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Letter to Henry A. Niles re: Special Meeting of the Members of the Association will be held on Wednesday the 17th December 1902

T. Cullen Roberts

American Association of Public Accountants

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AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS

Secretary's Office

56 - 58 Pine St. N. Y. City.

December 10, 1902.

Dear Sir:-

A Special Meeting of the Members of the Association will be held on Wednesday the 17th December 1902 at 4 P. M. in Room 915, No. 32 Liberty Street, New York City, when your attendance is particularly requested for the transaction of business.

By order of the President,

Yours truly,

T. Cullen Roberts, C. P. A.,

Secretary.

B U S I N E S S.

To advise with the members as to the "Federation of Societies of Public Accountants in the United States of America" and to take such action thereon as may appear best for the interest of the members.

THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS

Secretary's Office,
56-58 Pine Street,
New York City.

10th December, 1902.

MEMORANDUM.

At the Meeting of the Board of Trustees held on Wednesday the 26th November last (from which one member only was absent) the following resolution was passed:-

"In view of the fact that certain of our members have sent to the individual members of the Association a printed circular advocating the joining of the Association with the Federation, and that those views do not agree with the concensus of opinion of the Board of Trustees"

Resolved:-

"That the views of this Board as expressed in the following objections to the American Association of Public Accountants joining the Federation, be conveyed to the Members of this Association; to the Members of the New York State Society of Certified Public Accountants; to the National Society of Certified Public Accountants of the United States; to the Incorporated Public Accountants of Massachusetts; to the Pennsylvania Institute of Certified Public Accountants; to the Maryland Association of Public Accountants, Baltimore; to the Illinois Association of Public Accountants, Chicago; to the Society of Certified Public Accountants of the State of New Jersey; and to the Incorporated Michigan Association of Public Accountants."

On the vote:-

Nine members of the Board voted "aye", one member, Past President Conant, of the firm of Haskins and Sells, desired to be placed on record as voting "no".

"THE AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS after careful consideration of the Constitution and By-Laws enacted at the Washington Conference, creating the "Federation of Societies of Public Accountants in the United States", and also the report of their representatives of the proceedings of that Conference, regret that they cannot become a member of the "Federation" for the following reasons:"

First:- That instead of a Federation pure and simple, it is virtually a Central Organization, to be governed by an Executive Board, who in the language of the By-Laws "shall be responsible for the conduct of the affairs of the Federation" and who in turn may delegate their powers to an Executive Committee composed of five of its members.

Second:- That a fixed place, viz., Washington, is designated as the annual meeting place, unless otherwise ordered.

Third:- That no provision is made for the calling of special meetings of the Federation.

Fourth:- That an annual subscription of five dollars is assessed upon every Society for each of its members.

Fifth:- That while no Headquarters is positively arranged for, in the By-Laws, the Executive Board has full power to establish one.

Sixth:- That instead of each Society at the annual Convention being allowed to cast the entire vote allotted them, only delegates present can vote, thus destroying the unity of the Society as an entity, and making each delegate an individual factor.

Seventh:- That the representation and taxation of the Societies are unequal, a Society with seven members being entitled to one vote, paying thirty-five dollars, while a Society with two hundred members has only four votes and pays one thousand dollars.

Eighth:- That the whole spirit of the By-Laws is not that of a Federation, but an organization of a dominating central body.

Ninth:- That owing to the limited powers granted to the United States General Government, in the Constitution, with the express limitation that all powers not so granted, are inherent in the Sovereign States, and that the various Accountant Societies are incorporated under the laws of several States and are subject to those laws, a general Society, such as that constituted, would be of doubtful utility.

Tenth:- That while a Federation or Congress of delegates from the various State Societies might meet together from time to time, to secure as far as possible uniform legislation, placing all certified accountants on the same plane, as regards professional experience, knowledge and requirements, a solidified body or association such as the one proposed, is unnecessary and would involve an outlay entirely uncommensurate with its utility.

Eleventh:- On the basis as proposed the Federation does not offer anything more than this association now does.

Twelfth:- That Article X, Section 1, of Federation By-Laws may lead to great confusion and injustice, as members that more properly affiliate with other Societies to which they belong may elect to be identified with the American Association, and so improperly increase our quota of dues.

Thirteenth:- That a Federation on the lines of the one approved by our association at the meeting of October 14th is all that is required.

T. Cullen Roberts, C. P. A.,
Secretary.

In an expression of opinion nine States have been heard from; the following synopsis will give the general opinions of members in order of receipt:-

- (1) "Hopes the report of Committee and Board of Trustees will not prevail, and that the Association "for their own good" will become a member of the "Federation".
- (2) "We agree in the main, with the logical stand taken by Ex-President Mr. Richard F. Stevens as stated in his reporting, upon the proceedings at Washington."
- (3) "The judgment of those gentlemen who have been so prominent in the successful management of the Association heretofore can be relied on in this instance."
- (4) "1. Federation as organized is unnecessary. 2. The plan outlined by Mr. Stevens is more feasible and less expensive. 3. Financial problem not sufficiently considered. Burden of expense would fall on our Association without having proper representation. 4. Proceedings at organization were arbitrary and irregular."
- (5) "Heartily in accord with resolutions passed by the Board of Trustees that Association should not become a member of the Federation under its present Constitution and By-Laws."
 - 1.
- (6) "Our Association would cease to exist as a free and independent institution. As soon as absorbed, its individuality would be sacrificed. 2. Constitution and By-Laws a deplorable conglomeration of right and wrong. Civilization has taken the wrong course this time - it usually travels from East to West and now it suddenly comes from Chicago."
- (7) "Objects to joining any Federated (so called) society, delegating to such body the right to levy assessments unlimited. Officers appear to be uncontrolled in the application of such funds. The power to levy such assessments appears to be essential to the existence of the federation. Prefers Mr. Stevens' method of organization."
- (8) "Wants to be fully enlightened and will possibly attend proposed meeting."
- (9) "Decidedly objects to the losing of the individuality and prestige now enjoyed by our Society. Approves of Mr. Stevens' plan."
- (10) "Organization rather dictatorial. Enters protest and is opposed to any such organization. The arrogance displayed at Washington, D.C. enough to have every member denounce it and vote "No".
- (11) "Disposed to favor some plan of conference, but not such an elaborate Institution. Foresees that Federation sooner or later will dominate and overshadow local societies. Federation tends to centralization without compensating benefits, local societies called upon to surrender too much supervision of their affairs, and incur expense which will overtax their ability too much. Ratio of representation makes it possible for minority societies to control the Federation."

- (12) "I am not in favor of the Association becoming a member of the Federation under its present Constitution and By-Laws."
- (13) "I am in favor of the Federation."
- (14) "I am of the opinion that Section 2, Article 2('Taxation without Representation') should be amended so as to give equal representation to all Societies."
- (15) "Believes that the interests of the profession will be served by Association joining as a Charter Member, and is sure the delegates from the State Societies will act justly in changing the detail of the By-Laws."
- (16) "The whole matter carried through in great haste. Federation idea a good one. Proposed Federation does not meet the need. Our Association not treated fairly, and opposed to it joining the Federation."
- (17) "Heartily in favor of a Federation according to Past President Stevens' definition. Does not favor the erection of another body which shall dominate the affairs and action of the individual Societies."
- (18) "Our own Association is able to cope with all the objects set forth in the prospectus of the Federation."
- (19) "I am in favor of the Federation. If it should develop that the organization as at present projected is unconstitutional it could be abandoned later; and another form of Union for concentrated action taken."
- (20) "I am in favor of the movement, and for it that our Association join the Federation as the first point of consideration, and then for such modifications and amendments as appear desirable for the proper recognition of the rights and prestige of our own organization."
- (21) "I am strongly in favor of the Association joining the Federation."
- (22) "I am opposed to our Society joining any Federation on conditions of new Society. Taxation and Representation must go together. We should go slow and lay broad foundations. The present Constitution is full of Deficiencies."
- (23) "Recommend that the Association do not affiliate as at present constituted and managed. Also object to Clause XII, Section 1 "or any assessments that may be levied" as this would give the Executive Board too much power. Expenses should be limited."
- (24) Representation should be on the basis of taxation - of opinion that Association should join Federation, provided we can secure proper protection of our interests.
- (25) Opposed to the organization on the ground of unfairness to the Association in particular, and improbable practacability in general.
- (26) "I endorse action of the Association - Federation has been rather hurriedly formed, and if the views of your representatives had been complied with it would have been much better."

(27) "This dominating scheme (for such it is) at the expense of our members suggests the recognition of some person's claim to a seat in the President's Cabinet at Washington, D. C., i.e. proposed Department of Commerce and Finance (see the newspapers) and the profession intended to be the endorser or catspaw.

"A Federal act regulating the profession of Accountants can only be secured by an amendment to the Constitution of the United States. Federal recognition of one member of the profession would benefit only that person.

"An annual convention as out-lined by Mr. Stevens, where matters of interest and value to the profession could be discussed and advised upon is more desirable - but no - that won't do, this Cabinet position (or something near it) must be secured.

"The endorsement of the American Association should only be given to further the objects standing - advancement and welfare of every member of it."

Henry A. Niles, Esq., C.P.A.
65 Wall St.,
New York City

