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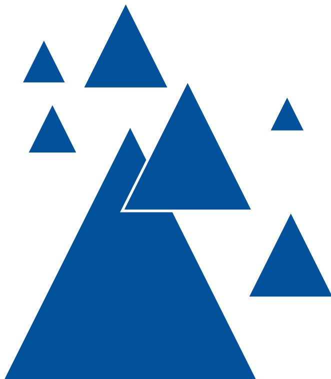
Interview with Godfrey Judd

by Michael Mumford



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Godfrey Judd Interviewed by Michael Mumford

1st March 1984 at The Institute of Chartered Accountants in England and Wales

Before this last war, the Institute [the Institute of Chartered Accountants in England and Wales, ICAEW] did practically nothing, and then, inspired by the end of the war, they started these review revision courses. And they came to life after that, and began to try to 'lead the profession', I suppose you might put it. They've gone too far now, in my view. But anyway, it was a jolly good effort, and they started writing 'Recommendations' [on accounting principles] and setting up working parties and committees, and all that sort of thing.

I'd like to come to that.

Before the war they were really just a sort of nice quiet club. But something changed them.

Yes. Could I go back to your own beginnings as a chartered accountant?

Yes, certainly.

When did you qualify yourself?

I suppose it would be about 1936, would it? Yes, I think so.

With whom?

With Mann, Judd, Gordon, as they then were. They were a firm both in Glasgow and London. I started in Glasgow and found there was so little work and interest there that I agitated to be moved to London. In London, I didn't have to play darts and drink coffee all day; there were a certain amount of privileged additions to do and that sort of thing. One was allowed to do postings and additions, which was really most exciting after Glasgow. Although I was a graduate from Cambridge, I was only allowed to lick stamps and run messages; that was the beginning of one's career in those days. Which is interesting compared with what happens today.

What did you read at Cambridge?

I took Natural Sciences Part 1 - chemistry, physics and physiology - for a couple of years. And then I took Economics Part 2. It was what you might call a modern education.

So you were there at the same time as Kenneth Wright?

Yes, although I don't believe that I met him. I didn't meet him there; I met him through a mutual friend who had digs in Hampstead where I lived, and we all went walking in Czechoslovakia in 1937 or 1938. That's where I met him - yes, that's right. Yes, he is about a contemporary, I suppose. And I remember he was only about 20 or 19 or so then, and we were talking about what we were going to do. And he said: 'well, I'm going to be President of the Institute of Chartered Accountants' [laugh]. And even when we were in the most remote places, he insisted on getting an out of date copy of The Times and digesting it all. He was a most wonderful example of an Englishman - but a career Englishman, a traditional type.

Very correct and unshakeably well behaved, and that sort of thing. And so he did [become President of the ICAEW].

Were you a student of Keynes?

No, I wasn't. No, I didn't have Keynes, unfortunately. (E. A. R.) Robertson a bit; there was Mrs [Joan] Robertson who was very good, and old Pigou, who had a theory about unemployment that was of no practical value - not the theory. And an extraordinary man who lectured about industrial relations; one learnt a lot of guff about trade unionism. And what the heck else? I can't remember.

Did you switch to economics with a view to going into accountancy as a career; was that what you were intending to do?

I had no intention of going into accountancy as a career. I intended to go into manufacturing or engineering or something creative, because I was always a very practical chap. And having got a smattering of Natural Sciences and got through Part 1, I found that the chaps I was sharing rooms with, and rowing with and so on, happening to be doing Economics, and they were always discussing economic theory, which I thought was absolutely fascinating. So I just took it up because my main companions were doing Economics and I thought this sounds jolly good fun. And I took it up and I thoroughly enjoyed it. It was at that time a subject of reasoning; you simply made certain assumptions, disregarded psychology altogether, assumed that man was utterly reasonable, and asked what he would do. And this I found quite an easy sort of subject to pursue: pure reasoning, nothing empirical, nothing to be learned by heart, and I thoroughly enjoyed it.

And when I came down, of course, there was a terrific slump going on - and the slump was never, never going to end. I went over to New York to see if I might work there; I got a job minding a cargo of ponies, so I had

crossed to New York for nothing. I found that everybody in New York was working like mad, nights and weekends inclusive, and although there was work to be had, despite the recession, I thought I don't like the American way of life and I came back to Britain, still unemployed. I had a father who was in a jolly good old firm called Mann, Judd, Gordon, and he said: 'Well, you can go to our office for a few months until the recession begins to pick up or you hear of something'. But he said: 'I don't like nepotism, so you'd better go to our Glasgow office and get out of my way', you see - so I went to Glasgow.

He was in Aberdeen?

No: my father was in London. He was in London by that time. I found the Glasgow office incredibly sleepy, and manned by very interesting Scottish chartered accountants whose interest in work was largely academic: they would only take on clients that had interesting problems, academically speaking. They weren't a bit worried about rendering fees or keeping time records or anything like that; they were a wonderful bunch of chaps. But the trouble was that they didn't let me do anything other than act as a messenger boy and stamp-licker, so I really had to leave them. But it was a pity because they were a most interesting small firm, which apparently had a good reputation. And they picked up any job where there were good, interesting equational, mathematical or other problems that other people were shy of trying to solve.

But the London background was entirely practical; they were out for business and rendering fees, and auditing, accounting and tax and everything else that was going.

So you joined the office in Glasgow in 1932 or 1933?

About 1932, I should think, yes. And I started going to lectures on book-keeping and more or less studying for the Scottish exam. And then when

I moved up to London, I decided I would drop the Scottish exam and study for the England and Wales exam instead, because the courses down here were slanted that way and I could see no point in doing both. One of my colleagues took both, but I could see no point in that.

So I became a member of the English Institute, never with any intention really of pursuing that way of life. When the war came along it was obvious that, whether you were in a reserved occupation or not, you ought to get into the forces. I got into the forces. But the firm continued to send me some money, and because of this I thought I must go back to them for a year or two afterwards. I was indebted. By the time I got back, I was older and I was allowed to do interesting work.

But you came back from overseas service?

No, I never went overseas, oddly enough. I joined a unit which was about to go overseas; I was the last man to join the unit, and they said: 'You are too untrained - you'll have to stay behind'. So I stayed behind. I was put on anti-aircraft defence at the Cornish coast. Very few Germans bothered to go there, so it was very dull. And I volunteered for everything that came along. I couldn't get into the RAF, and I couldn't become a glider pilot because I was red/green colour blind. And I went on volunteering for everything, and suddenly a job came along where they wanted somebody versed in all branches of gunnery, trained in natural sciences, and good at mathematics. I said: 'I'm a chartered accountant: I must be an ace at maths!' I didn't tell them otherwise, because it was utter rubbish, of course. 'I've got a science degree, and I've fired nearly all sorts of guns that exist, so I'm the man you want'.

And I found myself in the experimental department, run partly by the Admiralty and partly the Air Force and partly by the Army and partly by the Ministry of Defence. It was a very interesting job, and I played about

with apparatus, and I was doing something practical and creative. I had a very happy war.

Was this in Dorset?

No, it wasn't in Dorset. It was first at Melton Mowbray, a very sleepy spot. And then I got moved up to Sheffield where I was to buy, or get the use of, a quarry as near as I could to the steel works, build gun ranges in the quarry, and fire with heavy artillery, tanks and so on as close as I could to the steel works in order to test the stuff that came straight out of the steel works, both the ammunition and the armoured plate. A lovely job!

The maths and Melton Mowbray suggest operational research at the University of Leicester, under Huxley.

Well, it might have been - but it wasn't. We had nothing to do with the University of Leicester. The Admiralty interviewed me and they said the job required higher mathematics, but that's balls. We never had any calculus, we very rarely had any equations; it was mostly pure arithmetic, graphs, and common sense.

So that was that, and I came back and went to Mann Judd Gordon who had an office in Frederick's Place, in the City not far from here, intending just to serve a year or two out of politeness. And the work became interesting, because when you're older in practice you can more or less choose the clients you want. And I chose the practical clients who were making things - making gas cookers and engines and all sorts of things. And I had a really enjoyable time, really.

Were you involved with the refresher courses? Did you take the refresher courses?

I went to the refresher courses, because one or two new taxes had been devised about which we knew nothing before the war, and one wanted to be au fait with those and also reminded of the stuff that you'd swatted up before the war and had very little opportunity of putting into practice, you see. The refresher courses were jolly good. It's almost the first good thing the Institute really did in years [laugh], but it went on from that. It [the Institute] sort of aroused itself and started making recommendations.

Yes; the Taxation & Financial Relations Committee in 1942 seemed to have sparked off a great deal.

Yes, that's right. I think tax was a great help in putting them on their feet.

Well, I'll come back shortly to the question of the relations between practising members and industrial members, because that's an interesting question as well. But before we get to that stage, what about your own work with the firm? You were saying you went back with the intention of spending a year or so, but then you found yourself getting into interesting jobs and staying on.

Well, they interested me because I was willing to take jobs other people didn't want. We had a number of iron founding trade associations. They weren't very profitable to the firm, but I found the iron founders just the sort of men I like to mix with. They were all dealing with technical problems involving metallurgy and heat and physics and that sort of thing, and very few of them were really orientated towards making money at all. They merely wanted to have enough to go on trying out new processes to make better and better castings in new and cleverer ways. And I got thoroughly interested in their hobby work. And they were rather funny because I was always able to show them how they could make more money, but very few of them took my advice because they were not wholly interested in making money.

And, you know, quite a lot of the best people in Britain have little pecuniary ambition after a certain point is reached. They've got to get to a certain point, which varies from man to man, but after that they are much more interested in doing what interests them rather than making money. And this struck me when I first went to America at the age of 19 or 20, and it struck me very forcibly when I went to America about 20 years later with a productivity mission, whose task was to discover why the Americans had used man-power so effectively and we couldn't.

You were a member of the Anglo-American Productivity Council?

I was the secretary of the Iron-Founding Branch of the Productivity Mission. I had two months in America where all doors were open to us both academic, accounting and particularly iron founding. And it was a most absorbing interest, because I had with me a team of first class iron founders and metallurgists, you see - not commercial men or accountants at all. And I was able to study the accounting side, but I couldn't help hearing them talking about the other, and it was quite clear at that time that Britain was technically well ahead of them. Nearly all the latest processes they were using in America had been invented in Britain at the turn of the century or more recently, and discarded because although they worked all right they weren't very interesting.

But the Americans, you see, were interested in making money, and they would actually ally costing and iron founding together, which none of my clients would do until I'd been pushing them. Oh, I think I pushed them for 12 years before I got some of them getting interested in costing. Whereas the Americans, when we went there long after the war, had been interesting even the shop floor workers in costing, and having sessions with the actual chaps who handled the metal once a fortnight, to tell them how in accounting terms they'd done the fortnight before. Well, my chaps were amazed with this - this wasn't iron founding [laugh]. But the whole reason was why America then, and probably still today, is more productive

is that the individual American is more interested in making money than the individual Englishman. He has a different philosophy.

The Englishman is a vastly advanced creature - so advanced, he's practically obsolete, because his philosophy is not to work for money. Get money in other ways, if your can, but don't waste time working for it; your work should be interesting.

Yes.

Well, that's a bit of a red herring and not entirely true, but there is some truth in it.

It is something I identify with strongly, and so would many of my colleagues.

Yes, you do; I would think so, yes.

These clients would be in the Midlands of England, or would they be in Scotland?

The iron founding clients were all over the country, and we used to have meetings in London, and sometimes in Birmingham, and occasionally in Glasgow I suppose, and one or two other places, but mainly they came to London for meetings. And I was also mixed up with Glover and Main who made gas cookers, and had a bit with Handley Page who made aeroplanes, and so on.

I wonder whether you'd come across Bill Fea?

Bill Fea?

With GKN; he spent some time with GKN.

I know his name very well; he must have been a friend of some of my Scottish friends. We had very strong Scottish ties in my family - always went to Scotland for our holidays, that sort of thing. I seem to remember the name very well, but I can't put my finger on why. I must have met him sometime, not particularly in GKN, I don't think. I think it was probably more likely on the golf course or something like that.

Well he made his home in the Birmingham area until he retired.

Oh, yes.

And so he knew people like Stanley Davidson and Norman Lancaster, and there were a number of Midland members who were mainly in industry.

That's right, yes.

So, going back and trying to get these things in chronological order, the refresher courses you went on as a member of the Institute probably in 1945…….

1946, or something like that, yes.

What about the Summer Schools?

Yes, as soon as I was old enough to have a voice in the firm, which I suppose was probably about 4 or 5 years after that. It can't have been very long after. I don't know if 1949 was the first summer course I went to; perhaps it was, I don't know. I think I'd been to one before 1949 but it happened there. There were a bunch of us who were all very similar in taste and enjoyed one another's chat and that sort of thing. And this was enormous help to me, to get mixed up with representative, lively people

from other practices and a certain number of chaps from commerce and industry. That was the nice thing about it.

And did you find that this got you involved with Institute affairs?

It gave me an interest in Institute affairs which I really hadn't had till then. But because we were a group meeting in a pub at evenings with time to spend, and no particular brief as to what we discussed, we naturally discussed what we called 'Granny Institute'. And naturally, being the age we were, we were highly critical; being highly critical, we had to justify our remarks and occasionally we would write letters to the President and that sort of thing. But yes, you are absolutely right - I don't believe that I, or my firm, took the slightest interest in the Institute, except to the extent that we had to over certain regulations affecting articled clerks.

But by joining The 1949 Group, I did begin to take an interest in the Institute because one of the things that we would do would be to study their latest pronouncement, say what balls it was, and how it ought to be re-written, and that sort of thing.

Now, The 1949 Group grew then out of the Summer Schools?

It did. It started at a Summer School. We happened to be at 'The House' - Christ Church, Oxford - together. I think it was. And we enjoyed one another's company so much we decided to meet on winter evenings, and this went on year after year. But it also encouraged us to go to other Summer Schools because we'd enjoyed that one so much.

Who were the moving forces behind The 1949 Group?

I suspect that Kenneth Wright would have had something to do with it, but he wasn't really a terribly warm man, though he was awfully nice. There was a chap called Cleminson, who was in industry making lavatory pans

or something like that - with Shanks, I think it was. And he was willing: I think he was our first secretary, and he was willing to take the trouble to find pubs and send out notices and that sort of thing. It was a question of having somebody who would be dog's-body quite contentedly.

So you didn't meet in just one particular place on the 3rd Thursday of every month or something?

Yes, we did do that, but it wasn't always the same place. We always used to try and find somewhere where we could meet free, and have beer and sandwiches without great expense or inconvenience. And I believe it was a pub in Floral Street, near Covent Garden, where we had our first meetings, and later on somewhere in the Strand and then somewhere else. But they were always pubs in the middle of London.

Yes.

And I strongly urged my colleagues and others to indulge in similar practices, but it was a long time really before this idea of having very liberal discussion groups began to catch on. There are an enormous number of them, I think, now; but we were probably one of the first groups to have formed, and we were very enthusiastic about it. And it did happen that in that group were people like Kenneth Wright, Douglas Morpeth, [Eric] Hay Davison [the father of Ian Hay Davison], and others who really got on in life and made a mark. And it was very nice and helpful to be growing up with people like that, who had very positive ideas and needed to be argued with. I've always come to life when there's an argument going, but otherwise I don't bother!

Did you find at that stage that there was any sense of division between industrial and practising people?

The industrial people were more scathing of the Institute than we were, and they always have been of course. They were never really understood, I would say. And even in those days, quite a number of them believed that experience in a practitioner's office was not particularly valuable, because - well, they were in industry and they were concerned with the costing and management. Management accounting was really very much in its early days then; the Institute wasn't much bothered about it. And costing was a sort of side-line subject which didn't rank very importantly in the exams. It was there, but practitioners didn't really take it terribly seriously just after the war. Of course it has grown enormously since.

But the industrial members of our group were always talking about the necessity to stop wasting time with auditing and that sort of comment, and get on with management accounting and costing, you see. And the 'Granny Institute' wasn't keen enough on these subjects to take them seriously, and people weren't getting the 'right' experience in order to lead the country to profitability. We used to argue a bit about this. We had some sympathy with them, but we very much doubted if experience in industry would in practical terms be useful, except if there was a chartered accountant in an influential position in a factory who was going to see to it that the clerks got their chunk of experience. Because the majority of manufacturing firms wouldn't have given them a fair chunk of experience; they'd have put them into the salaries office, or the cost office and left them there, doing routine until they could do it in their sleep. There were very few people that I thought could be trusted to move a man around and give him a fair slice of different bits of cake.

Lawrence Robson wasn't one of The 1949 Group, was he?

No, he wasn't. I got to know him quite early on for various reasons, but I can't remember why. I think probably because he was such an outstanding figure one couldn't help hearing what he was talking about at times.

But he comes to my mind in two connections partly because he was interested in costing pretty early on, and partly in connection with the 1952 Productivity Mission which he was involved with.

Yes.

How did you get involved with that?

My getting off with the iron founders had nothing to do with the Institute. It was because I was, part of my time, working for a Trade Association you see. And the Trade Association wanted to go on the Productivity Mission, and I thought it was a jolly good idea, and we pressed for it and got it. And it was a very delightful thing to do.

Were you involved with the problems that industry had between 1946 and I suppose into the 1950s in raising capital? There was a great shortage of capital investment following the war.

I wasn't. My father was, in various ways, but I wasn't. No. I was far too immature really.

What about the question of replacement cost accounting, which tended to be linked with that?

That idea didn't really filter through most professional offices until much later on.

It was something I gather that was on the agenda of The 1949 Group.

Yes, we talked about it. We didn't seriously think it was going to catch on, though, because it was so difficult to get any new move going.

Because the Institute was not receptive?

Although the Institute had begun to pick up and take notice, and try to take a lead, it was really taking a lead in the very traditional disciplines that everybody knew well and that the text books knew well.

Such as?

Oh, the layout of the balance sheet, and what the Companies Act ought to require you to show. A vast amount of time was spent, even in The 1949 Group, in discussing what legislation should compel us to show and what it shouldn't. I remember there was an early Institute recommendation telling you that a balance sheet should have credits on one side and debits on the other. It really said very little more than that, and suggested an order in which they should appear. But it really was rather puerile. I dug it out some years ago and told a class about it, and it brought the house down when they read what was written. I haven't got it now, but it's quite remarkable how simple minded we all were.

Yes, the Institute was taking a great interest in the layout of accounts, and auditing and wondering whether it should give a lead in prescribing how accounts for different purposes should be laid out. A great deal of time was spent in devising different sort of standard forms of profit and loss and trading accounts and so on. A lot of good blood was spilled, almost aimlessly.

But the Institute was very important in forming the 1947 Companies Act.

Yes, yes, they were. That, I suppose, is why later on in our Group we were still discussing the Companies Act and saying what it ought to do next time.

Sir Thomas Robson?

Yes.

There were one or two other people apart from Thomas Robson, but I can't think who they were.

He was an unusually splendid chap. He'd got a much more forward-looking mind, I would say, than most professional accountants in practice. Most accountants in practice - and I'm talking about myself - had really a very easy way of life, in the sense that if we did our auditing thoroughly and our tax work without any gross negligence, we could make a living - and quite a reasonable living. And there were therefore few of us who were going to bother to try to shift the whole of practice emphasis into some other field when what we'd got was already quite enough to keep us alive. And there was enough in it for the more intellectually minded members of the firm to do a bit of reading and studying, without crippling themselves.

It was an extraordinarily pleasant way of life. I think we were, in relation to other people, well rewarded. I don't think we had to do anything like as much study as one has to do nowadays to keep abreast of things. I think my father learnt a bit about tax in about 1910 and almost picked up in the course of conversation enough to see him through to about 1950 when tax began to take off and become more complicated [laugh].

Did you specialise yourself in audit, or in tax work, or in any particular areas?

I found myself doing a great deal of audits, and writing essays, for which nobody paid me, to the Iron Founders. I spent a vast amount of time trying to educate the Iron Founders to the appreciation of the importance of costing, and keeping time records and material records and that sort of thing. Most of this I was not paid for. And what was so nice about being a practitioner, in those days, was that if you came across some piece

of work you wanted to do and you did it and didn't earn any money by it, your colleagues did not drop on you very heavily. Today, I think it is true to say, that it's most important that very nearly every minute you spend gives rise to a fee.

In my own firm, for many years, you could spend a heck of a lot of time as a partner doing things that were totally un-remunerative. This was particularly true in the marvellous Glasgow office of Mann Judd Gordon, where they just sat like professors and argued without any fee arising whatever. But my poor colleagues in Touche Ross today - they really have to do productive work all the time, or they're out.

Yes. What about the effect of nationalisation on the steel industry? Did that put back the attempts to introduce costing, or did it advance them, or what? You may not have seen a great deal of that on the founding side.

There were constant threats that the iron founding - our branch of the iron founding - industry, which is a very varied branch called 'Jobbing', might be nationalised. But I thought it highly unlikely that any government would take hold of such a mixed bag of rather small workshops, and try and put them into one melting pot. We were rather annoyed about the nationalisation of the steel industry because it led to control of the prices of raw materials. And that was a bore; we thought free competition ought to be left, and there were quite a lot of minor effects of nationalising the steel industry that were a bit of a nuisance. And we were also threatened with steel founders in the nationalised section of the steel industry being aided by government subsidy and other encouragements to start competing with us, who were iron founders. They were very similar up to a point. We had discussions with Duncan Sandys and various other people about the possibility of nationalising the industry, which came to nothing as far as I remember.

So it had no effect?

No. It had no bad effect. We were, both in my office and amongst my clients, simply opposed to nationalisation. We were typical right-wing Tories for the most part, and free enterprise types. And leading a reasonable life in consequence!

I had no pre-judgement as to what difference it was going to make in effect on costing practice or accounting practice.

Well, it didn't in the iron side of the industry; it must have had quite an effect on the steel side, but as far as we could make out, it didn't result in anything being made any more cheaply at all. What we feared was going to be unfair competition didn't in fact arise. It didn't become all that efficient.

You referred earlier on to negligence, in passing. You used the term negligence.

Yes, because if you don't know a certain amount about tax and the latest Finance Act, you may stupidly fail to advise your client of a date by which he should have taken an option or something, you see. And if you didn't do this, you could be in real trouble. We never were in my firm. But I was merely saying it was quite remarkable how partners such as my father could get by advising people on tax without ever having had any proper training in it, and with never doing more than about five minutes reading a week on the small print of the subject!

Yes. I was wondering when negligence actually started to impinge upon the conscientiousness of practitioners.

Oh, not until about 1965, I should think. Quite a time later, people began to ask: 'Do you think we ought to have an insurance policy?' And so on.

But that hadn't been the practice before then.

No. Sometime between 1965 and 1970, I should say, even my firm had not taken out a policy. It was the Americans who fired it all, off you know. 'Bloody' shareholders in America, making trouble and going for the accountancy court. And these things all leap across the Atlantic.

Would you accept that the Americans had impact on practice elsewhere, too? Presumably the productivity mission was looking to see what was happening over there. But I'm interested in the links between American practice and British practice.

I think they did have quite an influence. I'm trying to think what it was, but I got particularly interested in American practice later on, because I became - I suppose when I was about 55 or so - I became what we called 'international partner'. And my job was to build up loose associations with good firms in all parts of the world, and I started with New York. And I got in with a small but excellent firm there, and not unnaturally we discussed how we would treat those different problems such as leases and so on - how they should be reflected in the accounts, and what the tax treatment was. Very shortly after that, I got in with an extraordinary enlightened Dutch firm. The Dutch are truly good accountants, I must say. As you probably know, they have to be trained for about 30 years before they can practise, and they were well worth talking to!

The Dutch and the Americans were very interesting people to talk about accounting principles with. And they must have had some influence on our Institute. For the most part, as far as management accounting is concerned, they were ahead of us, of course; and I dare say it was their

influence, as much as anything else, which led all of us to take a proper interest in it.

What about the literature? You referred to some interesting reading in the 1950s and before. Would you have been aware of American textbooks and articles and journals and things?

I wasn't, prior to 1950, no. Only to the extent that - I forget when this Productivity Mission was: in about 1952?

1952.

Yes, well it was only then that I started to read American literature myself. Going on the Productivity Mission, I had a vast amount of overtime in trying to keep myself - the only man in my subject - aware of what was there. And I got tax manuals, and treatises on accounting, and American Institute publications galore to read. And I was very struck by their extraordinary gift for expressing a technical matter clearly. I don't know why it should be, but you can read an American tax manual and actually understand it. I would challenge an ordinary man to read a British Finance Act and understand it. And the same was true of their technical text books, on the techniques of iron founding and that sort of thing. They were technically behind us, but whatever they did put down in writing was superbly clear, and the way they would give a synopsis of the results of a costing exercise were superbly clear. They really are much more practical people than we are. I think we are ahead of them academically in many ways, but in practice they are ahead of us.

Yet they taught accounting in universities for some considerable number of years before the subject ever really caught on in this country seriously. Would you have had any contact with the people at the London School of Economics?

I'm trying to think. I did somewhere or other. I know somewhere in my career I've got an idea of what went on in the London School of Economics very well. But unfortunately, because I'd been educated in economics at Cambridge, I tended to think that the London School of Economics was a load of rubbish. It took me a long, long time to realise they weren't; they were very much small beer according to the Cambridge professors, and mainly a sort of political body that ought to be shut up. [laugh] That was my first impression of the London School of Economics. I can't remember having really any serious talks with anybody there.

There were some interesting people there. There was Ronald Coase on costing, and R. S. Edwards who was there. Stanley Rowland was a practitioner, and de Paula was there.

Yes, quite right.

But they didn't have very much impact on the profession, one has to admit.

No, I don't think they did. It was very much later on before this Institute began to think of talking to professors in other universities and colleges. It was quite late in my own life that this became standard practise.

Going back to The 1949 Group, I've never seen any history of The 1949 Group.

There isn't one [laugh].

If one were to try and put one together, where would you suggest beginning?

[laugh] God knows. You'd need infinite patience, and you'd have to go round and ply a host of chaps like me - probably a dozen of us - with

drink, and you'd just have to listen to us nattering, and gradually we would recall things that we had thought we had forgotten. I really need to go to a dinner party and meet the same people and say: 'Do you remember so and so?' And it'll spark off something you didn't know was there, you see. But quite a lot of what you are saying now is bringing things out of me I didn't know were there. Quite frankly I thought I'd forgotten all about being in practice altogether, because I'd no longer taken any interest in the Institute or its doing, or in the firm that's taken over Mann Judd called Touche Ross.

I've got an entirely different set of interests now - yachting, and old cottages, and old motorcars, and travel - and just living, in fact. I would think that [Douglas] Morpeth would remember, because Morpeth must be at least a dozen years younger than I am.

I believe he retires next year.

Does he?

Whether at 65 I don't know.

Well that might be so. I suppose I'll be 75 in a year or so, and he might be only ten years younger, possibly. But I have an idea that there's a bigger gap than that, because I remember how delighted we all were when he became President of the Institute and we all said: 'Good God - he is incredibly young!'. Well, he must have been a great deal younger than I was for me to make such a remark. I would think that his memory is probably still fairly good and active. Because if you retire in the way that I have done, by taking up an entirely new set of interests, it rather tends to fossilise what your old interests were, and you don't keep them up to date. He, after all, is still in harness, still a public figure, and mixing with people a great deal. Talking with people on the same subject keeps the memory

alive, so I think he would remember quite a lot about it. But I doubt if he was one of the original members; he may have been.

Someone whose name has been associated with you in that connection by Kenneth Wright was Mann.

Oh, yes. James Mann. I think he's only about 84 now [laugh]. He is still alive, and if you wanted to see him you'd have to go and see him. He's down near Selsey Bill, I'm sorry to tell you. He doesn't move around anymore. But I did talk to him on the phone only a month ago, and he is very much alive still. But he may have reached an age when all his early youth comes back, as I'm told it does eventually. Maybe mine will: I don't know [laugh]. It's so dreadful, time, that I can't even remember the names of … I should really have looked at my 1949 Group file - I've got a file at home, but it won't go back very far. I've thrown away the lists of the early members.

Is it still in existence?

Yes, it is. It's just in existence; it's just ticking over. The last circular I saw was one which came out six months ago saying: 'We are discussing whether we should keep it going or not. Please fill in this questionnaire' [laugh].

Well, that's 35 years. Who acts as secretary to it?

I'm sorry to say, although it's really only a month ago, I've totally forgotten. I've forgotten the name of the other chaps, too, whose faces I can see quite well.

Guy Densem?

Oh - Guy Densem. Yes, he was an interesting chap.

Who else would there have been?

I can't remember. Clemenson would remember. I'm letting you down; I'm sorry, it hadn't occurred to me - I did wonder how to brief myself for this, and decided there was nothing I could think of doing. But I might have least have picked up The 1949 Group file which would remind me of some names of people who may have become famous now. I wonder if Ian Hay Davison's father is still alive.

No, he died a few months ago. Probably a year or so ago. I did have a talk with him.

He was always poorly, throughout all my life, poor chap. I'm not surprised he's gone.

Yes, I saw Eric Hay Davison, and it wasn't until I met him that I realised that his son had been articled to Sewell Gray at Tansley Witt.

Yes.

Was Bruce Sutherland one of The 1949 Group?

No, he wasn't. But we all met him at various times. I don't think I had much to do with him, really. I probably heard him talk at a summer course, about estate duty I should think.

He always specialised in tax.

Yes, but that particular branch of it, at that time many years ago. Yes, I do remember him. Go ahead chap, with his own opinions.

He was also very hostile to amalgamations with other professional bodies.

Yes, that was an interesting subject.

What was your view on that?

I was marginally in favour of it; just marginally in favour of it.

The merger with the Society specifically?

Yes. You see, it was obviously quite wrong in principle to bring in a lot of people who hadn't had quite such a good educational experience, in our opinion, as we had had, and give them our particular label which we all greatly prized. It was obviously quite wrong in principle. But, on the other hand, if the profession was to make a mark on the nation and have a future, and have the government's ear from time to time, we'd obviously got to increase our numbers and agree to make common cause. So, from that point of view, it was right.

But how many people would have foreseen an Institute of 70,000 members?

None of us [laugh].

You'd have been appalled, I suppose.

Yes, both appalled, amazed and rather sorry.

Do you think there are too many accountants in the profession now?

Yes, in the sense that I, being an old public school boy and a grey-stone university type, I'm still a snob, and I meet chartered accountants today who can barely speak the King's English or express themselves clearly with normally acceptable language. And I think they should not be in practice. But, then, I'm terribly old-fashioned altogether.

I'm absolutely disgusted by the way the BBC is encouraging very sloppy self expression amongst people who actually talk about technical subjects in public, in broadcasts. They use the most appallingly bad syntax, grammar, and knowledge of words and so forth. And I think this is a very great pity, and I think it's happening in our Institute, and I think it shouldn't because I do not think that any subject can develop properly without the gift of self-expression, both in writing and with the mouth if possible. And I just think it's part of the sloppy way that Britain is sliding downhill, led by the television companies in particular. I seriously put that forward - that the television companies are responsible for a deterioration in the British mind and in the British character. But still I think all old men have said the rising generation is a lot of silly idiots, and they must have had a very high standard in AD 1 [laugh]! You see, it's all been going downhill ever since.

I think that part of the problem is that one must pretend that the best people are the lowest common denominators, because not to do so is to be unpopular, deprive them of self-confidence, and push them into the mud. So everybody - the lowest common denominators, in particular - must be made to feel comfortable and as good as anybody else. There's a terrific battle to make everybody feel equal. The only way we can make them feel equal is by taking the worst bunch, who are the majority, and saying, 'these chaps are fine'.

And I think this is very true of America, which is always blathering about democracy - and so are the British too. And we all know that democracy doesn't produce the best results; it's merely that no better way has yet been devised. And it is one of the sad consequences of democracy that it does automatically lead to a downgrading of everybody, I think. And I think the Americans, and British television, are greatly to blame for the way we're all going downhill in the West - in many ways, not in all ways of course, but just in many ways - but mainly in the old fashioned ways of having a sense of style, and precision and expression.

Can I take you back to your activities on the Council?

Yes.

How did you get involved with the Council?

How did I get involved with the Council?

Was it through the London District Society; were you active in that at all?

Yes, I was. And I suppose it was before I got onto the Council. I used to go and give lectures on the small practitioner; I used to give lectures on the merits and the disadvantages and the future of a firm containing, say, 3 to 6 partners instead of one containing 30 to 600. I used to give talks on this, because I was a great believer in it because it gave rise to a very pleasant way of life and a certain independence of character. You didn't have to conform, you see. So I was very keen on it, philosophically, and it was quite easy to find all sorts of arguments to reason why one should be a small practitioner, and stay that way if possible. But it wasn't possible. But that was the first thing I used to give lectures about. And because I gave lectures on this rather popular subject, it was quite easy for me to get elected to the Council, coupled with the fact that my name happened to be the name of a firm which in those days was quite well known - Mann Judd. 'Mr Judd of Mann Judd'.

The fact that I wasn't 'the' Judd didn't matter really, and never does nowadays. If you've got the name of a firm on your personal note paper, it's a great help. And I got elected to Council without any difficulty. I got put on the Finance Sub-Committee, which led my interests in to the various trusts run by the Institute, which I eventually found rather fascinating, because there was quite a lot of money entrusted to the Institute to look after for various purposes.

Like the P. D. Leake fund?

Yes, that's right, yes. And we had the fun of deciding when, and for what purpose, this should be disbursed. When I say 'we', the Trust Committee put ideas up to the Council, and often we could get the Council to agree with our plans. So one was in quite an influential position to push money this way and that, which was fun. The Chartered Accountant Benevolent Association inherited a lot of land, and this happened to pay off very, very handsomely. We've got rid of much of it now, but it was a most profitable thing to do. I enjoyed that.

Oh, I suppose I must have been on some more sensible committees than that, though. Oh, I was on the Disciplinary [Committee], of course, but that's not of much interest to you. I had something to do with auditing, I suppose, but I can't remember what.

Who were the significant figures that come to mind; who were the leading lights in the Institute?

Oh, Henry Benson, Ronald Leach, Grenside. Henry Benson and Ronald Leach, I would say, were both very much leading figures. And we had Kenneth Sharp, who was the first to become the government's chief accounting advisor. A charming fellow. He was an interesting example of the possibility that a man from a small practice could become a President, and could stand the 'racket' financially and the wear and tear.

A provincial practice, too.

Yes; great credit to his character and practical abilities that he could take this, because it is an extremely tiring thing, and you need a lot of backup in your own firm to do it, as well as having a bit of money, I suppose, although that's not so important. You do need support in your firm. And, of course, dear Kenneth Wright became President. Who the heck else?

There is a list here in the handbook.

Oh, that's a good idea.

Yes - there's the list. When would you begin to know them? Sir Harold Howitt, 1945-6?

No, not then. Oh, I knew Howitt - we eat at the same club. But I didn't remark him as President. One must distinguish between 'knew' and 'knew of'. There was a number of Presidents whom I knew of, but the number I knew well was mainly limited to those under whom I had served in some capacity. I was mainly concerned with Trusts and one or two Charities. I knew of Sir Harold, but I was not in his Council, which was several years later.

And the President in 1948-48? Bernhardt Binder?

That was probably twenty years before my time. I knew of Binder, too. But, there again, I wasn't really interested in him as the President. I suppose, I wasn't very interested in the Presidents until later when I went onto Council. [Reading] Russell Kettle, Robson, Blakey. I don't think I got onto the Council until about the end of James Blakey and the beginning of [Donald] House. Carrington, Dicker, Lawson, Barrows, Peat, Pears - gosh, how many of these I've forgotten! A very long time. Does it tell you how long people were on the Council?

Oh yes, I think it does.

Because there were quite a lot of Presidents then that I remember very well, and I wouldn't have thought I would have remembered them well if I hadn't been on the Council. Maybe I began to take note of them before I served on the Council.

[Reading Godfrey Judd's dates on Council] 1967 to 1976.

Oh well, ten years, yes.

So that would have been in Sir Edmund Parker's era. One of my great regrets in doing this project was I wrote to Sir Edmund Parker and asked to see him, and he wrote back a modest letter saying he thought he'd played no significant role.

Well, he wrote a splendid essay about articled clerks, didn't he. The Parker Report. He's a very quiet, modest man, but he's nobody's fool actually - except in saying he'd got nothing to say! He was quite a thinker.

Yes. He was also, I gather, the author of the book that was published in 1968 *Accounting for Stewardship in a Period of Inflation*, which was a very significant publication

Yes, indeed. I'm sorry he wouldn't see you. He could tell you ten times as much as anything I can tell you [laugh]. I'm really a sort of gossip column fringe.

You refer to the small practices ...

Yes. I wasn't able to stick to that tack at all, because it became increasingly obvious that the large industrial businesses believed they must be matched by a large firm of auditors. They just didn't believe that a small firm could do it.

We had a particularly glaring example of this in my own firm. We were auditors of a brewery, a big client. We were constantly telling them that if only they would let us, we would introduce mechanised accounting. They had a room of 36 ledger clerks, all sitting on stools and writing down their sales ledgers by hand, which was crass and extravagant, and all their

accounting methods were pre-Dickensian. We were always urging them to let us show them how to do it. And then one day someone came round and said: 'I'm awfully sorry; I know we've been awfully good friends for many years, but its not my fault you understand - it's the Board. I'm awfully sorry: I've done my best, but the Board is determined to have a larger firm, and we are going to XYZ. But that will be all right, because they're just friends of yours, living next door'. Gosh, we were angry! And the only reason they'd done this was because XYZ was, on paper, a much larger firm than we were. Still, this was only the first sign we'd seen of this.

But it was happening all over the place. Limited companies were sacking auditors because there were too few partners in the firm, and they were going for big ones. And so we realised we had to grow, so we merged with people smaller than ourselves and ……..

By merger?

By merger. We had about six names, I suppose, before we finally merged with Touche Ross.

I was wondering whether the small firms felt that they were fully represented in Institute affairs?

No, they didn't.

Not even at that stage?

Because in a sense they weren't, because very few small practitioners - hardly anybody who was in a partnership of only three - could possibly afford the time to sit on the Council and on its committees and make their voice felt. So they were not representative. We were always doing our best to think about them, but it wasn't quite the same as having half a dozen of them in our midst. And by the time I was on the Council,

I suppose there were eight or nine partners in my firm; it was doubtful whether we would be called 'small practitioners': we probably wouldn't, really, at that time. And no, they were always feeling that the Institute was run for big firms.

And to a large extent it was true. It was inevitably true. The big firms were providing the brains, and the leadership, and the time to think on behalf of the Institute, and naturally they thought about practice as they saw it - and who could blame them. And moreover, they could afford to have specialist departments, and once you've got specialist departments you realise there's a great deal of stuff that none of us know completely, and we've all got to move forward. And there would have been relatively little progress and leadership from the Institute if we'd stayed a business of small practitioners.

They would also have felt, presumably, edged out by the rise of the industrial members. The industrial members didn't begin to play a role in Institute affairs.

Yes, I don't think the small practitioners ever felt that the individual members were a threat to the small practitioner. It was the bigger firms: it was the 'big eight' or the 'big ten', or whatever. Constantly, in our conversations, this would crop up - that the Institute was run for the big chaps. Once I got on the Council, of course, I was always refuting this. But it was inevitably happening, even if you didn't mean it to happen, because it was the big firms that produced the best brains and sat on the technical committees, and had the time to write papers and talk about it.

To play Devil's Advocate, what about the argument that large firm practice is a different profession from small firm practice?

Yes, it is. It's rather a sad one, because for one thing it has to be more commercially oriented towards making money. A large firm has to be

a money making organisation, and a small firm may happily consist of just two or three chaps who are not greatly bothered about raising their standard of living, but like the sort of work they're going to do everyday. That's one thing. But you won't get a large group of people continuing to exist on that loose philosophy; you have to be bigger and you have to make more money. Sorry what were you saying?

Yes, it is a separate profession. I mean Touche Ross, as it is today, is a totally unrecognisably different sort of business from what Mann Judd was when I went into it in the 1930s, 1940s and 1950s.

Did you maintain private clients, for example?

Oh yes, we did people's private tax. And we'd even investigate people … I mean, I remember spending a whole week up at Oxford turning a doctor's desk, drawers, and cupboards inside out to be able to draw up a picture of how he'd spent his money during the previous five years. Extraordinary extravagant thing for a chartered accountant to do, but they were prepared to pay me to do it, and nobody thought in those days that it was a silly thing to do. And in fact it was very useful. I was able to tell him why he was getting poorer and poorer, although he was an absolutely top-line specialist. And we had a lot of small clients whose tax we dealt with, and inevitably gave advice about their private affairs and how to run their little farms and estates and all that sort of thing. And that was all extremely interesting, because you were dealing with characters and personalities and their aunts and their grandchildren and all that sort of thing.

Within a practice of six to eight or nine partners?

Yes, yes, we could do that.

Were you able to specialise? Did you have something you took a relatively greater interest in? …….

I suppose probably about the mid-1950s we began to recognise the need to say to a particular partner who was already obviously interested in tax: 'We want you to do more tax and less auditing', and to another man: 'We want you to do more auditing and less tax'. But it was mainly a distinction between auditing and tax for a very long time.

And then you personally became involved in practice development I suppose one could call it? The overseas contacts.

Yes, yes, and also we were always trying to organise our firm in a rational way, which we were not really very good at doing - but I think we were better at doing it than most firms. One of the things I found in The 1949 Group was that I was singularly fortunate in not feeling that I was oppressed by my partners. Over the beer and what have you, on a winter night and feeling cosy and pally, people would let their hair down a bit and say what bloody awful partners they'd got, you see. And it was a very long time before I felt any need to join in this moan. I was very fortunate.

Yes specialisation came along, and The 1949 Group certainly started talking about how you organise a practice, which in my father's day nobody talked about at all. Nobody organised a practice. He just had his clients, and if he wanted staff, he went and got them. If a partner wanted staff or a different sort of note paper, he just went and got it. Nobody consulted anybody. It was remarkable, really. It was nothing more than a little hive in which three or four chaps with some interest in common happened to work. But they didn't get together much. They got together for lunch because they enjoyed lunching together. But they didn't try to see the firm as an entity and sit down and predict its future for the next hundred years. That came a great deal later in my life, that we started thinking about the future.

And advertising would have been unthinkable.

Advertising was, as always, unthinkable. But we were extremely annoyed with the big firms because they were doing things that were very like advertising, and getting away with it. Somebody would throw a party in a hotel, and invite dozens of clients and their clients' friends to turn up and that sort of thing. Well, we thought this was advertising - as indeed it was, because what was the purpose of it otherwise? [laugh]. But there was nothing in the rules about not entertaining clients, of course, and there was a bit of that.

And there was a lot of advertising on the golf courses, too. But fair enough, because the sort of advertising you do on the golf course generally involves sticking your neck out and saying: 'I can tell you how to arrange your affairs better than anybody else'. And having said, that you've jolly well got to prove you can do it. If you do, I think you may deserve the business!

Presumably, also in the 1949 committee you would find yourself discussing ethics and business problems and how to handle awkward situations.

Yes - how to handle awkward situations; at what speed could you achieve your cash turn-over - I've done it all my life you know [laugh]. When we first went in, we were quite content if we got our cash about two years after we'd finished the work, but this had to be accelerated. And this was common in all practising firms at that time. We were always egging one another on to be tough with our clients over paying up, instead of keeping us waiting. And nowadays, of course, people render bills quarterly at least, whether they've done any work or not, just on the grounds that, by the end of the year, we would have done some work so they may as well give us something on account now. But it was unheard of in my days.

But you didn't think in terms of setting up a number of offices around the United Kingdom?

Yes, we did. This proved to be quite a difficult thing to do, because although we wanted to do it in theory from our own number, with chaps that we knew, when we really sat down to it there wasn't anybody we could really spare who was good enough to run a branch office. And after discussing it literally for years, we concluded the only thing to do was to merge with people who were in other places, and we started merging with people all over the place. Commercially, that was quite a sound thing to do. As a way of life, it was rather sad.

And it must have been very difficult. It must have been very hard work to have gone around and tried to form a view as to the quality of other practices.

Very difficult to form a view as to their quality, and equally impossible to judge in advance whether you were going to work happily, and whether they would be flexible enough, and whether I would be flexible enough, to agree on a common policy when we're in the same building. And this was the cause of a great deal of wasted time in the last 20 years of my own career, arguing with partners who'd been brought in from other firms who didn't see eye to eye with some of us.

How would you begin? I really don't see quite how you would begin. Say that you felt you needed to have a practice somewhere in the west-country.

Well, in the particular case you're talking of, we did feel we needed a practice in the west-country. And one of my colleagues was on a summer course, and he met a chap who was half Welsh and half English. They'd got on frightfully well. They both had a taste for brandy; they got along extremely well, and they therefore decided that some of the partners of one [practice] should meet some of the partners of the other on a social occasion. And, again, they all had drinks and thought they were absolutely splendid! And

in next to no time we'd married this firm, who were basically Welsh, and perhaps we regretted it for some 15 years [laugh].

But this was really due to the difficulty that none of us were really very good judges of how to interview potential colleagues. We probably knew a little bit abut interviewing staff, but not very much I suspect. But we were hopelessly bad at judging who was a good man to look forward to working with, and we made quite a lot of howlers that way. But, nevertheless, it paid because through being bigger we were able to specialise; through being able to specialise, we were able to offer better experience to incoming clerks - we could therefore take the pick of the chaps from the universities. And if you can take the pick of the raw material, you're home and dry: you can't go wrong.

Would you say that you were early in the field, in recruiting graduates? A lot of firms weren't terribly concerned to recruit graduates.

I think we were fairly early in the field, in recruiting well educated people - not always graduates, but public school boys with good records, with reports and those sorts of things. But later on, we moved over to graduates, and again we were fairly choosy about them. Although as a firm I think we were badly organised - we had no administrative sense at all really - because we brought in good raw material, it paid very handsomely. Chaps wouldn't stay with us very long; they would qualify, stay with us for a year, and then go on. But by that time clients would have noticed what good chaps we had in Mann Judd; they always spoke well, they were polite, they were thoughtful, they'd got lots of initiative, they were responsible, and always splendid young men, you see.

And that's what you wanted in your firm - that the audit clerks should be your ambassadors. And ours were good at this, it so happened. But we were really picking them more to be ambassadors than because a university man necessarily uses his mind better. It was because they were acceptable

human beings, much more than because they were academically bright, that we got on with them.

I was interested to note that when I went to give a course in Nassau in the Bahamas in 1980, the President of the Bahamian Institute was a senior partner in Mann Judd. And that was after the firm had joined with Touche Ross. Mann Judd was still the firm in Nassau. And I think that David Flint, in Glasgow, is with the firm, isn't he?

Oh, Lord, yes; I knew him very well. He was a bit austere as a partner. He's the stuff of which some professorships are made, certainly, because he would argue the minutiae of a situation until everybody was tired of it [laugh]. He was a bit obstinate, but I think he made a good professor - for the Scots anyway.

Yes, he has become President of the Scottish Institute. Can I change tack entirely, and ask when you began to take an interest, either yourself or as a firm, in mechanisation and computers?

Oh - how to put a date on it? It's very difficult to say. Well, mechanisation was the first thing we got interested in, and I remember we put one or two clients onto it.

But unfortunately not the brewery.

No, because they wouldn't let us, you see, and quite right you remembered that one. There was a client which was a pension fund, growing very quickly, and we managed to persuade them to go in for punch card accounting system, because it was absolutely right for their game. Of course, they're on computers now. And we were responsible for all the statistics of all the deciduous fruit shipped from South Africa to Europe. Most of it was going to Britain at that time. And this was really quite a big job. And we actually had to take a separate building for it, and to

begin with we put in machine accounting, but fairly quickly after that computers to cope with all the numbers involved.

All the citrus fruit?

No, deciduous, not citrus. But even with the deciduous fruit - apples and plums and peaches and all that lot - even that was a very big business, and we set up a separate department to cope with that. And they were early in the field of mechanisation, and early in the field of computers - because they had to be.

Which reminds me that when I talked to Kenneth Wright, he referred to the world wide scope of his firm, which I suppose was Deardens. He was articled with Annan Dexter.

Yes; Annan Dexter was the stable firm for many, many years. They merged with somebody, and mainly lost their name, I think, in the end. But Annan Dexter - they were a firm about our size, I think; about seven or eight partners.

They had work all over the world, literally. There were mines in Africa, and there was work in the Far East and …

They were very lucky to have that. I don't know how that situation arose.

But your firm didn't have quite as much overseas work as that?

No, nothing like - and this was the annoying thing. I went all over the world. I spent so long travelling, but I mainly had to sit in London and be pleasant. And I had no difficulty in building up a band of jolly good associates everywhere worthwhile, because people would come to London,

and I had ways of finding out where they'd come from and all that. But we didn't have much overseas work.

It's of some slight interest to consider how my firm's practice did in fact grow. It had been in existence for 100 years when World War I broke out, but its clientele was not large at all. In World War I, both the then John Mann and the then Harold Judd - my father - more or less invented cost accounting. It was developing in other places, but they both quite independently devised methods of cost accounting, and proceeded to teach it to clients who were willing to listen to it - there weren't many, but they tried to teach it to clients without much success, way back at the beginning of World War I.

And then the government said to both of them: 'The Ministry of Munitions' - as it was then called - 'wanted some really good business-like accountants to stop profiteers from twisting our arm and getting shells at fantastic prices. We are certain that things can be made more cheaply, are made more cheaply, and the government's paying through the nose. Will you, John Mann, and you, Harold Judd, come and work for us?' They both said they would, and they both said they wouldn't be paid a penny for it because their firm said: 'We will keep you; this is work of immense importance'. They were splendid characters in those days. And they both went and worked very nearly whole time for four years in the Ministry of Munitions, spending all their time fighting aircraft manufacturers, tank manufacturers, gun manufacturers mainly, motor vehicle manufacturers and so on and confronting them with costings which the manufacturer would say he hadn't got and didn't believe.

But people like Mann and Judd went on plugging away with their costings, to prove that we were being diddled, you see. And they became greatly hated in World War I; both Mann and Judd, were greatly hated, as could well be the case because there was a lot of easy money to be picked up by every manufacturing company in the country. But as soon as the war was

over and they ceased to work for the Ministry, these firms of course got on to Mann and Judd and said: 'Look, you've been fighting against us all these years - come and fight for us. You seem to have got some rather good ideas'. And so the war was no sooner over when Mann and Judd were inundated with clients. They'd always intended to go back to Glasgow, to where they'd come from, and they never went back at all.

They took an office in London, the minute they left the Ministry, and they never even made a visit to the Glasgow office, where they'd been for the best part of their lives. It was an extraordinary situation, personally and business-wise, and they paid no heed to Glasgow at all. They said to the old partners: 'You can run your business; we'll run ours. Perhaps this is a bit mean; we'll share profits. We'll just have one profit and loss account; we'll share profits. We expect we'll be subsidising you, but never mind'. So they ran in total partnership, in theory. In practice, hardly any communication whatever, except when the annual accounts had to be put together, and then they shared profits in the same old way for years and years and years before there was a recognition as to who was making the money.

That's so un-American.

It's totally un-American, you see - quite extraordinary.

Had either of them been to America?

Yes, my father had been to America. He'd gone to some American Republic whose tramway system was about to go into liquidation, and somebody had told the mayor of this American principality that there was a man in London called Judd who was an ace with costing and making businesses profitable. So they sent for Harold Judd, and he went down there for two months and made this tram way profitable. And he knew about trams because he'd lived in Glasgow a great deal of his life, and the Glasgow

tram way system was famous. And he went there and had some American experience. As a result of that, he also went to New York. I forget which principality he went to, where the tram way system was, but anyway he got acquainted with some accountants in New York - a firm called Barrow Wade Guthrie ……

That was a very famous firm.

That's right. Well, they became our associates in America, and were our associates in America for a great many years. There was very little business that we could give them. There was quite a lot of business that they gave us, and we used - yes, I'd forgotten all about this - they used to send chaps over to see us in London, to see how we were dealing with their clients and that sort of thing, and they were very pleased. And we had a rattling good relationship with Barrow Wade Guthrie, until one day after World War II, we got a postcard saying that the name had now been expunged from the list of firms in the American Institute as they'd gone into liquidation, and there was no point in communicating with them any more. There was nobody there.

What a cavalier way to tell you.

It was incredible. You know, we rubbed our eyes, even wrote back to the address that was on this postcard, and we got no further information. Barrow Wade Guthrie, as far as we were concerned, was suddenly wiped off the map over night; it can't have been like that, but we had had no inkling that they were in trouble of any sort.

But they must have been taken over by some firm.

Well, there was no sign of this. You know, we tried to follow it up but we couldn't. We got absolutely no answer from anybody about Barrow Wade Guthrie.

All three of those, I think I'm right in saying, were British who'd gone out to America.

Yes; they were delightful chaps. I went out and saw them when I was only a school boy, more or less, and they were quite obviously of Scottish or good English origin. They were splendid fellows. God knows what happened to them. To this day I've never heard about what happened to Barrow Wade Guthrie.

That's a very interesting question. I must find out.

Yes. I can't think why I wasn't more interested in it, because I went to America with time to spare later on, because I had to pick up a firm, you see. We'd lost Barrow Wade Guthrie, and it made a gap in our note paper and in our lives. But we continued to work for their clients because they were still in England, and it didn't worry us much until we thought more world-minded; we'd better have some people in New York. Now we'd lost old Barrow Wade Guthrie, and I went to New York to get some people. I didn't waste much time enquiring what had happened to Barrow Wade Guthrie. I think I did ask the secretary of the American Institute. He was a charming fellow and very helpful to me. I think I did ask him and he said: 'There was a scandal, a ghastly scandal, and I'm sorry - it's a long story'. Something had gone very wrong. What I don't know.

But that was the only time in my life I've had a postcard on behalf of a practising firm saying: 'This firm no longer exists. There's no point in writing letters to it'. And it literally was a postcard.

And the continent; what about the continent of Europe?

The continent. We actually had an office in Paris, at one time, because we had just one client there who needed a lot of service. He was only temporarily there, unfortunately. We had a Paris office for a period, and

then that client went and we didn't need a Paris office. And then, when I was about 55, which I suppose was about 20 years ago, we suddenly as a decision of the firm decided we were going to be a world-minded firm, and we would have representation in all parts of the world, whereupon I got people in New York, Canada, Rotterdam and Amsterdam in Holland. And then the next thing to think about was what the hell to do with the French. And I made various visits to France, in company with my Dutch colleague, trying to find some accountant in Paris who had an inkling of what decent accountancy practice was all about. Because if you are going back even 15 years, the French really didn't know what 'decent' accounting was about.

Consolidations have been very patchy there, as one area of the practice.

Yes. But I don't think they had our ethical standards at all, and I don't think anybody expected them to have our ethical standards. They did a certain amount of work for the French Inland Revenue, whatever they are called. And most of that work was prescribed by the bureaucrats, rather than by the profession you see; they were merely filling in spaces they were told to, and they were in a very poor state. And we married one firm, and it lasted for a year or two, and then we realised they were quite hopeless and we broke it off. And then we married another one and that lasted for a year or two, and we broke that off. And I should think we had dealings - theoretical marriages - with at least three or four firms in Paris, which all came to nothing because it was plain to us they were no good at all. And then we got closer and closer to this firm in Holland that was called Morit, de Jong & Stark. They've now gone into KK-something.

Klynveld Krayenhoff.

Yes. But at the time they were quite a big, fairly independent firm who like us were seeking associations all over the world. And we started doing

this in company; we and this Dutch firm together went hunting, and we continued to have difficulty in France, but we didn't have difficulties in Australia or New Zealand. But we did have great difficulties in France, and these were never resolved in my day, because I did finally play quite a leading part, together with a Dutchman, in building up a European consortium embracing Germans and Swiss and Liechtensteiners and everybody. We built up an absolutely splendid consortium.

And then we merged with a firm which had a similar sized consortium and a bigger work flow going between the two. So we had to chuck mine out of the window, which was a most unfortunate episode in my life, because I didn't know how to face these chaps. I did go and see them of course, but it wasn't my fault. But, anyway we picked up another firm because we had by this time merged with a firm that was very strong in the west-country and in Wales. They were strong personalities; they were not academically perfect, but they were strong personalities. And they had got far more work in Europe than we had, and therefore it was obviously agreed by my partners, over my dead body, that their connections in Europe must be preserved. And whether it was pleasant or not, we've just got to sever mine; so we had to sever mine. A few years later, of course, we married Touche Ross, and they all went. They had their own set, which had to prevail again. Mann Judd's set had to be thrown out the window.

Is it an indelicate question to ask how the Touche Ross approach worked? I suppose it was really a take-over.

I don't know whether it was a take-over or not, because I have heard only some of the inside gossip. It happened after I had left. I am told that Touche Ross had made quite a good offer to Mann Judd. Mann Judd thought they could do better, perhaps; but in the end they accepted Touche Ross's offer. But the day to sign anything occurred, the then senior partner of Mann Judd, a Welshman, went on Concorde to America to see Alexander Grant. Alexander Grant were quite strongly represented in Europe, and

even in Britain, and he thought a merger with Alexander Grant might be a better thing to do than to merge with Touche Ross. Touche Ross were going to submerge us somewhat.

He left it a bit late, didn't he?

It did the practice of Mann Judd a lot of good; some partners were retired early, and some were kept on. A few were very good and were kept on [laugh]; others were disposed of. And, in my opinion, they picked the right people to keep on and let go the wrong ones. And I think they did a very good job, and those who are still with them I talk to now and then, and they are full of praise for the way the organisation of Touche Ross is done.

There's a chap there who is absolutely splendid as an administrator, and he is so good at it that he does it as a dictator and they trust him to dictate fairly. And this is ideal, because throughout my career it was done by all the partners sitting round a table, in a democratic fashion, and trying to make rules for themselves because there was nobody there to wield a big stick and say, 'you will do this'. And our decisions were never properly carried out. But this chap's got enough personality to put his own mark on the administration, and it's very well administered, very fairly done, thoroughly profitable and good class work.

I haven't done my homework. I don't know whether the Judd tradition continues.

There's no Judd there. I have one son who is now about 35, and when he was about 18 he said: 'I suppose I'm going to become a chartered accountant, like you, and I'd like to'. I said 'no, you aren't'. And he said: 'Well, mayn't I be? I want to'. I said: 'No, you may not. You're more artistic and creative than I was by absolutely miles, and you will get fed up with the first five years'. I said: 'If you could put up with the first five

years, you might make quite a good chartered accountant because you've got a brain all right'. But I said: 'I think the first five years will kill you. There's a lot of things to learn that would not interest you in the slightest. You hate studying textbooks, you hate learning things just because they have to be learnt. I've never known you use your brain except to achieve some particular objective. If it's how to build a house or a motor car or a boat, you will use it and you will read all about it. But you've never learnt anything at school because you were told to learn it, and the first five years being an accountant is a mass of stuff which is really a bit dull'.

And so he said: 'All right, I'll do something else', [laugh] and he went in for architecture and he got a very interesting job, building hyper-markets on the Continent until that folded up. Never mind; you don't want to hear about that. But anyway, that was the last possible Judd and it doesn't matter. And I'm happy for him that he isn't a chartered accountant, because the more grown up he's become, the more I realise I was right in reading his natural bent.

Yes.

Mustn't keep you, well unless you've got anything else you want to talk about.

Well, thank you very much indeed.

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