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Frank Broaker

American Association of Public Accountants. Legislation Committee

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DEAR SIR :

You have received numerous letters respecting "An Act to Incorporate the Accounting Guarantee Co." and I desire to state that the American Association has long since given this and other Bills (which were *more* inimical to the interests of the Certified Public Accountants of the State of New York) prompt attention. A few brief statements will serve to acquaint you with the true facts relating to this matter.

Assembly Bill No. 1667 has been sent out broadcast. This bill is *not* before the Governor for signature. It was opposed by the American Association, and unanimously amended in Senate Judiciary Committee, *by striking out* these words, "Generally to do all acts and things pertaining to the business of the preparation, examination, investigation and audit of books and accounts which a certified public accountant of the State of New York may legally do in the pursuit of his occupation as such certified public accountant."

Section 2, paragraph 3, restricts the guaranteeing of accounts *to those prepared by Certified Public Accountants*, thereby giving due recognition to the C. P. A. profession, and this clause *remains* in the bill.

The *proper* time to oppose this Bill was when it was in Committee, at which time the only appearance against this Bill was on the part of The American Association, and its representative was the only one heard. Although opposing the entire Bill on general principles, it was found that no legal opposition could be successfully advanced, with the exception of the clause stricken out, which resulted in the Bill being amended accordingly, the Judiciary Committee virtually holding that while the objection to the expunged clause was tenable and met with their unanimous approval, the sentimental objections to competition would no more hold against this company than against non-certified public accountants engaging either singly or collectively to carry on a general accountancy and guaranteeing business, corresponding rights and powers being already possessed by other corporations in the State.

The present communications sent out are merely false alarms, to divert attention from the flagrant indifference and apathy shown by the same parties when Assembly Bill No. 2030 and Senate Bill 1453 were in Committee and their non-appearance in opposition at the time The American Association stifled them single-handed. These Bills sought to make it compulsory upon the Regents to issue C.P.A. Certificates without examination to clerks employed by the Commissioners of Accounts, and in other public offices. As one of the Commissioners of Accounts is one of the signers of the present urgent appeals against the Bill *now* before the Governor, it is difficult to understand his utter indifference to the other bills far *more* dangerous in character to the interests of the profession.

The only reason that can be assigned to this sudden energy on the part of those never identified with The American Association of Public Accountants, is to give prominence to a State Society of about 15 members, which in effect if not in intention has a tendency to detract from and operate against the parent organization of about 100 members, and in view of the mischief and misdirected self importance that bids fair to characterize the proceedings of this little twig, it has been determined by the leading members of The American Association of Public Accountants, to organize a Certified Public Accountants Association, enrolling at the outset nearly all the Certified Public Accountants in this state (drawn principally from the parent association), and hereafter the certified Public Accountants of other states that may enact similar laws, and so establish within the body of The American Association, a mark degree which will fulfill all the requirements for a Certified organization, and at the same time, strengthen and develop the pioneer society, which still has before it a most important field of usefulness for which certified societies would not be capable of until legal recognition becomes more general throughout the other states. Thus the Certified Public Accountants Association will at the outset be the largest body of Certified Public Accountants and The American Association of Public Accountants continue to be the Pioneer society in this and other states and the largest body of professional accountants on this hemisphere

Faithfully yours,

FRANK BROAKER, PRESIDENT,

and Chairman Legislation Committee

American Association of Public Accountants.