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## Editors' bookshelf

Charles P. Rockwood

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# THE EDITORS' BOOKSHELF

**The Rise of the Accounting Profession: From Technician to Professional 1896-1936**, by John L. Carey. American Institute of Certified Public Accountants, 1969, 387 pages, \$7.50.

The first volume of this history, written by the former Administrative Vice President of the American Institute of CPAs, deserves comment in *H&S Reports* even before the appearance of the second volume, scheduled for 1970. While we await the balance, it is already apparent that Mr. Carey has capped his forty years of service to accountancy with yet another major contribution. This book makes clear that the vast cargo of information about the profession that he accumulated and carried with him all those years was an important factor in his capable leadership. It is cargo worthy of the intellect that won a Phi Beta Kappa key at Yale in 1925.

The title might seem a bit broad in view of the book's preoccupation with professional organizations. The author acknowledges that it is "written from the viewpoint of the Institute," the organization that has absorbed his manifold talents throughout his working life. Yet this focus is entirely appropriate. Since accounting is a very social science and accountancy a most social profession, its history, more than the history of any other profession, concerns the story of its organization into societies and particularly the American Institute.

Hence anyone pursuing a satisfying career as a public accountant ought to know the background of the organized profession. He will not likely ever find a more informed and readable account; certainly now it stands alone among the handful available. A copy is in the library of every H&S office.

One will find there the germinating forces that make the practice of public accounting what it is today. Mr. Carey is particularly interesting and authoritative on the history of professional ethics, licensing, legislation and the early development of the CPA examination before it became the uniform national test we know today.

Of special significance in the light of the still unfolding relationship between the profession and the federal government is the chapter on the Securities Acts of 1933 and 1934, which established the government's legal right to set accounting principles. It includes some of the fascinating testimony of Colonel (later General) Arthur H. Carter, then managing partner of Haskins & Sells, before the Senate Committee on Banking and Currency. Colonel Carter was a West Point graduate of military bearing and imposing character. As president of the New York State Society of CPAs, he was facing a skeptical committee of equally powerful individuals, and he was not disposed to waste words on them. Consider the following pithy exchange:

SENATOR BARKLEY. Do you not think it is more in the interest of the public that is to buy these securities, if there is to be any checkup or any guarantee as to the correctness, that it be done by some government agency rather than by some private association of accountants?

MR. CARTER. ...I think the public accountant is better equipped to do that than the average government agency would be able to do that. ...

SENATOR BARKLEY. Is there any relationship between your organization with 2,000 members and the organization of controllers, represented here yesterday with 2,000 members?

MR. CARTER. None at all. We audit the controllers.

SENATOR BARKLEY. You audit the controllers?

MR. CARTER. Yes; the public accountant audits the controller's account.

SENATOR BARKLEY. Who audits you?

MR. CARTER. Our conscience.

Mr. Carey traces the early sparring between government and accountants for authority over accounting principles. In showing how, by setting its

house in order, the profession retained responsibility, the author helps to justify his purpose of relating "the development of the profession to the changing environment."

But this is essentially an insider's story of the profession for the profession. Mr. Carey, though not an accountant himself, has long been one of accounting's leading protagonists, a committed member of the fraternity and the only non-accountant to receive the CPA Gold Medal and be admitted to the Accounting Hall of Fame. His sources, including much unpublished material from the Institute's files, are essentially confined to the profession's literature. The one exception in the one-page list of fifteen references is Samuel Eliot Morison's "The Oxford History of the American People."

So we must still await a book that will do what desperately needs to be done, tell the story of the rise of the profession to the world outside. The accountants are still talking mostly to each other. The Institute persists in publishing its own books largely for the assured market of its own membership. This one is marred by the overuse of grotesque headings that give indiscriminate emphasis. And readers will have a hard time finding their way to what they are looking for, as the history has no index. It is to be hoped that Volume II will correct that inadequacy.

—Charles P. Rockwood

Mr. Rockwood, director of public relations for H&S, was director of public relations for the AICPA from 1956 to 1962.