

3-1938

Correspondence: Percentage Depletion; Students' Department; Competitive Bidding

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Recommended Citation

Hoban, Leo J.; Wilcox, W. H.; Schultz, Alfred A.; Spears, Mack C.; Belch, G. J. Jr.; Lipscomb, P. D.; Shields, J. H.; Ley, Frank G.; and Brelsford, J. K. (1938) "Correspondence: Percentage Depletion; Students' Department; Competitive Bidding," *Journal of Accountancy*. Vol. 65: Iss. 3, Article 8.
Available at: <https://egrove.olemiss.edu/jofa/vol65/iss3/8>

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Correspondence: Percentage Depletion; Students' Department; Competitive Bidding

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Correspondence

PERCENTAGE DEPLETION

Editor, THE JOURNAL OF ACCOUNTANCY:

DEAR SIR: I was interested to read the letter of George J. Strong on page 61 of your January issue and your editorial on page 8 of the same issue, and I have again read the editorial in your October number, to which Mr. Strong took exception.

It is not my intention to discuss the merits of percentage depletion, the case for which is so well stated in the last paragraph of your October editorial. If, however, Mr. Strong would like to have a more detailed knowledge of this subject, I refer him to a speech made by the Hon. Wesley E. Disney, member of Congress from Oklahoma, published in the January issue of the *Mining Congress Journal*, and in which, on pages 40, 41, and 42, the subject is discussed at some length.

I am, however, surprised at the second to the last paragraph of Mr. Strong's letter, as follows:

"It is strange to find the organ of a profession arguing in favor of a special privilege granted to those who are exploiting and gradually exhausting the natural resources of the country for private gain, when no similar relief is given to those whose income is derived from the exploitation and gradual exhaustion of their own natural abilities and life."

Is it possible that Mr. Strong has overlooked the "special privilege" extended to individuals in the shape of the earned-income exemption, the exemption of \$2,500 of income of a married man, and \$1,000 of income of an unmarried individual? Is it possible that he, in referring to "special privilege," is not aware of the fact that not all taxpayers are taxed on the same basis, but that special situations have been considered to necessitate special treatment—for instance, the failure to tax banks and insurance companies with the undistributed-profits tax, the treatment of partnership income in a different manner than the treatment of corporations' income, the taxing of closely held corporations on a different basis than that of ordinary corporations, and others too numerous to mention?

Yours truly,

LEO J. HOBAN

Wallace, Idaho

Correspondence

STUDENTS' DEPARTMENT

Editor, THE JOURNAL OF ACCOUNTANCY:

DEAR SIR: I was genuinely glad to note in the December issue your intention to resume the Students' Department. I was one of the accountants who intended to write you about it, but did not. Doubtless there were many others. . . .

I have been a regular reader of THE JOURNAL for more than two years, and have most of the issues.

Yours truly,
Houston, Texas W. H. WILCOX

I was greatly pleased when I received the December issue of THE JOURNAL OF ACCOUNTANCY to note that you have restored the Students' Department. I congratulate you and assure you that I will find THE JOURNAL more interesting, because as a student of accounting I always give this department close attention.

Yours truly,
Houston, Texas ALFRED A. SCHULTZ

No doubt your return to the former policy of including the questions and the Students' Department will do much to maintain the high standard and the number of subscribers. . . . I want to congratulate you upon the straightforward admission concerning the change of policy. Why not pass the policy on to Washington?

Yours truly,
Kansas City, Mo. MACK C. SPEARS

It is with great satisfaction that I note the continuance of the Students' Department with the January, 1938, issue.

This department is appreciated and should always appear in THE JOURNAL.

Yours truly,
Los Angeles, Calif. G. J. BLECH, JR.

I was glad to note in your editorial in the December issue of THE JOURNAL OF ACCOUNTANCY that the Students' Department is to be continued. I come in contact with many students of accountancy daily and I know that nearly all of these students were looking forward to the Students' Department each month. The department has proved invaluable in instruction work. . . .

Yours truly,
Chicago, Ill. P. D. LIPSCOMB

Correspondence

Hays City: Clerk, treasurer, police judge, firemen's relief fund, public library 1-1-35 to 4-30-37 (cost also includes assistance in preparing city budget)	\$600.00
Olathe City: Clerk, treasurer, 1-1-36 to 6-30-37	287.50
St. Francis City: Clerk, treasurer, police judge, 1-1-36 to 6-30-37	150.00
Larned Board of Education: Clerk, treasurer, 7-1-31 to 6-30-37	585.00
Minneapolis Board of Education: Treasurer, clerk, 7-1-35 to 6-30-37	150.00
Olathe Board of Education: Clerk, treasurer, 7-1-36 to 6-30-37	175.00
Ottawa Board of Education: Treasurer, clerk, 7-1-36 to 6-30-37	150.00

It would be my judgment that \$750 at proper rates would only cover the compiling of the figures on the books into the statements provided by the *Minimum Standard Audit Program* prescribed by the state accountant and approved by the State Municipal Accounting Board. Perhaps there could also be included a review of the office procedure and system of internal check, together with the recommendations provided for in the *Program*, but certainly it would be my judgment that this fee would not compensate for any of the detail of auditing provided as minimum procedure.

It is the writer's judgment that the law causing audits to be made of Kansas municipalities is all right, but that many accountants have entered the field who are not responsible in any way, have no permanence, and have no reputation to maintain.

Yours truly,

Topeka, Kansas

J. K. BRELSFORD