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Editorial

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The JOURNAL of ACCOUNTANCY

Official organ of the AMERICAN INSTITUTE OF ACCOUNTANTS

A. P. RICHARDSON, *Editor*

EDITORIAL

Education or Advertising

Most of the readers of THE JOURNAL OF ACCOUNTANCY—certainly all those who are members of the American Institute of Accountants—are aware that the institute, after consideration lasting several years, has now gone on record as opposed to all forms of professional advertisement of the individual's abilities, facilities and desire to undertake accounting work, and that at the last meeting of the institute a resolution was adopted approving a rule of conduct expressive of this determination.

Since publication of the rule which appeared in the October issue of THE JOURNAL OF ACCOUNTANCY, we have received a considerable amount of correspondence on the subject, and, as was to have been expected, the writers have given utterance to opinions on both sides of the question. We are not, however, directly concerned with discussing a matter which has been definitely decided. The policy of this magazine for many years has been directed to an education of the accountant and the general public to the thought that professional advertising in its personal application is and must be unethical.

One of the letters which we have received is, however, of more than passing interest, and portions of the correspondence with the writer of this letter are worthy of publication.

Incidentally, it may be mentioned that the correspondent firm does not consist of members of the institute, but of practising public accountants who are anxious—as we believe all reputable practitioners are—to observe the standards enunciated by the institute.

Shortly after publication of the October issue we received a letter containing the following paragraphs:—

“We have read with a great deal of interest the *Restriction of Advertising* editorial appearing in the October number of THE JOURNAL.

"We have never solicited any business from any one, and have confined our advertising in all newspapers and other publications to a card, with the exception of our card appearing on our monthly bulletin on taxation and business. We are forwarding you copy of our July number, and ask that you notice our advertisement, and advise us if this is contrary to the rule of the Institute, as we desire to adapt our procedure in all instances in accordance with the ethical interpretation of THE JOURNAL and the American Institute of Accountants."

In the hope of obtaining an expression of opinion from the highest authority on the subject, this letter was referred to the chairman of the committee on professional ethics of the American Institute of Accountants, who replied to the correspondent as follows:

"Your letter of October 10th addressed to THE JOURNAL OF ACCOUNTANCY was sent to me as chairman of the committee on professional ethics of the American Institute of Accountants for reply.

"Doubtless you are informed about the considerations and the discussion which, after many years, led to the adoption of the rule to which you refer. While you may have a lively appreciation of the abuses which led to the adoption of this rule, you may not have so lively an appreciation of the difficulty of finding language in which to formulate a rule intended to prohibit unethical practices and at the same time permit practices which in themselves may be unobjectionable.

"Until a larger experience is at hand the chairman of the committee is loath to make such specific and concrete reply to your question as is called for when you submit your monthly bulletin and ask: 'Does this particular document come within the inhibition of the rule?' My present personal opinion (not official opinion) is that a specific answer would largely depend upon the circumstances surrounding the circulation of this document. Were it used solely 'for the proper and professional dissemination of impersonal information among a member's own clients or personal associates' the answer might be that it was not objectionable and not prohibited by rule 12 of the rules of professional conduct. If, however, the circulation of this bulletin were made the vehicle for promiscuous advertising publicity, it would, in my opinion, come within the prohibition of the rule.

"After all, professional ethics is not a thing that is altogether capable of literal definition, but, as some one very aptly said, it is rather a state of mind."

The response to the foregoing letter is noteworthy:

"Thank you for your letter of October 20th replying to letter of October 10th in which was submitted copy of a bulletin circulated by my firm.

"The question submitted being:

'Does this particular document come within the inhibition of the rule' (Rule 12).

"You have expressed my views, 'Professional ethics is rather a state of mind.' May I add, that provided the mind is controlled by a man who is fundamentally a gentleman.

"The bulletin referred to is distributed only to our clients and the Association yet on the other hand the object back of

Editorial

the thing was advertising publicity, but not 'promiscuous advertising publicity.'

"In accordance with your personal views this bulletin will be discontinued as soon as our contract with the printers expires.

"Thank you for your personal views which are accepted as a standard. I wish they would be accepted by all accountants in this part of the country, including the members of the institute located in this state."

One of the first points that appeals to us in the letter last quoted is the prompt acquiescence of the correspondent in what was merely a suggestion of the chairman of the committee on professional ethics. If anything were required to demonstrate the influence of the ideals of the institute it would be supplied by this recognition of the excellence of the institute's standards.

The second point is the very faintly veiled inference that some members of the institute do not at all times observe the canons of professional ethics. To this, of course, those who are familiar with the facts cannot present a complete denial. We believe that there are several members of the institute who have been and probably continue to be ready to take advantage of a literal interpretation of rules by which without infringing the strict letter of the law they depart widely from the spirit of it. These things must be admitted in view of the repeated assertion of correspondents and others that ethics—we were about to say vary, but of course ethics in a profession do not vary—are differently interpreted by individuals.

And this brings us to the point which we desire to express to that portion of the public to which this magazine is carried.

For about two years past the American Institute of Accountants carefully and quite thoroughly considered the desirability or otherwise of undertaking a nation-wide campaign of what has been called advertising, publicity, propaganda, educational effort and half a dozen other generic terms, all of which have the possibility of objectionable connotation. Various plans have been suggested for expressing in the most conservative and unobjectionable way the purposes and accomplishments of the public accountant in the United States of America. The matter is still in the hands of a committee, and some sort of general plan may or may not be adopted.

It seems to us, however, that there is an opportunity to accomplish a great result and lasting benefit if the institute by some means can contrive to educate the accounting profession,

whether members of the institute or not, to the spirit which animates the organization and is responsible for the laying down of the twelve rules of conduct which have been adopted. This spirit, differently expressed, finds voice in the splendid educational efforts which have been made by some of the leaders of the profession through the endowment fund (now known as the American Institute of Accountants Foundation). We do not profess to understand why, but we are aware that many accountants who are proud of their membership in the institute are not fully informed of the things which the institute has done, is doing and intends to do, although these things have been impressed upon them as far as possible by both written and spoken advice.

It seems to us that a great opportunity is open to the institute primarily to educate its own members; secondarily, the rest of the profession; thirdly, the general public; and whether a concrete and definite campaign of publicity, or whatever name may be applied to it, be undertaken or not, there is no doubt whatever that further attempt should be made to bring to the attention and consideration of all members the impelling force behind the great movements in which the institute is interested.

With the broad vision which has been manifest from the beginning of the institute's activities and with the assurance of continued interest by those who take the larger view, it may confidently be predicted that the institute will labor steadily and effectively for the betterment of the profession, for more adequate preparation of those who are to be public accountants and, directly and indirectly, for a higher plane upon which American business and professional relations shall be conducted.

What is needed further is to bring home to the accountants themselves what they are, what they may be and what part the institute is playing in the grand scheme of things entire.