

32. Which is Better—One or Two?

It is clear that the issue [separation] cannot be dodged or ignored by this Council or any future Council.

CLAIR M. KOS
TO THE COUNCIL, 1973

THE ILLNESS and death of William Benedict, and a relative period of grace for his successor, Clair Kos, temporarily cooled the ardor of those pressing for a split. Dr Kos, however, addressed the issue forcefully and head on in his reports to the Council, and he introduced plans to individualize Academy operations for each specialty.

It is with credit to the foresight of Dr Kos that during the first half of the 1970s, the Council acted to establish two offices of continuing education to make educational planning more responsive to the peculiar needs of each specialty, to separate finances on a 60:40 basis to correspond with the ophthalmologist-to-otolaryngologist ratio, to divide membership records and files on a specialty basis, and to publish separate TRANSACTIONS as well as directories and meeting programs. The machinery for changeover took some time. Meanwhile, there were calls for more dramatic action.

Most pressure to divide the Academy was accompanied by strident complaints about the annual meeting. Authorized by the Council to set the 1970 meeting in Chicago or Las Vegas, Dr Kos moved the meeting to Las Vegas. At the

same time, he worked closely with officials in Dallas to see that planned expansion of the Dallas Convention Center would meet the Academy requirements. Concurring with earlier opinions, Dr Kos said separate meetings would not eliminate crowding unless the Academy leased all available space (Fig 61 and 62).^{1(p169)}

In answer to those who were leaning toward division into two societies, Dr Kos explained that the Academy had no legally constituted plan for liquidation whereby each specialty could take its share and start up a new society. If the society were dismembered, all assets would be transferred, by court order, to an organization of similar objectives.^{2(p43)} It smacked of throwing the baby out with the bathwater. The end achievement would be no more than destruction of the Academy with each specialty left to start over again.

“One could develop a long list of advantages of remaining unified and for concurrent meetings . . .” said Dr Kos, “and it would be difficult to justify any significant objection.

“Therefore, I am compelled to urge those who press for more disadvantages than the few we have lived with comfortably, if not agreeably, to abandon the issue until such time



Fig 61.—Council members in January 1971 on “hardhat” tour of new facilities being constructed at Dallas Convention Center. Left to right: First three men from Dallas Convention Bureau; Clair Kos, behind him Gary Watts (convention bureau); A. Edward Maumenee; John W. Henderson; David D. DeWeese; George F. Reed; Ben H. Senturia.



Fig 62.—Clair Kos breaking ground in November 1974 for new addition to Las Vegas Convention Center. With him are convention officials.

as it may be imperative to accept the inevitable penalties."^{2(p44)} Not all members were persuaded, nor were they mollified by the posture of independent treatment for each specialty already in the works.

At the Academy's 1973 annual business meeting, J. Vernal Cassady, an ophthalmologist who had been an Academy member since 1928 and held certificates from both Boards, moved that "a survey be made of the wishes of the AAOO membership so as to ascertain if they would wish to divide the Academy into two separate organizations. . . ." ^{3(p89)} In a lengthy amendment to the motion, subsequently passed, J. Lawton Smith upped the voltage. He called for a mail *ballot* of the membership "to determine whether to split into two societies," and he specified that the outcome of the vote be a "mandatory directive to the Council . . . for prompt action."^{3(p90)} What became known as the Cassady-Smith motion was passed by the members present and changed the course of Academy history.

The ultimatum implicit in the Cassady-Smith motion that the Academy be split if members so voted sidestepped the Academy's Constitution, which contained no provision for dissolution of the existing Academy. An ad hoc committee* of the Council, appointed to write a statement of the pros and cons of division to accompany the ballot, judged that the motion was actually out of order since it necessitated constitutional amendment.^{4,5} A motion to amend the Constitution had to be presented at an annual meeting and lay over for a year before a vote at the following meeting, with each member apprised of the proposed amendment at least ten days before the final vote.

*Members of this first Ad Hoc Committee on Restructuring of the Academy were as follows: in ophthalmology, A. Edward Maumenee, cochairman, Edward W. D. Norton, David Shoch, and Arthur H. Keeney; in otolaryngology, Howard P. House, cochairman, John F. Daly, Eugene L. Derlacki, and George F. Reed.

Since neither the membership nor its elected officers had constitutional authority to dismember the Academy, the questionnaire sent to members by the Council asked if they favored restructuring the Academy to provide for a unit of ophthalmology and a unit of otolaryngology, a type of division that could be carried out under the Constitution.⁵ The result of the vote—54% in favor of restructuring and 44% against (2% of the ballots were invalid)—was perhaps only surprising in that such a large percentage voted their confidence in the existing Academy mold.

True to the intent of the Cassady-Smith motion, the Council accepted the majority opinion as a mandate for action. On Oct 6, 1974, the Council presented, and the members adopted, a resolution for "internal restructuring of the Academy into two separate operating divisions consisting of a Division of Ophthalmology and a Division of Otolaryngology, each operating under the authority of the Council of the Academy as presently set forth in the Constitution. . . ." ⁶ The resolution and the poll that preceded it were the result of thousands of man-hours devoted to meetings, correspondence, and consultations with lawyers, accountants, and management experts to plumb legal, financial, and feasibility considerations.

Now it remained to draw up the detailed plans of how each division would function. No one knew in 1974 exactly what the divisional concept would mean—for the Academy as a whole and for each specialty. Said President John J. Conley in a preface to the resolution, "We look upon this more as a trial experience. . . . [which] contains the possibility of eventually moving toward incorporation, dissolution of the Academy and disbursement of its assets, if that should prove to be the wish of the membership, or a return to the old structure should that be your wish."⁶

Two committees[†] were appointed as architects to draw up plans for divisions of ophthalmology and otolaryngology and their relationship to each other and to the Council.⁷ Somewhat ironically, the traditional elements of cooperation and some compromise between the two specialties were required to hammer out a final blueprint for autonomy. Ultimately, one plan had to be agreed upon, for two equal divisions of one organization had to be fashioned with a symmetry of structure and authority. Schedules, methods of handling finances, and the mechanics of day-to-day operation had to be coordinated for a central office to conduct the business affairs of both specialties.

The result of much deliberation was the "Revised Plan for Structure, Organization, and Operation of the Division of Ophthalmology and the Division of Otolaryngology Within the American Academy of Ophthalmology and Otolaryngology." The plan did not go as far as some wished in giving each specialty maximum independence in the decision-making process but neither did it close any options for further sovereignty or total severance of the specialties.⁸⁻¹⁰ It was adopted, without dissent, by the 1,300 Fellows attending the 1975 business meeting.

Basically, the plan established two specialty divisions that would derive their authority from, and be answerable to, the Academy Council. The Council remained the sole governing body and also central planning agency to which each division had to submit its plans, budgets, and reports for approval. In accordance with the document, both divisions were activated Jan 1, 1976.

[†]Ophthalmology Committee on Restructuring of the Academy (CORA): Frank W. Newell, chairman, Frederick C. Blodi, A. Edward Maumenee, Edward W. D. Norton, Kenneth L. Roper, Albert D. Ruedemann, Jr, Whitney G. Sampson, David Shoch, and Bruce E. Spivey. Otolaryngology CORA: John F. Daly, chairman, Wesley H. Bradley, Lester A. Brown, Eugene L. Derlacki, George A. Gates, Aram Glorig, Howard P. House, Brian F. McCabe, Alden H. Miller, G. O'Neil Proud, and George F. Reed. Executive Secretary to both committees: Clair M. Kos.

One foregone conclusion—and major Council concern since "splitting" first became an open topic in the 1960s—was that two could not operate as cheaply as one. To counteract the economic impact of restructuring, which held the promise of dividing administrative activities and the annual meeting (both expensive propositions), the Council began looking for ways to increase income and stem outflow. One aspect of this was an effort to make programs self-sustaining. This meant setting prices to cover costs of development, production, and execution. Another action taken was to eliminate the reduction in dues for those in military service or full-time government employment.¹¹

As a belt-tightening measure, the Council began taking a hard look at yearly requests for appropriations, both from Academy standing committees and outside organizations. Some allotments were trimmed. Committees were advised that full yearly financial reports were required before funds would be released. Organizations to which the Academy contributed were put on notice that future support was not a certainty.¹²

Division had another effect and that was to send Council members rushing to the Red Book—the *Academy Constitution and By-Laws*, last revised in 1959. Questions arose as to policy and constitutional directive that had never arisen before, and legal advice was sought on some points of interpretation. How could the wishes of the present membership be satisfied within the framework of governing principles constructed by Academy forefathers? Members of the Council, of the committees on restructuring, and of the Constitution and Bylaws Committee waded back through layers of custom to the constitutional source.

Everyone was well aware that restructuring within the prerogatives of the Constitution might be only the first step, that members might wish to carry the arrangement to its ul-

timate conclusion—separation into independent societies. Such a move would require meticulous planning and engineering to assure that the end result was two societies with the requisite operational, managerial, and financial components to carry forward the Academy's work and service to members. A small group of men invested an immense amount of time in answering questions that were crucial to the future of the Academy or any organizations that succeeded it.

Questions on incorporation, the Academy's tax status, the fate of Academy assets, including \$750,000 in the Educational Trust Fund, had to be investigated from the standpoint of every potential direction the Academy might move. Many specialists who operate as small businessmen can appreciate the complexities and downright confusing nature of these issues that confronted their colleagues on a large organizational scale.

A so-called split of the Academy was not an option—at least not an option for reasonable men and women—if the Academy could not preserve its assets for transfer to successor organizations. Soon after passage of the Cassidy-Smith motion in 1973, the Council launched a full-scale investigation of incorporation. Historically, it was not new territory. Whether or not the Academy should incorporate had first been considered in 1919,¹³ and the question had cropped up periodically thereafter. This time, however, there was an entirely new slant. Incorporation was a way to provide the capacity of succession and to spell out the authority and procedure for dissolution of the Academy and distribution of its assets.

Any final verdict on incorporation was held in abeyance, and the collected data put aside for the moment, as members settled for, and then began, the process of restructuring into separate divisions. At the 1975 meeting, just after members approved the plan for structure and operation of the divisions, J. Vernal Cassidy

gave notice that he would introduce a motion for incorporation at the next annual meeting.¹⁴ This sent the Council and the Constitution and Bylaws Committee back to the drawing board.

Naturally, incorporating the society was not a black-and-white issue, and as would be expected, it aroused a divergence of opinion. In its favor was the opportunity incorporation afforded to rewrite the Constitution and Bylaws and provide, through the Articles of Incorporation and Bylaws, a statutory framework in consonance with current and future evolution of the society. The Academy was an unincorporated association in the state of Minnesota, and because of a rather unique law in Minnesota, needed unanimous approval of its membership to effect major changes. The existing Constitution and Bylaws were ambiguous or silent on this point and did not reflect the new directions already taken by the organization.

On the negative side, incorporation would prompt an automatic review of the Academy's tax status by the IRS. An old argument ran that the Academy had managed quite well as a non-profit unincorporated society and why rock the boat. A greater worry in the 1970s was whether the Academy would be successful in an attempt to gain recognition by the IRS as a tax-exempt, nonprofit corporation. Another gray area surrounded the Educational Trust Fund, and what could and should be done to see that it inured to the benefit of members.

Aside from legal and tax considerations, there were more subjective colorings to the matter of incorporating the Academy. Generally speaking, the otolaryngologists viewed it as casting the die in favor of a split, and they opposed it on that count. Additionally, they said, the Academy was in the process of restructuring, and further upheaval just as the divisions were getting started was unwarranted. Also generally speaking, the ophthalmologists occupied the opposite side of the fence. Gradually during 1976, as the divisions ran smoothly, the

positions of the two specialties began to converge.

On the one hand, as members of both specialties got down to defining the legal implications of incorporating, they agreed that a headlong rush into such action, without proper study and preparation, would be ill-starred. On the other hand, otolaryngologists began to reassess their position after their sister societies expressed decisive support for a separate Academy of Otolaryngology,¹⁵ much as they had done in the early sixties.

At the 1976 annual business meeting, the Council announced they had reached a consensus in favor of incorporation and gave notice they would present a detailed proposal, including the articles of incorporation, for a vote of members in 1977.¹⁶ Shortly before the 1976 meeting, Dr Cassady had agreed not to put the issue to a premature vote and had withdrawn his resolution on incorporation.

An exhaustive evaluation of incorporating the Academy took place during 1977, carried out by the Council and a special Committee on Incorporation, with the help and advice of legal and fiscal consultants. In anticipation of a "yes" vote from members, certain preparatory steps were taken to facilitate incorporation and possible future evolution of the Academy. Most important among these was dissolution of the Educational Trust Fund and transfer of its assets to the Academy's general accounts for equal distribution to each Division.

Making up the Committee on Incorporation were Bradley R. Straatsma, cochairman, Frederick C. Blodi, Whitney G. Sampson, and Bruce E. Spivey from the Division of Ophthal-

mology, and Eugene L. Derlacki, cochairman, Bobby R. Alford, C. M. Kos, and George F. Reed from the Division of Otolaryngology. These men composed the Articles of Incorporation and Bylaws for the Academy. To say they performed yeoman service would be an understatement. The entire design for incorporation was widely publicized in Academy publications,¹⁷ and at the October 1977 business meeting, members voted unanimously to establish the American Academy of Ophthalmology and Otolaryngology, Inc. The next day, Oct 5, 1977, the Academy officially incorporated.

The question "Does this mean the Academy will finally split?" remained to be answered. Broadly considered, the final agreement between the specialties to incorporate was synonymous with a commitment to separate academies. President John F. Daly, an otolaryngologist, told the ophthalmologists in 1976, "the goals and objectives of both ophthalmologists and otolaryngologists have been brought into alignment and can be viewed as running parallel, each looking forward to the establishment of separate Academies."¹⁵

Immediately following the affirmative vote on incorporation, President Bradley R. Straatsma, an ophthalmologist, gave notice on behalf of the Academy Council that at the next annual business meetings of the divisions, resolutions would be introduced by the corporate Board of Directors proposing division of the incorporated Academy into "two (2) separate and autonomous successor corporations," provided such action would not adversely affect the tax-exempt status of the Academy or the corporation.¹⁸