

GOVERNMENT AND BUSINESS.

Address of EDWARD N. HURLEY, *Vice Chairman,*
Federal Trade Commission, before the Associated Advertising
Clubs of the World, at Philadelphia, June 29, 1916.

Continuation of his last address before the Associated Advertising Clubs of the World, June 29, 1916.



cooperating with *business* men and our efforts have demon-

proper cooperative spirit is shown by the Government.

If the Government continues to improve its methods of corresponding with the business men, tax payers, and others having dealings with it and in other ways to recognize the community of interest between it and business men, a much friendlier feeling will prevail and government and business will

the real facts of industry from manufacturers. Within a few months we hope to be able to give manufacturers first-hand detailed information about their business.

BETTERING BUSINESS METHODS.

The activities of trade associations and similar business organizations are manifold. Groups of associated business

"The White House Washington

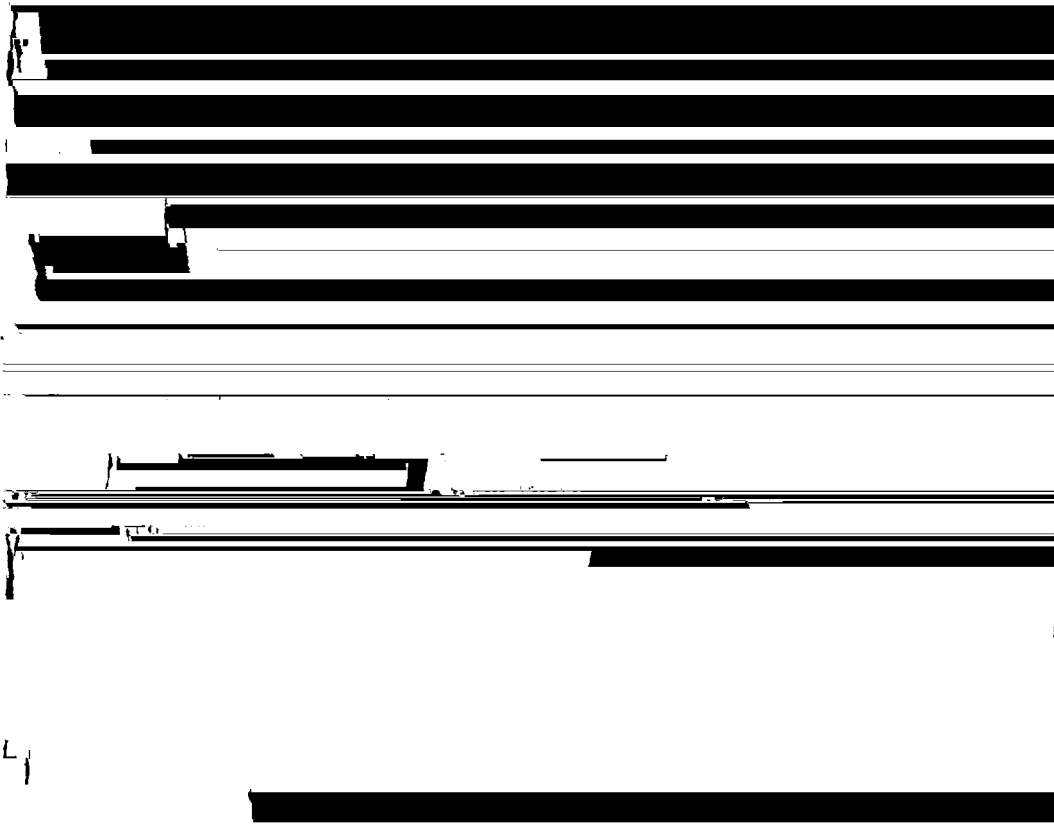
May 12, 1916.

“Your suggestion that trade associations, associations of retail and wholesale merchants, commercial clubs, boards of trade, manufacturers’ associations, *credit* associations, and other similar organizations should be encouraged in every feasible way by the Government *seems to me a very wise one.* To furnish them with data and comprehensive information in order that they may more easily accomplish the result that they are organized for is a proper and *useful government function.* These associations, when organized for the purpose of improving conditions in their respective in-

dustry, such as unifying cost accounting and bookkeep-

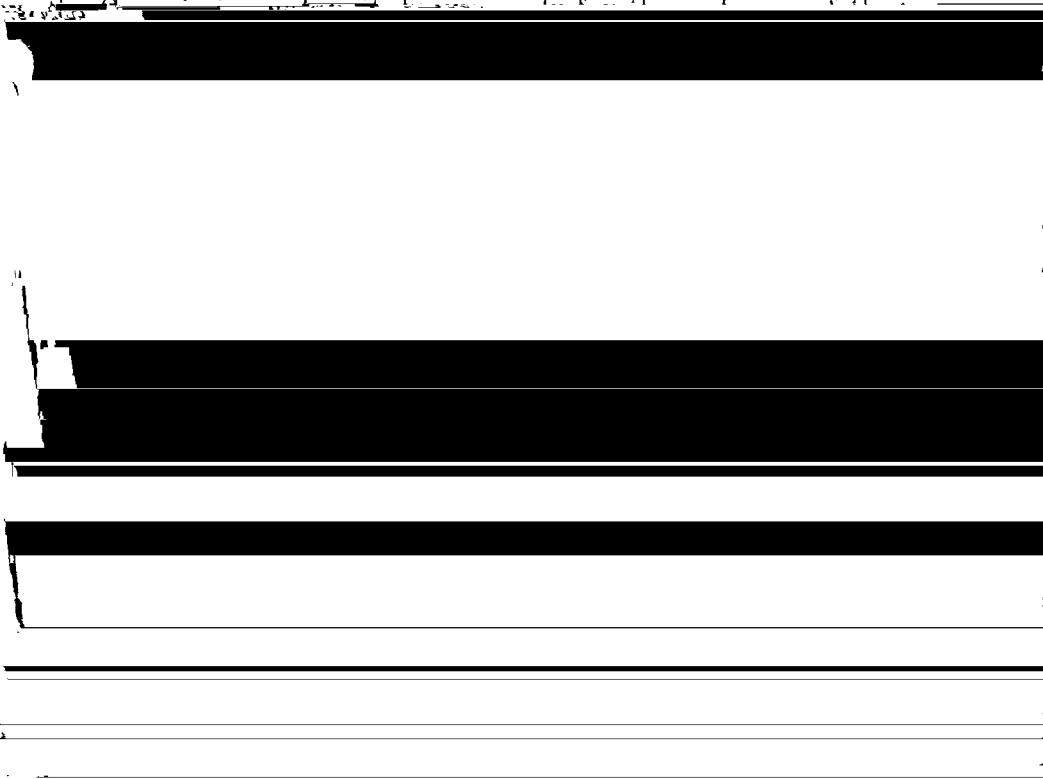
the many departmental organizations included in your large unit, the Associated Advertising Clubs of the World.

The work of your association deals with a part of the field of business which is most important—the marketing of commodities. Selling and advertising are bound up together. To find the need and to supply it are two sides of the same shield. The usefulness of a manufacturer to the community is greatly ex-




DEPRECIATION.

The Trade Commission is urging on every business man the absolute necessity of making proper provision for depreciation and doing it monthly or at least quarterly. I think I can safely say that no accounting system will receive the endorsement of



most important item of cost.

Statistics show that the percentage of business men who do not provide for depreciation is very large, running over fifty per cent, and this is one of the causes *that has a great influence* on the business death rate. Nearly every man is perfectly willing to include in his cost all items for which he pays out actual money, but he is inclined to overlook those which do not require a visible outlay, and depreciation is one of these which unquestionably exists. Many manufacturers and merchants do not charge any depreciation and give as a reason that



general demoralization in a large number of industries has been

actually cost to manufacture; the cost of selling also, which is equally important, is almost wholly lost sight of. Are the officers of the companies and firms who are cutting prices right

Each article should bear its proportionate share of expense and yield reasonable profit. The enormous financial death