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The London of To-day

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A RETROSPECT of life in London during the last two years brings to mind a picture of increasing difficulties on one hand, and of hardships borne with patience and cheerfulness on the other. The exigencies of war have forced the Government to impose restriction on restriction, so that there is as much Prussianism in England as in Germany itself, with the important difference that in England it exists with the consent of the people and is enforced in a co-operative spirit as a temporary war measure. Essential foods are controlled as to quantity and price, and preference is given to the forces and to hospitals in the distribution of such products as cream, fruit, and jam. Private cars have disappeared, newspapers are curtailed, and can be obtained with certainty only by regular subscribers, and at every turn one meets similar restrictions. But while everything is down to rock bottom the Government appears to have firm control over the source and distribution of all necessary supplies, and nobody feels the pinch of want; there is employment for all and that, combined with high wages, enables everyone to meet the increased cost of living.

The accountant finds his clients' offices filled with women and girls, many of whom have never worked before. They are industrious and, in general, efficient, but the lack of experienced supervisors leads to a certain number of errors and delays in closing the books. The English system of accounting requires that practically all postings be checked, and when the time comes to render the periodical statement to the home office in America, if an error has not been found by the client's staff, the auditor is expected to find it.

Until recently there has been much prejudice against so called American accounting methods, including all labor saving

devices and office appliances, but the example of American efficiency shown in the war hitherto has done much to change this attitude, and agents of American office equipment report larger sales and inquiries than at any time in their history. I made a point of inquiring of the members of the American Luncheon Club what they thought of the prospects for American business in England after the war, and all agreed that it was likely to be excellent.

The disturbance to the current of life caused by air raids is difficult to see in its proper proportion. The casualties have probably been properly reported, and while the material damage has been great in individual cases, yet compared with the size of London it is actually negligible. The real success achieved by the raiders is in the loss of time to millions of workers, and decreased production in factories is noted even after night raids. But if the Huns hope to break the spirit of the people they are accomplishing the opposite result. There have been some nervous break-downs and a few people have left London, but no approach to a general panic has ever been visible.

The greatest appreciation of American participation has been shown on all sides, and public and press frankly acknowledge that had it not occurred the Allies would have been defeated, at any rate on land. Our troops have been cordially welcomed on the few occasions in which they appeared in London, and a great demonstration took place on last 4th of July. A baseball game between the American Army and Navy was attended by the King and high officials, and a crowd of 40,000 people cheered whenever they got a good lead from the wise rooters. As a humorously inclined client of ours put it, "We not only gave you your independence but also show you how to celebrate."

British opinion as to the duration of the war varies from one to five years with the average two to three. They are much encouraged by recent successes, but experience teaches them not to expect too much. When the battle of the Somme started on the 2nd of July, 1916, I happened to be visiting at a friend's country home some forty miles south of London. On that quiet Saturday night we heard the rumble of the guns more than 150 miles away, and everyone exulted that at last the offensive had passed to us. As day after day reports of our initial successes came in hope rose higher until at last people spoke of the end before Christmas. Since then the tide of battle has ebbed and flowed many times over that same blood soaked field, and the British people know that no peace will come until the Hun armies are destroyed.

To this end practically everyone is working directly or indirectly for the Government. All men up to 53 are liable for military service and are exempted only if physically unfit or if employed on work of national importance. Exemption is not easily obtained, and one of the rules is that no one may change his employment without the consent of the proper authorities. Moreover an attempt to do so is considered *prima facie* evidence that the applicant is not doing essential work and is seldom tried unless a man is anxious to join up. As a matter of fact the whole male population is doing war work or keeping the business structure intact in order to supply the financial sinews of war in the shape of taxes. The women too have come to the front in a way that has excited the admiration of all. Tens of thousands are in the Red Cross and the Women's Army in France, exposed to all the discomforts and dangers of the fighting zone. More are doing hospital and canteen work at home, and the land army and army service corps has other thousands. Besides these uniformed forces are the munition workers and civil servants, and last the part time volunteers doing the necessary drudgery with neither glory nor pay.

Soldiers on leave and wounded are seen by scores on every hand, but the maimed are kept off the streets and the eye is not shocked by the badly mutilated who are kept in convalescent homes and training schools where they are taught some craft which will keep them usefully employed on their discharge. Already thousands of men wearing the silver "For services rendered to King and Country" discharge badge are returning to civil life and must show evident signs of the wound or sickness which made them unfit for service.

Close supervision is kept over the movements of every foreigner, and it has recently been officially stated that there are only 6,000 uninterned enemy aliens in Great Britain. Allies and neutrals require an identity book and any change of address must be recorded within twenty-four hours. A stop of even one night away from home necessitates at least three visits to the police station—one at home to check departure, one at destination to check arrival and another at home to check return. This ceremony may take from one to three hours at each place, as the time of civilians is presumed to have no value.

The streets are practically pitch dark, only the principal crossings being dimly lighted, while any beam of light showing from a window subjects the offender to a heavy fine. The theatres are all running, and patronized largely by colonials, all of whom come to London when on leave. But the curtains must be rung down at 10:20, and as there is no other form of "night life" (all dancing places and other resorts being closed) the streets are pretty quiet by 11:00 o'clock. The liquor situation has in general been well handled, as is best testified by the fact that for two years there has been no complaint from munition and other factories of any lost time due to drunkenness. Liquor may be sold only between the hours of 12:00 and 2:30 and 6:30 and 9:30, and the no-treating law is strictly enforced. The strength of distilled spirits has been reduced to 30 below proof and of malt liquors in pro-

portion. The production has been curtailed to about 25% of the pre-war quantity and as a result prices are almost prohibitive even if the goods can be obtained. Many bars run out of supplies and close down, and most will serve only one drink to each customer. The result is that excessive drinking is altogether eliminated.

Hand in hand with the work of winning the war goes discussion and preparation of post-war plans. Prominent in this are the representatives of the British Colonies and Over-Seas Dominions, all of whom are working for a British Empire which shall be self-sustaining and independent of the rest of the world. It is to be hoped that this idea can be extended to include the United States and our Allies, otherwise there will be danger of a trade war after "The War". Other post-war problems loom large. It is expected that demobilization will take from two to four years. The returned soldier will in many cases not want to go back to his old job, or will find it occupied by women who will not want to quit work. Other thousands who have come in contact with colonials and Americans will wish to emigrate, and the already powerful labor leaders will find additional forces to back up their demands. There is serious discussion of the confiscation of capital, the abandonment of the gold standard, and other means of reducing the burden of the war debt. All these problems will have to be faced by the United States if the war continues a few years longer, and the discussions appearing in British periodicals will repay reading.

Verifying the Cash (Continued)

MANY of the irregularities in the handling of cash are in the form of "borrowings" from the petty cash funds. Relatively few involve the bank account and the falsification or alteration of the books. The reason is apparent. In the latter situation the number of variables to be controlled is

greater. The manipulation is thus more likely to be detected.

In cases where the cash is counted at regular intervals the borrowings take place between counts. The money is usually replaced in time for the inspection of the auditor. Where an audit is not customary the shortage may go on indefinitely. Under such circumstances it is more likely to increase than decrease in amount.

The controlled or imprest fund makes easier the work of the auditor in that he knows at once the amount which he should expect to find. It also makes more difficult the work of the cashier who desires to commit irregularities in that it narrows the field in which he may operate.

The term "imprest fund" is derived from the English by whom it is used to denote an advance or loan of money. It comes from the latin word "praestare", meaning "to lend". In England it originally signified a prepayment or advance of money from the royal treasury for the purpose of carrying on some public service. In the accounting parlance of today it means a fund in a fixed amount advanced to some one for the purpose of providing for necessary disbursements, the amount of the fund being always accounted for either in cash or vouchers or both.

Where the amount of the cash is not fixed or is allowed to fluctuate the auditor is never quite sure that he has discovered all amounts properly chargeable to the cashier, sometimes even after an exhausting and time-consuming search of the records. He is thus at times in doubt as to whether or not the cashier is really short. All this is avoided where there is a fixed fund. The precise amount which should be on hand in cash or vouchers is not only known but the information is available with sufficient promptness to be of practical use. Under the other method the cashier might be several hours on his way to a foreign port before the amount of his accountability could be determined.

Where there are regular audits and the cash is counted at about the same time each