

AMERICAN INSTITUTE OF ACCOUNTANTS  
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Pittsburgh, Pa., Jan. 16 – The flexibility of the new forms for registration under the securities act of 1933 and the securities exchange act of 1934 represent an advance not only from the earlier requirements under the securities act but from the usual procedure of nearly all government commissions authorized to prescribe methods of reporting financial facts, Charles B. Couchman, of New York, said here last night.

Speaking at a meeting of the Pittsburgh chapter of the National Association of Cost Accountants, Mr. Couchman, who is a past president of the American Institute of Accountants and a partner in the accounting firm of Barrow, Wade, Guthrie & Co., said that the Securities and Exchange Commission deserves a vote of gratitude and respect for the practical manner in which it has complied with the requirements of these acts.

“Nearly all government commissions authorized to prescribe methods of reporting financial facts,” he said, “have felt constrained to devise a form for each financial statement upon which were tabulated the names of various accounts followed by blank spaces for figures to be inserted. The insufficiency, the impracticability and in many cases the ridiculousness of such forms put out by many worthy blue-sky commissions as well as by credit organizations, statistical houses and the like have long been recognized not only by public accountants, but by anyone thoroughly familiar with accountancy.

“In neither Form A-2 under the securities act nor Form 10 under the securities exchange act is a rigid form, in the sense in which that word is usually used, provided for balance-sheets or income statements. The present requirements are noteworthy for a practical flexibility,

unfortunately lacking in the original requirements for registration under the securities act. The requirements under these new rules are such as to provide information that should be of real use to prospective investors but are not burdened with requirements for voluminous facts and statistics such as those formerly imposed under the securities act, which were of most doubtful value to any investor, prospective or actual.

“Realizing that even these modified requests may cause some corporate official to feel that he was asked to give information that would be detrimental to his corporation, the commission has made provision for keeping confidential and excluding from the registration statement available to the public such information provided the corporation affected could submit sufficient reasons justifying its position.

“In general I think it may be said that the Securities and Exchange Commission deserves nothing but praise for its efforts to comply with the requirements of these acts in such a way as to secure proper and reasonable information to which any stockholder or other investor should be entitled, and at the same time to demand nothing unreasonable, unjustified or superfluous.”