

12-1911

Editorial

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Recommended Citation

Johnson, Joseph French and Hotchkiss, G. B. (1911) "Editorial," *Journal of Accountancy*. Vol. 12: Iss. 8, Article 5.

Available at: <https://egrove.olemiss.edu/jofa/vol12/iss8/5>

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The Journal of Accountancy

Published monthly under the auspices of The American Association of Public Accountants by THE ACCOUNTANCY PUBLISHING COMPANY.
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EDITORIAL

The Journal

As announced in President Suffern's letter, published in the November number of THE JOURNAL, the American Association of Public Accountants has taken over THE JOURNAL OF ACCOUNTANCY, the transfer to be formally effective with the January number. As it would be impracticable for the Association to undertake the direct publication and business management of THE JOURNAL, arrangements for this have been made with the Ronald Press Company, of New York City. The Association retains to itself the entire editorial responsibility and control.

Will this important change in the status and ownership of THE JOURNAL result in a better and more successful magazine? The answer to this question depends largely on the support accorded THE JOURNAL by the members of the Association. A good business management is apparently assured, and it now remains for the members of the Association to give THE JOURNAL the attention, the interest and the loyal support that so important a property demands. With such support THE JOURNAL can undoubtedly attain a wide circulation and a resulting influence that will be of direct and material advantage to the Association and to the profession of accountancy as a whole.

Editorial

As the official organ of the American Association of Public Accountants—as the only adequate organ of the accounting profession in this country, THE JOURNAL should receive the support of every accountant.

Promises of support are not slow in coming. President Suf-fern's letter elicited a prompt and gratifying response. The men who were largely responsible for bringing THE JOURNAL into existence, who established its present high standard of editorial excellence, and who have given it such steadfast support, have no intention of deserting. On the contrary they are still with THE JOURNAL, ready to write for it, to subscribe for it and to work for its general advancement. In addition to the well-known names of these regular contributors, a number of other names will appear on THE JOURNAL pages—names new to THE JOURNAL, though well known in the field of accountancy.

THE JOURNAL invites contributions from every qualified writer who has a message of real interest and value to accountants, regardless of whether he is in public practice or is an accounting official, or is, perhaps merely an outsider taking an intelligent view of accounting matters. It asks subscriptions from every accountant of the country and from everyone interested in accounting—not as a mere matter of professional allegiance, but because THE JOURNAL is worth its subscription price and because the maintenance of THE JOURNAL is—both directly and indirectly—to the interest of every accountant who desires to better his own condition and the general conditions of his profession.

Big Business and Monopoly

Business men everywhere in the United States have a right to feel cheerful over the outlook, for two very important men—men whose opinions and speeches have exerted a tremendous influence on business during recent years—have recently given evidence that they begin to understand why the business world is dissatisfied with the Sherman Act. Ex-President Roosevelt, in an article in the *Outlook*, bluntly declares that “the effort to prohibit all combinations good or bad is bound to fail and ought to fail. When made, it merely means that some of the worst combinations are not checked, and that honest business is checked.

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The effort to restore competition as it was sixty years ago, and to trust for justice solely to this proposed restoration of competition, is just as foolish as if we should go back to the flint locks of Washington's Continentals as a substitute for modern weapons of precision."

Mr. Roosevelt believes that Congress is the real culprit, being author of an unworkable law and having steadfastly refused either to amend or supplement it, and that the Supreme Court in its recent decisions was practically forced to give the law a new and reasonable interpretation in order to save the country from industrial and financial panic. It may be doubted if Mr. Roosevelt has very carefully studied the decisions of the Supreme Court, and it is pretty certain that the learned justices themselves would not put their O. K. on his vigorous denunciation of the Anti-trust Act. Yet business men generally, we suspect, have read Mr. Roosevelt's article with hearty approval. They do not care for legal refinements or niceties. They are satisfied that the law is bad because its effect is bad. It declares something to be a crime or misdemeanor, punishable by fine or imprisonment, which the dictionaries do not define precisely, and concerning the exact nature of which the Supreme Court itself appears to have been in doubt for twenty years. This crime is called "restraint of trade" and the Supreme Court made the mistake until recently of assuming that any act which resulted in the lessening of the number of competitors was a violation of the law. Mr. Roosevelt rides rough-shod over this assumption and insists that big business and big combinations have come to stay and must not be destroyed.

President Taft appears to have found time to read Mr. Roosevelt's article. The President is a lawyer and a former judge, and no one naturally pictures him at the feet of his predecessor receiving instruction in the law. Yet his message to Congress puts forward in very dignified language the same views that Mr. Roosevelt has promulgated in his *Outlook* article. Mr. Taft has evidently learned something new either about business or about the Anti-trust Law. In his former speeches and messages he had doggedly maintained that the law was all right and that business must learn to adapt itself to the law. Now he admits frankly that the law is inadequate and recommends that it be supplemented in two ways: first, by legislation specifying as far as possible those

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business practices which must be adjudged "restraints of trade" and "attempts to monopolize"; and second, by the creation of an Industrial Commission with power to supervise and regulate the affairs and conduct of corporations engaging in interstate commerce. The President also recommends the enactment of a federal corporation law on the ground that corporations under a federal charter would be more easily supervised and controlled by federal officials than those operating under a state charter.

On one point the President and Mr. Roosevelt are not in agreement. The President says with regard to the decree against the Tobacco Trust:

I venture to say that not in the history of American law has a decree more effective for such a purpose been entered by a court than that against the Tobacco Trust.

Here is Mr. Roosevelt's opinion:

Surely a miscarriage of justice is not too strong a term to apply to such a result when considered in connection with what the Supreme Court said of this trust. That great Court in its decision, in spite of its habitual and severe self-restraint in stigmatizing wrongdoing, yet unhesitatingly condemned the Tobacco Trust for moral turpitude.

There is certainly some lack of consistency between the Supreme Court's logic and its decrees in the Tobacco and Standard Oil cases. Its reasoning leads irresistibly to the conclusion that mere bigness is not a crime, and that the form of organization, whether giant corporation or giant combination, is immaterial, either being permissible under the law unless they lead to obnoxious monopoly and restraint of trade. It is not clear, therefore, just what good has been accomplished by the enforced dismemberment of the Tobacco Trust and the Standard Oil Company. Unless we are to view the decrees as experiments in judicial vivisection made in the hope of discovering a penalty that will inflict less loss upon the public and more pain upon the defendants, it seems necessary to agree with Mr. Roosevelt that the courts and the law in relation to big business are in a chaotic condition.

We repeat, nevertheless, that business men at last have a right to be hopeful. The only thing to be feared now is the possible recrudescence of demagogy in the Democratic Party, and that event does not loom up as probable.