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Editorial

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Hands Across the Atlantic

It is always pleasing to be praised by a contemporary, and especially by one who claims for his people the initiative in any profession or material endeavor. So, therefore, when one reads laudatory observations, as in *The Incorporated Accountants' Journal*, of London, on the big results accomplished by the American Association of Public Accountants, based on the *Year Book* showing for 1913, it seems doubly gratifying. The publication named, dealing with accountancy as a learned profession, says that it is "well sometimes to extend one's outlook beyond the British isles," and that while the home society "possesses influential committees in the great dominions, * * * the outlook can be extended further, to other countries not owing allegiance to the British flag, * * * the principal of these, from the point of view of its importance in the world of commerce, being the United States."

The British accountancy publication referred to generously and in broad spirit devotes three columns of its space to a comprehensive article on the development of the American Association as shown by its *Year Book*, quoting liberally from expressions of association members and officials as to the fundamental

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value of economics as the basis of education in accountancy compared with years of practical training and theoretical preparation to make applicants qualified for acceptancy in the profession.

The article in question finds it particularly "interesting" to compare most favorably to the former, the work of a "committee of professional accountants in a younger country" (referring to the part taken by the American Association through its legislative committee with reference to the income tax bill) with that of a committee "generally representative of the profession in the United Kingdom, such as the income tax committee of the Association of Chambers of Commerce."

Our British contemporary graciously remarks that "we have every reason to congratulate our professional brethren in the United States upon their achievements on behalf of the profession, and we shall watch the continued development of the certified public accountants on the other side of the Atlantic with pleasure and goodwill."

The JOURNAL appreciates the sentiment, and clasps the hand of its British contemporary with a reciprocal feeling of regard for its advanced professional principles.

A Sample of Government

Not all high government offices are sinecures. There used to be a belief that, once installed, the greatest burden of those controlling departmental work was the annexing the honorarium that attached to the office, leaving such labor as was essential to the performance of routine requirements in the hands of the vast clerical force of each one of the four branches of government. Not quite so in these progressive and exacting times. For instance, the department of the interior has been looked upon as a branch that has always had something or other to do with Indians, public lands, mining claims, and so on. It has a few other matters to adjust.

It may be the opinion of many that only private corporations, for profit, are competent to control intricate business affairs—the great big affairs of the country—but this seems

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to be brushed aside by the following epitome of a few of the matters that the interior department has under its charge, and to indicate, in sample at least, a summary of its activities and the exactions upon its director.

The secretary of the interior is the authority for this summary. He has been looking over his job and says that the interior department, among other affairs, cares for the Eskimo in Alaska and for the insane in the District of Columbia, as well as for 324,000 Indians all over the continent, having property in trust valued at more than \$1,000,000,000; it looks after the country's beauty spots (national parks); it distributes \$165,000,000 a year to pensioners; it issues an average of 3,000 patents a month to inventors; it issues patents for mineral lands, and takes means to prevent mine accidents; it has jurisdiction over the Indian and Negro schools; it controls the hot springs of Arkansas and the cliff dwellings of Colorado and Utah; it has control of the internal economy of Hawaii and Alaska; it measures the waters of a thousand streams, surveys the land of all the states, and prospects for hidden resources; it cares for 300,000,000 acres of public land (exclusive of Alaska) out of which each year approximately 60,000 farms are carved; it has a bureau of education; and there are divers other matters to which its direction is given.

The bigness of this business is suggestive. Where is the private corporation that would or could secure attention to this multiplicity of detail and unification of policy at the price paid to a departmental head?

Continental Combinations

While "Smash the Trust" is the battle cry of the politician in the United States, Europe seems to be entering upon a new phase of consolidated industries. The power of the "combine" in Germany never was greater than at the present time. In coal, in oil, in banking, in the expansion of its foreign trade, the German empire is no longer empirical, but is imperial in its constitution of harmonious units of action made up of similar interests working for the fatherland. And now Spain is falling into

line, and the syndicating of its industries is taking large proportions.

Combination of the sugar producers has resulted so satisfactorily that plans are maturing for other business lines to follow with organization on a large scale. The penalty of too great competition has been seriously felt. The paper millers have agreed to limit production and to compensate generously factories that have to produce relatively less than the others or that will close down entirely. One of the main points of the agreement is the complete stoppage of work in all the factories on Sunday, in itself a matter of tremendous import for economic and other reasons. The new organization will take the form of a sales bureau. It will be called the "Central Papelera."

The flour mills are also to be syndicated, and the system of sales and credit is to be completely changed. Attention will then be turned to other trades awaiting advanced modern methods.

Some Causes of Unemployment

One of the largest industrial establishments in central California finds that it will cost that company from \$10,000 to \$12,000 a year to insure under the new state employes' compensation law. This added expense cuts so deeply into the company's profits that it has decided to go out of business under such conditions.

A prominent blankbook manufacturing firm in the east, which has been highly prosperous and has proceeded satisfactorily with its employes, is winding up its business under dissolution proceedings because of the too frequent visits of the walking delegates coming to tell the proprietor what this, that and the other employe shall do and what shall be paid.

Increased intensity of competition in the sugar refining field is regarded as inevitably driving the weaker competitor to the wall. Yet this is only typical of a condition in which the rule of trade is "competition to the death," in order to prove that there is no combination. Under ordinary conditions the tolerant attitude of big business toward little business in the same field,

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with reasonable legal supervision of the rules of competitive conduct, leaves room for healthy, active survival of both. But where there is no limit to competition extinction seems to be certain sooner or later.

As laws are made nowadays, thus the philosophic observer reasons, they are enforced as well as formulated against the employer and investor, rather than with a view to encouraging capital to enter new or old fields. Hence the Morgans and the Standard Oil people lend their hundreds of millions to Greece and China, leaving the development of domestic industries to look out for themselves.