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General recognition of accountancy as a profession

Arthur Bernon Tourtellot

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*THE GENERAL RECOGNITION
OF ACCOUNTANCY AS A
PROFESSION*

*THE GENERAL RECOGNITION
OF ACCOUNTANCY AS A
PROFESSION*

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INTRODUCTION

IN NOVEMBER, 1955, the Executive Committee of the Institute asked Earl Newsom & Company of New York, public relations counsel to the Institute, to review the public relations of the accounting profession and of the Institute. They were asked to identify the points at which in their judgment the problems of our profession should be attacked, and, having in mind current attitudes toward accounting, to recommend a general course on which the Institute might proceed toward earning greater public understanding for the profession.

Some of their views and recommendations were set forth in a thoughtful and perceptive memorandum which is already proving most helpful to the Institute's Committee on Public Relations in planning a program for the future. The following discussion of our problems as a profession is based on that memorandum. It was prepared by Arthur B. Tourtellot, a partner of the consulting firm.

With approval of the Committee on Public Relations, the Executive Committee has authorized publication of this discussion for limited distribution to Institute members. It is hoped that they will find it stimulating and helpful in appraising their own local problems and opportunities and in reach-

ing their own conclusions regarding the future course which the profession should follow and the part each of them should take in its development.

JOHN L. CAREY
Executive Director

June 7, 1956

The General Recognition of Accountancy as a Profession

I. THE NATURE OF THE PROBLEM

The strength of a profession as opposed to a vocation, however technical or scientific, is derived almost entirely from public recognition that it has the will, the sense of responsibility and the mechanisms to govern itself and that it has, inherent in the application of its technical knowledge to practical problems, an extra-economic interest in service to others.

Unless any statutory recognition is backed by such acceptance, the former is relatively insecure and meaningless — if not indeed a disadvantage, because it will serve as a standing invitation to legislate control of the profession, imposing limitations and restrictions, instead of implying general agreement that the profession is capable of controlling itself.

The public recognition of a profession is not a luxury: in an age where administrative rulings and legislative actions intrude more and more upon our social and economic affairs, any profession should be able to assume equal public acceptance with any other upon whose interests it touches; in a time when the future vitality of all professions depends upon successful competition for the best young entrants, recognition of the usefulness and activity of the profession is itself a major

determinant; finally, opportunities for growth are dependent upon public awareness of the capacity of a profession to meet new demands and accept new responsibilities.

Moreover, the arrival of a vocation to full-fledged professionalism presupposes a general consent that the public itself is better served by practitioners who are regulated for the most part by strong voluntary associations rather than by those regulated by legislatures. In American jurisprudence the latter have been generally content to lay down broad avenues of public policy regarding the profession, and to follow the recommendations of responsible professional organizations in laws relating to ethics and practice.

The certified public accountants have achieved statutory recognition, and they have created and very nearly perfected such an organization. Moreover, as will be noted in Section Two of this paper, this has been brought about with unique speed and effectiveness.

But there is some evidence, which ought to be confirmed or dispelled or otherwise measured by a reliable study, that the certified public accountants may not yet have won general public recognition that they constitute a profession rather than a highly technical and specialized vocation. This is unquestionably due primarily to two factors: it is a new profession without the long traditions of the law or medicine; and its normal contacts are much less with the general public than with relatively small elements of the public.

Nevertheless, accountancy has come of age in a climate of professionalization. Ours is primarily a business civilization,

and the whole trend of twentieth century business life has been towards professional business management. The age of proprietary management tended to shift in the first quarter of this century towards hereditary management, and hereditary management has in turn been shifting to professional management. We have witnessed the rise of professional graduate schools of business management, built primarily upon the evolution of managerial techniques that are themselves coming to form a body of communicable specialized knowledge.

At the same time, new responsibilities and new demands, arising from the complexities of our social, economic and political growth, have strengthened and accelerated the drift of business management towards professionalization. The professional man serves others and not merely his own interests. And today's business management serves a whole cluster of others rather than itself. The former Chairman of General Foods, Clarence Francis, told the Harvard Business School Alumni in 1948: "Today, most managements, in fact, operate as trustees in recognition of the claims of employees, investors, consumers and government. The task is to keep these forces in balance and to see that each gets a fair share of industry's rewards."

This suggests the sense of responsibility toward others and the intellectual basis for working knowledge that are necessary ingredients of a profession. But the overall evolution of management as a profession has not yet arrived, and perhaps never will arrive, at that stage where by voluntary association it can define standards of admission to the profession and

establish and maintain standards of professional conduct. In this general trend towards professionalism in business, then, the certified public accountants occupy a unique place right now. For they are the only group in the business world that can reasonably claim to possess *all* the disciplinary characteristics of a profession.

We need to see then why general recognition of the profession as such is not broader, and what if anything the profession can do about it. For this purpose, it is useful to adopt a working definition of a profession and to establish a set of characteristics.

Perhaps the most useful definition is in "Toward a Definition of Profession" (*Harvard Educational Review*, Vol. 23, pp. 48-49):

"A profession is a vocation whose practice is founded upon an understanding of the theoretical structure of some department of learning or science, and upon the abilities accompanying such understanding. This understanding and these abilities are applied to the vital practical affairs of man. The practices of the profession are modified by knowledge of a generalized nature and by the accumulated wisdom and experience of mankind, which serve to correct the errors of specialism. The profession, serving the vital needs of man, considers its first ethical imperative to be altruistic service to the client."

An excellent set of characteristics of a profession, based on the classical work of Dr. Abraham Flexner, has been phrased

by the staff of The Commission on Standards of Education and Experience for Certified Public Accountants:

- “1. A body of specialized knowledge.
2. A recognized educational process for acquiring the requisite specialized knowledge.
3. A standard of professional qualifications governing admission to the profession.
4. A standard of conduct governing the relationships of the practitioner with clients, colleagues and the public.
5. Formal recognition of status.
6. An acceptance of the social responsibility inherent in an occupation endowed with public interest.
7. An organization devoted to the advancement of the social obligation, as distinct from the economic interests, of the group.”

The first five of these may be considered matters of internal discipline. With regard to certified public accountants, they are discussed in Part Two below. The last two may be considered matters of external posture. They are discussed in the remainder of this paper. They constitute those characteristics of a profession upon which the public is most apt to make its judgments. They constitute also those aspects of the growth of certified public accountants as a profession upon which more public attention ought to be earned and won. This paper will suggest some possible areas where this might be achieved.

II. CPAs AND THE INTERNAL CHARACTERISTICS OF A PROFESSION

The growth of the profession of the certified public accountant is probably without precedent in our social and economic history. Indeed it has grown in only the last thirty-five years nearly 1,000 per cent — from 5,000 certified public accountants in 1920 to almost 55,000 in 1955. In contrast during the same period, the number of physicians increased only 50 per cent, from 145,000 in 1920 to 218,000 in 1955; and the number of lawyers increased only 80 per cent, from 123,000 in 1920 to 222,000 in 1955. In other words, the number of certified public accountants has increased some twenty times as fast as physicians and twelve and a half times as fast as lawyers.

Nor has this growth been merely quantitative. Those internal characteristics of a profession, all of which are rooted in an ethical code and in a body of specialized knowledge, were defined and achieved by the certified public accountants at an astonishingly fast pace and guarded with great effectiveness. Techniques built upon accumulated experiences, systematized in specialized curricula and in professional documents and integrated into an educational program with minimum requirements, have been the work primarily of little more than a generation.

The voluntary organization of the certified public accountants in an association capable of controlling admission to the profession and of maintaining and elevating the standards of

practitioners came with more promptness and continued with perhaps more consistent responsibility than has characterized any other of the professions. Among American professions, even though they were transplanted here as vocations from ancient times, physicians did not so organize until 1847, civil engineers and architects until 1852, and lawyers until 1878 — in each case until long after their maturity as vocations of special learning and special responsibilities. The American Institute of Accountants, on the other hand, dates from 1887, only forty years after the first professional organization was established in America and long before the profession had statutory recognition and obligations.

The result of the awareness of certified public accountants of their special responsibilities and of their willingness to advance their professional standards has been a general respect, particularly on the part of the business community, for their independence and absolute incorruptibility. The profession has never been the object of wide suspicion or subjected to punitive legislation or even the kind of half-pointed, half-facetious characterizations that physicians have suffered in being called “quacks,” lawyers as “ambulance chasers,” or advertising men as “hucksters.” The internal disciplines of the certified public accountants and the effectiveness of the mechanisms they have established to enforce them have no doubt accomplished this, and it leaves the profession with no serious errors of commission to undo.

Moreover, certified public accountants have already made a record of solid professional accomplishment.

The role of the Institute in the development of a uniform examination used in all states and territories is a unique achievement among the professions in America. Not content with this, the Institute has anticipated the need for further progress by supporting an independent Commission to recommend uniform education and experience requirements for CPA candidates. These steps evidence a mature acceptance of responsibility for professional standards.

Through their national organization, certified public accountants have also taken the lead in formulating and codifying generally accepted accounting principles and auditing procedures. The work of Institute committees in these areas has not only checked the threat of bureaucratic regimentation; it has forestalled any serious argument for government regulation.

In addition, certified public accountants have created a respectable professional literature, an authoritative periodical in *The Journal of Accountancy*, and responsible forums for professional discussion.

They have formulated and enforced high standards of conduct; they have accepted and acted on their responsibility to attract and train capable young people to supply the need for accountants in the future.

Through a public relations program which was substantially expanded eight years ago, they have had considerable success in making the public more aware of the work of certified public accountants, with information carried by the press, radio, television and other media.

Increasing numbers of certified public accountants have been appointed or elected to important public offices, and they have made significant contributions to the development of sound public policy in such areas as taxation, federal, state and municipal budgets, and better reporting of the use of public funds as well as the financial affairs of publicly held corporations.

These internal achievements are worth recalling specifically because they furnish a foundation of inestimable importance for the Institute to move somewhat more actively towards the external phases of the profession's development.

III. CPAs AND THE EXTERNAL CHARACTERISTICS OF A PROFESSION

The general public recognition of a profession and an informed public attitude towards it are not a matter of expensive pressure campaigns to convince the masses. Nor are they a matter solely of accumulated tradition resting on an historic acceptance. (On the contrary, the law, medicine and even the ministry have, from time to time, been subjected to general and sometimes violent attack, usually in response to a popular uneasiness about their methods or their objectives.) *Aside from technical performance, the standing of any profession is rather a matter of constantly revealing itself in its best and truest light as its affairs recognizably and genuinely reach out to touch matters of public interest.* The medical profession, however skilled in therapeutics, would not enjoy a very high public regard if it seemed indifferent, for example,

to such problems relating to the physical environment of human life as water contamination or air pollution. Similarly, the bar, no matter how brilliant in advocacy, would be viewed with distrust if it did not concern itself, for example, with such aspects of a lawful society as inviolable election processes.

In the American democracy, professions are more than confederations of disciplined practitioners. They constitute academies which are expected to reach out and assume special responsibility for leadership and enlightenment of the whole national community in areas where their professions give them a special competence. Their strength as a group derives from what they say and what they do in this role rather than from any claims they make about themselves whether in defense of their individual professional activity or in explanation of their skills and qualifications. The process by which a profession is known is more often revelatory than expository.

This process cuts across many lines. In addition to the general public, it involves relationships to other bodies of special publics, to the academic world and to the business community. In the case of certified public accountants, it involves a whole complex of problems, some of them very special to the profession and some a long way from being solved. Satisfactory progress towards solving them will unquestionably condition any progress made towards a broader public recognition of the profession. Consequently, although these involve technical considerations not of a public relations character, they will be briefly noted because of their intrusion into the public consciousness.

First and perhaps the most troublesome of these is the matter of generic terminology. "Certified public accountant" is a precise term, protected by statute and well defined by admission qualifications and by standards of practice. "Public accountant" is sometimes controlled by law, sometimes not, and is often loosely used. The broad field of "accountancy" is not the subject of any law and is not defined at all. It is whatever who is practicing says it is, and it can range from bookkeeping to financial counseling. The only group in this entire field with the requirements of a profession are the certified public accountants. Numbering some 55,000, they cannot escape some sort of responsibility for the activities and claims of several hundreds of thousands practicing in the whole field of accountancy. For, so far as the outside public understands it, they are the leaders of a generic group, "The accountants." Indeed, their professional organization — which has a uniquely strong position among national professional organizations in its influence — is called the American Institute of Accountants. (The name of the organization itself is a problem that must be solved if the Institute desires to establish the term "certified public accountant" with more strength and clarity in the public's mind.) Its major publication is called *The Journal of Accountancy*. Important leaders in the country, who could be more expected than the general public to be aware of refinements, are known to have labored under the misapprehension that the Institute, in its policy even if not in its admission requirements, has taken all public accountants under its wing.

The profession obviously must in the years ahead face this dilemma. The two alternatives are to assume more responsibility for the field, but with the proper safeguards, or to make the distinction much more apparent. The problem needs concentrated study before the proper alternative can be adopted. But even now one minimum essential is apparent. If certified public accountants are going to be charged or confused with the activities of all accountants, they ought to establish mechanisms by which they can tend to improve at least the standards of people who hold themselves out as public accountants and their qualifications. The whole public accounting profession, in fact, might benefit by the Institute's taking leadership in bringing about over the years a plan for registering non-certified accountants, at first voluntarily and perhaps later with some regulatory powers. On the other hand, if the profession of certified public accountancy is going to move in the other direction — i.e., away from the broad responsibility for the practice of accountancy which outsiders now read into it — it has got to persist more in distinctions and do more about the risks of confusion and of imprecise terminology.

A second problem, closely associated with public appraisal of certified public accountancy, toward the solution of which the profession is making more considerable progress, is standards of education and experience for new entrants to the profession. The whole trend of this work begun long ago by the Institute and currently under study by the Commission on Standards ought to be accelerated. Unlike the problem of terminology mentioned above, the profession is here at a

familiar crossroad in the evolutions of all professions. In early years, the medical profession was without any liberal education background;* and until modern times the law was treated as a craft to which apprentices were accepted by law offices.** Today both the physicians and the lawyers of the country tend to more specialization than ever before, but they do so in a general context that requires more and more the insights and scopes of broadly educated men.

The same paradox is beginning to confront business management and the professionals who serve it: increased specialization in an increasingly complex context. Expertness in the specialty is constantly advanced by better professional curricula; understanding and being fully at home in the areas touched by the specialty can be accomplished generally only through broad education. Historically, certified public accountancy is moving out of the area where it can be carried

* The chief object of the forming of the American Medical Association in 1847 was "the improvement of medical education in the United States." Up until that time, anybody could open a medical school and admit anyone as a student. Even a high school education was not widely required until 1904, when it was "suggested" by the first permanent committee of the Medical Association. One year of college was not a prerequisite to medical training until 1914; two years, until 1918. Today nearly all medical students have baccalaureate degrees. More extensive notes on education and the medical profession appear in Appendix A.

** Professional education for the law did not begin to replace apprenticeship until Story taught at Harvard (1829-1870), but gained no real headway until towards the end of the century. Prerequisites for admission to the study of law to the extent of a college education are still primarily limited to the Class A law schools, although bar associations are moving unmistakably in the direction of elevating standards of liberal education by their control of admission to the Bar. Further details on the advancement of educational requirements for admission to the Bar appear in Appendix B.

by the abilities of the men of many different special approaches who brought it where it is today. It is now a major profession relying for progress on the admission of large numbers of new members. If the profession is to grow in public awareness and approval, it must draw to it a fair proportion of the best prepared and most promising of broadly educated young people. This will involve necessarily a closer relationship of the Institute with the nation's institutions of higher education.

A final problem confronting the profession, again capable of strongly influencing its public recognition though again not solely of a public relations nature, is the careful choice of public service projects of manageable dimensions that can reveal evidence of the two concluding characteristics of a profession generally agreed upon and cited on Page 7 above:

“An acceptance of the social responsibility inherent in an occupation endowed with public interest,” and

“An organization devoted to the advancement of the social obligation, as distinct from the economic interests, of the group.”

Of all characteristics of a profession, these are the two which most commonly expose it to general public view. In modern American life, advances in the nation's total well-being are most often accomplished by the voluntary association of responsible people to get things done for the common good. Professional men particularly, and now also the business men of the country, are expected to provide leadership

and guidance. The professions are expected to bring their special skills and techniques to those general problems upon which they have a particular bearing.

If certified public accountants are to gain broader recognition of their professional standing, they cannot isolate themselves as a profession from these efforts. Nor can they wait until pleas are pressed upon them. Journalism, the ministry, law — all have reached out from colonial times to help bring solutions to the problems of the national community. Now, with our society an intricate machine heavily dependent upon the economic workings and balance of its several parts, most national problems besetting our people have a content of interest to certified public accountants, to which they can bring special abilities.

Examples are inexhaustible: the plight of private higher education in an age of transition from large individual gifts to more systematic support from more multiple sources; the unprecedented demands, with all their fiscal implications, of the public educational systems; the emerging role of labor unions as custodians of huge trusts; the broad dependence of the whole economic life of the nation on the credit structure; the gigantic material problems imposed by a phenomenal population increase on hospitals and health services; the intricate web of community problems woven by the sudden creation of entire new towns and suburbs all over the land.

All professional groups have a responsibility to help in the resolution of such problems. All professions will in some measure be affected in their standing before the public by the

originality and effort they bring to such problems. This does not mean coming up with all the answers. It does mean showing evidence of concern and of joining actively in serious and responsible attempts leading towards solutions.

IV. A STEP TOWARDS GREATER PUBLIC RECOGNITION

The major public relations challenge facing the Institute is to guide the profession to an external recognition more nearly commensurate with its internal achievement. It has already been indicated that there is no general attack upon the profession to be overcome. The objective is to strengthen the profession in order to forestall any such attack if it should be inspired and to create a reservoir of public knowledge of the profession that will make an attack upon it unpopular or that will bolster its position in times of stress.

The situation calls for a gradual and eclectic long-range program and not a costly and noisy campaign competing for attention with hundreds of special pleadings. It should constitute essentially an orderly and natural revelation of the profession as an integral and responsible part of modern life, furthering awareness of its capacities among those using its services and broadening the general public's knowledge of its necessary place in the current scene.

Public ignorance of the operation of our economy is one of the barriers to wider public understanding of the work of the certified public accountant. The profession, therefore, faces not only a responsibility but a need to associate itself with

enlightened efforts to educate the public in how our economy works.

Information on the profession itself is a necessary ingredient in this program, and there is a legitimate public claim to knowledge of the progress made in elevating educational standards, advancing techniques, improving practices. In such areas, significant actions are far more forceful than statements of intention. Indeed, an action of outstanding significance can command attention not only for itself but for other aspects of the profession. Some of them may involve the whole public indirectly, and others may be of special interest to important groups.

Two examples occur. One is the activity of the Commission on Standards of Education and Experience for Certified Public Accountants — which is conducting its studies with breadth, realism and a high sense of responsibility. The very fact that the profession has supported such a self-examination is worthy news. Such reports as have been written with similar scope and penetration in other professional fields have usually been inspired from without, the classic example being the Flexner Study on Medical Education. Whether this Commission's conclusions are all adopted or not, its report ought to be widely disseminated — particularly among educators, business leaders and journalists. There are few directions in which the profession can more effectively invite serious attention to its sense of obligation to the public it serves than through publicizing the work of this Commission.

The second example of significant action is still a possi-

bility: two committees of the Institute are currently attempting to develop rules of professional conduct for certified public accountants in tax practice. The results of this work can accomplish much to demonstrate the responsibility of the profession both to its clients and to the public. Nothing could so weaken any opposition's plea that the entrusting of this important field to certified public accountants is against the public interest. In tax work, the certified public accountants have the opportunity of exercising leadership that will win wider public recognition because it deserves it.

The opportunity, however, for such actions as these is not frequent, and they are necessarily slow in culminating. Obviously, a systematic effort by the profession must be made to reach more people with a fuller knowledge of what certified public accountancy is all about and why it deserves the same consideration extended to other professions.

No area is more important to this purpose than participating with other responsible groups in seeking solutions of problems of general public interest. At the American Institute's 1955 annual meeting, Roy Larsen, President of Time, Incorporated, invited the attention of the profession to the pressing needs which are straining the finances of the public schools system and the vast amounts of money that will be involved in expanding the public schools. Similar and even more radical changes in demands upon privately supported colleges and universities led to the organization by American business men of the Council on Financial Aid to Higher Education. In both areas the accounting profession has both an oppor-

tunity for the kind of public service to which it can logically and naturally make contributions and an obligation as a discipline that it ought not to evade. For in the lay mind, the question arises, if the certified public accountants are not concerned with bettering the financial methods and budgetary practices of educational institutions, then what profession should be concerned? The Institute, first, and the state societies, secondly, will have to give direction and leadership here to make the availability and interest of the profession in these problems known. It may well be that in this field the Institute can develop a pattern that can be later employed in other fields.

This challenge before the profession to participate more actively in the public service, however, cannot be answered wholly, or even in all cases most satisfactorily, by organizational activity. The challenge must be answered increasingly by members of the profession individually — on the national, regional and local levels. Government today is big business, and it needs the same professional help and counsel any big business needs. Accounting problems in international trade are equally challenging. Some areas for such help and counsel can be filled only by certified public accountants. Other areas are better filled by certified public accountants, perhaps, than by others. Government itself is recognizing such areas. In 1955, a certified public accountant was made Deputy Postmaster General of the United States; in 1953, and again in 1956, a certified public accountant was made U. S. Commissioner of Internal Revenue; in 1956, a certified public ac-

countant was made Director of the Budget; the Comptroller General of the United States is a certified public accountant.

During his administration as President of the Institute, the Honorable Maurice H. Stans, now Deputy Postmaster General, pointed out that government today is catching up with the managerial revolution that steered business management towards professionalism in both methods and personnel thirty years ago and that the special skills resulting from that revolution are equally as useful to orderly government as to orderly business. Mr. Stans said:

“The trend is in the right direction, but it may be dreadfully slow unless we ourselves undertake to expedite it. So here is a situation that is probably the greatest challenge and the greatest opportunity the profession has had in all its history.

“It seems to me that there are some things that we, as individuals and as members of professional organizations, ought to resolve to do:

“1. Take an increased part in the workings of the political parties, attend political meetings, interest ourselves in the affairs of government at all levels; and support every proposition that will emphasize the value of better accounting and financial administration.

“2. Enlist for service in government positions in the executive branches requiring our skills.

“3. Volunteer, some of us, to serve in legislative bodies — city councils, state legislatures and the Congress.

“To do these things will require sacrifices in time and money, and the rewards may not seem great. Politics is discouraging and government moves slowly. Compensation is inadequate and criticism is sometimes intolerable. The sacrifices are almost always greater for those who are best qualified.

“But here are some of the important things on the other side. Accounting skills are needed in important government positions. We are qualified to perform a real public service.

“And if we tackle this challenge, the stature of our profession can grow tremendously in the public eye. By it, that growth can be accelerated immeasurably beyond the normal pace of public recognition that we can expect. Here is our golden opportunity to move into the spotlight as a profession — to show that we have come of age.

“Above all, we will be doing our part to build and preserve the democratic system and to insure the benefits of our system of free opportunity to our children and to their children.”

* * * * *

For some years, the Institute has employed a variety of communications techniques to make the public more aware

of the services provided by certified public accountants, and these efforts have had considerable success.

Press publicity, pamphlets, pattern speeches for delivery by members to local groups, trade press articles and meetings have all been used to increase public consciousness of the certified public accountant. Two motion pictures and the material distributed to the press, radio and television stations during the tax season have reached wide audiences.

These projects designed to advance general awareness of certified public accountants are effective, and should be continued in coordination with additional activities directed more broadly toward enhancing the prestige of CPAs and their recognition as members of a fully accepted profession. These latter activities need to be built around specifics and based upon a selection of manageable public relations techniques appropriate to a professional group. The total program ought to embrace a range of activities that is thorough without being elaborate.

The way to overcome the danger of a conglomeration of unrelated efforts is, each year, to adopt a theme, with which in one way or another the majority of its public relations activities can be integrated. The first year this is attempted it ought to be a fairly large theme but one with an objective that will be immediately recognizable to the membership as worth doing and worth doing well. It should also have an element that can be a springboard into future themes and future years with each successive theme probably getting more and more specific until ultimately the whole field of accountancy can

become known at least to a selected public and at least hinted at to the general public. The first year's theme might be something like "The Measurement of Business Progress." This theme could be adapted to the specific ingredients in the Institute's present public relations program, but it would inevitably suggest and perhaps even require the introduction of new techniques and new devices to get it across to outsiders.

It is probable that almost all people in the business world and in communications are handicapped by the very limited bibliography for the layman on accountancy. If the Institute's public relations program over a five-year planning period is directed each year to the advancement of a specific theme, it would unquestionably result in a greatly expanded bibliography of books and articles and compilations that could be made available to the outside public, particularly in the business world.

In summary, the profession needs to *reveal itself* — positively, with assurance, naturally, consistently. It needs to become known for what it is — the one "discipline" in the business community in an age when the total American society is primarily a business society, when the national strength depends upon such factors as the credit structure and the orderly flow of investments, and when an expanding economy and an accelerated technological development promises to make the tasks of management more complex and therefore more dependent on skilled professional aides. The profession needs to ask itself, from time to time, whether it is doing all that it can to bring about this broad general knowledge. From time

to time, also, as it enters new phases of its history, it needs to consider whether it is reaching out to take advantage of all those opportunities of leadership and service that occur to professions as distinct from other groups.

APPENDIX A

THE DEVELOPMENT OF STANDARDS FOR MEDICAL EDUCATION

In the opinion of a number of leading doctors who have spoken or written on the subject, notably in the *Journal of Medical Education*, the American Medical Association has been only one of the factors involved in bringing about the standards that exist in medical education today. The AMA has, however, sooner or later in the past, supported and broadened the pioneering efforts of others — individuals, top medical schools, foundations and other interested groups.

At the beginning of medical practice in this country, in colonial times, the student learned directly from the practitioner by being his understudy. The first school was the Medical School of the College of Philadelphia established in 1765. Harvard Medical School was founded in 1782, although the teaching of medicine had been started there by a gift to set up a chair of anatomy and surgery in 1770.

By 1789 there were four medical schools in existence, and in 1800 there were five. These schools were the only ones preparing physicians to serve a population of five and a half million people. All were associated with colleges or universities, but they received no significant financial support from

their parent institutions. The tuition fees of the medical students paid the operating costs of the attached medical school and the stipends of the physicians who taught in them during their spare time. The course of instruction then consisted of two annual sessions of six months each.

During the Jacksonian period, a host of commercial medical schools came into being. Extending into medicine, the spirit of Jacksonian democracy fostered a desire to permit freedom of practice to virtually anyone able to convince others he was equipped to be a physician, no matter how poorly prepared.

In 1847 when the American Medical Association was started, most of the medical schools were commercial enterprises, and as late as 1910 when the famous Flexner Report came out, many of the schools were described as mere lecture halls with nearly half of the then existing 155 schools having incomes of below \$10,000.

To support the early, less concentrated, efforts of the AMA to raise educational standards, another organization came into existence. This was the Association of American Medical Colleges formed in 1876 by 22 of the then top medical schools. It was not, however, until 1891 that the AAMC set up minimal requirements for its member colleges. By this time, some of the better U. S. medical schools, taking their cue from European practice, had begun to give their students access to laboratory and hospital facilities, and to employ some of their professors full time. In 1893 Johns Hopkins was started by a gift which provided that all major pre-clinical

faculty members had to devote their entire time to teaching and research. In 1895 Harvard set an example for other members of the AAMC by establishing a four-year curriculum in medicine. Few, however, of the 55 medical schools belonging to the Association of American Medical Colleges by 1896 had any such high standards of education.

The medical colleges attached to state universities played a minor role until the beginning of the 20th century, although even before Johns Hopkins, the University of Michigan put medical school professors on a salary basis as early as 1851. The Midwest took the lead in another respect before the opening of the 20th century. Illinois, in 1877, created a State Board of Health and enacted a Medical Practice Law which refused recognition to graduates of low-grade medical schools. Between 1877 and 1900, the reports of the Illinois Board of Health gave the only reliable information on medical education in the United States.

In 1900 the AMA began to publish statistics on medical schools, and in 1904 it set up a Council on Medical Education, an act comparable to the supporting of the Commission on Standards of Education and Experience for Certified Public Accountants by the Executive Committee of the Institute following the 64th annual meeting. The Council, as the AAMC had done before it, then issued a set of minimum standards for schools. These standards took two forms. One was for immediate adoption and suggested a high school education as a prerequisite to medical training. The other was a recommendation for one year of college work (later ad-

vanced to two) and for one year of internship in a hospital after graduation. Medical schools were graded A, B and C, according to how well they met Council specifications, and these classifications were first published beginning in 1910. The Council also initiated annual conferences to which were invited representatives of universities and medical colleges and members of state licensing boards.

At the beginning of the 20th century, medical schools in the country reached their peak, numbering some 160, including homeopathic institutions. Neither the minimal standards recommended by the AAMC in 1891 or by the AMA Council in 1910 had any major and immediate effect on most medical schools then functioning. Up to the time of the Flexner Report, the example of such schools as Harvard and Johns Hopkins, often cited of course by the Council and the AAMC, was more of a factor in causing gradual improvement. The desire to belong to a selected group like the AAMC and also the wish to appear on the AMA Council's list of schools graded A had some weight, but the means for improvement were missing.

The Flexner study, *Medical Education in the United States and Canada*, published in 1910, was the great landmark in the history of modern medicine in this country. Abraham Flexner, backed by funds from the Carnegie Foundation for the Advancement of Teaching, himself visited 155 medical schools in the United States and Canada. He found that only 16 required two or more years of college work for entrance, 50 asked for high school education or the equivalent and 89

were satisfied with a common school education. Some writers on medical education believe that the Flexner Report merely accelerated a reform movement already begun by the AAMC and the AMA Council. Others date reform entirely from the Flexner Report. In any event the Report caused a sensation, and what it actually touched off was a series of contributions to the better medical schools, from the General Education Board and the Rockefeller Foundation, with money added later by Rosenwald, Eastman, Harkness and the Commonwealth Fund.

During the decade, 1910-1920, medical education became a university discipline with definite standards. The drastic criticism in the Flexner Report, coupled with the financial support given by the foundations and wealthy individuals, made it virtually impossible for the weaker schools to continue. Only the better financed and better managed schools were able to develop adequate laboratories and hospital affiliations. Many recognized schools merged and most sought university connections. All became nonprofit organizations.

Shortly after the Flexner Report came out, Dr. Frederick T. Gates of the Rockefeller Foundation called in Abraham Flexner and asked him what he would do for medical education if he had a million dollars. He liked Mr. Flexner's answer that he would give it all to Johns Hopkins, and borrowed him from the Carnegie Foundation to work for better medical education on the staff of the General Education Board. It was the GEB's contribution over the years of more than \$100 million to medical education, which included the sup-

port of full-time clinical departments in selected medical schools — Johns Hopkins, Washington University in St. Louis, Yale, Chicago and Vanderbilt — which actually caused the schools to raise their standards. According to Raymond Fosdick, the idea at the GEB was “to make the peaks higher” and that, in turn, made the other schools better themselves or drop out of the picture.* It may well be that the creation of one or two “high peaks” is the answer to the CPA educational situation today.

Under this system of encouragement in the years following the Flexner Report, individual medical schools steadily raised their standards above the minimums required by both the Council on Medical Education of the AMA and the AAMC. But the AAMC and the Council both played an active role in keeping the public informed of the deficiencies of medical education by issuing in their reports minimal standards and classification lists. In addition in 1914, the Council issued its first list of hospitals approved for residents.

Three broad patterns of support made possible the expansion in laboratory and hospital facilities that took place in the medical schools during the '20s and '30s — endowment income, tax support and combined endowment and tax support for the medical schools attached to state universities. The faster tempo at which knowledge increased in the fundamental sciences and the use of the laboratory also stepped up the demand for both professional and preliminary training.

* *The Story of the Rockefeller Foundation* by Raymond Fosdick; Harpers, 1952.

To meet the demand, the colleges continued to better the minimums set by the two professional associations.

In preliminary training, particularly, according to a survey — backed by the Council and the AAMC and published by McGraw-Hill in 1953 — the colleges outstripped the minimum standards.* Between 1918 and 1952 the Council and the AAMC required only two years of liberal arts training before entering medical school. The survey found that of the class entering medical schools in the fall of 1951, only 1.1 per cent had had only two years of college work; 21.5 per cent had three years; 7.4 per cent had four years but no degree; and 70 per cent had baccalaureate degrees. In January of 1953, the Council and the AAMC raised pre-medical standards to three years of college, and recommended four. Only two months later a survey showed that all but one of the 79 medical and basic science schools in the United States required three or more years of college study.

The Council-AAMC-backed survey, which was supported by funds from the Kellogg Foundation, is the first big evaluation of medical schools since the Flexner Report, and it may be as important as that Report in its effect upon the schools, according to the *Journal of Medical Education* for March, 1953. It looked into many of the problems facing medical education today, including financing. A companion Survey of Pre-Medical Education** was also published by

* *Medical Schools in the United States at Mid-Century* by John E. Dietrich and Robert C. Berson.

** *Preparation for Medical Education in the Liberal Arts Colleges* by Dr. Aura E. Severinghaus.

McGraw-Hill in 1953. It evaluates the kind of liberal arts courses premedical students are taking.

Where medical education stands today is stated briefly and simply in the Commonwealth Fund Annual Report for 1952:

“Medical education, for which a new pattern was set by the Flexner Report of 1910, may now be in the second of three phases of adjustment. The first . . . has had scientific medicine as its objective and slogan, specialization as its dominant pattern, and the medical centers as its preferred instrument. The second, now unfolding, is a phase of transition . . . Comprehensive medicine is beginning to modify specialization . . . The behavioral sciences are already helping the doctor to rely less on intuition and more on systematized knowledge as he approaches these facets of the patient . . . Can scientific medicine be anything less than comprehensive?”

APPENDIX B

THE IMPROVEMENT OF LEGAL EDUCATION

The American Bar Association, through its Council on Legal Education and Admission to the Bar, does not grade law schools in classifications A, B and C as the American Medical Association's Council on Medical Education does. It merely lists schools as approved or not approved. At present the ABA Council approves those schools which require three years of liberal arts work and follow with three-year law courses or those which require only two years in the liberal arts and give four-year law courses. Until recent years the Association of American Law Schools required stiffer standards for membership than the ABA Council's standards, but now the Council has caught up with it. Requirements for admission to the bar in the various states differ widely, only a very few, including Kansas and Pennsylvania, specify that candidates must have four years of college and three of law before taking their examinations.

As with medicine, the role played by the top law schools has been greater than any other single factor in improving the standards of the profession. Today there are good law schools in the majority of states, many of them connected with the great state universities. There are also Committees on Legal Education and Admission in most state bar associa-

tions which have, since the '20s, been active in urging on courts and legislatures stiffer requirements for admission to the legal profession.

For the American Bar Association itself, the work of Elihu Root, who led the Association in a concentrated drive for higher standards in 1920, was in some ways comparable to the impact of the Flexner Report of 1910 on medicine. But some lawyers think that, rather than organizational action, graduate schools of law play the major role in raising the standards of legal education. One pointed out that CPAs had not had this advantage in achieving their own admittedly high standards. He felt that the other two factors of importance to any profession — the realization that their work is being done in the public interest and the setting up of standards within the profession itself — had, for the accountants, partially overcome the handicap of good graduate schools.

As to the organizational experience of the legal profession, state and local bar associations existed before the founding of the ABA in 1878, but they were mainly social organizations. The ABA was formed at Saratoga Springs, New York, and its chief organizer was Simeon E. Baldwin of the Connecticut Bar and the Yale Law School. Seventy-five lawyers attended from 21 jurisdictions.

At Saratoga during its first meeting, the ABA set up a standing Committee on Legal Education and Admission to the Bar. In its first report, issued in 1879, the Committee stressed the advantages of law-school education over apprenticeship and recommended that there be some uniformity

governing admission to the bar by states. It also urged that schools of law have "at least four well-paid and efficient teachers." A 1953 survey on legal education in the United States, by Albert J. Harno,* pointed out that the goal of four teachers has only recently been attained, and law faculties, in general, were still not well paid. It is also interesting that in the 1879 ABA report, it was recommended that the studies at law schools include Moral and Political Philosophy and that three years' attendance at law school be a qualification for taking bar exams. The Legal Education Committee's resolutions were tabled at the second annual meeting of the ABA, and in the years that followed the lag between recommendations and action continued.

The legal profession, like the medical profession, has been split almost throughout its entire history on the question of how much education was actually needed for practice. In the early days, the New England contingent, led by Judge Baldwin, were for the strictest possible requirements. The southern lawyers were fairly social-minded and regarded the ABA meetings as convivial gatherings. The midwestern members, as they joined up, swelled the ranks of those who believed that apprenticeship was sufficient and were the leaders in what came to be called the "John Marshall" or "Abraham Lincoln" argument. This argument harped on the fact that a poor boy could not afford law school. It recalled that Chief Justice Marshall had attended only one course of law lectures at William & Mary and that Abraham Lincoln had become

* *Legal Education in the United States*, Bancroft-Whitney Co.

a very able lawyer indeed through self-directed reading. The answer to the argument, from the beginning and even down to recent times, has been that these were exceptional men and that the general run of lawyers should be required by law to meet certain standards.

Between 1878 and 1893 the Legal Education Committee seemed to be getting nowhere. Its resolutions were either tabled or recommitted. A more pressing problem, perhaps, during the post-Civil War years was the need to correct practices within the legal profession itself, for both lawyers and judges were found to be involved in corruption in government and politics.

In 1894, soon after the ABA created a semi-autonomous Section on Legal Education, the Section issued a study of the country's law schools. In the light of the fact that in 1875 law schools generally required no qualifications for admission, the report was encouraging. There were, in 1894, 72 law schools in the United States, and all but seven were associated with universities. Most of the schools gave two-year law courses and a few three-year courses. Law reviews were being published by the faculties of some of the schools. Most of the schools used the text system, many emphasized the lecture method, and six had adopted the case system of teaching introduced at Harvard by Christopher Columbus Langdell.

The year 1894 was a significant one. Harvard announced that after 1895-96, no person would be admitted to its school as a candidate for a law degree who had not an academic degree from a selected list of colleges. Most other schools at

that time asked only that a candidate have an elementary education in English and that he be well grounded in the history of the United States and England. It was also in 1894 that Woodrow Wilson told the annual ABA meeting, in his speech on "Legal Education of Undergraduates," that "The worst enemy of the law is the man who knows only its technical details and neglects its generative principles, and the worst enemy of the lawyer is the man who does not comprehend why it is that there need be any technical details at all." The leaders of law in the United States were giving the other members of the profession exactly the point of view presented by Blackstone in England in the 18th century.

At the turn of the 19th century, the ABA's Section on Legal Education and Admission to the Bar began to achieve concrete results from its work. In 1897, acting on the advice of the Section, the ABA approved lengthening law school instruction generally from two to three years and requiring the equivalent of high-school instruction for law school entrance. The ABA also urged the states to follow these requirements before admitting candidates to examination.

Following up this ABA action, the Section held, in 1898, its first joint conference with members of state boards of law examiners. These conferences continued and finally, in 1931, culminated in the formation of the National Conference of Bar Examiners.

Having encouraged the state law examiners to get together, in 1900, the Section invited all law schools to send representatives to the annual meeting of the Section and of the ABA.

Fifty-four faculty members from 35 schools attended the Chicago meeting. This group, during its Chicago stay, formed themselves into the Association of American Law Schools. They stipulated that only those law schools would be eligible for membership which required a high-school education or its equivalent for entrance; gave a two-year law course (to be upped to three years by 1905); and owned a library containing the reports of the Supreme Court of the United States. Thus, in later years, the ABA could take credit for having fathered both the National Conference of Bar Examiners and the Association of American Law Schools. The advantage to the profession of the latter was that, although the ABA's Section could only attempt to persuade law schools to better their standards, the AALS could, at least, withhold membership from the less adequate schools. And, in 1903, the AALS set up a system of inspection, which continues to this day, to make sure that member schools live up to the standards they set for membership.

These moves had a salutary though gradual effect upon law-school standards and bar admissions. A survey conducted by the Section in 1907 showed some improvement in standards over the study made in 1894. In 1907, 74 law schools had three-year courses; ten had two-year courses; and one had a one-year course. The case system was used exclusively in ten law schools and in 19 others it was the chief method of instruction. The picture was not altogether bright, however. There were more law schools, and 18 of the newer ones were found to have no fixed period of instruction what-

ever. There were, in addition, twelve law correspondence schools in operation.

The legal profession as well as the medical profession was much impressed by the Flexner study of medical colleges published in 1910. In 1913 the Legal Education Committee of the ABA, acting for the Section, told the annual meeting that it had asked the Carnegie Foundation for the Advancement of Teaching to undertake a similar study of law schools. The result was the Redlich report published in 1914 under the title of *The Common Law and the Case Method in American University Law Schools*. This did not have as much impact as the one-man Flexner Report, but it interested more schools in teaching by the Langdell case method originated at Harvard, and it emphasized the need for faculty members who could spend full time at teaching and research. The Carnegie Foundation continued its interest in legal education, issuing studies on *Training for the Public Profession of the Law* in 1921; on *Present Day Law Schools in the United States and Canada* in 1928; as well as *Legal Education in the United States* in 1953.*

In the case of the law, it was, perhaps, not the publication of studies which seemed to galvanize the whole profession into action; it was instead the dynamic leadership of one man — ex-Senator Elihu Root, lawyer, statesman and Nobel Peace Prize-winner. In 1916 Mr. Root became President of the ABA, and in his opening address, “Public Service by the Bar,” he made a strong plea for better-educated lawyers and for

* Harno, *op. cit.*

screening incompetent and poorly prepared students. The old "Abraham Lincoln" argument still had its followers, and Mr. Root met it head-on, with these words:

"No one can help sympathizing with the idea that every ambitious young American should have an opportunity to win fame and fortune . . . But that should not be the controlling consideration here. The controlling consideration should be the public service, and the right to win the rewards of the profession should be conditioned on fitness to render the public service."

In 1920, the same year he drew up the plan on which the organization of the World Court was based, Mr. Root was elected Chairman of the ABA's Section on Legal Education and Admission to the Bar. The following year, the subcommittee of the Section, of which Mr. Root was also Chairman, issued a report which is the most important milestone in ABA history. According to Mr. Root's 1921 report,

"Both good and bad lawyers are in active practice . . . This is unfair to the public, and it is unfair to all the members of the profession because the reputation of all the members suffers for the sins of a minority . . . The evil exists because the public does not understand the need for protection, and because the bar does not shoulder its moral responsibility."

The 1921 report also made specific suggestions, not all of them new, but they carried the weight of Root's leadership. It recommended:

1. That every candidate for admission to the bar give evi-

dence of having graduated from a law school which required at least two years of study and gave a three-year law course; had an adequate library and sufficient full-time teachers.

2. That the ABA's Council on Legal Education publish the names, not only of those schools which fulfilled the requirements, but also of those which did not.
3. That the ABA cooperate with state and local bar associations in urging states to adopt these requirements for admission to the bar.
4. That the ABA call a conference on legal education to which state and local bar association delegates be invited.

The ABA passed all four resolutions and, by this act, according to the 1953 Carnegie Foundation study, "took the most articulate and positive action on legal education ever taken in America."

The Conference of Bar Association Delegates from all over the country was held in February 1922 in Washington, D. C. It was these men who still needed to be convinced that the "American boy" and "Abraham Lincoln" arguments would no longer hold. Mr. Root told them categorically that, "The standard of public service is the standard of the bar, if the bar is to live." He had a battery of distinguished lawyers, including John W. Davis, to support him at the Conference of Bar Association Delegates. The gathering was also honored by the presence of Supreme Court Chief Justice Taft,

who told the delegates that "The best preparation for the study and practice of such a profession is a wide and thorough general education." At the end of the conference, the delegates voted to endorse the standards of legal education set up by the ABA.

In 1923 following the action taken by the conference, the Council published its first list of approved schools. The list included only 39 schools but nine more were cited as within reach of the standards set up by the ABA.

By 1931 the Council found it necessary to employ a full-time advisor to make out its approved list. This was also the year the National Conference of Bar Examiners was officially established, and now there was definite liaison and communication between the profession, the teacher (through the American Association of Law Schools) and the examiners, who were all working for better standards. There was a need to maintain and continue these joint efforts, for the number of law schools had increased considerably. In 1931 there were 180 law schools, of which 77 were approved by the ABA. In addition, there were 98 part-time law schools, of which only seven were ABA-approved.

Over the years since, this situation has been improved by the concentrated efforts of both the ABA and the AALS, which is now a separate organization. In 1939 a survey showed that 41 states, with 90 percent of all law school students, required two years of college and three years of law school before admission to the bar. In 1951 the ABA took another step forward by issuing its first un-approved as well

as an approved list. The number of schools had been reduced to 164, of which 124 were approved and 40 unapproved. According to the 1953 survey, 40 unapproved law schools were still operating in that year. In 1954 the number of approved law schools, according to the *ABA Year Book*, had reached 130.