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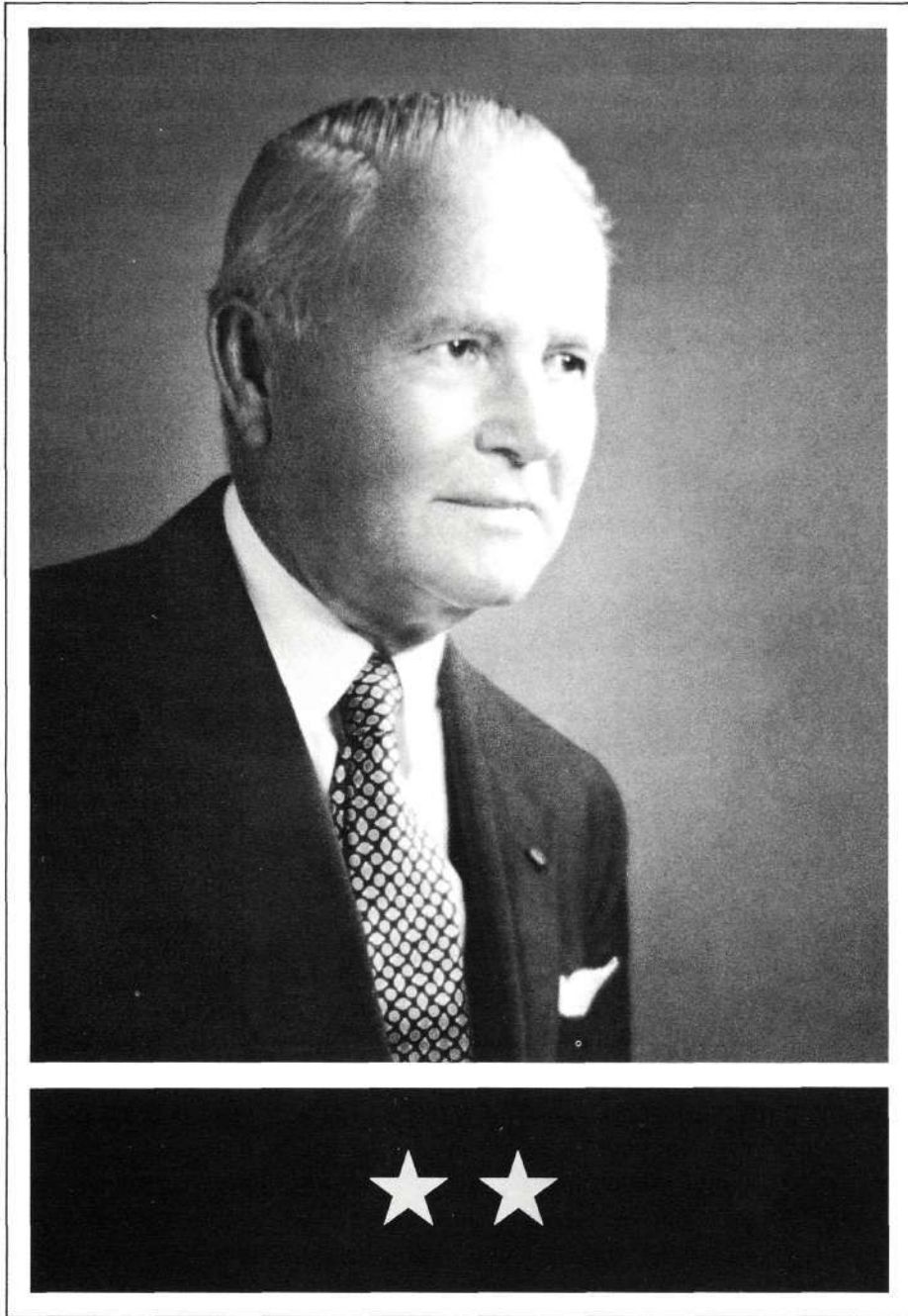


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ARTHUR H. CARTER

A memorial by John W. Queenan

When General Arthur H. Carter died on January 3, three days before his 81st birthday, Haskins & Sells lost the third and last remaining man to serve as managing partner during the Firm's first fifty years. Much of the strength of Haskins & Sells today can be traced to policies established by General Carter thirty years ago.

He was born and raised in Hillsboro, Kansas, where his father, who had come from Kentucky, established a hardware business. His boyhood intention to become a doctor showed an early ambition for education and service. Finding medical education beyond his means, he applied to his Senator for an appointment to West Point, from where he graduated in 1905. He retained his interest in medicine all his life, founding a hospital in Leesburg, Virginia and heading a building fund drive for the hospital in Greenwich, Connecticut, where he made his home for the past 40 years. After withdrawing from active practice in 1947 he became president of the Good Samaritan Hospital near his winter home in Gulfstream, Delray Beach, Florida, and when he died the hospital's flag was flown at half-staff until 5 o'clock the day he was buried.

One of his early posts was as aide-de-camp to General Ramsay D. Potts in the Philippines during the governorship of General Leonard Wood. It was there in 1908 that the young polo-playing lieutenant met Marjorie Sells, traveling with her father, Elijah Watt Sells, a founding partner of our Firm. They were married two years later and returned to this country in 1911, after General Wood became Chief of Staff for Secretary of War Henry L. Stimson. Both Lieutenant and Mrs. Carter were skilled in horsemanship, and when Secretary Stimson rode out on maneuvers in Wyoming with his wife and her niece, the Carters were asked to accompany them.

During World War I he advanced in rank to colonel and demonstrated the administrative ability that was the foundation for his distinguished careers in both military service and professional

accounting. He organized the Field Artillery Central Officers' Training School at Camp Zachary Taylor in Kentucky, and served as Commandant until the end of the war, when he was awarded the Distinguished Service Medal.

Colonel Carter retired from the Service in 1919 and entered the employ of Haskins & Sells, where his earlier training was to stand him in good stead. He applied himself assiduously to his new profession, became a CPA, and in 1922 was admitted to the Firm. He became senior partner in 1927 at the age of 43, and his administrative skill guided the Firm through the Depression years of the 1930s, from which it emerged with a sounder financial structure than before. He had earlier established the valuable relationship with our friends, Deloitte, Plender, Griffiths & Co., which has since resulted in the successful handling of much of our foreign work and in the establishment of DPH&S offices throughout the world. During his twenty years as senior partner the number of Firm partners increased from 28 to 88. To him more than to any other person we owe our policy that a partner shall have close and intimate supervision of each engagement.

Over the years, General Carter held many prominent positions in the accounting fraternity. He was a vice president of the American Institute of CPAs, a member of its Committee on Accounting Procedure, and for three terms president of the New York State Society of CPAs. He served as president of the National Association of Accountants, where he is remembered for the Carter Trophy he donated for the chapter showing greatest improvement in its competitive standing.

In 1940 Mr. Stimson was again appointed Secretary of War and surrounded himself with what he considered the best staff he had ever had in any office. General Carter was brought onto the staff as Executive Accountant, and in 1943, after several promotions, he was appointed Fiscal Director, Army Service Forces, with rank of Major General and responsibility for the accounts

and all fiscal services of the War Department. Among his contributions was establishing accounting procedures for all lend-lease transactions as well as procedures for auditing cost-plus-fixed-fee construction and supply contracts.

When the war was won, he was decorated with an Oak Leaf Cluster to his Distinguished Service Medal of World War I, and the American Institute presented him with a scroll in grateful recognition of "outstanding service to his country and the accounting profession."

He returned to the Firm briefly and then retired in 1947. The following years found him managing the hospital in Florida, directing a project of the Hoover Commission, and leading an active outdoor life. Together he and Mrs. Carter spent summers salmon fishing on the Kedgwick River in New Brunswick. Mr. Winston Ferguson, his companion and guide on the river for many years, remembers him as "a great fisherman and hunter...who will be missed in the area for a long time."

General Carter had a reputation for saying "No" with considerable firmness and regularity, but this seemed often just a testing process. If you were able to back up your ideas, they could pass muster with him. I remember when, still a principal and in charge of the Newark Office, I went to him to suggest moving the office to larger quarters. After his first unhesitating "No" and reasons why it was unnecessary and costly, I brought out a floor plan which I "happened to have." The General not only approved it, but instructed me to get new furniture for the new office. Mel Coursen, who had taken me in to see the General, said as we left, "I never thought you'd get it."

General Carter once remarked to his partners, "There is very little past in an organization; there is only a present and a future." The wisdom of that statement is indisputable, and yet the true character of a firm is built upon its history, much as a fine painting depends on the foundation of structure and composition. Haskins & Sells owes much of its position today to General Carter.