

The PACE STUDENT

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ANY an executive has worn himself out by trying to do one set of duties which conflict with the effective doing of another set of duties. The executive can not do any and everything of a discretionary character connected with an organization without encountering dangers. Accordingly, one of the first aims of the executive should be to rid himself of those duties which may mar his work as an executive.

Skilled organization effort generally divides between that which is of a more or less specialized type and that which is directive in its character. For example, the salesman makes a specialty of selling; the advertising man, of advertising; the engineer, of plant arrangement or technical operations; the chemist, of laboratory work, and so on. It is to be expected, then, that the average business organization is divided into departments, each of which does work of a more or less specialized character. In addition to the group of specialists, there must be another group skilled in the coördinating of the several specialist departments, so that all may work together with the main objectives of the organization in mind.

In a department of the specialist character, there may be such a variety of operations and tasks as to require a large amount of directive effort. Perhaps this effort may be entrusted to men who have been engaged upon the specialist activities of the organization. It is an open question as to how far these men may continue in the specialist line, without interfering with their directive effort.

Apart from this, there may be instances of a

man promoted to the directive group, who has been in the specialist group. Here, again, the same question is met.

Experience demonstrates that it is, in the main, undesirable for a man to continue specialized duties at the same time that he is undertaking directive duties. The mind of the executive must be capable of jumping from one task to another, and of quickly exercising discretion and judgment on the many doubtful operating points raised by the subordinates. The specialist,

on the other hand, must be capable, ordinarily, of sustained and continued thinking or effort upon a particular task. Concentration of thought upon the task is directly contrary to the elasticity of thought required of the executive. The two, under normal circumstances, are irreconcilable.

The executive, to be sure, may, as an incident, at a particular time, undertake a certain amount of constructive work. Continued constructive work and effectiveness in directing others so as to coördinate their efforts are distinct functions,

each of which calls for a different type of ability.

The mistake that many executives make is in attempting to continue constructive work after they undertake executive work. If the executive has been engaged upon constructive work, it is exceedingly difficult for him to break away; for a man of constructive ability naturally likes to have a definite product to show as the result of his labors. Moreover, he is inclined to be somewhat critical of the way in which others might do that work; perhaps, rather than have others do it, he will attempt it himself. Nor is there an absence of egotism in the mind of the average man which leads him often to believe

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that others can not do the thing with the skill that should be exercised. All of these things are temptations which may lead a man into detailed constructive work, burdening his mind, and interfering with his supervision over the work of others.

There is, to be sure, a charm in directing the efforts of others which is inviting to many men. These men like to see work dispatched in a regular, orderly, efficient manner. Their situation arises out of an activity not ordinarily characteristic of the slow processes of constructive effort.

A man rarely succeeds in both kinds of work. Ordinarily, the man who enjoys the active work of an executive becomes impatient with the constructive work of the specialist. Likewise, executive work is sometimes irritating to the man of the specialist type. There are, however, certain men who like to share in both kinds of effort, and it is with these men that danger lies in the attempt to do both characters of work concurrently.

Under some circumstances, a man can not readily relieve himself of specialist duties upon entering into executive work. Perhaps there has been something always entrusted to him by the organization for which another man has not yet been trained. In this case he should, under normal circumstances, endeavor gradually to shift the burden of this work upon another, whom he is training to do that work.

In planning an organization, the difference between these types of men must be borne clearly in mind. Duties of an executive character should be sharply segregated from the duties of a specialist character. Men who have demonstrated executive ability of a high order, should not be placed in specialists' positions. Nor, in the absence of proof that a specialist has executive qualities, should the specialist, in the first instance, be charged with executive duties. Failure to recognize this clear-cut distinction between types of work and types of men may mar the conduct of an organization.

Super- ficial Special- ization

ONE of the strangest things about the layman is his tendency to regard cost accounting as being something different from accounting. What man would make the mistake of assuming that a law student could become a corporation lawyer without studying the fundamental principles of law; or who would make the mistake of imagining that a medical student could become a throat specialist, not understanding medicine? Yet, time after time, persons will be met who imagine that cost ac-

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counting can be studied separately from the elements of accounting.

Certain subjects may be omitted which are seldom encountered by the cost accountant. These are usually other specialized types of accounting, such as estate accounting, public-utility accounting, municipal accounting, brokerage accounting, and the like.

Certain subjects, seemingly not intimately connected with cost accounting, may be of great use to the cost accountant. Corporation accounting is an example of this.

Not long ago a certain member of the cost-accounting department of a large organization decided that he wanted more thoroughly to equip himself for accounting work. He undertook a course of accounting, believing he was mainly interested in cost accounting. After he had finished this course, he was promoted to the position of controller in his organization and found the work of corporation accounting most useful. Certain it is that a cost accountant should not be embarrassed by problems that come within the range of corporation accounting.

It is dangerous to build upon a specialty without an adequate foundation. Cost accounting is a specialty; it is a part of the science of accounting. As such, it is impossible to learn specific procedures used in ascertaining manufacturing costs thoroughly without understanding the principles underlying these specific procedures. It is wise to aim to be an accountant first, and a cost accountant secondly.

THE man who quits has a brain and hand
As good as the next, but lacks the sand
That would make him stick with a courage stout
To whatever he tackles and fight it out.
He starts with a rush and a solemn vow
That he'll soon be showing the other how;
Then something new strikes his roving eye,
And his task is left for the bye and bye.
It's up to each man what becomes of him;
He must find in himself the grit and vim
That bring success; he can get the skill
If he brings to the task a steadfast will.
No man is beaten till he gives in;
Hard luck can't stand for a cheerful grin;
The man who fails needs a better excuse
Than the quitter's whining, "What's the use!"
For the man who quits lets his chances slip
Just because he's too lazy to keep his grip;
The man who sticks goes ahead with a shout,
While the man who quits joins the "down and
out."—Contributed by Mr. Romaine,

a student in Semester A.

The Man
Who
Quits

Biographical Snap Shots

Young Accountants Who Have Made Good



NE of the claims made for the Pace training in Accountancy and Business Administration is that it helps to qualify those who take it (submit to it, possibly) for positions of executive responsibility in private business concerns. This generalization is the product of inductive reasoning. Its basis is what has happened in a business way to hundreds of Pace graduates, one of whom is Charles A. Bruce, C.P.A. (N.J.), treasurer of the International Time Recording Company of New York, Endicott, New York.

Mr. Bruce, who is now forty years old, was born in New York City. He received his early education in the public schools of his native city. Then he attended the famous Lawrenceville Preparatory School for one year, and after that he was a student at Mount Hermon, Northfield, Mass., for three years. Finally, he had a year of training at Horace Mann School, New York.

Deciding to go into business, Mr. Bruce entered the employ of William Scott's Son & Co., coffee brokers, New York, remaining with them as a salesman for four years, from 1900 till 1904. The next four years, from 1904 till 1908, Mr. Bruce was connected with the firm of C. E. Stokes & Company, New York, first as cashier and later as treasurer. He then affiliated himself with the New York law firm of Curtis, Mallet, Prevost & Colt, remaining with them for nearly six years.

It was during his connection with the law firm that Mr. Bruce became interested in Accountancy and decided to master the subject. Accordingly, he enrolled in the Newark Institute of Accountancy (Pace Courses), studying at night, and completed the course in 1915.

In the meantime, Mr. Bruce had severed his connection with Curtis, Mallet, Prevost & Colt, and joined the staff of A. S. Fedde & Co., certified public accountants, New York, with whom he remained till March, 1916, resigning to become treasurer of the International Time Recording Company of New York.

Mr. Bruce is a C.P.A. of New Jersey, having received his certificate in 1916. He is a member of the New Jersey Society of Certified Public Accountants and of the American Institute of Accountants. He is also a first lieutenant in the New York Guard, being assigned to the Fourth Infantry, at Binghamton.

The above outline of bare facts of course does not tell the whole story of Mr. Bruce's business success. One fact, however, stands out prominently—the fact that a mastery of Accountancy has prepared Mr. Bruce to assume and discharge important executive responsibilities.



PACE graduates often find that the field of municipal and Federal accounting offers opportunities for lucrative employment. Many Pace-trained men and women, after passing the required Civil Service examinations, have secured permanent positions as municipal accountants and financial executives.

Charles C. Fuchs, C.P.A. (N.Y.), commissioner of finance, White Plains, New York, is an example of the Pace men who have found municipal employment a satisfactory opportunity for the exercise of their talents and technical training.

Mr. Fuchs was born forty-one years ago in New York City. After graduation from public school, he went to work. He did not slacken, however, in his determination to complete his academic education, for, by studying at the New York Preparatory School at night, he won a sixty-count Regents' certificate, the equivalent of a high-school education. He also attended the College of the City of New York for a year.

Becoming interested in accountancy, Mr. Fuchs enrolled in the Pace Course, and after receiving the certificate of graduation, passed the New York State C.P.A. examinations, securing his degree in 1910.

Mr. Fuchs's business experience since the days of his early youth, when he passed through the usual office-boy and clerical experience, has lain almost wholly along the lines of constructive accounting and executive responsibility. He was associated with the New York Accountancy firm of Patterson, Teele & Dennis for one year, and he was a member of the staff of Haskins & Sells for six months. Then he practiced Accountancy for himself for nearly two years. For nine years he was the New York manager of the Pittsburgh Plate Glass Company.

After passing the required Civil Service examination, Mr. Fuchs received an appointment as expert accountant in the controller's office of the city of New York, where he remained three years. Three years ago he was appointed commissioner of finance of the city of White Plains, New York—a responsible position which he still holds. One of Mr. Fuchs's present duties consists of the preparation of an annual financial report of the city of White Plains. Mr. Fuchs has recently secured the rating of expert cost accountant under the Federal Government.

Mr. Fuchs stands high as an accountant and as a municipal administrator—indeed, it is within the bounds of truth to say that his reputation passes far beyond White Plains. He is often called into conference with officials of other cities, for his experience and his success are matters of common knowledge.

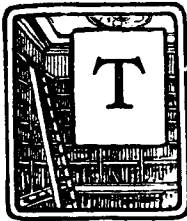


JAMES A. COUNCILOR, C.P.A. (Va.), is another Pace student who has made good in Government employ. He is now an executive accountant in the United States Bureau of Efficiency, Washington, D. C., where his technical training and his accounting experience are of great value to the Government.

Mr. Councilor was born thirty-four years ago, in Martelle, Michigan. After graduation from the Martelle High School, he attended the Waterloo Business College, at Waterloo, Iowa. Then he took a course in law at George Washington University, Washington.

After appraising his own qualities and inclinations, he reached the conclusion that Accountancy was the field that held out to him the best opportunities for a successful business career. Accordingly, he enrolled in the Pace Course by Extension, and completed it in the Resident School at Washington. He qualified for the Virginia C.P.A. examinations and passed them, receiving his degree in 1914.

After leaving business college, Mr. Councilor was employed as a stenographer and bookkeeper



THE Federal Government has enacted a Workmen's Compensation Law for its civil employees. This is in line with the general tendency among the several states, which have enacted compensation laws governing workmen in various industries.

The provisions of the Federal Act are naturally a matter of interest to the public in general. These provisions are set forth in a pamphlet issued by the United States Employees' Compensation Commission. The pamphlet, in so far as it contains the provisions, is quoted below:

"Benefits Provided by Law. If a civil employee of the United States sustains an injury 'while in the performance of his duty,' he is entitled to—

"1. Medical, Surgical, and Hospital Service and Supplies, and Transportation, if Necessary, to Secure Them. Treatment must be obtained from United States medical officers and hospitals if practicable; if these are not available, then by physicians and hospitals designated by the Compensation Commission, a list of which will be found in the hands of the official superior, or head, of the establishment. Where there is no designated physician, or hospital, or United States medical officer, or hospital, any reputable physician licensed to practice medicine, or any hospital, may be employed.

"2. Money Benefits While Disabled for Work. Beginning on the fourth day of disability, or if leave with pay is taken, then on the fourth day after pay stops, and continuing throughout the entire period of disability.

"If totally disabled, benefits to be at rate of two-thirds of the monthly pay (including value of subsistence and quarters, if furnished), but not more than sixty-six dollars and sixty-seven cents nor less than thirty-three dollars and thirty-three cents per month, except when the monthly pay is less than thirty-three dollars and thirty-three cents, in which case, the monthly compensation shall be the full amount of the monthly pay. If partially disabled, benefits to be at rate of two-thirds of the loss of wage-earning capacity caused by the injury. If loss of wage-earning capacity is permanent, compensation is payable till death.

"3. Burial Expenses in Case of Death. Burial expenses not exceeding one hundred dollars, and transportation of body of resident of United States dying away from home station, if relatives desire it.

"4. Money Benefits in Case of Death. To widow, or wholly dependent widower, 35 per

cent. of monthly pay of deceased employee, until death or remarriage; and, in addition, for each child under eighteen, 10 per cent. of monthly pay until death, marriage, or reaching the age of eighteen.

"To one child under eighteen, if there is no widow or dependent widower, 25 per cent. of monthly pay.

"To each additional child under eighteen, 10 per cent.

"To be divided among the children equally.

"To be paid until death, marriage, or reaching age of eighteen, to child's guardian.

"Also compensation to parents, brothers, sisters, grandparents, and grandchildren, for eight years, or until death, marriage, or reaching the age of eighteen, if dependent on deceased, but total compensation can not exceed two-thirds of monthly pay of deceased, which monthly pay for computing compensation shall be considered to be not more than one hundred dollars nor less than fifty dollars, but the monthly compensation can not exceed the monthly pay.

"No compensation is payable if the injury is caused by—

- (a) Willful misconduct.
- (b) Intoxication.
- (c) Intention to bring about injury.

"1. Report the injury to your immediate official superior without delay.

"This is important to protect you in case of dispute. Also make note of the names and addresses of those witnessing the injury.

"2. Then secure first-aid treatment. Do not neglect the small injuries. Sometimes blood poisoning or permanent disability or death results from neglecting a slight injury.

"3. Treatment by the medical officer or dispensary of your establishment, or if there is none, by the physician or hospital provided by the Compensation Commission to treat injuries, will cost you nothing. Your official superior has a list of such physicians and hospitals, and will give you an order for treatment.

"4. Claim for compensation should be made promptly. The blank form for this purpose may be obtained from your official superior.

"5. An injured employee is entitled to have any claim for payment of compensation or medical or hospital service on account of an injury which he believes was sustained while in the performance of duty on or after September 7, 1916, passed upon by the Compensation Commission."

Prompt action on disputed items and invoices is advised. Unnecessary delays are often dangerous.

*What to do
When
Injured*

IN these days of credit extension, almost every form of contract providing debt security is utilized. There may be property security, such as a pledge, a lien, or a mortgage. There may be also personal security—that is, either a contract of guaranty or a contract of indemnity respecting a debt. As to these latter contracts, there are certain distinctions which may be vital to their enforcement upon default.

Briefly speaking, a contract of guaranty is a promise to answer for the debt or default of another person. A contract of indemnity is one, the prime motive of which is to prevent the sustaining of damage by the person to whom the promise is made. A contract of guaranty, being a promise to answer for the debt of another, must be in writing. Furthermore, notice should be given promptly of default, and a change in the form of the original contract ordinarily results in relieving the guarantor. The law does not require that a contract of indemnity be in writing; and furthermore, the law is more lenient in the matter of notice and changes in the obligation.

Sometimes, a contract of indemnity and a contract of guaranty are difficult to distinguish. For example, a man might promise another to indemnify him if he will become a guarantor of a creditor. Ordinarily, this is a contract of indemnity, although it closely approaches a contract of guaranty. So it is with contracts of credit insurance, which are indemnity contracts.

Possibly the best means of ascertaining whether a contract is one of indemnity or one of guaranty is to inquire into the motives for the promise. In a contract of guaranty, the motive is to induce the extension of credit. In a contract of indemnity, the motive is to prevent the sustaining of loss on the part of the person to whom the promise is made. A contract of guaranty may, as an incident, prevent the sustaining of a loss; likewise, a contract of indemnity may, as an incident, result in answering for the debt of another. If the main motive be to prevent the sustaining of loss, the contract is one of indemnity; if the main motive be to induce the extension of credit, then the contract is one of guaranty. This rule will enable the student to distinguish between these two kinds of contracts, with their varying consequences, in a large number of instances where the one borders on the other.

LIBERTY-BOND campaigns have aroused the interest of the public in the general question of bonds. Undoubtedly, most people are now familiar with the Liberty Bond, with

the coupon feature, and with the registered feature. There is, however, an interest in the subject of bonds in general.

A "bond" is merely a contract of indebtedness that is more formal than a promissory note. To be sure, this does not include all types and kinds of bonds, such as surety and guaranty bonds. It does, however, include such bonds as are used in the financing of corporations.

There is a distinction between what is called the "single" bond and the bond with a "condition." Of these two, the bond with a condition may be regarded as the old-fashioned bond. Under the bonds longest in use, if a person gives the bond to insure the doing of a certain thing, the doing of the thing is distinctive from the bond itself. So in a bond with a condition, the debt is distinctive from the bond. The person then binds himself to pay the debt, the condition being that if he pays it, the bond becomes null and void. This bond is usually made out in twice the sum of the debt, just as a bond to perform certain duties as a trustee would be made out, in most instances, for twice the amount of the funds to be handled. This higher amount is simply an amount out of which there may be recovered the debt and such other expenses as may be incidental to its collection.

The single bond embodies the agreement to pay the debt itself. In other words, it is a single contract involving indebtedness.

Just as the bond with a condition is the old-fashioned bond, so it is usually accompanied by the older of the forms of security. This form is the mortgage. Disadvantages may attend the realizing of the debt when it is secured by a mortgage, in that certain court procedures often must be resorted to which consume time and effort. Furthermore, it was a form that would not operate well in case a number of creditors were to be secured.

Single bonds, which are, ordinarily, the type issued by corporations, are usually secured by a deed of trust. Under this instrument, a number of creditors may be secured. Furthermore, the trustee may ordinarily sell the property immediately upon defalcation of interest and principal, and thus avoid unnecessary delays. Sometimes, the deed even goes further, and permits of the trustee entering upon the property and operating it for the benefit of both bondholders and proprietors. Many and varied may be the conditions which may be contained in the deed of trust, which fact makes that instrument vastly more effective than the older form of mortgage.

A full consideration of a bond would necessitate, under modern conditions, a consideration



HIS Department does not publish answers to all of the questions re-

ceived, but only to those which we deem to be of general interest to our readers. A communication, in order to receive attention, must contain the name and the address of the person asking the question.

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Q KINDLY inform me as to just what is meant by "the amount invested in a business." An accountant with whom I have discussed the question claims that it is the excess of assets over liabilities that is accounting capital. However, I have always considered that the fund of assets represented the investment in the business, and that intangible assets representing capitalization of prospective earnings should be eliminated. Kindly give me your views on the question.

A "Capital," in the general sense, is a term meaning that wealth used to produce more wealth. "Capital," in the accounting sense, means the excess of assets over liabilities. Capital invested in the business, therefore, might be interpreted as the total asset fund; but the total asset fund would not be the investment of the proprietors in the business, since some of the capital would have been contributed through the fact that creditors would make advances of merchandise, bondholders would make advances of cash, or property, and the like.

The accountant to whom you put the question evidently considered the proposition from the view-point of the proprietorship. If the assets on the Balance Sheet are all legitimate assets, and the liabilities are all shown, the investment in the business, from the view-point of the proprietorship, is the excess of assets over liabilities; and in a corporation, this is represented by the combined amount of capital stock and surplus.

You state that it is your opinion that the investment should be considered as the total value employed—that is, the total asset fund—excluding intangible assets if they simply represent capitalization of expected earnings. In interpreting a balance sheet in order to arrive at the true asset fund, it would, of course, be necessary to eliminate this "water."

Another element should be considered in connection with the suggestion that the total asset fund represents the investment in the business. This is that there are on the asset side certain receivables representing advances by each organization to other organizations. Accord-

ingly, Smith might have a receivable for five thousand dollars; Brown might have the merchandise represented by the receivable stated

as an asset. It can hardly be said that both are using the same five thousand dollars in their businesses, at least, not to the extent of the five thousand dollars in each case. To put it differently, there can hardly be ten thousand dollars of investment in the two concerns on the basis of this one transaction of five thousand dollars. This, it will be noted, complicates the situation somewhat.

In regard to the term "Capital Investment in the Business," as the term is used in connection with Governmental tax forms, the Government means, in general, the excess of assets over liabilities. However, the Government also lays down specific rules for the valuing of certain intangible assets, such as Good-will, and reference must be had to the individual case to get the Governmental estimate of the actual investment.

WILL you kindly inform me as to what form of check is best for the disbursement of cash in payment of the expenses of an organization such as a Schoolmasters' Club? Also, your reasons for using the form suggested?

A A Voucher Check is advisable, as this check shows on its face the specific items for which it is given. The ordinary check, when endorsed and passed through a bank, constitutes a receipt for money, but does not constitute a receipt for specific items. This objection is overcome when a Voucher Check is used. The treasurer of the organization should sign the check, and it is advisable that a counter-signature of some other officer, such as the president, be also obtained. The adoption of the counter-signature procedure acts as an internal check upon the correctness of the disbursement, and therefore the division of responsibility tends to prevent misappropriation of one kind or another.

I WOULD appreciate an answer through The Pace Student to the following question: A contends that in the case of a corporation erecting an office-building on leased ground, the corporation can properly charge off the entire cost of the construction of the building to Expense the first year. A also contends that this procedure would be proper under abnormal conditions, where there was an exceedingly heavy demand of a temporary nature, necessitating the acquiring of additional buildings which might be unnecessary after conditions were again normal. B contends that this procedure is improper, and not in accord with

Question correct accounting principles, for
and the reason that all buildings,
Answer whether office or plant, together
Department with the necessary equipment,
represent an asset, and should show at cost on
(Continued) the books.

The accounting principle involved depends
A upon the answer to this question: Has the office-
building mentioned any value to the organiza-
tion? A building erected on leased ground is
worth to the organization the cost of the build-
ing, less any value expiring since the erection.
The building, presumably, was erected for the
purpose of providing housing facilities for the
life of the lease. The correct accounting prin-
ciple is to carry the building on the books at
cost, less the value which has expired due to the
efflux of time. If the lease has not expired, and
the building is still in use, there is still a re-
maining value to the corporation, which can be
carried as an asset.

The question of expediency, however, enters
in. If there are reasons why it is expedient to
charge the cost of this building to Expense, the
question of expediency will ordinarily outweigh
strict accounting principles. There can be no
question, however, that, technically, the position
which B takes is the correct one.

Q **A** CONCERN issued coupons to its custom-
ers which are redeemable in merchandise.
The contingent liability on account of the re-
demption is taken care of by a reserve. Kindly
inform me as to whether the instalments as to
this reserve are deductible under the Income-
Tax Law.

A Only the actual cost of printing the coupons,
and the actual cost of the merchandise given in
redeeming them is deductible. A reserve set up
equal to the redemption value of the coupons is
not deductible. Although the regulations are
silent on the point, cost connected with the dis-
tribution of the coupons and the redeeming of
them would appear to be deductible.

Q **I** WAS interested in reading the editorial on
"Overestimating Subordinates," in the Au-
gust number of The Pace Student. Do you not
think that many executives have a tendency to
underestimate subordinates? My experience has
been that many subordinates, if properly trained,
could perform more tasks and relieve the execu-
tive of more details. Have you not found this
condition to exist?

A Both conditions exist. The editorial in ques-
tion was concerned with only the one condition
of the executive who overestimates. There is
less underestimating of subordinates in these

days than formerly. Progressive
corporations are making special ef-
forts to train their subordinates to
take higher posts. These organiza-

tions ordinarily encourage the subordinate to
act upon his own initiative. Despite this, it is un-
questionably true that many executives under-
estimate the abilities of subordinates, which is
as much a fault as overestimating these abilities.
Probably the best method is to test the sub-
ordinates and thus ascertain their capabilities.

WILL you please explain the following Q
terms to me, as applied to corporations,
partnerships, etc., in tax reports:

Income
Excess Profits
War Profits

Congress has passed laws levying three dis- A
tinct kinds of taxes on income and profits. The
first law was passed September 8, 1916, and is
called the Income-Tax Law. It levies certain
taxes upon income. On October 3, 1917, Con-
gress passed a War Excess-Profits-Tax Law
which, in part, amended the law of September
8, 1916, and, in addition, levied additional taxes.
Both these laws cover taxation on general in-
come. On October 3, 1917, Congress passed an
Excess-Profits-Tax Law, which levies a tax
upon all income which is in excess of a certain
percentage of the invested capital.

The various complications involved are so de-
tailed in their nature that reference must be had
for specific points to the laws themselves, and to
the rulings which have been made by the Treas-
ury Department.

DOES the receiver of a railroad, upon assum- Q
ing charge of the property, take a com-
plete inventory of all of the properties?

No, because as a practical matter this would A
be out of the question. Inventories may be taken
of certain of the supplies, but an attempt at find-
ing the value of the entire property is not made.

WHAT is the correct pronunciation of ad- Q
dress?

The word should be pronounced "ă-drĕss." A
Note that the accent falls on the last syllable.

KINDLY criticise the following sentence: Q
He laid down for a short rest.

The sentence should read: He lay down for a A
short rest. Lay is the past tense of the intransi-
tive verb lie. Its principal parts are lie, lay,
lying, lain.

IS it correct to say a historian? Q
Say either a historian or an historian. A

Editorial



Get Somewhere! ET somewhere! Set a goal and head for it! Note that long, gray steamer plowing noiselessly down the river. To-morrow morning it will dock in Boston—that is its objective, and it will get there. Look at that tug noisily darting here and there and giving the impression of tremendous activity. To-night it will tie up at the same pier from which it set out this morning.

Which of these craft suggests an analogy to your business career? Are you determinedly and efficiently pushing ahead in mental power every day, and making a more advanced mental anchorage every night, or are you fussily chugging about all the time and returning to the same mental pier night in and night out? Think of the steamer—quit resembling the tug—and get somewhere, mentally! Then you will get somewhere, financially.

Slack Tether "I MUST be a poor executive," I said petulantly, in a moment of pressure, to a close friend who had called for a chat on a business matter. "I always seem to be just behind the accomplishment of many things I'm trying to finish."

My friend is an optimist, glory be! He is also tactful and usually truthful. So his rejoinder gave me much encouragement: "Remember that the fellow who's always caught up is usually being led by a slack tether." I've repeated that remark—almost a business aphorism, isn't it?—to myself several times since, and I feel it's substantially true.

For after we've had our little say about "big executives" never being busy or never seeming to be busy (which, superficially speaking, is the same thing), and after we've made our sapient gibes at the man who is so busy that he runs around in circles, the fact remains that our work is never done if we are worth our salt as thinkers, planners, and doers. Of course, we must systematize and delegate and supervise and all that; but as for "cleaning up" everything that we hoped we could do on any given day, have we ever honestly done that?

And so let's take heart, fellow-executives.

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THE PACE STUDENT

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the Purpose, Spirit, and Needs
of Modern Business*

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New York*

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Let's do everything we can do in the course of a day or a week—do it as intelligently, as efficiently, as speedily as we can; but let's not get nervous indigestion because the sun sets on many things that are still undone, for "the fellow who's always caught up is usually being led by a slack tether."

THERE is a certain amount of pay dirt in every man, and it is the job of the executive to work that streak of pay dirt as long as the proportionate returns are large enough to be profitable. If it falls below that mark, effort is wasted and new material should be sought."

The above is quoted from a recent magazine interview with Charles H. Sabin, president of the Guaranty Trust Company, of New York. There

is food for thought here on the part of both employer and employee. A big executive problem—perhaps the biggest one of all—consists in selecting men and women with such care, and then in stimulating them to their best efforts with such tact, that the organization maintains a high and steady standard in quantity and quality of output. And this result is always primarily a matter of finding and working the "pay dirt" in the organization staff.

So far as the employee is concerned, the "pay-dirt" idea has an intimate bearing upon his advancement.

The wider and deeper he develops his native lode of pay-dirt," the larger the responsibilities he can assume and discharge, and the higher the salary he will receive. Therefore, if we have high hopes regarding our economic futures, it behooves us to give honest attention to developing the "pay-dirt" aspect of our physical, mental, and moral potentialities.

DON'T be an echo of another man's hurrah! *Being an Echo* The business world is divided into two classes of folks—those who set objectives, blaze paths, and drive forward resistlessly, never admitting the existence of permanent obstacles; and those who trail behind, do only what they are told or expected to do, and attain whatever success that comes to them by clinging to somebody else's coat tails. Hurrahing—the exultant joy of accomplishment—belongs to leadership,

to directed initiative. The hurrahing that comes from the lips of followers, of those who let others do their thinking for them, is a hollow sort of thing, lacking in spontaneity—little more than an echo is it. Therefore, if you would later hurrah in pride and glee, think, plan, initiate, accomplish now!

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"Fifteen
Minutes
Longer"

FIFTEEN minutes longer!" This is a slogan that compels success. Victories are seldom won during the first half of an evenly matched struggle, or even during the first three-quarters of it. Think of the football contests that have been scoreless till the last five or ten minutes of play, when the team with the greater stamina has made a touchdown. Think of the baseball games that have been tied till the ninth inning, when a pinch hitter has singled and driven home the winning run.

Consider the present phase of the great war. After months and years of defensive resistance, the Allies have doggedly taken the initiative and are now driving the foe back toward the Rhine. Everywhere the military and the psychological advantage rests with the Entente; and this is due to the fact that at no time has any of the Allies thought of doing anything except hanging on grimly and persistently until the tide of battle should flow to their advantage. Symbolically speaking, it is the principle of fighting "fifteen minutes longer" that is putting the foe to rout and making the world safe for democracy.

Of course, the principle has a personal application. Its observance has often changed seeming failure into immediate and enduring success. And so let us bear in mind what "fifteen minutes longer" symbolizes in our thinking and doing. It is this kind of spirit that finally crumbles obstacles and makes triumphant progress and advancement possible.

The German Mind **A**CCOUNTANCY, as used by the Germans, affords another example of their peculiar psychology. An accountant, who has audited a number of books, finds that they use a different method of control from that adopted by the English and American accountants. The German method seems to be a complete repetition of detail, in several sets of books, sometimes, but not always, reclassified in another form. Apparently, they do not use to the full extent the principle of summaries to effect control, as do the English and Americans. In this, their method is almost identical with that employed in battle. There they are favorable to the mass attack, to multiplied force, as the means of at-

taining objectives. Just as they lack the elements of economy in the use of men, when economy interferes with this principle, so they

fail to economize effort in securing control of accounting records. Their language shows the same tendency, in that they add words onto words to make new words expressing variations of meaning, instead of having different words. World conquest, in their conception, was simply contingent on having a more powerful military machine in men and in equipment than any other nation. With this machine they would dominate the world, because all of their psychology is centered around the worship of force, of multiplied units, in one form or another. The interesting thing about it all is the many varied forms manifesting this peculiar consistency in the working of the German mind.

IS your concern furnishing jobs for your employees, or is it building life for them? There's a difference—a big one. If you think of your employees—men and women, and act toward them only as if they were so many automata, so many cogs in your operating machinery, it makes little difference what you pay them—you are simply giving them jobs. If, on the other hand, you try to humanize your business by showing your employees that their individual welfare—physical, mental, and moral—means something to you, you are helping to build life for them.

*Building
Life for
Employees*

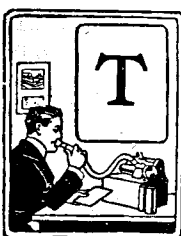
QUITE often the purpose to be accomplished by the language used to express a thought is completely nullified by the manner of expression. For example, a poster recently appeared in the street cars of a certain city respecting the influenza epidemic. In the center of this poster in large letters were the words, "DON'T BE SCARED TO DEATH. MANY HAVE BEEN." These words were apparently intended to relieve the minds of people of anxiety which might undermine their systems and destroy their power to resist the disease. If this was the intention, it was negated by the typographical display of the poster in question. Surrounding the poster was a black border, a manner of typographical display always associated with death. So it is with oral expression, the features may minimize the effectiveness of the words. "Good morning," said with a frown, or in a sharp incisive manner, loses all the effect of a greeting.

*Suitable
Language*

Language should be dressed with the forms of expression best calculated to serve the purpose of the speaker or writer.

Verification of the Accounts Receivable

Elmer O. Stevens, C.P.A.



THE work of verifying the Accounts Receivable is a very important part of the work of an auditor. So many things must be taken into consideration, before deciding the steps to be taken in order to do this part of the work, that it is impossible to formulate rules to be followed in all cases.

Furthermore, the verification of the receivables verges closely upon the verification of the assets. It is not intended to cover every possible form in which the verification might be extended. So far as detecting peculations by employees, the discussion will only be incidental. In the main, the question of valuation will be discussed, which in itself necessitates the ascertaining that receivables, in the amount stated on the books, actually exist. Assuming that the receivables do exist, then there is the question as to how far the value, as stated in the books, is in excess of the actual value. This is determined by an estimate, taking into consideration a number of factors. Among these will be considered (1) deductions for bad debts; (2) deductions by reason of extraordinary cash discounts to be allowed; (3) deductions by reason of possible adjustments arising out of the nature of the sales contract.

The best method of ascertaining whether or not the amount of the indebtedness of the customers appears correctly in the books is to obtain from each customer a confirmation of the amount of his indebtedness. In a great many instances, it is not feasible to obtain such confirmations. The client may not wish to bring to the attention of his customers the fact that his business is receiving the attention of an auditor. He may fear that the effect on some of his customers may result in a loss of their patronage. He may advance many other reasons for not wanting the auditor to verify the account by means of obtaining a confirmation from each of his customers.

On the other hand, the client may wish to have the customers' accounts verified in this manner. His reasons for desiring it may be different from those of the auditor. In one instance, the client was very insistent that each customer should receive a request from the auditor for a confirmation of the balance of his account. In the beginning he had been somewhat reluctant to consent to the procedure, but afterward made a special request to have it done as part of each annual audit. He stated that while the request for information, sent to the customer by the auditor, was worded in a manner to make clear that it was not a request for payment of the ac-

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count, many of his customers had the account brought to their attention in a different manner than usual, with the result that remittances were received much more promptly than at other times.

When conditions will permit sending requests to the client's customers for a confirmation of their accounts, it is customary to use a printed form, which clearly states the reason for requesting the information, together with the balance of the account. This request should be signed by the client, and it should contain a statement that it is not a request for payment. The form should be perforated, thus providing a sheet that may be used by the customer in his reply. This reply should be mailed direct to the auditor in an addressed stamped envelope, which is sent to the customer with the request. A form properly filled out and signed should be sent to every debtor having an open account on the date of the Balance Sheet.

A schedule of Accounts Receivable, prepared from the forms before mailing, should contain the names of customers and the balances of their accounts. The total of these balances must agree with the amount of Accounts Receivable shown on the books. Space must be provided on the schedule to enter such data as may be furnished by the replies received. Not all of the customers will send replies. Seventy-five per cent. is a fair percentage of returns.

The result of mailing such requests to the customers will not furnish all the information necessary to make a complete verification of the accounts. Other steps must also be taken to prevent an overstatement of the asset value of Accounts Receivable. The terms of sale should be ascertained, and past due accounts should be given particular attention. The ability to pay of debtors who have allowed their accounts to become past due should be inquired into. The credit files very often will furnish much helpful information. An examination of correspondence frequently throws light upon the asset value of the accounts. Those accounts which have been selected for special consideration should be discussed with the client, in an effort to avoid including worthless items among the assets.

All these factors must be taken into consideration in determining the collectability of accounts as shown on the books. Having taken these steps, the auditor may also consider the experience in collecting accounts in the past, and finally make his estimate as to the amount of Accounts Receivable which will not be collectable.

In most lines, cash discounts to be allowed on existing receivables do not constitute a basis for a deduction from the receivables. Ordinarily, the amounts which will be given in the way of discounts are small, considering the volume. There are cases, however, where the cash discounts are extraordinarily large in character, and where such provision should be made.

In this connection, it is desirable to state that trade discounts are not contemplated. Trade discounts are deducted from prices, and merely constitute an adjustment of the prices. Nevertheless, these extraordinary cash discounts in point of amount may become large and of important bearing upon profit results. In other instances, the time within which discount is allowed is quite long.

As an example of this, the following terms might appear on the invoices in certain cases: net one hundred and twenty days; three per cent. ninety days; five per cent. sixty days; seven per cent. thirty days; ten per cent. ten days. It will be noted that these are gradations of discount covering a lengthy period of time. Under these circumstances, a reserve is sometimes set up to cover anticipated discounts.

Another example is that of a certain sewing machine company. On some of the types of machines sold, there was a discount of one dollar, if paid within thirty days. At the close of the accounting period, this concern would set up a reserve covering the anticipated discount.

Some lines vary prices in accordance with the quantities taken under given contracts. As an example, we may take periodic advertising. If during a year, sixty thousand lines were used, the rate would be thirty cents; if eighty thousand lines were used, the rate might be twenty-eight cents; and if one hundred thousand lines were used, the rate might be twenty-six cents. The base rate of this contract would be thirty cents per line. The first advertising would be charged up at this rate. Should the advertiser use eighty thousand lines, then there would have to be an adjustment as to the earlier charge at the thirty-cent rate. The same would occur in case he used one hundred thousand lines.

It might well happen that contracts of this kind would be pending at the time of the closing of the books. Accordingly, the receivables would contain charges which would be subject to subsequent adjustment by reason of the varying rates. Unless provision was made for these subsequent adjustments, profits would be overstated by that amount. Therefore, a deduction

must be made from the receivables representing an estimate of the amount ultimately to be adjusted.

The accompanying schedule does not cover all of these complications, but merely the result of the effort to receive confirmations from the customers. It will be noted that under the "Comment" heading, various facts are set forth of value to the auditor. For example, in some instances the customer claims a discount which the management will not allow, while in two other instances, the debt is in dispute. These afford ground for investigation by the auditor to ascertain the possibility of reaching a settlement.

The column "Amounts Past Due" may be amplified. For instance, the time past due may be classified. There might be columns for over thirty days; over sixty days; over ninety days, and so on. Such an amplification would assist the auditor in finally reaching his conclusion as to the amount to be deducted for reserve.

This illustrates in the main the steps to be taken in connection with the verification of the Accounts Receivable. Other features of verification, in special instances, will be discussed in subsequent issues.

See schedule on the following page.

EVENING CLASSES

are now forming in—

Accountancy and Business
Administration

Shorter Course in Account-
ing for Women

Secretarial Training

Vocational Counseling

English

French

Spanish

Public Speaking

Send for descriptive folders.

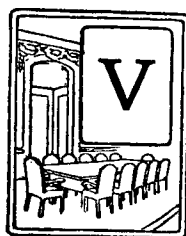
Pace Institute

Hudson Terminal, 30 Church Street, New York

JAMES BROWN

Schedule of Accounts Receivable as at December 31, 1917

Name	Amount	Received	Confirmation Not Received	Amount Past Due	Comments
Abbott, Edward	\$810.30	O K	.....	.....
Ackley, Walter	1,600.50	O K	.....	\$375.00	Considered Good
Bachman, Raymond	95.40	O K	.....	.....
Barnes, Benj.	218.00	.....	\$218.00	218.00	Doubtful
Carney, Harry	389.65	O K	.....	.....
Church Co., Frank	16.67	Don't Owe	.....	16.67	Discount Not Allowed
De Vita Auto Co.	1,776.00	O K	.....	492.00	Considered Good
Dickinson, James	164.20	.....	164.20	164.20	Considered Uncollectable
Eberle, Ernest	35.10	O K	.....	.....
Edsall, Edward	749.00	.....	749.00	.....
Fellows Spoke Co.	996.00	O K	.....	.....
Ferguson, Martin	65.00	.....	65.00	65.00	Considered Good
Ginsburg Vehicle Co.	487.75	O K	.....	.....
Hindenbuck & Co.	561.00	.....	561.00	.....
Hitchcock Engineering Co.	1,909.00	O K	.....	.....
Jackson & Jackson	15.89	Don't Owe	.....	15.89	Discount Not Allowed
Kummer Car Co.	483.00	O K	.....	.....
Lanet La France	837.00	.....	837.00	422.00	Doubtful
McDermott Co., H. J.	297.50	O K	.....	.....
Nelson Textile Corporation	347.00	.....	347.00	.....
O'Hara-Barrow Co.	87.30	O K	.....	.....
O'Shaughnessy Co.	111.10	.....	111.10	111.10	Doubtful
Peters Pottery Co.	355.00	O K	.....	.....
Post, Edw. H.	1,200.00	O K	.....	.....
Quinn, Patrick	47.00	Goods Returned	.....	47.00	In Dispute
Radam, Thomas	600.00	O K	.....	.....
Radium Ore Co.	4783.00	O K	.....	2,348.00	Good
Shields, S. S.	861.50	.....	861.50	.....
Smith-Snyder Co.	499.00	.....	499.00	.....
Taylor, Frank H.	1,357.70	O K	.....	.....
Tecumseh Manufacturing Co.	33.60	Don't Owe	.....	33.60	Discount Not Allowed
Union Products Co.	917.05	O K	.....	.....
Voorhees Hardware Co.	1,122.00	O K	.....	.....
Western Climax Co.	95.00	.....	95.00	.....
X Y Z Co.	762.00	Allowance Claimed	\$97.00	762.00	In Dispute
	<u>\$24,685.21</u>		<u>\$4,507.80</u>	<u>\$5,070.46</u>	



ERY often it is desirable to incorporate a short conversation in letters and booklets—usually in those that aim to arouse immediate action on the part of the reader.

Such conversations should bear directly upon the central theme of the letter or the booklet—should help to illustrate the point and drive it home. Particular care should be used in order to make the conversations true to life, so that the reader will unconsciously say to himself, "That's certainly true." Conversations that seem far-fetched in respect to content or style will do the cause of the writer far more harm than good.

Examine the two conversations that follow:

Central theme—The Productive Use of Personal Overtime.

Some time ago I had occasion to travel by train from New York to Boston. In the seat directly in front of me sat two young men. The boisterous vigor of their conversation and the cheap up-to-date-ness of their personal attire proclaimed them to be office clerks of the now-and-forever type. I could not help listening to their conversation; and I soon gathered that they were in the employ of two different brokerage houses in New York, and were on their way to Boston to deliver in person some documents of importance to out-of-town customers. A part of their "line of talk"—to use their own words—gripped my attention. Let me reproduce the substance of it. Not knowing the young wisecracks' names, I will speak of them as Number One and Number Two.

"You remember 'Plugger' Jones," began Number One, "that red-headed little runt that was with your house for a couple of years and then came to us? Wha'd'ya s'pose he's doin' now?"

"Give it up," responded Number Two.

"Well, he's just entered the Columbia School of Mines. Goin' to study to be a mining engineer. Wha'd'ya think o' that?"

"How'd he pass the entrance exams?" queried Number Two. "He never went to high school and only part way through elementary school. 'Had to go to work when he was a kid,' I remember he said."

"I saw him the other day," replied Number One, "and he said he'd been

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goin' to night school, and had passed off all except five of his Regents' counts, and he was goin' to pass them off later, on what he called 'a condition exam.'"

"He sure was the boob, though, when he was with us," added Number Two. "Always too busy to go out with the fellows; liked baseball, but always too busy even to stop and follow the score-board. Anybody'd think he was the boss to see how busy he always pretended to be."

"That's right," supplemented Number One. "He was always too busy to get any fun out of anything when I knew him. Dick Williams used to try to get him to go down to Coney Saturday afternoons, but he never'd go. Always said he 'had to plug.' That's the way he got his name of 'Plugger' Jones."

"Well," yawned Number Two, to whom the conversation was clearly becoming too sustained and analytical to be interesting, "let's forget 'Plugger.' If boning over books is his idea of the way to enjoy life, it's his own funeral. Nix for mine. Nothin' to it."

"Plugger" Jones has run through my mind ever since. I feel I'd like to shake his hand and look him squarely in the eye and say, "Young man, you may be a 'boob' now, in the eyes of the countless hordes of young fools of the Numbers One and Two stripe, but you'll see the day when they and their tribe will be trying to get past your office boy to find out whether you'll use your influence in securing them some kind of job."

They probably will begin their request with, "Is Mr. Jones busy? Please tell him that a couple of old friends would like to see him for a minute." There will be respect in their voices, and a furtive fear of denial on their faces. And "Plugger" Jones—widely known as William A. Jones, consulting engineer, hours ten to three—will be likely to send out this word, "Sorry, but I have no position to offer, and I am too busy to-day to see anybody on personal matters." Then Number One and Number Two will slink away with a mumbled "We'll p'r'aps call again," not daring to voice their opinion that "Plugger" Jones always was "a stuck-up gink" till they are well out of earshot.—Booklet: *Your Personal Overtime.*

Central theme—Handling Men.

My immediate task is to dig a ditch along the outer side of the rotting planks, so that they can be removed and replaced by new ones. I am now alone on the job, for the farmer's work calls him elsewhere. The experience in the sewer-ditch at Middletown is all to my credit, and my spirits rise with the discovery that I can handle my pick and shovel more effectively and with less sense of exhaustion. And then the stint is my own, and no boss stands over me as a dishonest workman. At least I am conscious of none, and I am working on merrily, when suddenly I become aware of my employer bending over the ditch and watching me intently.

It is a face very red with the heat and much bespattered with the mud, into which my tools sink gurglingly, that I turn up to him.

"How are you getting on?"

"Pretty well, thank you."

"You mustn't work too hard. All that I ask of a man is to work steady. Have an apple?"

He is gone in a moment, and I stand in the ditch eating the apple with immense relish, and thinking what a good sort that farmer is, and how thoroughly he understands the principle of getting his best work out of a man. He has appealed to my sense of honor by intrusting the job to me, and now he has won me completely to his interests in showing concern in mine.—Wyckoff: *The Workers.*

The foregoing illustrations show the desirability of setting forth a general truth in narrative form, supported by an actual or a possible conversation. The specific occurrence or picture makes a far deeper impression upon the mind of the reader than does the general exposition or argument. And since the purpose of much business writing is to rouse interest and thereby secure attention on the part of the reader, the use of conversation is commended as an effective means to this end.

L. S. KEMPER, Pace Institute, Washington, has recently been appointed chief clerk of the finance division of the Emergency Fleet Corporation.

MRS. R. W. WILSON, of Montclair, New Jersey, is another Pace student who has taken a position with a firm of accountants. Mrs. Wilson is now assistant bookkeeper with Lovejoy, Mather, Hough & Stagg, at 55 Liberty Street.

Biographical Snap Shots

(Continued)

for the Waterloo (Iowa) Gas & Electric Company, and later in the same capacity for the Illinois Central Railroad. He then secured an appointment at the Rosebud Indian Reservation, South Dakota. Later he was transferred to the Standing Rock Indian Reservation, North Dakota.

Since 1913, Mr. Councilor has been employed continuously by the United States Government in auditing, accounting, organizing, and systematizing work in various bureaus and departments. His duties have been chiefly constructive in character.

Mr. Councilor made a splendid record as a student; he has made a splendid record as an accountant and executive; and those who know him best prophesy that he has by no means reached the limit of the opportunities that his developed abilities will bring within his reach.

Public Speaking

by
Harvey M. Kelley, A.M.

IN an article recently published by a New York paper, during the Liberty-Loan Campaign, there appeared some concise and helpful suggestions from the United States Treasury for those who were preparing to make speeches in order to sell Liberty Bonds. The special advice was to plan carefully; to be consecutive; to be specific; to appeal to both the emotions and the intellect; to be adaptable; to be forceful in presentation; and, above all, to remember that the definite object of the speech and the test of its success was to *sell bonds*.

The outstanding implication of these directions signifies that preparation is the basis of effective public speaking. What is public speaking? It is speaking to a collection of individuals with the purpose of conveying thought, of moulding opinion, and of awakening feeling. You are to speak to ten, one hundred, or one thousand people collectively—your audience. Your speech may be a formal address to a large audience; it may be a talk to a small group of persons interested in a particular matter in which you are also interested; or it may be a report to an executive.

How can you speak most effectively to your audience for the purpose of instructing, convincing, or persuading? Be absorbed by your subject; do not be afraid of doing poorly, and do not assume that you are doing well. Do not apologize, go straight ahead in a conversational tone as though your audience were a friend. Be a good conversationalist by conveying and

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lodging your thought through clearness, directness, simplicity, and sincerity.

The problems of public speaking include the material (thought), the agent (speaker), and the audience (hearers). Space will not permit us to take up all of these matters; so for the purposes of this article, let us consider the preparation of a speech.

To have something to say is the justification of public speaking, and success depends upon skill in the acquisition of material. Effective thinking is the first practical step, and specific reading is the second step. Whenever a subject is familiar to a person, either through observation or through reading, he must decide what the trend of his speech as a whole shall be. He must grip the central thought in a nutshell, and subordinate the introductory, explanatory, and modifying ideas. The controlling ideas must disclose the theme in key-words or key-sentences which will dominate the expression. Only by pondering over a topic, examining it in its various aspects, weighing, and making comparison, can the mind attain the singleness of aim so necessary to an effective delivery. By doing his own thinking, and by questioning himself, a speaker stamps his individuality on his work and gives character and originality to his utterances. To the unpracticed thinker, this "self-interrogation" is slow and laborious. In his book "Effective Speaking," Mr. Phillips is especially helpful in suggesting that a speaker should invent a series of questions that would force from him with directness the ideas that he may have upon the subject.

The first questions then are: What does my subject mean? What can I include? What shall I exclude? This procedure gives the necessary opportunity for explaining in full the whole scope of the subject. Sometimes, it is good to give the reason why your subject is a timely one, and mention the occasion or condition which gives rise to a consideration of the subject. At a meeting of your own lodge or society, your hearers would not be interested in your using much time on such a formal subject as, "Resolved, That Federal Control of the Railroads in the United States is Desirable." It is conceivable,

however, that they would be interested in "The Advisability of the Foundation of a Sinking Fund for a Permanent Building." In preparing your address, you would define "sinking fund" and would tell why your subject should be discussed at that special time. You would also explain "permanent building." Why a sinking fund was necessary and why a permanent building was desirable would naturally be questions of importance. Some attention should be given as to how the sinking fund would be conducted, how the permanent building would be acquired, where it would be located, and who would be responsible for the whole project. By answering these questions, you would find that you had broadened out your subject and had covered the vital points.

Some subjects may require more than your individual thinking, and you may find it advisable to look for more material. Your reading would then begin. You would look for illustrations to prove your points, and would select references which would help to establish the fact of your assertions. You would also be on the lookout for matters of comparison. Real estate in New York City is higher than in Hong Kong. Why? Actual experiences in the housing problems of other societies vary. Why? Practice makes proper selection from reading effective, and trains the memory through the attention to, and concentration on, specific points. Retention of such points will help you in the final drafting of your speech and in your presentation.

If a more expansive and analytical treatment of your subject were necessary, such phases as the spiritual meaning, the intellectual significance, and the moral influence could be combined with the scientific importance, the commercial value, the social relation and so on. This would be the basis of a long and exhaustive study.

At all events, when your material is gathered, your next step is to give attention to its arrangement. Your mental or written outline is now necessary. By briefing the speech and committing the important parts, you are ready to give the material your own personal expression, and to acquire the right mental attitude toward your message and your audience. Fortunate, indeed, is that speaker whose first efforts are directed along right lines, and whose first experiences occur under helpful conditions.

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Bonds of the terms of the deed of trust. Investors do not do this, but largely depend upon the integrity of the organization issuing the bond, and likewise of the brokers. In many instances, an investigation by an accountant must cover a broad field, and an examination of the deed of trust would be an essential step. This would occur, naturally, more frequently in the auditing of the books of a corporation indebted on the bond than in the auditing of the books of a corporation holding the bonds of another corporation.

The bond is a sealed instrument. Usually, it is a long-time obligation. As a sealed instrument, there is a longer period of limitation in case of default of the organization issuing the bonds. Moreover, a sealed instrument is more closely interpreted according to its terms than an unsealed instrument. By this I mean that outside evidence is not so readily admitted by the courts to explain and amplify its several conditions. Both of these are desirable from the standpoint of a long-time obligation.

Bonds vary in kind and character, but the intention here is merely to explain some of the main legal features.

The Washington School To-day

IT is an inspiring sight to stand on a street corner in Washington about eight o'clock of a brisk fall morning and watch the thousands of war workers hurrying to their tasks. Women predominate. It is useless to try to count them; they pour from the crowded cars and are soon swallowed up in the long gray buildings that stretch for blocks, often on both sides of the street.

I shall try to give you in this brief article some idea of the work that Pace Institute, Washington, is doing for the hundreds of men and women who, for the duration of the war, at least, are making Washington their home.

These war workers are representatives of all classes of people from all parts of the United States. Many are college graduates with doctor's degrees and years of professional training and experience, while others have but little academic education, but are working to their utmost to facilitate the business of government in these strenuous times. Some of the war workers are performing highly specialized technical duties, while others are efficiently doing their work as clerks and office assistants.

Office hours in the Government

offices are approximately from nine in the morning till four-thirty in the afternoon, with a half hour for lunch. This leaves the workers with long evenings at their disposal. As many of them, especially the young men and women, are directly from school, it is but natural that they should look about them soon after their arrival in Washington for the means of continuing their educational work. The fact that they are performing Government tasks does not deter them from utilizing the spare time at their disposal, in order that they may perform their work more efficiently and prepare themselves for after-the-war responsibilities.

One might naturally assume that the students in any evening school in Washington to-day are drawn from the civilian ranks. This, however, is not the case. In the Washington School several of the students are commissioned officers, while in practically every class, men in uniform are earnest students. It is something of a reflection on those in civil life who have spare time at their disposal if they do not utilize it to the fullest, in view of the fact that many men in military and naval service whose hours are much longer than those of the average civilian find time to devote to evening study and research.

The offices and lecture rooms of Pace Institute, Washington, are conveniently located in the heart of the down-town business section, adjacent to many of the new Government buildings which have recently been erected, just north of the Capitol. Many of the classes are held in the late afternoon for the accommodation of those Government workers who are desirous of attending school before returning home. Regular evening classes are also held as in the other schools giving the Pace Courses.

On my first visit at a regular class session I was struck by the great number of women enrolled in the group. In one class that I recall, there are more women than men regularly enrolled as students. These women are doing a variety of work in various Government departments. Many occupy responsible executive positions; others are clerks and stenographers. They are all, however, alike in their anxiety to utilize to the utmost their spare

time and secure advanced professional training.

In several of the Government departments, which have grown almost over night from one office with a half dozen clerks to a point where they occupy thousands of square feet of floor space in huge new buildings, women are doing practically all of the work. The important nature of the work requires that the women employees shall possess more than ordinary ability and training. As a result of this, it is not unusual to find an entire department made up largely of women with normal school or college educations, and several years of teaching or business experience. Naturally, evening study of professional business subjects has an especial appeal for these women.

There is a distinctly military air about the Washington School. As I have said, every class has in it students in uniform. The text attendants are all in the service.

The students in the Washington School are not drawn from one particular locality, but are from all sections of the United States. They have all come to Washington with a common purpose. They are working and studying that they may make themselves more efficient parts of the great Government machine. Many civilians and men in the service will return to their homes changed as a result of their contact with people from other communities. They will take with them the knowledge that they have gained in their work and in their study, and it will help them to be more useful citizens.

NOT long ago, a Pace student told a story illustrative of the difficulties that a bookkeeper sometimes has in finding a classification for an expenditure. This student was doing auditing work and noted that one hundred and eighty-five dollars was charged to "Packing and Shipping." Because of the largeness of this amount for one shipment, he asked the bookkeeper for an explanation. That individual scratched his head and, after deliberation, said: "Ah, now I remember that! You see, one of our men was accidentally killed in the factory. The firm paid a part of the funeral expenses. When I received the voucher for entry, I was puzzled as to which account classification to use for the charge. After considerable thought, I decided that the best classification under which I could place it was 'Packing and Shipping.'"

*Packing
and
Shipping*

**Personal
Notes**

HARRY C. McCARTHY, who for the past year has done cost accounting and auditing for the United States Food Administration, is now located as general accountant with the New Orleans Refining Company.

HARRY I. GORMAN, of Pace Institute, formerly connected with the Brooklyn United States Postal Service, has accepted a position as junior accountant with Alexander Aderer Company.

CLARENCE HANSON, of Pace Institute, until recently connected with the Wilcox and Gibbs Sewing Machine Company, in Newark, is now in charge of the collection department in Pace Agency for Placements.

HARRIE I. WEINER, Accountancy Institute of Brooklyn (Pace Courses), has severed his connection with S. H. & L. J. Wolfe, insurance accountants. Mr. Weiner is now in the employ of Dennis & Young.

The
PACE STUDENT

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PAUL S. KASTENBAUM, Pace Institute, Washington, D. C., formerly employed by the Government in the Supply Division, has been transferred to the Depot Quartermaster's Office at New York City.

WILLIAM TEITELBAUM, who held a position with the *New York Times* as auditor of disbursements, has located with Moskin Brothers, Fifth Avenue, as accountant.

E. E. LATHROP, who acted as auditor with the American International Corporation, has accepted a position with the Pacific Development Company, at 78 Wall Street.

D. E. MULHERN, Pace Institute, has accepted a position as junior accountant with the firm of Fedde & Pasley. Mr. Mulhern was formerly with *Collier's Weekly*.

GEORGE A. NAHSTOLL, Pace Institute, Washington, D. C., who was in charge of the project Market Business Practice of the Bureau of Markets, Department of Agriculture, and author of several bulletins on Agricultural Accounting, has joined the staff of Scovell Wellington, of Boston.

GEORGE O. KNAPP, Pace Institute, Washington, D. C., has been assigned, temporarily, to the Bureau of Markets, Department of Agriculture, to take the place of Mr. Nahstoll.

ALEXANDER N. KOZMA has given up his position with the United States Rubber Company, and accepted another in the voucher department of the Air Reduction Company.

PHILIP L. CLARKE, a former Pace Institute student, is now stationed at Fort Slocum, New York. He hopes to be connected with the Air Service Bureau of the Aircraft Production Board in a short time.

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