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Some Evils of Competition

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American Association of Public Accountants

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Some Evils of Competition

BULLETIN NO. II

Edited by
A. P. Richardson, Secretary
The American Association of
Public Accountants

55 Liberty Street - - New York

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THE AMERICAN ASSOCIATION OF
PUBLIC ACCOUNTANTS

If it be true that competition is the life of trade it is no less true that competition is the death of a profession. Introduce into any profession the element of personal rivalry and you instantly place it upon a commercial basis and deprive it of its professional status.

It has been held by federal and state authorities that the practice of public accounting is a learned profession. Public accountants insist that their vocation cannot be a trade. Its value to the mercantile world ceases when its professional quality is removed. No man can be a public accountant of the right kind unless he has prepared himself by years of study and experience in practice quite as trying as the preparation which we demand of a physician, a surgeon or a lawyer.

The business man employs the public accountant in an advisory capacity to which he would not invite any tradesman. The public accountant places his services at the disposal of the community exactly as do the practitioners of other professions.

And yet the business man in far too many ways encourages the unprofessional accountant and seeks to commercialize the very man upon whose freedom from commercial interests he must depend.

Every manufacturer, merchant, corporation, firm, co-partnership which places accounting on a competitive basis is robbing itself, robbing the public, checking the development of a profession which is vitally necessary to the progress of modern business and commercial integrity. Every accountant who consents to bid for work is guilty of assenting to the wrong.

Business men should remember that a bid for accounting work is not like a bid for specific articles of merchandise. Your merchant sells goods which cost him exactly so much and on which he expects exactly such a profit. Your accountant proffers himself, his brain, his experience, his impartiality. How much of his time and effort will be required no man can foresee.

And if the foresight be not superhuman no man can honestly bid a fixed sum. The most he can do or should be asked to do is to specify a price for a day's work. The number of days is not to be determined in advance. If your accountant cannot be trusted to do the work in the least time compatible with efficiency he is not the accountant to whom you wish to bare the details of your business.

When an accountant bids for work and states a fixed sum as the total price of his services one of two things must happen :

First: He will underbid and then your work will not be completely done if the auditor be dishonest; or he will fulfill his contract at a loss to himself, if he be scrupulous. The accountant who bids is not always scrupulous.

Second: He will overbid—and you lose.

The chances of an accurate forecast of work are remote.

Business men may increase the value of accounting service by stimulating the professional growth. It will be good policy and good citizenship.

Choose your public accountant for what he is—not for what his service costs.

The cheapest accountant is generally the most expensive to the buyer.

The far reaching importance of this subject is brought earnestly to your attention by the American Association of Public Accountants—the national organization of the profession in the United States—and by the society of certified public accountants of this state which is a constituent member of the national body.

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