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To Our Fellow Members of the American Association of Public Accountants: summary of meeting to discuss a draft plan of federation

American Association of Public Accountants

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NEW YORK, November 15, 1902.

**To Our Fellow Members of the
American Association of Public Accountants:**

You are aware that at the last meeting of the Association, held on October 21st, three delegates were appointed to attend a meeting of the various Accountants' Societies at Washington and discuss a draft plan of federation. This meeting was held on October 28th, and was attended by delegates from the following societies:

American Association of Public Accountants.
New York State Society of Certified Public Accountants.
National Society of Public Accountants.
Illinois Association of Public Accountants.
Pennsylvania Institute of Certified Public Accountants.
Maryland Association of Public Accountants.
Incorporated Public Accountants of Massachusetts.
New Jersey State Society of Certified Public Accountants.
Michigan Society of Public Accountants.

Articles of Incorporation and By-Laws of the proposed Federation were agreed upon by the delegates and will be submitted to the different associations for adoption.

The principal provisions thereof are, shortly, as follows:

(1) That the name of the proposed Federation should be "The Federation of Societies of Public Accountants in the United States of America."

(2) That the objects of this Federation should be:

(a) To bring into communication with one another the several associations and societies of public accountants, organized, or to be organized, under the laws of the several States of the United States of America;

(b) To encourage the formation of State associations of public accountants in States where they do not exist;

(c) To encourage State C. P. A. legislation on uniform lines;

(d) To secure Federal recognition of the profession of the public accountant;

(e) To facilitate and assist the training of young members of the profession, and to establish a uniform standard of efficiency in federated societies;

(f) To disseminate throughout the United States a general knowledge of the objects of the Federation and of the utility of the public accountant in the industrial and financial development of the country; and,

(g) To further the interests of the profession generally.

(3) That the members of the Federation should be such of the above-named Societies or Associations as may signify their assent before 31st December next; and, under certain provisions, any other association or society (solely composed of public accountants) which may at any later date express a wish to come in; but that no two societies should **HEREAFTER** be admitted from the same State.

(4) That all Societies joining the Federation other than the original ones should pay an entrance fee of \$5 for each member exclusive of associates; and that all societies, members of the Federation, should pay an annual subscription of \$5 for each member of the Society, excluding associates or honorary members and also excluding such members as may elect to have themselves identified with other societies to which they belong.

(5) That the members of the Federation should be represented at its meetings by delegates in proportion to their membership, namely: for less than twenty members, one delegate; for more than twenty or less than fifty, two delegates; for more than fifty or less than one hundred, three delegates, and for more than one hundred, four delegates.

A complete copy of the constitution and by-laws can be obtained on application to Mr. George Wilkinson, the Secretary of the Federation, 516 Stephen Girard Building, Philadelphia.

A meeting of the American Association has been called by its officers to receive the report of the Board of Trustees and to decide whether or no it shall join the proposed Federation, and we urge our fellow members to attend this meeting and take part in the discussion which will undoubtedly arise.

One of the provisions of the proposed by-laws is that individual members of more than one federated society shall, for the purpose of determining the number of delegates to which the different societies will be entitled, elect to which society they will attach themselves, so that no two societies may be taxed for or have a voting power in respect of the same individual.

The following list gives (a) the number of members, excluding Associate and Honorary members, in each of the societies attending the recent meeting at Washington (b) the number who are also members of other societies:

	(a) Members.	(b) Duplicates.
Massachusetts Society.....	18	1
National Society in United States.....	81	51
New York State Society.....	79	34
Maryland Association.....	22	1
Pennsylvania Institute	29	1
Michigan Association.....	8	0
Illinois Association.....	23	6
New Jersey Society	(No data at hand.)	
American Association.....	88	47
Not including Associates or Honorary Members.		

Assuming that one-half of the members of the American Association who are also members of the State Societies elect to be attached to the former for the purpose of determining the number of delegates to which it is entitled, this would reduce its active membership for this purpose to sixty-four, and would entitle it to three delegates.

The American Association has in the past done excellent work in advancing the interests of the whole profession and there is undoubtedly much good work which it can do in the future; but in view of the fact that it is only one of many larger in membership no doubt but otherwise on a par with other individual societies in New York and other States it appears to us to be quite impossible that it should, either now or in the future, represent the whole profession. This we think will be admitted.

We believe it is also generally admitted that there should be some body which is qualified to represent all public accountants in the United States, and which, as their representative, can use its

influence, both with existing and future societies, towards the attainment of a high professional standard and uniform qualifications for admission to membership in those societies; and can at the same time further the interests of all the societies and through them of all public accountants in the directions designated in the objects of the proposed Federation.

We understand that there is every probability that the Federation will be able to secure within a reasonable time a Federal Charter. Recent events show that some form of legislative control of large corporations is becoming a matter of first importance and will undoubtedly take a prominent place in the near future. When this question comes up it is essential that our profession shall be in a position to act as a united body and urge upon Congress and upon the authors of any bills which may be introduced the advantage to the general public of the compulsory audit of the accounts of all public corporations by public accountants, in preference to the delusive safeguard of the audit by a Government Department such as has already been suggested. No individual action by one society, however strong in membership, can have the same effect as united action of the whole profession, and if attempted, without some such organization as the proposed Federation will give, it can only confuse the issues before Congress and the public.

The proposed Federation is now practically an accomplished fact, and it remains with our American Association to say whether public accountants shall in the future act as a unit or whether they shall be represented by two conflicting bodies, frequently, to the great damage of the true interests of the profession, acting in opposition to each other on many of the important questions of policy which must arise. There is, however, the possible alternative that by remaining outside the Federation the American Association may cease to recruit new members and may even lose many of its existing members—a disastrous future for a society that has done so much in the past and may yet do so much in the future for our profession. On the other hand, as a member of the Federation our Association has an honorable and useful future before it as the only existing society which can give a status in the Federation to the many public accountants either practising in States which have no associations of their own, or for one reason or another not eligible for membership in the State societies; and its existing members will then undoubtedly remain with it and help it in the good work of education and advancement which its present large membership renders it peculiarly well fitted to carry on.

Since the above was written a lengthy document has been issued by order of the Board of Trustees of the American Association inviting the views of the members. This document, in so far as it deals with matters preceding the Washington meeting, calls for no comment. The report of the Delegates is a fair account of the proceedings at that meeting, with the exception that there was not as stated any previous understanding among the Delegates of some of the Societies, unless a general approval of the scheme and a desire to carry it into effect can be called an understanding.

The report discloses only one "main point of difference," namely, that "Representation is not in accordance with taxation." On the present membership rule, as shown above, this point is not of great importance as no Society would under the By-Laws appear to be now entitled to more than three delegates; but having regard to future possibilities it is a fair objection to take and one that should certainly be carefully considered. We cannot but think that a full representation of the American Association at a future meeting of Delegates would result in some compromise on this point which would be fair to all parties.

The work, which the Federation can undertake, must obviously be limited to the amount of its available funds, namely, the dues provided under the By-Laws and voluntary subscriptions by individual

members of the profession interested in its development in the direction indicated by the objects of the Federation.

The amplification of the report of the Delegates contained in Mr. Stevens' address is mainly academical or personal, and, if the main objection raised by the delegates is fairly met, should not be allowed to stand in the way of the American Association joining the Federation, and so doing its part in the future development of the profession of the Public Accountant.

We would urge upon our fellow-members not to lose this great opportunity of joining with other societies in the general advancement of the profession, consulting its general interests as a whole and realizing that for the common good it is necessary to give way on minor points. We would appeal to you, therefore, not only to attend the meeting, but to speak and vote in favor of our Association joining the proposed Federation of Societies of Public Accountants of the United States and subscribing to its Articles of Incorporation and By-Laws.

A. LOWES DICKINSON,
New York.

GEO. WILKINSON,
Chicago.

MAX TEICHMANN,
Baltimore.

C. W. HASKINS,
New York.

*Members of the American
Association present at the
Washington meeting.*