

THE WHITE HOUSE  
WASHINGTON

October 12, 1937

My dear Colonel Montgomery:

A public accountant has one of the most responsible and trusted positions in the world. When he examines the books of a corporation he not only looks for errors on the part of the bookkeepers but he must also disclose whether the management itself, by accident or intention, is deceiving the stockholders and creditors with false reports.

A good system of accounting, by indicating weaknesses in the structure of the business, may save thousands of dollars to investors and may even save the business itself. The development of natural resources, the exploitation of new fields of commerce, the increase of population, keener competition, higher standards of living and greater complexities of modern business, and innumerable other influences which are reflected in the industrial life of today, have brought about a condition where an effective accounting system is as essential to the continued life of a business as production and distribution.

The same considerations which make accounting of such paramount importance in private enterprise have equal force in their relation to public business. The business of government is surely the most important business in the world. For its proper dispatch it is absolutely essential that there shall be a microscopic scrutiny of all government accounts not only to prevent irregularities and dishonesty but as a guarantee that the will and intent of the Congress -- the sole appropriating power -- shall be carried out in all disbursements of public funds.

Laws relating to corporations; income taxes; the growing appreciation of banks of the value of the certificate of the certified public accountant when attached to a borrower's statement of financial condition; the demand for skilled accountants in public utilities work and many other lines of endeavor have tremendously increased the opportunities of the accounting profession in recent years.

I trust, therefore, that the approaching observance of the fiftieth anniversary of the organization of the American Institute of Accountants will give new emphasis to the importance of strict accounting in both private activity and in the discharge of the public business. Please extend to all who participate my hearty greetings and cordial good wishes.

Very sincerely yours,

Franklin D. Roosevelt

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