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American Institute of Accountants

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9-13-1922

**Correspondence Among Arthur W. Teele, Henry A. Niles, W. Sanders Davies; Ethel A. Bennett; A. S. Fedde; John Edward Cooper; A. P. Richardson; James F. Farrell Re: Constitutional and By-Law Amendments to Be Acted Upon at the Annual Meeting of the American Institute of Accountants to be Held in Chicago, September 19 and 20, 1922.**

American Institute of Accountants

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ARTHUR W. TEELE, C.P.A.  
JOHN WHITMORE  
HAROLD F. LEEMING, C.A.  
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JAMES WILLING, C.A.  
WILLIAM H. STUMPFEL  
STANLEY G. H. FITCH, C.P.A.  
EDWARD H. MOERAN  
DAVID LESLIE MILNE, C.A.  
FRANK LOWSON, C.A.  
JOHN W. DAWSON  
R. KEMP SLAUGHTER  
HAROLD B. HART, C.P.A.

*Patterson, Teele and Dennis*  
*Accountants and Auditors*

R 12  
m 11/13

NEW YORK  
120 BROADWAY  
BOSTON  
131 STATE STREET  
WASHINGTON  
1319 F. STREET, N.W.  
CABLE ADDRESS  
"DIGNUS"

*120 Broadway, New York*

September 13, 1922.

Mr. Henry A. Niles,  
111 Broadway,  
New York City.

Dear Mr. Niles :

I received your letter of September 11th with the enclosed proxies for which please accept my thanks.

Very truly yours,

*Arthur Teele*

AWT/MAK

DAVIES AND DAVIES  
PUBLIC ACCOUNTANTS  
103 PARK AVENUE  
NEW YORK

W. SANDERS DAVIES  
ALLAN DAVIES  
TELEPHONE VANDERBILT 4986  
CABLE ADDRESS "SANHILL" NEW YORK

August 11, 1922

H. A. Niles, Esq.,  
111 Broadway,  
New York, N. Y.

Dear Mr. Niles:-

You will receive by mail from the Secretary of the American Institute of Accountants within the next day or two a notice of a series of amendments to the Constitution and By-Laws of the Institute to be submitted at the Convention in Chicago next month.

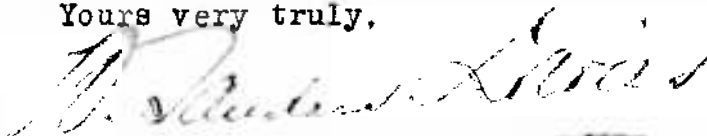
These have come to my attention as a Member of the Executive Committee and also from outside sources and I am decidedly of the opinion that such amendments would be a great detriment to the Institute if the same were passed. After you have received these I think you will agree with me that the result of their passage would be to open the way for politics in connection with the election of the Secretary and the Officers of the Institute.

If you agree with me and are not going to be in Chicago in person, I would esteem it a favor if you would give me your proxy so that you will be represented as opposing the amendments offered. Please do not fill in my name as a member can only represent five proxies. Have the proxy dated and witnessed before returning it.

Assuring you that I have only the best interests of the profession at heart in asking you to oppose the proposed amendments, I am,

Yours very truly,

D/K



KNOW ALL MEN BY THESE PRESENTS:

That I \_\_\_\_\_ of \_\_\_\_\_  
do hereby constitute and appoint \_\_\_\_\_  
my true and lawful attorney, for me and in my name, place and  
stead, to represent me, to vote and do all such other things  
as I might do if personally present at the Annual Meeting of  
the American Institute of Accountants to be held at Chicago,  
Illinois, on September 19th and 20th, 1922, and at any ad-  
journments of said meeting.

WITNESS my hand this 17th day of September 1922

Witness John E. Bennett 17 Sept

New York, September 11, 1922.

Arthur W. Teele, Esq.,  
120 Broadway,  
New York, N. Y.

Dear Mr. Teele,

Referring to my conversation with you this morning, I take pleasure in enclosing herewith the following proxies in blank for the Chicago meeting next week:

Norman E. Webster

Ernest H. Wood

Henry A. Miles

The other members of the Institute connected with our firm are not available at this time so that I cannot do anything for you in regard to them.

Yours truly,

HAN-W



New York, September 11, 1922.

Arthur W. Teele, Esq.,  
120 Broadway,  
New York, N. Y.

Dear Mr. Teele,

Referring to my conversation with you this morning, I take pleasure in enclosing herewith the following proxies in blank for the Chicago meeting next week:

Henry A. Niles  
Norman E. Webster.

The other members of the institute connected with our firm are not available at this time so that I cannot do anything for you in regard~~s~~ to them.

One of the amendments suggested by the Committee makes the council as a sort of self-perpetuating body, which we hardly think is necessary inasmuch as the meetings of the institute are held at least yearly.

Of the amendments submitted by members, the most important appears to be that as to the admission without examination of persons holding the C. P. A. degree who are satisfactory to the council. We feel generally in sympathy with the idea, though we are not at all sure/<sup>but</sup> that the amendment would be in better form if it had been considered by the Committee and submitted in the form which it would recommend<sup>ed</sup>.

However, the proxies are given to you carte blanche although we thought you would like to have this little expression of ideas.

Very truly,

C O P Y.

KNOW ALL MEN BY THESE PRESENTS:

That I, . . . . . of . . . . . do hereby constitute and appoint . . . . . my true and lawful attorney, for me and in my name, place and stead, to represent me, to vote and do all such other things as I might do if personally present at the regular meeting of the American Institute of Accountants to be held at Chicago, Illinois, on September 19 and 20, 1922, and at any adjournments of said meeting.

Witness my hand this . . . . . day of . . . . . 1922

Witness *E. M. Bennett*

*Harry W. W.* (Seal)

**A. S. FEDDE, Esq., C. P. A.**

**55 LIBERTY STREET**

**NEW YORK, N. Y.**

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JOHN EDWARD COOPER  
CERTIFIED PUBLIC ACCOUNTANT

September 1, 1922.

Henry A. Miles,  
111 Broadway,  
New York City, N.Y.

Dear Sir:

You have received by mail from the Secretary of the American Institute of Accountants, under date of August 18th, a notice of the proposed amendments to the Constitution and By-Laws to be acted on at the Annual Meeting to be held in Chicago, September 19, and 20, 1922.

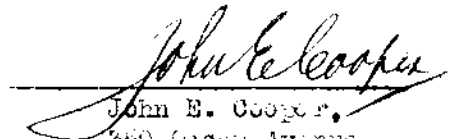
Perhaps you feel, as do other members, that some of these proposed amendments with minor modifications are worthy of support and that others are unwise and would be detrimental to the Institute if passed; and to bring the matter before you prior to the meeting a committee has been charged with the preparation of a brief digest of these amendments as per copy herewith.

The best interests of the profession demand that these amendments receive your careful consideration, and if you are not going to Chicago and are in agreement with the action generally outlined in the enclosed memorandum, I will be glad to have you execute the enclosed proxy (in blank) and return same to be signed

and witnessed, to be voted in conformity with your wishes. If you desire to qualify your proxy or to specially instruct your vote as to any amendment or amendments, kindly state your views in writing on a separate sheet.

Please send your proxy before September 8th, if possible, to a member of the committee or to me.

Yours very truly,

  
John E. Cooper,  
350 Ocean Avenue,  
Brooklyn, N. Y.

## ***To Members of the American Institute of Accountants:***

In anticipation of the annual convention of the American Institute of Accountants there have been offered by members a number of proposals for amendments to the Constitution and By-Laws, which are contained in the printed pamphlet issued by the Secretary under date of August 12, 1922. It is the belief of the undersigned that the full effect of a number of these members' proposals may be lost sight of because they are associated with recommendations on one subject that seems to be of wide interest.

### **OBJECTIONABLE AMENDMENTS**

The proposed change in the constitution providing for the passing of amendments at the annual meeting *only* (abandoning the mail vote of members unless the meeting fails to give a majority vote of the membership) should be read in conjunction with the inter-related amendment to the by-laws removing the present restriction on the number of proxies that may be held by one member. These proposals might thus permit a small number of members to constitute a majority and control the elections and other actions of the annual meeting—obviously an undesirable condition.

The suggestions for reducing the initiation fees and annual dues are impracticable. It is only necessary to refer to the reports of the auditors and of the committee on budget and finance to realize that it is a financial impossibility for the Institute to carry on its affairs with fees substantially reduced. Whatever steps may be taken to broaden the membership, it would be a fallacious policy to thus limit the income of the Institute until a number sufficient to justify such action is assured.

The proposals for the election by the members at the annual meeting of the executive and other committees, the Board of Examiners and the Secretary would, we believe, be harmful to the Institute—except as to the committee on nominations, in the selection of which the membership should participate. With this exception, these proposals would place on the membership at large the selection of a large part of the administrative personnel of the organization (which would be similar to calling on the stockholders of a corporation to select the officers and staff); would prolong the proceedings at the annual meetings and might subject the management of the Institute to unfortunate breaks in continuity and loss of efficiency.

The plan for the adoption of State Societies, as such, as chapters seems to be contrary to the theory underlying the composition of the Institute, that of building up its membership on a basis of individual worth alone. The kindred subject of State Chapters has been under consideration by the Council and a report on the general subject is expected at the September meeting from the existing Committee on Subsidiary Organizations. The principle of regional or State organizations subsidiary to the Institute is acceptable, but before voting in favor of the amendments submitted we think that the expected report from the Committee on Subsidiary Organizations should be heard and considered.

### **MEMBERSHIP AMENDMENTS**

The one subject of widespread interest, and of value to the Institute in its avowed aim "to unite the accountancy profession of the United States," is contained in the twin proposals making eligible for admission—as members or associates, as the case may be—practising accountants, with the hitherto prescribed terms of practical experience, who are C. P. A.'s of States with standards found acceptable by the Council of the Institute; provided, however, such applicants may only be admitted after the Board of Examiners investigates and approves their "good character and good standing in the profession." The principle of these proposals has the approval of this committee, because they are designed to enroll a large part of that considerable number of practicing accountants known or believed to have the qualifications for membership, who have passed technical tests comparable to those of the Institute; while it retains the final criterion as to individual worth by reason of a compulsory scrutiny on the part of the Board of Examiners.

But is is called to your attention, first, that these proposals are limited in their scope because they exclude the further number of practicing accountants who have qualified professionally under foreign societies of equal rank to the Institute, and, second, that the object of these proposals is

already, and more broadly, covered by the existing Rule IX of the Board of Examiners, under which applications are now being received by the Institute.

It would, nevertheless, seem proper to embody in the constitution an amendment to express the evident intentions underlying both the amendments proposed by members and the rule of the Board of Examiners on the subject. This committee would therefore support the twin membership amendments above described, provided they are broadened to apply to properly certificated professional accountants, wherever qualified, on the same terms; but if the proposed amendments cannot now constitutionally be revised at the approaching meeting to widen their scope in this way, this committee would support them as they stand on the understanding that their extension would be properly brought forward at the next annual convention.

### PROXIES

The object of this communication, however, is to caution members against granting proxies intended to further the passage of the membership amendments only, whereas these proxies will carry with them the right to vote for all the objectionable proposals referred to above, even though contrary to the desire of the member granting the proxy.

If you are in sympathy with the views expressed in this letter, and do not expect to attend the convention, the undersigned members will be glad to act for you. If you are partially in accord, and partially at variance, with our views, your instructions as to specific proposals may be given and will be followed. Proxies heretofore given may be superseded by those of later date. If you wish to have us represent you, will you kindly send your proxy, signed and properly witnessed, with the state of your residence (not business) indicated, to the secretary of this committee.

Cecil S. Ashdown  
Robert Atkins  
William B. Campbell  
Francis J. Clowes  
William D. Cranstoun  
John E. Cooper  
David Elder  
Herbert C. Freeman

J. Pryse Goodwin  
George K. Hyslop  
Henry E. Mendes  
C. A. H. Narlian  
Stephen G. Rusk  
J. H. Stagg  
A. H. Whan

Secretary,

A. S. Fedde,

55 Liberty Street,

New York, N. Y.

New York,

September 1, 1922

# American Institute of Accountants

## IMPORTANT NOTICE TO MEMBERS

A reduction of one and one-half fare for the round trip on the certificate plan will apply for members and dependent members of their families attending the meeting of the American Institute of Accountants at Chicago, Illinois, September 19 and 20, 1922, provided at least 250 certificates are presented to the officer appointed to receive certificates at the annual meeting.

The following directions are submitted:

1. Tickets at the normal one-way tariff fare for the going journey may be bought on any of the dates assigned for the several districts, list of which is appended hereto.
2. Be sure when purchasing your going ticket to ask the ticket agent for a certificate. Do not make the mistake of asking for a receipt. If, however, it is impossible to get a certificate from the local ticket agent, a receipt will be satisfactory and should be secured when ticket is purchased. See that the ticket reads to the point where the convention is to be held and no other. See that your certificate is stamped with the same date as your ticket. Sign your name to the certificate or receipt in ink. Show this to the ticket agent.
3. Call at the railroad station for ticket and certificate at least 30 minutes before departure of train.
4. Certificates are not kept at all stations. Ask your home station whether you can procure certificates and through tickets to the place of meeting. If not, buy a local ticket to nearest point where a certificate and through ticket to place of meeting can be bought.
5. Immediately on your arrival at the meeting present your certificate to the endorsing officer, as the reduced fare for the return journey will not apply unless you are properly identified as provided for by the certificate.
6. A joint agent of the carriers will be in attendance to validate certificates. If you arrive at the meeting and leave for home prior to the arrival of the joint agent, or if you arrive at the meeting after the joint agent has gone you cannot have your certificate validated, nor secure the benefit of a return reduction.  
No refund of fare will be made on account of failure to obtain a proper certificate nor on account of failure to have the certificate validated.
7. If at least 250 regularly issued certificates are presented to the joint agent, and your certificate is validated, you will be entitled to a return ticket via the same route as the going journey at one-half of the normal one-way tariff fare from place of meeting to point at which your certificate was issued.
8. Return tickets issued at the reduced fare will not be good on any limited train on which such reduced fare transportation is not honored.

### WESTERN PASSENGER ASSOCIATION

| Purchase Date                      | Return Date                   |
|------------------------------------|-------------------------------|
| September 14th to 20th, inclusive. | Not later than September 25th |

Territory includes: Stations in Colorado, Idaho, Illinois, Iowa, Kansas (except points on and east of St. Louis-San Francisco Railway, Kansas City, Mo., to Baxter, Kans., via Girard and Cherokee, Kans.), Missouri (points on and north of Missouri Pacific Railroad, St. Louis to Labadie, thence Chicago, Rock Island and Pacific Railway, Labadie to Kansas City, Mo.), Minnesota, Montana, Nebraska, North Dakota, Northern Michigan, South Dakota, Utah, Wisconsin and Wyoming.

### TRUNK LINE ASSOCIATION

| Purchase Date                      | Return Date                   |
|------------------------------------|-------------------------------|
| September 14th to 20th, inclusive. | Not later than September 25th |

Territory includes: New York State (east of Buffalo and Salamanca), New Jersey, Pennsylvania (east of Erie, Oil City and Pittsburgh), Delaware, Maryland, District of Columbia, Virginia and West Virginia (east of Wheeling, Parkersburg and Kenova).

Dates for other territories may be obtained from agents who will have been notified by their associations.

A. P. RICHARDSON, Secretary.

KNOW ALL MEN BY THESE PRESENTS:

That I \_\_\_\_\_  
do hereby constitute and appoint \_\_\_\_\_  
my true and lawful attorney, for me and in my name, place  
and stead, to represent me, to vote and do all such other  
things as I might do if personally present at the Annual  
Meeting of the American Institute of Accountants to be held  
at Chicago, Illinois, on September 19th and 20th, 1922, and  
at any adjournments of said meeting.

WITNESS my hand this \_\_\_\_\_ day of \_\_\_\_\_ 1922

Witness \_\_\_\_\_ (Seal)

August 21, 1922.

R P  
W W

Dear Sir:

The notice of the Annual Meeting of the American Institute of Accountants to be held at Chicago, September 19 and 20, 1922, contains notice of several proposed amendments to the Constitution and By-Laws.

These amendments contemplate important changes, and while the Constitution provides for the submission of amendments to the entire membership through a mail vote before they become effective, it is necessary that they be adopted at the Annual Meeting by a two-thirds vote of the members present. (Members voting by proxy are assumed to be "present" within the meaning of the Article).

If you are in favor of the adoption of any of the amendments and desire to effectively record your wishes in the matter, it is necessary that you attend the meeting in person or be represented by proxy.

The following excerpt from the report of the Board of Directors to the members of the New York State Society of Certified Public Accountants dated May 8, 1922, is quoted as representing generally the views of the undersigned with respect to the proposed amendment of Article II, Section 2 of the Constitution, which will probably be of greatest interest:

"The following resolution was adopted and the Secretary was directed to send a transcript to the Secretary of the American Institute of Accountants for submission to the Council of the Institute:

'In the opinion of the Board of Directors of the New York State Society of Certified Public Accountants, the requirements for Certified Public Accountant in this State are ample as to preliminary education, practice and experience in accounting and in the examination of applicants; and such requirements should be sufficient qualification for membership in the American Institute of Accountants or any other professional accountancy body.

'We respectfully request the American Institute of Accountants to so amend its Constitution and By-laws as to admit to membership in said organization without demand for examination or other qualifications any Certified Public Accountant of New York in good standing who at the time of filing application is actively engaged in practice as a professional public accountant.'"

If your views are in conformity with the foregoing and you do not expect to be present in person at the meeting, we shall be glad to have you sign the enclosed proxy in blank to be voted by one of the undersigned. If you wish to give any special instructions as to how your proxy is to be voted on any of the amendments, write them on a separate sheet, and your wishes will be carried out. All uninstructed proxies will be voted as a unit on every question, in accordance with the opinion of the majority of the undersigned present at the Chicago meeting.

There are thirty proposed amendments and if you will refer to them by number in the order in which they appear in the notice of the meeting sent out by the Secretary of the Institute it will help to avoid misunderstanding.

If you expect to attend the meeting we will appreciate your advice to that effect.

Please send proxies and any other communication before September 1, 1922, if possible, to

**JAMES F. FARRELL,**  
110 William Street, New York.

Frederick G. Colley  
Homer A. Dunn  
P. W. R. Glover  
J. S. M. Goodloe  
Charles Hecht  
James F. Hughes  
Joseph J. Klein  
Richard T. Lingley

Charles S. Ludlam  
Charles S. McCulloh  
Farquhar J. MacRae  
Melbourne S. Moyer  
Edward L. Suffern  
W. F. Weiss  
W. S. Whittlesey  
John R. Wildman

T. A. Eokes



R 3/11

EXECUTIVE COMMITTEE

CARL H. NAU, PRESIDENT  
J. E. STERRETT, TREASURER  
W. SANDERS DAVIES  
R. H. MONTGOMERY  
JOHN B. NIVEN  
F. A. ROSS  
E. W. SELLS

American Institute of Accountants

INCORPORATED UNDER THE LAWS OF THE DISTRICT OF COLUMBIA

A. P. RICHARDSON, SECRETARY

135 CEDAR STREET, NEW YORK

March 10, 1922

To Members and Associates of the  
American Institute of Accountants  
Resident in Connecticut, New  
Jersey and New York.

Gentlemen:-

The Executive Committee of the American Institute of Accountants has been giving consideration to several important questions which have an important bearing upon the future of the Institute, and is anxious to obtain an informal expression of opinion from the members prior to the meeting of the council to be held April 10th.

Accordingly, a meeting has been arranged to be held in the Breakfast Room, New York Athletic Club, Central Park South, New York, at 8 P. M., March 24th, at which you are requested to be present. The secretary of the Institute has been directed to present the matter for the consideration of members at this informal meeting.

Will you please make a special effort to attend so that the expression of opinion may be as general as possible?

Yours sincerely,

A. P. RICHARDSON

Secretary.

APR:APG