

11-1930

## American Institute of Accountants: Report of the President

Frederick H. Hurdman

Follow this and additional works at: <https://egrove.olemiss.edu/jofa>



Part of the [Accounting Commons](#)

---

### Recommended Citation

Hurdman, Frederick H. (1930) "American Institute of Accountants: Report of the President," *Journal of Accountancy*. Vol. 50 : Iss. 5 , Article 2.

Available at: <https://egrove.olemiss.edu/jofa/vol50/iss5/2>

This Article is brought to you for free and open access by the Archival Digital Accounting Collection at eGrove. It has been accepted for inclusion in Journal of Accountancy by an authorized editor of eGrove. For more information, please contact [egrove@olemiss.edu](mailto:egrove@olemiss.edu).

# American Institute of Accountants

## REPORT OF THE PRESIDENT\*

BY FREDERICK H. HURDMAN

One year ago, at Washington, you accepted the invitation of Colorado Springs to hold your next annual meeting in this altogether delightful spot. It seems that your choice has been a happy one and even those of you who have come a long way I am sure will feel no regret.

In this the second year of office as your president it is my opinion that there have been many important developments. You will find in other reports a complete review of the year's activities. I shall mention a few only.

During the past year many parts of this country have been visited by your president and secretary. It is believed that these trips are of great value in creating a better understanding of what the Institute means to the profession. Last December it was my privilege to attend at Montreal the fiftieth anniversary celebration of the founding of the Institute of Chartered Accountants in Quebec. Your president and editor represented the Institute in London, England, last May at the fiftieth anniversary of the granting of the charter to the Institute of Chartered Accountants in England and Wales. At the same time we were entertained by the Society of Incorporated Accountants and Auditors. On that occasion many of the friendships made when our cousins from overseas visited us in Washington a year ago were renewed and strengthened. Early this month I attended the annual meeting of the Dominion Association of Chartered Accountants at Halifax.

The arrangement effected during the year whereby The Century Company will publish and distribute books on accounting selected and edited by the Institute should add greatly to its prestige and improve the quality of accounting literature produced in the future. Your officers are not so much concerned with profits to be derived from this venture as they are in producing books by capable authors on subjects on which there appears to be a lack of good material at present.

---

\* Delivered at the annual meeting of the American Institute of Accountants, Colorado Springs, Colorado, September 16, 1930.

As a result of this undertaking it seemed wise to make a change in the personnel in order that A. P. Richardson, who had for so many years very ably filled the position of secretary and editor, could devote all his time to editorial work. Accordingly, as of January 1, 1930, Mr. Richardson has occupied the position of editor and Mr. Carey has served as secretary. Under this arrangement I believe the Institute has two extremely capable officers serving in positions for which each is well suited.

From time to time the Institute has been asked to express an opinion on questions of accounting procedure. Many of these questions were disposed of through the work of special committees created for the purpose, but it has been felt that the Institute should have a special or standing committee on accounting procedure which might consider problems of procedure arising from time to time in our practice and make some pronouncement which would have weight. With the approval of the executive committee such a committee was appointed during the past year, its membership being composed of representatives of the larger firms with offices in New York, in order that we might have the benefit of the larger experience of those firms and have it quickly. A matter of importance is now before that committee, viz., the question of the treatment of periodic stock dividends.

A special committee on bankruptcy reform has been appointed to assist the authorities in Washington in the investigation of the operation of the bankruptcy laws ordered by President Hoover, who has indicated his appreciation of our offer of assistance. It is hoped, as a result of these efforts, that the accounting profession may be accorded greater recognition in the future administration of these bankruptcy laws.

During the past year the Institute has lost many men who had rendered outstanding service. Two in particular should be mentioned: Waldron H. Rand, a past president and long a member of the board of examiners, and the other, Lewis G. Fisher, former vice-president and a member of the executive committee and chairman of the committee on state legislation at the time of his death. These men rarely missed a meeting of the Institute and unhesitatingly answered any call to service.

There appears to be developing throughout the country, especially among the younger accountants, a deeper appreciation of what the Institute represents to the accounting profession. This is evidenced by an increased number of applications for member-

ship, by the interest expressed on the occasions when your officers have visited various parts of the country and by the letters received from time to time. This is, of course, as it should be if those guiding the policies of the Institute will ever keep foremost in their minds what is best for the profession as a whole and interest themselves in every worth while development affecting accountancy.

By the very nature of things most of the undertakings of the Institute will have to be effected through the voluntary coöperation of its members. I have been deeply gratified by the spirit of coöperation evidenced on the part of all to whom I have issued the call to service. To as great an extent as possible I have tried to enlist the services of the younger men, believing as I do that only by such enlistment can we hope to keep alive the spirit of the Institute handed down to us by those older practitioners who have given so much in the development of our profession.

I have been much interested in a recent study which developed the fact that in addition to past presidents the council now has in its membership only four men who were on the council when the Institute was formed fourteen years ago, and only two of those have served with slight interruption. The executive committee, as now constituted, has only two members who held any official position in the Institute as far back as 1916.

Another interesting fact is that in the membership roll of the Institute at the present time there are more than nine hundred firms of individual practitioners represented. I do not know how many individual firms are engaged in practice in the United States but I venture to say the Institute numbers a goodly percentage of the total in its membership.

These facts are mentioned not in a spirit of boasting but to indicate a reason perhaps for the increasing appreciation of what the Institute stands for and what it is trying to accomplish for the profession.

Important economic changes are taking place in the business world, and the accounting profession, because of its close relation to business, finds itself very much affected by these changes. I have felt very strongly during the past year that if we are to cope with the problems constantly arising and maintain the position we have gained for ourselves in the public esteem, we must maintain the high standards of ethics and practice developed over the past years.

Every effort should be made to extend the influence of the Institute by so conducting its affairs that every reputable practitioner will feel that he needs membership in order that his status in the community where he practises may be fixed. To accomplish this purpose the Institute should have the active coöperation of all its members so that its influence may be felt in every worth while movement. Its membership must so conduct itself that it will ever retain the respect of those interests we serve. I am more strongly of the opinion than ever before that we need just such an organization as The American Institute of Accountants.

Let me take this occasion to thank you who have honored me in this high office during the past two years, those members of committees who have worked so faithfully during the past year, members of the council who have, at much sacrifice of time and money, attended its sessions and to the staff in New York who have performed their duties efficiently and loyally.