Editorial

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EDITORIAL.

The New York C. P. A. Degree.

On another page THE JOURNAL prints a letter by Mr. John R. Loomis, President of the New York Society of Certified Public Accountants, which transmits to the regents of the University of the State of New York the resolution of the society favoring extension of the privileges of the C. P. A. Law of New York to the certified public accountants of other states who can give satisfactory evidence that their educational standard is equal to that of New York. This matter is of great importance, and it is to be hoped that the regents will give it the consideration it deserves.

There are three very good reasons why the regents should take action of the kind suggested by the New York State Society. There are, in the first place, many first class accountants practicing in New York City who have come from other states. Among these men are some of the recognized leaders of the pro-
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profession. Although they have satisfied the C. P. A. requirements of their own states, they are technically violators of the law if they advertise themselves in the State of New York as certified public accountants. Under the present rules these men, although admittedly equals of any accountants in the country, are unable to obtain the privileges of a certified public accountant in New York unless they submit to the educational tests that are imposed upon young men just entering the profession. This is an unnecessary hardship and a seeming indignity to which they are naturally averse, and for the endurance of which the right to call themselves New York C. P. A.'s does not seem adequate compensation. Some of them come from states where the educational requirements of their profession are high. Having satisfied such requirements once, and having become successful in their profession, and won recognition for ability in New York City, as well as in their own states, it is not at all surprising that they ignore the slight advantage to be gained by earning through examinations the right to call themselves C. P. A.'s of New York.

In this resolution favoring the admission of men of this caliber to all the rights of C. P. A.'s in the State of New York, the State Society has taken a step that is of more importance to itself than to the men who are at present barred from membership in its ranks. In other words, the State Society needs these men more than they need the privileges it can give. Although nominally outsiders, they are accountants and citizens of New York, and the society needs their earnest co-operation and counsel in its efforts to promote the welfare of the profession. The society has everything to gain and nothing to fear from the admission to its ranks of outsiders who are practicing in New York, if they can give convincing evidence that they have already satisfied educational requirements fully as high as those which guard the portals of the profession within that state. The regents in giving favorable consideration to this resolution will be simply doing for the profession of accountancy what has already been done for the older professions.

The other two reasons in favor of the Society's resolution have to do with the general welfare of the profession in the United States rather than with its standing in New York State alone. If the State of New York will give substantial recognition to the C. P. A.'s of other states only on condition that edu-
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cational requirements are satisfactory, the effect will everywhere be salutary. In no state would the practicing accountants long tolerate the imputation that their educational standard is second rate. Accountants in all the states frequently have engagements which compel their appearance in the Federal courts and in the courts of the State of New York. They would not long bear the humiliation or the positive loss of business which they would necessarily suffer if under cross-examination they were forced to admit that their degree of C. P. A. was not up to the New York standard. Inevitably, therefore, the standards in other states would be raised and the degree of C. P. A. in all parts of the union would begin to win the much-desired prestige which it does not now possess.

Finally, this modification of the rules requested of the New York regents, while it in no way would lower the New York standard, would practically make it possible for the largest body of practicing accountants in the country to set the pace in the improvement and uplift of the profession. On account of the commanding position of New York City in the world of business, any reform movement inaugurated in the State of New York always commands the attention of the country; and any step to lift the profession of accounting in New York, and to increase the value of its C. P. A. degree would meet with immediate response in other states, if such response alone could secure for the citizens of other states the prestige and privileges of the New York degree.

Lecture by Mr. Price.

Mr. Harry Lloyd Price, president of the Incorporated Society of Accountants and Auditors of Great Britain, delivered an address before the students of New York University School of Commerce, Accounts and Finance, Friday evening, November 20, 1908, on "The Present Status of the Profession of Accountancy in Great Britain." Several members of the American Association of Public Accountants were present by invitation of the university. Those who were fortunate enough to hear Mr. Price were greatly interested in his address. The editors hope to be able to present it in substance in a later issue of The Journal of Accountancy.
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New York.

The following letter was sent forward under date of December 7, 1908, to Hon. Andrew S. Draper, Commissioner of Education of the State of New York:

Sir: I have the honor to state that at a meeting of the New York State Society of Certified Public Accountants held November 9, 1908, the following resolution was adopted:

Resolved, That the New York State Society of Certified Public Accountants respectfully recommends to The Honorable, The Board of Regents of the University of the State of New York, that provision be made for the issue of Certificates without examination in certain cases as follows:

Any citizen of the United States who is a holder of a C. P. A. Certificate from another State who has been actually established in the practice of Public Accountancy for three years, one of which must have been in this State, upon his written application endorsed by three Certified Public Accountants of New York, in active practice and good standing, and upon the recommendation of the Board of Examiners, may receive a Certificate as a Certified Public Accountant of New York, provided that he is not less than 25 years of age and shall establish to the satisfaction of the Board of Regents his possession of the same degree of education and experience as is required for the issue of a similar Certificate in this State.

I have been requested to recite the reasons which have actuated the society in adopting this resolution in order that the proposition may receive that consideration which the society believes is warranted by the conditions which prevail in the circles of the profession of accountancy.

In the first place, and as a primary point of fundamental importance, it is desirable to state that the society does not wish to suggest in any way, however, remote, that the standards of education established by the State Department be lowered or impaired, or that the safeguards which now surround the profession be abridged, removed or destroyed. On the contrary, the intent of the proposition is constructive, and we seek only by proper means to include in the professional ranks of public accountants of this state, only such as are worthy of the distinction, and acceptable to the educational authorities by virtue of merit and fitness, and the possession of all qualifications equivalent to those established in this state.

The profession to-day in the United States of America only numbers about eight hundred persons, of whom less than one-half have received degrees through the University of the State of New York.

Many states have enacted legislative measures creating the degree of C. P. A., but it is a fact that the educational and professional requirements in no case exceed those of this state, and, in the majority of instances, are far less.

C. P. A. boards have been created in some states by law, but their standards of efficiency are discretionary and lack uniformity, and the
majority do not exact those educational requirements which the University of the State of New York has so wisely ordained as fundamental and necessary to professional fitness. The degree issued in some states, therefore, partakes of the nature of a quasi-license in place of possessing an educational significance; and, while bearing the same title or name, is inferior to that granted in this state.

It follows that the public is not always aware of the difference in the relative values of the degree as issued by the several states, and the New York State degree involuntarily suffers by this ignorance of the public, its assumption being that all degrees bearing the same name are, per se, of equal importance and significance.

The object of the proposition is to afford the opportunity for such persons who are now practicing in New York State, and possessing degrees issued elsewhere, to come forward and prove their educational and professional fitness according to the standards of this state.

It follows that those who are now practicing here without our degree when opportunities and facilities are thus extended to them in a proper way, will come forward, demonstrate their fitness, and receive their reward; or else bear the responsibility and assume the status which would pertain to the use of an inferior or piratical form of license or degree.

All this, it is believed, can be accomplished by the adoption and establishment by the University of the State of New York of equivalent standards of education and professional fitness. In other words, the proposition aims at the separation of the gold from the dross, and it is anticipated that the profession will be strengthened in this state thereby, and the inferior practitioner will assume his normal position. Unhealthy competition will be eliminated, and the public will know exactly whom it is employing. Publicity on the subject will insure this feature and the business public will no longer hesitate as to the employment of Certified Public Accountants, the status of whom is not open to question.

The nature of the profession is such as to preclude the exclusion from practice in this state, of uncertified persons, or even estop the use of the degree of another state in this state; it is, therefore, requisite that every facility be given for the worthy and well-informed practitioner from any state to be admitted within our own professional circle, provided he can demonstrate his fitness, by our standards, notwithstanding the fact that the particular examination requirements of his home state are inferior. However, it does not follow but that many could have passed a more worthy test if the same had been applied; so in all fairness they should be credited with the appropriate value of that which they have done and accomplished.

There are many men possessing the degrees of other states, who, it is known, are ready and willing to come forward if fair considerations are extended in their direction.

The society believes that conditions will be improved by thus extending the educational and professional olive-branch to worthy practitioners, and in so doing it should be emphasized that the University of the State of New York is not asked to recede from or lower in any way, its estab-
lished standards—it is only asked to place a value upon the standards of other states, predicated on the known and verified conditions.

State control of professional accountancy partakes more of a moral than a legal protection; it follows, therefore, that the future of the profession will depend largely upon the adoption of wise policies, and growth will be commensurate with the fostering care and attention which may be bestowed upon it.

I take pleasure in committing the proposition to your careful consideration, and trust, on behalf of the society, that you will be able to present the same with your favorable recommendations, to the Board of Regents of the University of the State of New York, for its action.

Very respectfully,

John R. Loomis,
President of the New York Society of Certified Public Accountants.

William F. Weiss, Committee for Purposes
Francis R. Clair, of Preparation and Presentation.
Henry R. M. Cook,
E. Y. Gallagher,
S. D. Patterson,

Missouri.

The Missouri Society of Public Accountants is arranging to present to the next Legislature a bill to regulate public accountancy similar to that of other states.

Montana.

In Montana of late years there has sprung up quite an extensive business conducted by public accountants, who devote themselves to the work of auditing the books of corporations and business firms.

The members of this profession have just incorporated the Montana State Society of Public Accountants, and the purposes of this organization are stated to be as follows:

"The advancement and enlargement of the scope, interests, ethics and practice of the profession of accountancy."

"To promote, urge and aid the study of the principles and practice of accountancy and of commercial law among the accountants of the state of Montana by means of lectures and discussions, classes of instruction, and the establishment of a library."

"To cultivate a spirit of professional co-operation and to secure legislation regulating the practice of accountancy for the general benefit of business interests."

It is the intention of the Montana State Society of Public Accountants to ask the Legislature of this Commonwealth at its next session to pass a law regulating the profession in Montana, and to provide for the exam-
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ination of persons who in future may desire to qualify as Certified Public Accountants.

This would be just as much in the public interest as it is to the advantage of the accountants who desire to place their profession upon a higher plane and to require greater efficiency upon the part of those who have made accountancy their business in life.—The Butte (Mont.) Miner, December 4, 1908.

Pennsylvania.

The Certified Public Accountants of Pennsylvania tendered a dinner at the Bellevue-Stratford on the evening of November 25, to Mr. J. E. Sterrett.

Toasts were responded to by Charles N. Vollum, president of the State Board of Public Accountants; Joseph M. Pugh, Adam A. Ross, Jr., Edward P. Moxey, Jr., and James W. Fernley.


University of Michigan.

In the review of university work in accountancy published in the November issue of THE JOURNAL OF ACCOUNTANCY the University of Michigan was unintentionally omitted. The university offers four first-semester and three second-semester courses, including "Principles of Accounting," "Manufacturing Costs" and "Auditing." In addition, Professor Henry C. Adams considers Railroad Accounts in connection with his courses in Transportation.

Messrs. Barrow, Wade, Guthrie & Co., Certified Public Accountants, announce that they have admitted Mr. Allen R. Smart and Mr. William Roberts as partners.

Harvey S. Chase & Company, Public Accountants and Auditors, 84 State Street, Boston, announce that the limited partnership between H. S. Chase, C. H. Tuttle, C. B. Allen and A. T. Chase, has been dissolved by the death of Mr. Chauncey B. Allen. The surviving partners, together with Mr. Clinton H. Scovell, recently associated with Gunn, Richards & Company, of New York, have formed a limited partnership and will continue the general practice of public accountancy under the same firm name.