National Association of Certified Public Accountants

J. R. HUTCHISON & CO.

945 Pennsylvania Avenue, N. W., Washington, D. C.

AUDITORS—ACCOUNTANTS—INDUSTRIAL ENGINEERS

Income Tax Accounting

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

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

as a head of a bureau of the government. It was made plain that no matter what agitation is developed against the reorganization plan, Mr. Coolidge will stand squarely on his original approval of it and will recommend to the coming Congress that it put reorganization and consolidation well at the head of its program. * * * [Washington Post.]

FROST ADMITTED TO BAIL

Head of Trunk Factory Under Arson and Attempted Murder Charge

Bridgeport, Conn.—Charles Frost, a certified public accountant of New York and principal owner of the Xcluso Auto Trunk and Specialty Company in Bethel, Conn., arrested by State police in Litchfield Saturday on a charge of arson and attempted murder, was admitted to bail here this afternoon and released from the county jail.

At a hearing in the State's Attorney's office today, Judge John W. Banks set Frost's bond at \$50,000, the same as that required of members of the Kid Dropper gang of New York, who are under arrest for complicity in the attempt to burn the Xcluso factory last spring.

Friedman Held Without Bail for Extradition to Connecticut

Arraigned as a fugitive from Bethel, Conn., where he is wanted for arson, Abraham Friedman, thirty-four, No. 820 Howard avenue, Brooklyn, who, according to the complaint, is known as

"Whitey," was committed to the Tombs without bail yesterday to await the arrival of extradition papers.—[New York World, July 21, 1925.]

SMOOT WOULD MODIFY TAX PUBLICITY LAW

Modification of the publicity clause of the income tax law will be sought by Senator Smoot, Republican, Utah, and chairman of the Senate committee on finance, at the next session, he declared today.

"I have never been able to see where any good came from making tax returns public," he said. "On the other hand, I can see where unscrupulous competitors can cause a great deal of trouble if granted the privilege.

"There may be some sort of compromise. It might be possible to modify the law by making it permissible for a person to go to the internal revenue offices and ascertain the amount of tax paid."

CUT THIS OUT AND SEND TO US

Kindly send me blank application forms for Membership in the National Association of Certified Public Accountants.

Signed _____
Street Address _____
City _____
State _____

SECOND AND ENLARGED EDITION

Cost Keeping & Construction Accounting

G. ED. ROSS—CONSULTING COST ACCOUNTANT

Member National Association of Cost Accountants
Associate Member American Association of Engineers
Member National Association Certified Public Accountants

This publication outlines a common sense method of segregation and assembling of Highway Construction cost data; twenty-two feature segregations and 885 item segregations in common use on engineering and construction work. Covering every phase of highway construction and development. Also copies of standard forms.

Every man interested in construction work and wishing to improve will find something of practical, every day and continuous value in this publication. It is a working manual full of ideas which have taken years to develop. Their practical value has been amply proven.

Space does not permit a detailed description of the book; it is invaluable to accountants having construction problems.

If not entirely satisfactory, return within 10 days and purchase price will be immediately refunded.

Price \$3.75 per copy postpaid, anywhere. Mail personal check with order—we absorb the exchange.

WRITE FOR SAMPLE FEATURE ITEMS

THE ROSS SYSTEM COMPANY

SALEM, OREGON

ANNOUNCEMENT

For the convenience and benefit of our subscribers, there has been placed in the Conference Room of the Income Tax Unit (Treasury Building, Annex 2, Room 114), at Washington, in the care of Col. Eugene B. Wills, a copy of the

FEDERAL INCOME TAX INDEX

If your tax business takes you to the capital you will want the Index. We have placed it there as a precaution against forgetfulness and for your assistance in emergency.

I. T. I. may be found in Room 236½ Information Division of the Treasury Department.

I. T. I. may also be found in the office of the National Association of Certified Public Accountants, Rooms 43 and 44, Franklin National Bank Building, 945 Pennsylvania Ave., N. W., Washington, D. C.

INCOME TAX INDEX SERVICE, Inc.,
Newark, New Jersey

WANTED

Competent Senior Accountant

One who has ability and several thousand dollars to invest can join an established Chicago firm with substantial clientele. Would consider outright sale of the business. Address F-72, care C. P. A. Bulletin, Room 43, Franklin National Bank Building, Washington, D. C.

WANTED

An Illinois firm of accountants and auditors desire the service of a practical experienced accountant. Give full information in first letter stating age, experience and salary. Address Box 25-D, care C. P. A. Bulletin, Room 43, Franklin National Bank Building, Washington, D. C.

OFFICERS ELECTED

At the regular monthly meeting of the Board of Governors of the National Association of Certified Public Accountants held in its office at Washington, D. C. on Saturday August 29, 1925, Mr. Wm. M. Williams, former first vice-president of the Board of Governors, was elected president. Mr. Bert F. Jones, of Memphis, Tennessee, was elected first vice-president.

C. P. TIMMONS, Secretary.

SITUATION WANTED

A practical accountant now with a large corporation desires to make a change.

Address V-34, care C. P. A. Bulletin, Room 43, Franklin National Bank Building, Washington, D. C.

MEMPHIAN IS HONORED BY ACCOUNTANTS

Bert F. Jones, public accountant, 219 Bank of Commerce Building, has been elected vice-president of the National Association of Certified Accountants, according to a letter he received today from C. P. Timmons, secretary of the association, with headquarters in Washington, D. C.

Jones will hold office until June 7, 1926. He was also made a member of the board of control of the association.—[The Memphis New Scimitar, Sept. 2, 1925.]

Mr. Charles B. Lash, of Tulsa, Oklahoma, made this office a pleasant call on his way to New York City. Mr. Lash stopped in Washington to review some tax cases he had pending before the Department.

Mr. A. Victor Hedin, who motored from Chicago to Boston by the way of Washington, D. C., called for a visit at this office. Mr. Hedin is a prominent accountant in Chicago and is associated with a large organization of accountants and attorneys.

Mr. T. A. Murphy, of Rochester, N. Y., while in Washington on tax matters, made us a pleasant visit.

As we go to press, we have just received a copy of the decision handed down by the Circuit Court of Sangamon County, Illinois, holding that the Illinois Accountancy Act is constitutional.

The United States Civil Service Commission announces an examination for Commercial Educationists at a salary of \$3,800, with advancement up to \$5,000 per year. Receipt of applications are closed October 6, 1925. The duties of the Commercial Educationist will include the making of research studies relating to commerce and business education in universities and colleges, high schools, and private business schools; special surveys of business and commercial education in universities and colleges and in State or local school systems; holding of conferences on commercial and business education; serving as consulting specialist orally and by correspondence to deans and professors in colleges and departments of commerce and business and others regarding organization, methods of teaching, courses of study, equipment, etc.

Competitors will not be required to report for examination at any place, but will be rated on the following subjects:

Education and experience— 70%
Thesis or publication----- 30%

Applicants should at once apply for form 2118 to the Civil Service Commission, 1724 F Street N. W., Washington, D. C.