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New York State Society Of Certified Public Accountants

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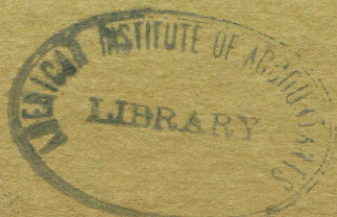
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New York State Society

OF

Certified Public Accountants

First Annual Dinner



NEW YORK STATE SOCIETY

OF

CERTIFIED PUBLIC ACCOUNTANTS

First Annual Dinner

AT THE

WALDORF-ASTORIA

Tuesday Evening, December 28, 1897

NEW YORK

WM. C. MARTIN PRINTING HOUSE

1898

NEW YORK STATE SOCIETY
OF
CERTIFIED PUBLIC ACCOUNTANTS.

FIRST ANNUAL DINNER.

The first annual dinner of the New York State Society of Certified Public Accountants was held in the myrtle room of the Waldorf-Astoria, Tuesday evening, December 28th, 1897. The President of the Society, C. W. Haskins, presided. The following were present as guests of the Society:

Mr. George R. Blanchard, Chairman of the Joint Traffic Association; Comptroller Ashbel P. Fitch; Hon. Melvil Dewey, Secretary of the Board of Regents; Mr. Francis S. Bangs, President of the State Trust Company; Mr. William H. Baldwin, Jr., President of the Long Island Railroad; Mr. James G. Cannon, President of the Credit Men's Association; the Rev. Father Sylvester Malone, and Mr. S. F. Jarvis, Jr.

The speakers were: Mr. George R. Blanchard, on "The Reinforcement of Corporate Credit"; Hon. Melvil Dewey, on "The Higher Business Education"; Mr. Francis S. Bangs, on "The Value of the Accountant to the Trust Company"; Mr. William H. Baldwin, Jr., on "The Accountant in Railroad Examinations," and Mr. James G. Cannon, on "The Relation of the Accountant to the Credit Man."

Before the diners sat down the Rev. Father Malone invoked the Divine blessing on the assemblage.

The banquet room was cozy and cheerful, and there was enough of the fraternal spirit abroad to give a decided charm and delight to the occasion. The main table was arranged in the form of a half circle, and prettily decorated with flowers and banquet candles.

After the physical part of the banquet had been sufficiently discussed, the guests and the members were introduced to the most interesting side of the occasion by President Charles W. Haskins.

GENTLEMEN OF THE SOCIETY AND OUR GUESTS :

The New York State Society of Certified Accountants extends a hearty welcome to the certified public accountants who are not in our ranks, and to the other guests who have honored us with their presence to-night. This is a young organization, having been born on the 30th day of March, 1897. Some people were unkind enough to suggest that it was a premature birth, but we have nursed our offspring carefully and with becoming solicitude, and to-day we find the Society a very active stripling indeed, and one that we believe bids fair to do much towards elevating the profession of accounting in this country, and thereby benefiting very materially the public generally.

Accountants' services are every year growing more and more important. The business community recognizes a great change since the days of Commodore Vanderbilt, who, when it was suggested that he ought to have a new system of accounting on the New York Central, replied, "Accounts be —— ; all the account I want is a bank account." But the Commodore spoke shrewdly according to his lights. In the growth and development of new countries enterprises may succeed in spite of such theories as that advanced by him, but as conditions become more steady and competition more active, economies become more necessary in order to insure success, and no business can be economically carried on without a proper system of accounting, with the safeguard of a periodical examination by an independent auditor of judgment, experience and tact.

I do not mean to say that there are not men capable of managing large enterprises who display great executive ability and a capacity for tireless watching of details, that insures economy of operation without expert assistance, but such exceptions do not limit, but rather point the need of the independent audit, which is to bring together all the figures showing the operations of the concern, so that the results may be clearly seen, and any mistakes of management or errors of judgment may be discovered.

The utility of the professional independent accountant being felt, it remained for the Legislature of the State of New York to pass the first law creating the certified public accountant, and thus place the business of accounting on a professional basis, with all that the term implies, of guaranteed integrity, skill and single-minded devotion to the interests of the client. [Applause.]

I have spoken of the accounting profession as a new one. In one sense this is true. The enactments investing it with professional rank are of recent origin, as compared with those of the law and medicine. But history, even to the remotest ages, glows with the story of the accountant's worth. Four thousand years ago Joseph, as we read in Scripture, taught business methods to Pharaoh, and got up the first "corn deal" on record. [Laughter.] He must have been a good accountant. The cuneiform inscriptions which research is daily bringing to light amid the ruins of Assyrian

civilization, show us that elaborate systems of accounting were known to the people of Babylon and Ninevah. There must have been good accountants then.

What was the Jewish government, with its tithes and the complicated machinery of collecting the same, but a vast system of accounting administered by a theocratic oligarchy? What was the Hebrew system of spiritual reward and punishment but a balancing of accounts, wherein an eye paid forfeit for an eye, a tooth for a tooth? [Applause.] Coming down to the dawn of feudalism, what was the wonderful Domesday Book of the Norman conquerors but a vast set of accounts between the king and his people? On the foundation there laid rests the whole system which William the Conqueror bequeathed to the subjugated land. But please note that while the accountant is everywhere in evidence in those early days we hear little of the lawyer and nothing of the doctor. [Laughter and applause.]

Indeed, through all ages, since the very morning of time, we have had our place, and a very high one, in the affairs of mankind. We have stood ever near the throne and altar. Our hands have guided the hands that wielded the sceptres of the world since Joseph gave Pharaoh points on the corn market. If we, too long, have failed to realize the full scope of our mission, we now propose to remedy the fault. We propose now to teach the world how valuable are the talents committed to our care. The English business community long since waked up to our call. We shall sound the bugle in this country also until the sleepers awake. [Applause.]

The Society has also a great internal work to perform. We recognize the full force of the idea of fraternity and co-operation, and it is with this also before us that we have formed the New York State Society, and propose by co-operation, by exchange of ideas, by encouragement given to each other, to assist in the development of the individuals of the profession, which is necessary to improve the standard of the profession itself.

With this assistance and help to each other, we propose to stand together, and as a body protect the interests of the profession in this State, and, by every possible and proper means, make the public understand that there is a profession established and recognized as of good standing that meets the demands imposed upon it.

The Society will attempt to keep before its members the standard as expressed by one of our contemporaries: "Lastly, but not least, may be placed those desirable qualifications of the auditor which are not acquired by careful study, but, rather, by living. Tact, caution, firmness, fairness, good temper, courage, integrity, discretion, industry, judgment, patience, clear-headedness and reliability." In short, all those qualities that go to make a good business man contribute to the making of a good accountant; while that judicious and liberal education, which is involved in the single word "culture," is most essential for all who would excel. Accountancy is a profession calling for a width and variety of knowledge to which no man has yet set the limit; the foremost accountants are not ashamed to say that, like Epaminondas, "they learn something in addition every day"; let us, therefore, see no shame in following their example.

Too much stress cannot be placed on the importance of the professional relation to the development of the accountants' full utility in the business world. The expert who is called upon to minister to the ailments of a business concern needs just as much the confidence of his client as does the lawyer who gives advice on the law, the physician

who is summoned to the sick bed, the minister who is sought for spiritual guidance by members of his flock. It is here that the value of the law is most clearly apparent.

In establishing a high standard of efficiency by examinations conducted under the supervision of the Board of Regents, the State invests the title of certified public accountants—the initials C. P. A.—with a meaning as distinct as that of counsellor-at-law or doctor of medicine. Moreover, its requirements as to character and integrity are as stringent as those that rule in the selection of members of other professions. And it is the aim of the Society, of which I have the honor to be President, to go further than this; to act as a watchdog of the treasure house whence these valuables are dispensed, to see that the unworthy are rejected, that the requirements of efficiency, character and professional spirit are maintained at the highest possible standard. As the pioneers of the new profession, we have a great and solemn duty to perform to the world, and we do not believe that we shall seek in vain the support of public opinion in our efforts in laying the foundations on so strong and firm a basis that the structure that will arise thereon will be stable and enduring to all time.

In this labor, gentlemen, we ask your helping hand. We know that the Society can accomplish nothing, unless what it does is done honestly and well. We mean to see that no effort is spared to render our work meritorious of your approval, and we confidently rely that you, our brother accountants, and you, the friends of our profession, will be the first to see and recognize whatever good we may accomplish. The benefit of our work will be yours. It is from you that we expect the encouragement of friendly counsel, the helping hand of just and discriminating advice. [Applause.]

THE PRESIDENT: We will come now, gentlemen, to the interesting part of the evening's entertainment. Unfortunately, Mayor Strong, who was to respond to the toast, "The City of New York as at Present Constituted," has been, as he writes me, with his old friend—or enemy, rather [laughter]—the gout, and so cannot be with us.

We have with us a Regent of the University, and the managing editor of one of our leading dailies. The accountant deals with facts, and his mind is so trained that imagination should be lacking. The subject of the next toast is that of a profession in which the imagination plays the leading part. I call upon Mr. Chester S. Lord to respond to the toast, "The Newspapers."

THE NEWSPAPERS, CHESTER S. LORD.

It is related of Horace Greeley that he stamped out to the desk of his managing editor one afternoon, waving the *Tribune* in one hand and the *Herald* in the other, and, with symptoms of discontent chasing themselves all over his countenance, cried: "Here is a piece of news in the *Herald* which the *Tribune* didn't have." Now it happened that the *Tribune* on that particular day had been a very brilliant number, and it

was with some confidence that the managing editor replied : " Yes, but here are seven pieces on the front page of the *Tribune* that the *Herald* nor any other paper didn't have." The great editor it is said, did not relax his countenance, but looking at the managing editor, and seeing that he was beaten, replied : " Oh, your virtue be damned ; vice is the thing that attracts attention," [Laughter] and he stamped back into his office. And how true it was. How true that the seven virtuous deeds of the managing editor had gone for naught, for his one lapse from virtue had raised a row. Vice attracts attention, it is true, when virtue seems to have no significance whatever. How true it is that a thousand honest, faithful cashiers may handle millions of dollars and never be heard of, while one defaulter will, by his dishonest actions, create endless discussions, and his name will be printed in the daily papers in four-inch type. How true it is that a thousand conscientious clergymen may, by blameless lives, attest their sincerity, and yet let one depart from decency and people will tumble over each other to learn the details. After all, the things that interest the public are not the legitimate, humdrum affairs of life, but those events which are more or less tainted with vice. I listened not long ago to the story of a locomotive engineer who rose in a revival meeting, where interest had languished, and prayed : " O Lord, the locomotive is here, the rails are straight and smooth, steam is up, the water is in the boiler, but, O Lord, give us sand." [Laughter and applause.] The newspaper editor of to-day must have sand. The vice that attracts attention must have no charm for him. He must build his structure as the mason builds his wall : brick on brick to the line, on the broad foundation of honesty, integrity and truth. He who thus builds, he is the man who spells his genius with the biggest G. He who does not, let him return his quill to the original goose, and let it be written over his grave this epitaph:

" Here lies a man who did no good,
And, if he had lived, he never would ;
Where he has gone and how he fares,
Nobody knows and nobody cares." [Applause.]

I am sorry to say, gentlemen, that this epitaph seems to apply to some of the makers of newspapers of the present day. I do not know what to say about some of the crazy quilt newspapers of to-day, which print news without regard to its legitimacy. It seems to me that if people were not so anxious to read such stuff, probably it would not be printed. People should give the offices of such papers a volley of stones, instead of encouraging them, and lending them their support and sympathy. Then newspaper virtue will get an innings, and I tell you that when it does get an innings it is going to bat home runs all over the field. [Applause.] I am not here to preach, but I do protest with all my might against some of the newspaper work of to-day, which is revolting, and irresponsible and degrading.

Have you ever thought of the good that a newspaper does in allaying excitement and contradicting false rumors? What reporter ever approached the scene of a great catastrophe and was not met with an avalanche of misrepresentations. Two trains have come together, perhaps, and people have been killed, cry the people ! But when the reporter gets to the scene and ascertains the real fact, he finds that only two have been killed and four injured. He writes that fact in his paper next day, and that false rumor is dismissed from the memory. On the night of the

great blizzard of 1888 I came across one of the young men in the *Sun* office thawing out his feet in a bucket of cold water, and I said to him: "What has happened to you?" He replied: "Some idiot started the story that three funeral processions had been snowed in at Greenwood Cemetery, and I have been all the way down there, through this storm, only to find that it was a hoax." The next day the young man had printed at a cost of seven hours tramping through the snow and two frozen feet, a paragraph which read: "The rumor that three funeral processions had been snowed-in in Greenwood Cemetery was found on investigation to be false." [Laughter.] There is a panic or flurry in Wall Street, and two banks fail, and rumor, quicker than any telephone, starts uptown with the news. By the time it reaches City Hall six banks have failed and four or five are tottering! At Fourteenth Street, ten banks have failed and all are in danger! At Twenty-third Street, all the banks have failed, the government has ceased to pay, the Stock Exchange has closed, and the militia has been called out as red ruin stares every one in the face. About that time along comes your favorite evening newspaper with the exact facts: "Two banks have failed of dry rot, and there is a run on two others." That ends the bank episode.

I repeat that the people are quite as sensational as are the newspapers. Only suspend the publication of all newspapers in New York and Brooklyn for three days and I grant you would have a wild-eyed, panic-stricken populace—panic stricken over stories they themselves had started, and which had gathered impetus with every repetition, because there were no newspapers to deny them.

Gentlemen, I am exceedingly grateful for your attention. If I have been incoherent and stammering, it is because of your very great goodness to me and your exceeding hospitality, and I apologize to you in the language of the rural editor, who wrote: "For the evils of intemperance see our inside." [Laughter and applause.]

THE PRESIDENT: They say no man is a good listener who has an empty stomach; so I hope we are all good listeners to-night.

We have, as the next speaker, a gentleman, whose energies and experience are engaged in forcing the great railroad companies to act honestly with each other. Commissioner Blanchard said in a speech in Chicago in 1893: "The greatest idea in the business world to-day is the idea of co-operation," and I am certain he comes here to-night in fulfillment of that idea. I introduce to you Mr. George R. Blanchard, Chairman of the Joint Traffic Association.

THE REINFORCEMENT OF CORPORATE INTEGRITY,

GEORGE R. BLANCHARD.

It is evident, Mr. Chairman and gentlemen, that the people believe in certified public accountants. They have enacted that each infant shall open its day book with a certified public account of the fact that he or she has come to the world to engage for a time in business; also that upon inventory he or she possesses certain valuable if not

immediately available assets, to wit—a parentage partnership for twenty-one years—a designated nationality—a defined locality of advent, and a fixed resource of sex. In this latter respect at least the law is impartial, because it encourages both the old and the new woman as well as the man to begin, to do, to hold and to issue, and God bless her, to redeem. When these items have been publicly certified to by the parents, and are attested by Registrars of Vital Statistics, the ledger of life is opened for each new little partner, and the physical, as well as book-keeping entries having then been made, heaven is credited and the earth is charged with one child duly delivered, value vast, but undetermined until appraised by events.

Then follows a farther partnership with the hereafter attested by the baptismal certificate. The child thus receives twin charters, and thereafter fixed rules are applied to him by law, by parents, by associates and by society. May I call passing notice to the fixed rules which some parents keep in the house, and insist upon applying before the delinquents have time to adjust arrears and close up.

But, Mr. Chairman, however that may be, all these acts and influences are the essentials of babyhood, boyhood, manhood, statehood and worldhood. They concern life's material interests because they involve most of its civil status. They constitute passports to earthly estates and to those beyond, to senates, wars, foreign sovereignties, and even to the presidency of this nation.

At the final extremity of existence the books must be closed, and the first charter must be surrendered for another, let us hope, in the New Jerusalem instead of in New Jersey. Again the public accountant. Again the public certificate attesting that the departed mortality is entitled through dissolution of the former partnership to receive the last great audit, wherein we crave but two words, to wit: "Well" and "Done."

If, therefore, both man's involuntary beginning of life and his no less choiceless departure from it, are proper subjects of public scrutiny and certificate, may not the intervening period, in which man is a contributory agency, having responsibilities to himself, his family, his fellows and the public conscience and his Maker, be as profitably and publicly scanned and verified, especially if we find the man or men in various callings to do it rightly? This your Society is organized to do for many of his temporal affairs, and should you proceed upon the proposition that business rectitude prevails and should be endorsed, rather than that wrong is the rule and should be denounced. The latter should be but the incident of the former, because it involves the charity of things. Your endorsement and motto will then be as old as recorded history wherein "Verily I say unto you," and "Of a verity," were the apostolic and legendary forms of voucher to ancient peoples, potentates and prelates. "This is to certify" is but its modern translation and adaptation, and means simply that one man or a body of men may benefit their kind by bearing true testimony that others known to or examined by them deserve public confidence and esteem. How many young men go forth to endeavor annually, and with honor attainments and worth, who would be longer unknown and struggle the more did not older men of established attainments and honors and more fully demonstrated public influence sign their greater names to the junior credentials?

To certify is therefore not only the accepted form of verified public accounting of the past, but it also carries public accountability into the future. Thus marriages are licensed and attested; college diplomas are issued; clearing houses thus attest great

transactions and balances ; protect monied honor, and avert mistrust, yet designate the meretricious and fraudulent. Thus mercantile agencies rate credits ; bank examiners certify solvency ; the verdicts of higher courts confirm lower ones, or give reasons why they cannot, etc. It matters not how high or how low the holder, each and every one of these verifications reinforces personal or official integrity of intent, action and results. Every election, from that of President to the humblest appointment to the civil list, as well as in corporate life, says in effect, "This is to certify," and no ruler is so exalted or honorable but that each endorsement of his Parliament, or by his most obscure subject, constitutes an added honor ; nor is there any faithful servant so humble that his services should not be recognized, fortified and rewarded with some form of authorized public certificate.

All this expresses desirable mutual and public scrutiny and security. It is testimony which the worthy should be glad to *transmit*, and it is a scrutiny to which the unworthy should be compelled to *submit*. It differentiates justly between the chaff and the grain of men.

And now, Mr. Chairman and gentlemen, I reach the topic which I was permitted to designate.

The vast resources of this country, the multiplicity of industrial avenues opened within it and rapidly developed ; their high rates of profit or interest, attracting domestic and foreign capital ; the lavishness of public charters ; the influence of corporations in procuring them, and the labors of promoters in distant home and foreign localities, where they attended upon new enterprises, all combined to render investors and organizers inattentive to exact public accounting and accountability. These conditions were also attended by diverse State laws which sought and still seek, that capital incorporate under their various methods of exemptions, taxations, individual liabilities and forms of corporate reports. Then there were diverse opinions in the courts of different States, and there governing federal decisions were few.

These conditions have greatly changed. With such rapid developments and occasional trade depressions, have come more competitions, from which have ensued reduced gains and closer economies ; maturing bonds are being refunded at much lower interest ; enterprises of "great pith and moment" are more closely and wisely investigated ; Boards of Directors are constituted of more conservative persons, and they give more attention to their trusts ; legal decisions are being harmonized, and the investor, the administrator and the day workers know more of the companies they control or for which they labor.

Mr. Chairman, our laws intend to protect rectitude. The corporations formed under them, therefore, have honest intents, or must so act if they do *not* so intend. I have general knowledge of the controllers of great American enterprises, and despite the contrary averments of the gamboge colored journals, which hue, Webster pronounces as "poisonous pigments" composed of "tersulphide of arsenic," etc., I believe no man of them purposely falsifies or misleads. Even selfishly considered, to do so would be the suicide of character ; the funeral of influence and the burial of profit. But they have higher motives.

The success and statements of trust and security companies, and the relative infrequency of defalcations, have proven that official integrity is the rule of public and

corporate administrations. These attesting companies simply endorse the fact. The prevailing tone of honor in the endorsed as well as the endorser, alike restrains departures from integrity and establishes responsibility, as do endorsed notes or certified checks.

Is there one here who believes that Cornelius Vanderbilt, with his pure character, his great gifts to education and charities, and his devotion to business, has knowingly mislead any one, lofty, or lowly?

Would you certify that Mr. Rockefeller's gifts to the Chicago University were made morally void in human esteem by the commercial conduct of the Standard Oil Company? Is it not presumable that his honorable principles govern both? Would you endorse a mere accusation that the Packer or Cornell Institutes or Vassar College represent the wise, personal benevolence of their founders and at the same time official malversation?

But, Mr. Chairman, in proportion as these great directors of commerce accumulate successfully, they may and do question those about them on points of judgment, accuracy and honor, but their answers add nothing not previously asserted from the same sources. Here your system reinforces official integrity and performs a double service.

Taking as exponent capitalists the Vanderbilts, Havemeyers, Rockefellers and Armours, of trade, and considering some public distrust of the methods and influences of their capital, there can be no doubt that the corporate statements issued over their names would command additional public confidence if, for example, the Certificates of the members of this Society of Certified Public Accountants supplemented them. They would increase their personal peace, would gratify them as endorsements of the judgment and integrity of their officers, would constitute due tributes to those officers and add to their personal and official standing and content. They would influence the laborer and his disposition of his little accumulations; they would induce a wider participation by him, and others, in great enterprises, and all those investing money cautiously would be encouraged.

The theory and practice of your Society, Mr. Chairman, were taught me when I was a boy in the office of a small railroad company, of which a sterling old Quaker was the president, and a recent graduate of a business college was made the auditor by influence. At the end of his first year the latter brought the former a statement, pictorially ruled in as many colors of ink as were procurable, and asked if it was not a beautiful and well-prepared report. The Quaker president said: "Thou knowest I am a plain man and care not for thy colored inks. While I do not doubt thee, how much money has thee left, and who says so besides thyself?"

This conveys the whole suggestion and system of endorsement, proof, verification, audit, verdict, etc., which exists in all branches of human endeavor, and which you represent. The wife who may become, or is, the widow, should know that the security of the bank of her husband's savings, the company in which his life was insured, the stocks which he held, those who administer his effects, etc., are endorsed by others as well as by the judgment of the departed one. It is due to the child who may become fatherless before his legal maturity, and to all dependent on his will.

These things are the buttresses of individual and public faith, and while the law does much in insurance, bank examinations, acts of incorporation, etc., to guard and create

personal liability, very, very much remains for you to do, and your usefulness will grow as the years do, and, as you grow in methods, confidence and utility, if you do not become inquisitorial or make the saving of one dollar cost two in expense. Whether it be railway, sugar or electrical associations, trust or security companies, Trinity or other Church parishes, Stock Exchange, Boards of Trade, life insurance companies, or banks, the prevision and revision you propose are due to the increasing number of men, women, minors, bereaved orphans, estates, beneficiaries of charities and trust funds, whose administrators ask or assent to authoritative investigation.

It is due also to the national credit, which rests not more on the maintenance of its gold standard and reserve, and prompt payments of the principal and interest of its obligations, than on the conservatism, integrity and truly exhibited conditions of the vaster volumes of general trade. The American flag would trail lower for a scandal involving the United States Treasury than for a reverse in honorable battle, and the protection of high standards of governmental and corporate honor everywhere is as vital as the personal protection of its citizens in all lands.

Looking to the growth and universality of your system, the Society you represent stands only for the State of New York. Should there not be corresponding or associate societies in each State, and are you assisting that consummation? May you not thus evolve a national society, broad, comprehensive, upright and convincing in purpose and final influence upon much of the welfare of the people, the standing of their corporate securities, the national credit, and even the stability of its currency, while the interests of investors, manufacturers and laborers under such audits can scarcely be overstated! If, for example, this body and its like in different States could certify during 1899 that all our corporations, including municipalities and States, were honorably financed, and that their status was accurately set forth by their several accountants, may we not conclude that, beginning with the twentieth century, American credit would be raised, that the value of every bond and share dependent upon associate competency would be enhanced, and that it would greatly tend to permanent public confidence and the quietude of official life. May such be the consummation. We could even enter upon the Borough system of the Greater New York with more enthusiasm, if your Society would only burrow into its accounts a little deeper, and tell us how much we do and will and ought to owe, and who *will pay it*.

Mr. Chairman, I long since learned to go for confirmation of any spoken conclusion at which I arrived, to that Wonderful Auditor of Nature, Shakespeare. As if contemplating your Society he makes Antonio say to Shylock (and note the prophetic ken of Wall Street):

“Was this inserted to make interest good,
Or is your gold and silver ewes and rams?”

He also sends you this sentence from Antonio's lips ;

“My purse, my person, my extremest means
Lie all unlocked to your occasion.”

If that was a good proposition for one merchant of Venice, may it not be adopted by any associated merchants of this newer Adriatic, who seek public confidence and loans?

I can conclude with no more appropriate tribute to your good purposes than by still using Shakespeare's words, slightly paraphrased :

“It and its worth and our great need of it,
Ye have right well conceited.”

THE PRESIDENT : The next toast is "The Accountant as an Aid to the Court," which was to have been responded to by Hon. W. W. Goodrich, but Judge Goodrich at the last moment was compelled to send his regrets owing to the fact that he had to devote to-night to some work on a very important case before him.

Therefore we come to the next toast, "Municipal Accounts," which will be responded to by Comptroller Fitch. [Applause]. Comptroller Fitch has honored this Society by recognizing it officially, and, apart from the honor which we owe to him as Comptroller of the city, we appreciate that very much. When it is contemplated to consolidate several business corporations, the first thing to do is to ascertain the financial condition of the various companies by careful examination, and then the terms of the consolidation are afterwards agreed upon. When it is proposed to consolidate great cities, they first consolidate and then try to find out where they stand financially afterwards. [Laughter.] Perhaps the Comptroller will tell us how this plan works, and who gets the best of the bargain.

MUNICIPAL ACCOUNTS, ASHBEL P. FITCH.

MR. PRESIDENT AND GENTLEMEN :

Whenever I am introduced as I just have been by you, I am reminded of what happened to a friend of mine from Kentucky, who was appointed by Mr. Cleveland during his first term, as first Comptroller of the Treasury. My friend had a great pride in his new title; it pleased him very much. On the Sunday following his appointment he attended church, and the clergyman in addressing the Deity said: "O Thou great Controller of the Universe"; and my friend from Kentucky stood up in his place and bowed. [Laughter.] I feel entirely at home among you to-night, because I have already met many of the certified public accountants, and many of them have coöperated with me in the discharge of the duties of my department. When the Legislature threw our cities and towns and villages and counties together in the promiscuous manner in which we find them now, I at once asked the Legislature to allow me to appoint a few certified public accountants for the purpose of investigating the things to which your President has alluded.

I was thereupon waited upon by several certified public accountants, and I received a few letters from other certified public accountants and some of their friends in regard to their appointments [laughter]. As I had about twenty places to fill and between nine hundred and a thousand applications, it seemed to me that the best thing I could do was to appeal to your Society to help me out, and so I got some gentlemen named by your organization, and I refused to appoint any man to whom the

Society objected. It is true, as your President has stated, that I have recognized this Society, because I saw in it the beginning of a new profession useful to everybody in office, useful to my own profession of the law, useful to trade and commerce, and it seemed to me that that was a chance to recognize this organization officially. And I want to say to you, gentlemen, that I do not believe any better public service has been done, I don't know of any movement of greater public service, any which will result in affording more safety to society, than the organization of this profession into this society for mutual support and co-operation. It is to commerce what the Bar Association is to law, and the Medical Society is to medicine. [Applause.]

My toast is "Municipal Accounts." I do not care to speak about those of which I have had charge. I hope that they may speak for themselves, and tell an honest and straight story to any one who may study them. When I happened to serve in Congress I had something to do with the municipal accounts of the City of Washington, which is governed very well and in a very curious manner. There is one Commissioner who is a Republican and one who is a Democrat, and one who is an officer in the army, and the last fellow you can bet on all the time. Then I have had something to do with the municipal accounts of Owls Head, up in the Adirondacks, where I live in the summer, and where we have thirty-five voters, and I can assure you those accounts are all right. The old municipal accounts of the City of New York make a most interesting study. I should advise the younger members of this profession to make a study of the first ledger of New York, which was opened in the year 1691. It is legible, clear and well conducted, and gives evidence of the same honest administration of accounts that has characterized the office of Comptroller from that time to this. The books in this department may not always have been conducted according to the most modern ideas of accounting, but in the main they have been honestly kept. No moneys have been paid that were not due. Don't make any mistake about it; for, though the accounts can be much better kept than perhaps they have been always, yet they have been honestly kept. I hope in the future that the advice of certified Public Accountants will be sought in carrying out the affairs of the department, as to the most modern way as to keeping the books, with the same freedom that professional advice is solicited when bridges are to be built, when electric light contracts are to be made, and when new pavements are to be laid.

I am sorry that the Mayor is not here to speak for the City of New York. It is not in my toast, I know, but I just want to say to you while I am on my feet that New York is a city to be proud of. If you want to find out what you think of it yourself, go home and propose to the lady that owns you that you and she go to live in Omaha or Chicago. [Laughter.] If you want to know what you think of it sentimentally, go abroad for a little while, and on your return get out on the deck of the steamer as you come up the bay, and see what feelings you will have. We may criticise New York at times, and be disagreeable about it, but, after all, it is not the worst place in the world to live. Now the city has chosen new rulers—chosen them honestly. Let us strive to make the new administration a success in every way. I wish my successor, Mr. Color, all the good luck possible. I believe he is an honest man, and that he will try to do the best he can in the office. [Applause.] And Van Wyck, whether we voted for him or not, let us give him our earnest support to the fullest extent. We

want to give all the new officials our helpful sympathy and kindly support, just as though we had been with them in the recent campaign. They will have criticism enough, anyhow, and bear in mind that we do not want to believe one-quarter of what the newspapers say of them, but let us stand by them and give them our support as long as they deserve it, and no longer. [Applause.]

THE PRESIDENT: I am sorry the Comptroller-elect is not here to hear the words of Mr. Fitch. I am sure he would have been pleased.

We are gratefully appreciative of the efforts of the Board of Regents to aid us in establishing our profession on a higher plane. No one has worked more zealously for us, and with the energy that characterized all his noble efforts for the cause of education in this State, than the esteemed Secretary of the Board. We are delighted to have the opportunity of extending to him our hearty thanks and loyal support. I introduce to you the Hon. Melvil Dewey.

HIGHER BUSINESS EDUCATION,

MELVIL DEWEY.

I said to your President when he asked me to speak this evening that if I came I should probably speak on the subjects nearest my heart, though perhaps not interesting you so much. I am like the old Baptist minister who every Sunday preached about the importance of immersion. This tried the deacons so much that finally a wager was made that it would be impossible to give him a text that would prevent him from getting on to his favorite theme. So the arrangement was made, and one of the deacons handed the minister the text, "Nine and twenty knives"—Ezra I, 9, for baptismal use—and the preacher rose and said:

"Brethren, I cannot understand why they should want nine and twenty knives unless it was to cut the ice"—and then he went on with the same old sermon on immersion. [Laughter.] It is the same with my topic. Whatever it may be, it leads me to speak of the thing of which I am most full. If you uncork a bottle that is under pressure you know what is coming. Perhaps you may not have heard of the stuttering man who was haled into court by a policeman for some misdemeanor, and he was so excited or awed by the dignity of the Court that when the magistrate asked his name and why he was there, he could only ejaculate—"St! St! S-Shist! St! S—" until the judge became impatient and said to the officer: "Officer, what is this man charged with?" And the officer replied: "I think he is charged with soda water." [Laughter.] It is the same way with me. I am charged with the subject of higher business education, and I bring you a message to-day that I hope will interest you because I do not know of any body of men who should naturally be so much interested in this as you. There has been an old fashion in colleges for many generations of making a distinction of two classes of men, of sheep and goats, the men who were going to

enter the professions and the men who were going into business—an implication that in some way a business calling was on a lower plane than the professional calling. It is an echo of that notion which exists in England, where they speak of the shop-keeper and the artisan, and put in the category of the shop-keeper every man who has to do with business. And the business man retaliates on the college by his contempt for some of its training.

Now, I want to point out to you that these interests that have been so antagonistic ought to be in entire harmony.

This is distinctly the age of the business man. Never before has he been so influential in every walk of life. It is also true that this is distinctly the age of the professional and technical school. The whole civilized world has accepted the doctrine that a good elementary education is the birthright of every child. Following this universal conception is another, less wide but rapidly growing, that it pays the State as well as the individual to give to all something at least of the higher as well as an elementary general education. But still more rapid is the growth of the conviction that systematic instruction in a school is much the cheapest and much the best way to give to the rising generation the result of the experience of their predecessors, and that skill, both manual and mental, without which no individual or people can attain or maintain leadership among their peers.

Curiously, in the age of the business man and in the age of the special training school, one of the very first interests of life has lagged far behind in the provision made for professional education. The man of affairs who handles these great problems most successfully must have the wisdom of the statesman, the precise knowledge of the student or scientist, and the courage and strategic ability of a great general. For business education on this plane there has been thus far almost no provision. The so-called business college is in most cases merely a privately conducted trade school for clerks, teaching stenography, typewriting and bookkeeping, and sometimes a few other branches. The best of these schools deserve great credit for the work they have accomplished without endowments and without support from the public treasury. Their managers know how thoroughly I sympathize with what they have accomplished, and how glad I am to help them to grow to larger and better things. But to-day the man who chooses business for his career, and has time and means for a thorough education, may have the general training of the college, but at its close, in his manhood, must begin at the bottom of the ladder and fight his way up through his apprenticeship system, and be denied the practical advantages given to his classmate who has chosen law, medicine, divinity, engineering, music, art, teaching, librarianship, or a score of other subjects for which professional schools are now provided.

This is not a matter of theory or of sentiment, but of practical concern for to-day. I recently saw in a single daily newspaper four different items each relating to a different nation, and showing that thoughtful men were there bending every energy to preparation for the commercial struggle in which all recognize America as chief antagonist.

At first education was for the priests, and was a matter chiefly concerned with religion; then the training of the boy regarded little but his equipment for war and the soldier was dominant. But the greatest battles before us are to be fought with the weapons of commerce and industry, and it is as great folly for us to enter the conflict

without preparing our young men with the highest possible special training as it would be for us to close West Point and Annapolis if we looked forward to a large increase of army and navy in preparation for physical warfare. Other countries are learning this lesson faster than we, with all our boasted acuteness and ability to devise and utilize labor-saving machinery and improved methods. Germany, with her commercial high schools and the business training given so widely, has educated a generation of young men who have aroused England by the frequency with which they have crowded out the English boy in his own metropolis, because, with equal native ability, he lacked the technical training which brought success, and practical success is the commodity for which the business corporations pay and on which they condition their appointments and salaries.

I believe, with all my heart, in the thorough general education as a basis for all professional work, but from a life devoted to higher education, I come to you with the conviction that nothing will do more to help our present schools and colleges than the establishment and maintenance in the highest degree of efficiency of schools of commerce, not alone of college or university grade, but also for those who cannot command the time or money for the fuller general education as a basis. Such schools will create a new enthusiasm for education among a class who have for generations laid too little stress upon it. The *esprit de corps* created will lead to constant demands for higher standards, and we shall repeat the experience of law and medicine. These schools, in their recent improvement have demanded more for admission. They recognize that good grain is the essential preliminary to a good grist, and in their insistence on better training in their students, they have done a great service to the high schools and academies of the State. Since the new laws went into effect, our records in the university show that there has been a three-fold increase in this State of boys and girls who have remained in the high school long enough to complete a course equivalent to the graduation standard of six years ago. The betterment of the professional business school in its various grades will, therefore, I am sure, bring to the academies and colleges and universities, not a rival, but a strong ally. Other countries have realized the necessity of this special training in the past, and are realizing it to-day more keenly than ever before. If America is to retain her leadership, she must not fall behind her rivals in a matter so vital as the professional training of her great captains of commerce. [Applause.]

When it was remarked to one of the wisest statesmen of France that the German victory at Sedan was due to the German needle gun, he replied: "No, it was not due to the German needle gun, nor to the soldier who held the German needle gun, nor yet to the schoolmaster who made the German soldier, but it was due to the German University that made the German schoolmaster." [Applause.]

THE PRESIDENT: Trust companies have developed wonderfully in the past few years, and have filled a most important and useful place in the financial world. I introduce to you a gentleman, president of one of our leading trust companies, who has contributed very much towards

this development and usefulness—Mr Francis S. Bangs, who will speak on the subject of the value of the accountant to the trust companies. [Applause.]

THE VALUE OF THE ACCOUNTANT TO THE TRUST COMPANY.

FRANCIS S. BANGS.

MR. PRESIDENT AND GENTLEMEN :

In providing me with a cordial invitation and a good dinner you have afforded me a very proper basis for estimating the true value of the accountant to the trust company. When the Chairman of your committee called upon me with the request that I should speak of the value of the accountant to the bank, I had visions of looking out of my Pine Street window to-morrow morning and seeing the Certified Public Accountants going down to the Fourth National, and on my authority, asking Mr. Cannon what they could do for him [Laughter.] But on arriving here to-night I find that the subject has been altered and the procession is about to turn into my house. Fortunately for me, however, the gentleman who gave me the invitation told me that I was limited to three minutes. It is impossible for me to tell you in three minutes the value of the accountant to the trust company. I should be laboring with a difficulty something like that encountered by Mr. Keely when his motor refused to work because he could not find a safe reservoir for an irresistible force.

There are things that you can do for the trust companies. You can keep our depositors straight. Almost simultaneously with the receipt of this invitation I received a circular from a lady who advertised herself as an accountant, and offered her services to the wives of gentlemen in the business community. When I looked at the circular with some interest, to see the special lines of her service, the first item that greeted my gratified eye was: "Check-books balanced" [Laughter]. Now, the trust company or the bank can balance your pass-book, but I have come to the conclusion that what the depositor needs most of all is to have his check-book balanced. It is a good thing to have your check-book balanced, so that you may know yourself how much you have got left. There are many who do not know that. There are some women who do not know that [Laughter]. Somehow or other our money slips away from us, and in the end an accountant is called in, like a coroner, to tell what killed us. We need that information a little sooner, so that we can guard ourselves, perhaps against the extravagance of the times. It is the unseen, the unfelt extravagance that runs away with our means. We do not know how it gets at us. It is insidious. For instance, my friend here, Mr. Dennis, is authority for the statement that in this magnificent palace in which we are dining, they charge corkage against the nursing child [Laughter]. I tell you, gentlemen, you need to watch your daily expenses; and when you have learned how to watch them, whether you are called into the household to balance check-books, into the trust company to watch the president, into the railroad office to watch its profits, or into a bank to watch those who are supposed to keep only its books,—find out how much it costs them all to live [Applause].

THE PRESIDENT : The accountant is always showing, as he thinks, conclusive reasons why railroads should have auditors appointed periodically by the stockholders, but these examinations are as much a protection to the officers in charge as they are to the owners of the road ; and we are honored by the presence to-night of the President of the Long Island Railroad Company, who will speak to us about the accountant in railroad examinations. [Applause.]

THE ACCOUNTANT IN RAILROAD EXAMINATIONS.

WILLIAM H. BALDWIN, Jr.

MR. PRESIDENT AND GENTLEMEN :

When I was invited by your Secretary to come here this evening and respond to this toast I did not hesitate a moment. I said that I would come. I did not come because I thought I could make a speech, or because I am a member of the Association of Certified Public Speakers—which I hope will be organized sometime—but I came because I wanted to express to you my sincere interest in the line of work which you represent. Some years ago, when I did not know anything about the railroad business, I belonged to a little economic club out in Omaha, where some of our friends here don't want to live [Laughter], and it became my turn to write a paper on the subject of railroads. Not knowing anything about it I was able to do it. But at the present time I should hesitate, and I should turn over the commission to Mr. Blanchard. In that paper I made two points that I am reminded of as I sit here, and I must say that I have never yet found any reason to change them. The first was, that I did not believe in the capitalization of any public franchise. [Applause.] I repeat it, and I shall not attempt here to discuss it because it is too large a subject, though if anybody wants to talk to me about that, why, I am loaded. I come to the second point, and that you are interested in, and that was that I thought the interest of the public, the interest of the stockholders of public corporations, and especially common carriers, demanded that there should be some system of public accounting. I was living in a section of the country where railroads had been built very rapidly ; where capital had been invited, without adequate laws, without wise regulation, and under the most extreme conditions, to be invested in railroads. Towns, counties, states had mortgaged themselves to bring the railroads there. Capital came forward freely, the railroads had been built, and those who put their money into them are not to be criticised now, because they had a perfect right to capitalize their franchise in view of the conditions as they existed. But I was living there at a time when they were beginning to reap the whirlwind they had sown. The overcapitalization of the roads had brought about a political condition, a condition of criticism on the part of the public, which resulted, only two years ago, during our presidential campaign, in the great public political criticism of corporations ; and I saw that the principal elements that entered into that criticism, which I think was very

largely just, were the facts that public corporations, and especially common carriers, had been so much over-capitalized, and rates had been based on such a high plane because of that capitalization, and that the public did not know what the railroads were doing,—what their accounts were. Now then, how are we going to prevent that condition. If an investor knows just what a railroad is doing, if he knows that so much money has been put into railroad construction for its construction and improvement, do you suppose the public is not always ready and willing that the people who have put their money into that corporation are to receive fair returns on their actual investments? I believe in the public every time, and I feel assured that if they know the truth they will always respond to any legitimate demand. When they criticise a corporation, it is when a corporation hides its figures. It is said that Mr. Vanderbilt remarked "The public be damned." Mr. Vanderbilt never said that. What he said was, "Uninformed public opinion be damned." In all great enterprises where the public do not know the whole truth and venture to pass an opinion on something they know nothing about, their opinion should be damned. The true way to start any great reform is to see that the public are fully posted about it before you begin, and if you are in trouble let the public know the whole truth and they will support you. Everywhere we turn we find some lack of faith in the statements of public corporations, and it is only by employing such a system as is presented by the Certified Public Accountants that the truth can be ascertained. [Applause.] I go one step further. I believe that the auditor of a railroad company should be appointed by the Board of Directors of the road, and not by the President or any one official. [Applause.] He is then free to act independently and to the best interests of the company he is serving, and he is not hampered by the feeling that he is dependent upon this or that official for his bread and butter.

I thank you very much for the pleasure I have had in being here to-night. I am in hearty accord with your work. The only criticism I have to make is that this State had not reached this point of civilization years ago. An advance has been made in other directions. The length of study has been increased from three to four years in various colleges, and statistics show that there has been a distinct advance made all along the line. Higher education is the aim to-day.

I thank you again, and I assure you that I am in accord with you, and that you will always know where to put your finger on me. I shall always employ Certified Public Accountants. [Applause.]

THE PRESIDENT: We have with us to-night Mr. James G. Cannon, the Vice-President of one of the largest banks in the country and the President of the National Credit Men's Association. They say credit is a false friend that only stays with you until you are in trouble. It is, therefore, so much the more necessary that credit should not be given in a greater degree than is deserved. I take pleasure in introducing to you Mr. James G. Cannon. [Applause.]

THE RELATION OF THE ACCOUNTANT TO THE CREDIT MAN.

JAMES G. CANNON.

MR. PRESIDENT AND GENTLEMEN :

Permit me to tender you my thanks for the courtesy you have shown me by inviting me to participate in the festivities incident to this interesting occasion, and to assure you that I not only appreciate your kindness, but have thoroughly enjoyed your generous hospitality and genial good fellowship.

Your association, though young in years, has adopted, to my mind, a very commendable plan in meeting once a year in this social way for the purpose of exchanging ideas, comparing notes, and cultivating a closer fellowship one with another. As a general rule we are apt to be too jealous of each other, and sometimes we seem to fear that by comparing notes we may disclose some of our business secrets, but experience has led me to believe that the closer men in any special line get together, the more effective will be their work and the greater will be their usefulness to the general public. [Applause.]

This was very clearly demonstrated among the banks during the great panics that have swept over the country during the past few years, when the Clearing House banks of this city stood shoulder to shoulder, not only for self protection, but for the welfare of the financial interests of the whole country. As a result of these experiences, there has developed in the banking fraternity of this city a closer and more intimate relationship, which can only be conducive to the greater good of all. For this reason I am an earnest advocate of conferences of allied business men, where they can converse on topics of mutual interest, and formulate plans for their common good, thus increasing their influence in their special line of business. Business cannot be conducted on the same lines and in the same manner as it was twenty, or even ten years ago. The percentage of profit is smaller; the whole system of commercial life has been revolutionized; consequently, if we are to keep pace with the times, we should be on the alert to adopt the most modern methods for the transaction of our business. [Applause.]

I appear before you this evening as the representative of the National Association of Credit Men, which, during the two years of its existence, has done much to foster correct business principles, and to bring to the attention of the general public a clearer understanding of the whole question of credit! We have twenty-two hundred members throughout the United States and fifteen local associations, which are established in the large business centers. The credit man is often brought in contact with the expert accountant, and for that reason I suppose your committee assigned me to the topic: "The Relation of the Accountant to the Credit Man."

Those who are familiar with the course of events must recognize the fact that the work of the world is resolving itself into special departments. This is true of every branch of industry, not excepting book-keeping. Time was when, under this heading, everything pertaining to entries in books was included, but we have come to recognize the difference between the mechanism and the art—between the skill of properly recording and balancing and the science of technical examination and development. Book-keeping is still the name of the one, but accountancy is the title of the other.

The one is almost as old as commerce, with new ideas constantly finding adoption, but the other is a new profession, as yet but in its infancy. What its future shall be depends very largely upon the care with which its development is surrounded.

Unskilled, unfitted and irresponsible accountants will jeopardize the possible height of attainment and usefulness which your profession can realize. The accuracy of your skill, the character of your motives and the fidelity of your conclusions will determine the respect in which your work will be held in the public estimation that will be accorded your labors. Quack accountants should, like quack physicians, be debarred from practice by the severity of restrictive rules and regulations. What shall be the measure of your usefulness or the general demand for the application of your skill is a question that depends upon yourselves for the answer. When your profession has attained its fullest perfection, and your conclusions have been definitely adopted, will it not be practically impossible for a merchant to become overstocked with goods? Will not supply be more closely regulated by demand? Will not the perfection of a proper system of accounting act as a true barometer or a safety valve to every business house using such plans? A proper set of books for each line of business, coupled with intelligence and integrity of management, will, to a large extent, guide any enterprise past shoals and hidden dangers. [Applause.] To my mind every business enterprise of magnitude and prominence should employ a skilled accountant whose sole province should be to establish and maintain a system of book-keeping that cannot be manipulated, and that will at all times give to its managers a true and correct showing of its condition. [Applause.]

I assign to accountancy a still further mission than this, for I anticipate the day will come when every city, county, town and school district in this State, and, in fact, throughout the United States, will be compelled by law to have its books examined annually by certified public accountants, to have its statements bear the verification of such officials and published as a matter of public record. It seems to me that large sums could be saved annually to this commonwealth by such a system of accounting, and it behooves this Society to bring this subject before our law-makers at the next session of the Legislature. [Applause.] The men who are elected as Treasurers of our cities, counties, towns and school districts are generally men with but a slight knowledge of book-keeping, and, while they are by no means dishonest, a careful system should be devised and maintained whereby their accounts may be properly audited by certified public accountants each year. [Applause.] I commend this suggestion to your earnest consideration.

Let us now enlarge upon this thought and make its application to credit conditions. Credit in its broader and truer sense is the confidence which one man has in the responsibility of another, whether it be for the entrusting of money as an investment, or the sale of goods for profit, with the provision of future payment. We may well ask what establishes that confidence in another man's financial responsibility? It is not hearsay evidence that he is worth so much, nor is it our knowledge that he appears to live within his means. These have so often played us false that we have finally come to regard a statement of resources and liabilities, the truthfulness of which has been verified, as the only proper basis for credit. This must always be predicated upon an annual inventory. An annual inventory, therefore, is an absolute necessity of business. I readily

admit that there are two ways of taking an inventory. One is the method that discloses only the amount of stock on hand supplemented with stereotyped facts, while the other is a system that reveals every little discrepancy, every unnecessary expenditure, every intricate loss and every petty extravagance. What is the difference between the two, save the distinction between the skill of the book-keeper and that of the accountant? I believe the day is coming when the value of an accurate inventory to the merchant will be so fully realized that he will find it to his financial advantage to have his condition audited by outside experts. By this very development it is possible to see how new systems will be introduced, new ideas conceived and new facts established that will result in economy of management, safety of record and minuteness of knowledge.

As the details of business are more closely studied and better understood, and the possibilities of development more clearly indicated, the work and responsibility of the credit man will be greatly reduced. To-day the woes of the credit man are magnified because it is impossible to induce some merchants to keep any books whatever. The reason is because they have not been brought to realize the value and pecuniary benefit to be derived therefrom, and because they do not understand how to keep a proper record of their affairs. The first can only be overcome by education; the latter by devising a system so simple that any man can understand it, yet so thorough as to disclose the exact condition of his business at any time. This latter field is for you, as accountants, to occupy, and in the fulfillment of this obligation will be found the true relation between your profession and that of the credit man. No two businesses are alike in every feature, but certain classes of enterprise are so similar along general lines as to make practicable a uniformity in book-keeping and accountancy. There is an ideal system yet to be established for each particular trade, and the development of accountancy may be trusted to evolve that plan which is best adapted to each peculiar need. Solve for us the easiest and best method of book-keeping for the average country merchant, that shall by its very simplicity and accuracy command adoption, and you will have fulfilled a very important obligation.

Credit should not be extended without an intimate knowledge of the debtor's financial condition, and this can never be accurately ascertained unless there is in use a proper and efficient method of book-keeping. The credit man must encourage the practice of statement giving; the accountant must develop the system of books. The credit man can analyze a statement and show defects; the accountant must evolve the method that will of itself give the fullest details.

If statements and inventories are necessary adjuncts of business, which command the scrutiny and criticism of the expert credit man, it is for you, as accountants, to magnify the importance of the facts by evolving the perfection of the detailed system. The relation between the accountant and the credit man is indeed intimate and important; we are both working for better methods, and seeking to elevate the general condition and mechanism of business. [Applause.]

THE PRESIDENT: Gentlemen, we have with us to-night one of the Regents of the University of the State of New York, whose presence I am sure we all appreciate very much, and I would ask Father Malone to say a few words to us. [Applause.]

ADDRESS, REV. SYLVESTER MALONE.

GENTLEMEN :

I have learned a great deal from the disquisitions I have heard here to-night, and I am particularly honored because your President, who invited me to come here, and whose friendship and acquaintance I formed, I may say, long, long ago, because of the long-standing affection that has existed between myself and his uncle, the Episcopal minister of my neighborhood in Brooklyn, Dr. Haskins. We have been for fifty years living on the most intimate terms—he an Episcopal minister and I a Catholic priest. [Applause.] When I first made the acquaintance of your President I was immediately attached to him because of this relationship between his uncle and myself, and when the project was mooted that Examiners be appointed to undertake the management of this law creating certified public accountants it occurred to me that your worthy President should be one of those Examiners, and I had the honor of presenting his name to the Regents, and it was accepted. [Applause.]

I think the result has shown that he is eminently qualified for the place. We, the Regents, are delighted to recognize you, and we see in your organization a great help to the Regents in all the movements in which they are engaged. The Regents of the University of the State of New York are doing a great work. We have given tone to the entire educational system, and we are striving to bring it up to a standard that has not been excelled by the nations of the old world, even with their great advantages of old universities. England owes her greatness to her great universities. You will pardon me if I say that they were originally Catholic universities. They fell into the hands of the English people, and they have kept them in the spirit in which they were started. The libraries are full of Catholic books, and those books had a wonderful influence upon such men as Newman and Manning, when they were students. The higher education has given the English nation a class of intelligence, men of worth in every department, men to govern and to rule with loyalty to their native country. The country could trust them ; could trust their intelligence and efficiency. Now, we are coming up toward that standard, and with the efficient assistance given by the Regents of the State of New York to higher education, in a very short time this nation will be second to none in that respect. [Applause.]

Gentlemen, with these few observations, allow me to thank you for your kindness. Although you are strangers to me, and I am a stranger to you, I feel a pride in being here and in knowing that you have so great and important a matter in your charge. [Applause.]

THE PRESIDENT : Father Malone is not a stranger to any one. We all know him, and we all love him.

Gentlemen, we thank you for your kind attention to-night, and we will now bring the dinner to a close by asking Father Malone to pronounce the benediction.

FATHER MALONE : The blessing of God, the Father, Son and Holy Ghost descend upon you and upon us all, *Amen*.

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Francis Gottsberger,
Henry Harney,
Joseph Hardcastle,
Charles W. Haskins,
Thomas R. Horley,
John Hourigan,
William B. Jaudon,
James Nicholas Kelly,
Nelson V. Ketchum,
Richard Lewis,
Richard Turner Lingley,
John Rice Loomis,
Charles S. Ludlam,
Farquhar J. MacRae,
John H. McClement,
Andrew B. Martin,
Clarence A. Martin,
John C. Marin,

Charles J. Mercer,
Andrew S. Patterson,
John Penny,
Theodore Pentlarge,
Charles Palmer Robinson,
Thomas P. Ryan,
Sidney Eugene Sargent,
Edward Self,
Elijah Watt Sells,
James Alex. Shankland,
John R. Sparrow,
Charles Ezra Sprague,
Frank Irving Stott,
Sylvester E. Strickland,
Edward L. Suffern,
Daniel Camp Tate,
Samuel M. Taylor,
Arthur W. Teele,
Haynes W. Warren,
John W. Whitehead.