

**AMERICAN INSTITUTE OF ACCOUNTANTS**  
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FOR RELEASE: To PM papers, Saturday, January 21

**NATIONAL INSTITUTE OF CPAS DEFENDS  
CONNECTICUT BOARD OF ACCOUNTANCY**

NEW YORK, Jan. 21 -- John L. Carey, Executive Director of the American Institute of Accountants, yesterday took sharp issue with criticisms directed at the Connecticut State Board of Accountancy by James G. Rogers, Jr., a member of the Connecticut State Organization Commission. Mr. Carey's comments were contained in a letter addressed to Carter W. Atkins, chairman of the Commission.

Answering the charge made by Mr. Rogers in a speech before the Hartford Rotary Club, that the Board of Accountancy fostered a monopoly, Mr. Carey wrote, "certified public accountants throughout the United States, far from maintaining a monopoly, are members of the fastest-growing of all professions." He cited figures to show that the number of CPAs had increased 347 per cent from 1920 to 1940, while the number of lawyers increased only 47 per cent, and the number of physicians and surgeons, only 14 per cent.

In Connecticut, Mr. Carey pointed out, the number of certified public accountants increased 118 per cent between 1940 and 1950, from 191 to 418. In the same decade, he said, the number of CPAs throughout the country reached almost double the 1940 figure.

Mr. Carey's letter also called attention to the fact that anyone may legally practice public accounting in Connecticut, whether he has a CPA certificate or not, and he stated that the purpose of issuing CPA certificates by the State is primarily so that third parties who use financial statements, such as banks and insurance companies, may know whether the auditor has demonstrated his qualifications by passing an examination conducted under state auspices.

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The text of Mr. Carey's letter follows:

January 20, 1950

Mr. Carter W. Atkins  
1042 Farmington Avenue  
West Hartford, Connecticut

Dear Mr. Atkins:

Since the CPA examinations prepared by the Board of Examiners of the American Institute of Accountants are involved, I should like to call your attention to some seriously misleading statements and inferences in the speech by Mr. James G. Rogers, Jr., a member of the State Organization Commission, before the Hartford Rotary Club, as reported in the press.

Mr. Rogers charged that the Connecticut State Board of Accountancy is attempting to "maintain a monopoly for the professional people already licensed." Mr. Charles F. Coates, a former member of that Board, has already pointed out that Mr. Rogers' figures were inaccurate. I should like to add that certified public accountants throughout the United States, far from maintaining a monopoly, are members of the fastest-growing of all professions.

The total number of certified public accountants increased from 4,900 in 1920 to about 19,000 in 1940 -- a gain of 347 per cent. In the same period, the number of lawyers increased 47 per cent, and the number of physicians and surgeons only 14 per cent. Furthermore, the number of certified public accountants again almost doubled in the decade from 1940 to 1950, bringing the total to 34,398 on August 31, 1949.

In Connecticut, there were 191 certified public accountants in 1940, and in January, 1950, there are 418 -- a growth of 118 per cent in ten years.

Even if this were not true, certified public accountants would have no monopoly. In Connecticut, anyone may practice public accounting without even so much as registration with the State Board.

However, there are sound reasons why every state does conduct examinations and award certificates to the certified public accountants who qualify. Nothing does or should interfere with the right of a businessman to employ anyone he chooses to keep his books for his own use; but when financial statements are prepared with an auditor's opinion on which the public will rely, it is clearly in the public interest that those most concerned, such as stockholders, banks,

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and insurance companies, should know whether the auditor has demonstrated his qualifications by passing an examination conducted under state auspices.

Let me emphasize that while 47 states, including Connecticut, last fall adopted and used the uniform examinations prepared by the Board of Examiners of the American Institute, the final responsibility for issuance of CPA certificates rests entirely with the state boards.

I hope, therefore, that in the final formulation of its recommendations, your Commission will recognize the important public service performed by the Connecticut State Board of Accountancy.

Yours sincerely,

/s/ John L. Carey  
Executive Director

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