

C O P Y

SECURITIES AND EXCHANGE COMMISSION

Office of the Chairman

February 13, 1936

Mr. John L. Carey,
Secretary,
American Institute of Accountants,
135 Cedar Street,
New York, N. Y.

Dear Mr. Carey:

Your letter of January 31st arrived during my absence. I am sorry that the answer has been thereby delayed. As you know, the Securities and Exchange Commission has a direct interest in accounting matters. I do not think the importance of good accounting can be too strongly emphasized.

In practicing under the Securities Act and the Securities Exchange Act, the accountant has a duty to prepare his statements in such a manner that a clear picture of the financial position of any enterprise is presented. Good accounting, therefore, goes a long way to make the work of this Commission easier and will aid in accomplishing the purposes of the Securities Act of 1933 and the Securities Exchange Act of 1934. Bad or careless accounting in statements filed with us, of course, increases the administrative burden.

The Commission has, in the past, received the most complete cooperation, not only from organized bodies in the accounting profession, but also from individual members themselves. I trust that this will continue in the future.

Very truly yours,

JAMES M. LANDIS (SIGNED)

Chairman