

June 25, 1955

FROM THE USCF CALIFORNIA DIRECTORS  
TO THE  
OFFICERS AND DIRECTORS OF THE USCF

### A STATEMENT OF BELIEFS AND RECOMMENDATIONS

The elected directors of any organization are expected to review the management activities of that organization and to take constructive action where deficiencies are noted. The Executive Committee and the Board of Directors of the United States Chess Federation have been told by the Ways and Means Committee that a group of California directors was preparing "a list of complaints" regarding the management of the USCF. The President of the USCF has written that the California group previously circulated a "garbled misrepresentation of facts" and the Ways and Means Committee has told you that "the majority of criticism arises from misunderstanding, rumor, and information which has no factual basis."

We are taking our directorial duties seriously, and trust that you will look upon our words as an attempt to bring stability, harmony and orderly progress into the affairs of the Federation, instead of as a "list of complaints." We hope that you will agree with us. We shall not attempt to cover all possible improvements in the Federation; rather, we shall limit ourselves to issues which appear to us to be fundamental, where improvements should almost automatically strengthen the entire USCF, as follows:

- 1) An Editorship of Chess Life free from controversy.
- 2) The proper goals of a national chess organization.
- 3) The organization of the USCF.
- 4) Financial and other reports.
- 5) The rating system.
- 6) The illegal expulsion of USCF Director Norman T. Whitaker.

- 1) An Editorship of Chess Life free from controversy.

You will recall that the displeasure of the membership with the activities of the Editor of Chess Life led to his censure by popular vote at the Annual Meeting last year.

After New Orleans the directors had hoped that the Editor would devote his whole energies to the production of the best possible chess magazine. Instead, he embarked upon an unprecedented campaign of vilification against certain directors and members, meanwhile neglecting his editorial duties to such an extent that for a time Chess Life was appearing almost two weeks late.

At a cost to the Federation by his own admission of several thousand dollars he wilfully dropped a problem column and blamed this action upon those he was attacking, as a means of getting outraged letters from the solvers. The solvers had no way of knowing the truth, that those being attacked also liked the problem column and had never criticized it; that in fact they had asked the Editor to give us chess in Chess Life, rather than his attacks against persons.

The Editor wasted page after page in Chess Life in his one-sided campaign to discredit various directors and members, including letter upon letter from his disgruntled problem solvers, "obituaries" of feature writers who never existed save in his own imagination, and long-winded "refutations" of his opponents in this controversy — "refutations" which were either incorrect or which had little to do with the issues at stake.

Having thus "proved" his points he announced that he was dropping the subject in the pages of Chess Life and with one exception he suppressed publication of the many letters which we know were written to him to express disapproval of his tactics. He then ceased using Chess Life in a controversial manner except for a periodic dig or two. However, in his self-styled "private" correspondence on the letterhead of the Federation, he continued to write numerous abusive and probably libelous letters about chessplayers he dislikes, calling one or another of them at various times "liar," "snake," "insect," "egomaniac," "idiot," "buffoon," "Communist" and so on, ad infinitum.

We, the undersigned directors, believe that he repeatedly has exceeded the ordinary bounds of decency in this respect. At Long Beach we shall exercise our prerogatives of office to bring these excesses of the Editor to the attention of the membership. We have numerous examples of these excesses, and we want the matter discussed and disposed of openly. We now go on record as favoring the Editor's dismissal on the grounds that he has failed in his trust to the Federation.

We recommend that the Editor be replaced by someone devoted to the cause of chess — level headed, fair-minded and not a character assassin. There must be some such person available who would serve for a reasonable compensation.



2) The proper goals of a national chess organization.

We were elected as directors of the Federation to fulfill the aims of the by-laws. We have been handicapped severely because the by-laws have not been available, but from hearsay and other means we understand that among the purposes of the USCF are the following: To teach chess by promoting active education and cooperation with other groups, to conduct activities as per the National Chess Coordination Plan, to stimulate the interest of expert and master players, and to conduct national tournaments for players of all skills.

We, the undersigned directors, believe that these are very worthwhile objectives. We submit that there has not been enough organized effort by the Federation in these fields. We have seen that a large part of the energies of the Federation have been devoted to increasing the membership of the Federation by any means and to the selling of chess merchandise to the detriment of other goals.

We are of course in favor of an increased membership, bringing obvious financial advantages to the Federation and making possible ultimately a vast increase in organized chess activity. On the other hand, we do not believe that members secured on the basis of "free" issues of Chess Life, "special discounts," "free rating privileges" and the like are as apt to benefit the Federation as those members brought in by means of tournament and match play connections.

Sometimes it seems that we are directing a high-powered book sales club instead of an organization to promote chess. We are not sure that it is wise of the Federation to tie up its funds in merchandising operations. Any businessman knows that it takes a considerable amount of capital to finance a merchandising operation, yet here is the Federation with a deficit of ~~more than \$5,500~~ and <sup>\$2,990</sup> and overdue notes payable in excess of \$4,000 attempting just that. Although the Ways and Means Committee told the directors recently that they had been able to "slightly reduce the outstanding indebtedness," the latest published statement reveals new obligations in the amount of \$830 owed to various officers.

Aside from the dubious aspects of the Federation becoming indebted to its own officers, we question the wisdom of pursuing the sales policy while the financial situation is so precarious.

To our fellow directors we recommend strongly the following:

(a) That no attempt be made to increase the sales program — which would inevitably require more capital — until substantial gains in paying off the present debt have been made.

(b) That a full-scale campaign be conducted for the reduction of our indebtedness by contributions. Such contributions should be specifically exempted from the Business Manager's commission. We feel sure that a persistent and well-managed campaign in this direction will produce results. In this connection, we state our belief that borrowing from any officers should be a last resort, when all other avenues have been explored and found wanting.

Under this program it appears likely that the Business Manager's full efforts might not be required in sales work and he might be free to organize purely chess activity, in line with the aims of the by-laws.

In the national tournament field, we are pleased to note that the U.S. Open and the recently-introduced "Amateur" Championship are outstanding successes. However, the tournament which should be the greatest of them all, the U.S. Championship, has been a relatively unpublicized and unremunerative event. We hope that the committee in charge of this event will soon be able to present a plan to make a success of the tournament which determines our National Champion. We also would like to see some progress made in selecting and financing the teams which represent the U.S. in international matches. It is a national disgrace that the richest nation in the world cannot afford to send a team to the Chess Olympics.

3) The organization of the USCF.

The organization of the Federation is evidently relatively good. We recognize that with a widely-scattered Board of Directors, many of whom are unfamiliar with and even not concerned about Federation problems, a handful of officials is bound to exercise practical control of our destinies. If the Federation is fortunate in the choice of these men it will be well managed.

Under the circumstances we believe that it is vital that once a year, at the annual meeting of the members and at the regular meetings of the Board of Directors, that the management permit — and welcome — a full scrutiny and disclosure of its aims, activities and achievements.



For several reasons it has not been possible to have such a scrutiny in the past. First, the annual membership meeting has been held during the very early days of the Open, before those members who might have had ideas for improvement have had sufficient time for the discussion of their views with other members. The directors' meetings have been held on the two days following the membership meeting. Brand-new and in many cases completely inexperienced directors, pitting their wits against the "old guard," attempt to come to decisions on vital subjects. The inexperienced have had little chance to present their ideas. When those ideas oppose the wishes of the management, they are either ignored or are turned over to handpicked committees for study and are quietly forgotten during the ensuing year.

We believe that the present method of conducting the annual meetings is contrary to the best interests of the Federation. We recommend scheduling the meetings approximately as follows:

- (a) The annual membership meeting should be held not before the fifth day of play at the Open.
- (b) The first directors' meeting should be held about three days later.
- (c) The second directors' meeting should be held four more days later.

Such an arrangement would give time for the members to come to the annual meeting with a knowledge of current issues and would similarly prepare the directors. It would help reduce the number of cut-and-dried decisions previously arrived at by those in the inside, upon which the directors tend to become "rubber stamps." It is probable that committee meetings held between the directors' meetings would produce recommendations which would result in current decisions by the directors on current problems.

Such meetings would work well if there were improvements in election procedures. Officers and committee members who are closely in touch with chessplayers and chess events should be selected. It does not appear necessary to carry on the list of officials any person who is unsympathetic toward chessplayers or who has retired from playing chess. Preference should be given to active players. While it may be true that many chessplayers prefer to "let George do it," there are still many capable persons available.

It does not appear democratic to us that the Federation's ballots should contain only one candidate per office. Uncontested elections smack of dictatorship. It is practically impossible to organize a write-in campaign; therefore we are at the mercy of the nominating committee. Our nominating committees are composed of fine men, and we are fortunate in this respect; however, are they able to do their job without help from the general membership? We have a report from a member of the current Nominating Committee to the contrary: "After the appearance of the announcement in Chess Life that suggestions to the Nominating Committee were in order, I personally received several nominations of men who were much better qualified by their previous work on behalf of chess than the names suggested by the Ways and Means Committee. I put forth these names as alternative candidates. However, I was informed that I was too late! That May 1st was the deadline in spite of the fact that the election was three months away. I would like it to be understood that the members of the Nominating Committee are not responsible for this Soviet-type election..."

Tied in with the subject of election reforms is the operation of the Ways and Means Committee. This committee, formed at Milwaukee, 1953, for the purpose of working "closely with the Business Manager and the Editor of Chess Life in carrying out the policies and program of the USCF" is composed of three members who are apparently the sole policy-makers of the Federation. The resolution of the Board of Directors which created the Ways and Means Committee also named the three members. Since this procedure amounts to an election for an indefinite term of office, we believe this action should be reviewed at Long Beach, 1955. We also recommend that the operations of this committee during the nearly two years it has served be studied. As stated above, we recognize that with our widely-scattered Board of Directors it is inevitable that a small group should exercise practical control. However, we do not think that the personnel of the Ways and Means Committee should be fixed indefinitely, and we think the committee might be enlarged with benefit to the Federation.

We also recommend that the Business Manager and the Editor of Chess Life not serve as ex-officio members of various committees. We do not believe that these employees of the Federation should be connected with policy-making; in the first place, their ability to serve the whole Federation might be impaired should they be identified with a specific policy or program, and in the second place, their duties are exacting and they should not be overloaded with additional tasks.



4) Financial and other reports.

Any properly run organization must have adequate reports to enable its members to judge the success of its past operations and to plan for its future. The USCF is clearly no exception. In finance, particularly, we feel that it is our duty as directors to see that we are properly informed.

It is the opinion of qualified accountants with whom we have conferred that the "audited statements" presented at the 1954 annual meeting were pitifully inadequate. This opinion is not based merely on the fact that there were errors in addition in the statement submitted at New Orleans (which were subsequently corrected upon publication in Chess Life); the gross profit from sales (the income from sales less the cost of the goods sold, before selling, shipping, advertising and other expenses) was termed "net profit"; expenses properly chargeable to the merchandising program were commingled with other expenses; donations, which in ordinary accounting practice would not be considered operating income, were included as such; the ~~\$2,000~~ deficit was included with "assets" instead of being clearly set forth under a separate heading; merchandise sales in the form of prizes paid for out of entry fees in "captive" tournaments have not been differentiated from ordinary sales. (It is common knowledge that quantities of slow-moving merchandise have been unloaded upon prizewinners at recent Opens.) Merchandise inventories have not been itemized as to kind, condition or date of acquisition. Membership dues have not been segregated as to one-, two- and three-year and Life memberships. No reserves have been set aside for our obligation to furnish Chess Life and other services in future years on account of prepaid dues.

At New Orleans there was no one available with sufficient knowledge to explain the financial statements. The Treasurer declined to attend the daytime meetings on the grounds that he was attending to more important matters (directing the eleven-entry Women's Open and assisting with the men's tournament). The other officials present appeared to lack sufficient knowledge of the finances of the Federation to explain any of the confusing items. (Other reports were lacking, too. At no time was any budget for 1954-55 operations shown, nor was any concrete plan for the ensuing year brought forth. For example, the new rating and affiliation rules, effective March 1, 1955, came as a complete surprise to the great majority of the directors.)

Last, but by no means the least important, a detailed breakdown of the calculations used in compensating the Business Manager was not given. Although this amount at present is comparatively small, it could become very large if the Federation begins to show a real profit (it equals 20% of membership dues plus 1/3 of the profit from each department under his jurisdiction, whatever that means).

As the directors were unable to work out the Business Manager's compensation for the 1953-54 period, we attempted to get an explanation from the Federation's auditor, who resigned; from the Federation's treasurer, who resigned (due to ill health); from the Business Manager himself, from the Chairman of the Ways and Means Committee, from the Editor of Chess Life and from the President of the Federation. All these gentlemen failed to provide the requested information. (Similar calculations for prior years fail to add up, and we have tried unsuccessfully to learn the system in use in those years.)

At the 1954 annual meeting a good deal was said about the great success of the Harkness Plan, since the Federation "had at last shown a profit." Inasmuch as the profit actually is not there if donations are excluded, we question the statement that the Harkness Plan has succeeded. It was impossible at New Orleans to determine whether or not the goals set for the end of the second year had been attained; all that was brought forth as proof of success was the fact that the Federation was doing better than it was doing before the Harkness Plan (in our opinion it was impossible not to improve upon the previous low state of the Federation).

Concerning financial and other reports, we recommend:

(a) That the yearly financial report be set up according to recognized good accounting practice, and should contain a breakdown of departmental operations so as to reveal income and expenditures from Chess Life, from the Sales Department, and from sources such as donations, tournament fees, etc.

(b) That a budget for the following year be prepared by the Business Manager for approval by the directors.

(c) That a responsible officer of the Federation be required to submit the financial report and the budget and be prepared to explain them to the members and directors, subject to questioning from the floor.



(d) That the request of five California directors for a detailed explanation of the Business Manager's compensation for 1953-54 be acceded to at once and that such figures be published yearly as a matter of course. It does not appear reasonable that the Business Manager should fix his own compensation, yet such appears to be the case, judging from the lack of knowledge of this matter on the part of the Treasurer.

(e) That those in power take the directors into their confidence concerning future plans for the Federation.

#### 5) The Rating System.

Among our duties to the membership as directors of the USCF is the assurance of a fair and equitable rating system, operated at a reasonable cost. In this connection, there is the question first of the completeness, accuracy and usefulness of the results obtained; second, there is the question of the cost of operating the system and the fees necessary for its support.

As a committee is now engaged in studying the rating methods, and as the exact techniques used by the Rating Statistician have not been disclosed to us, we shall limit our remarks on the first part to a few general statements of opinion:

(1) To ensure the greatest possible statistical accuracy, all events meeting minimum requirements should be rated.

(2) As we believe that the publication of numerical rankings presupposes an accuracy which does not exist, we favor publication by grades rather than by absolute number.

(3) We question that ratings ever can provide a completely accurate measurement of "current playing strength" as claimed by some of the supporters of the system. The play of an individual in any one tournament may be affected by all sorts of factors, such as the demands of his job, illness, varying time limits, varying numbers of rounds in a period of time, and so forth. It is hard to believe that the actual rise and fall of masters in playing strength approaches the large swings in their ratings from one rating list to the next.

(4) We believe that an adequate rating system should not penalize young, improving players with earlier, poorer results, and at the same time, consideration should be given to the lifetime records of our proven tournament veterans who can play a game or two of high caliber but can't keep it up during the grind of a tournament.

On the subject of costs and fees, we believe that many of our fellow directors share our opinion that the fees charged should cover the cost of the service and no more. The rating system should not be employed as a revenue-producing department. A study of Section III of the 1952 Harkness proposals, which we recommend as required reading for all directors, clearly indicates that the Business Manager (then, at least) looked upon the rating system as a revenue producer. He also looked upon it as a club to force nonmembers into the Federation and spoke of the day when "the threat to withhold ratings from a tournament will mean a great deal..."

We do not know what the costs of the rating system actually are, as figures have not been made available. We recommend strongly that the Business Manager make a report on these costs so that the Board of Directors will be in a position to make decisions. As a large-scale rating system is bound to require a tremendous amount of work, we recommend that a rating statistician be employed independent of the Business Manager — to work under the supervision of a permanent Ratings Committee which would handle complaints and general policy.

#### 6) The illegal expulsion of USCF Director Norman T. Whitaker.

It is our unpleasant duty to reopen this distasteful subject, because as directors of the Federation we feel a responsibility to see that justice is done in this highly controversial issue. We call Mr. Whitaker's expulsion "illegal" chiefly because he was denied a hearing, although there are other disputable aspects. The denial of a hearing to an accused person is contrary to the basic tenets of our common law. In this opinion we have the support of Mr. Harold M. Phillips, past President of the USCF, himself a lawyer.

First, let us state that we deplore profoundly the violent attacks of a personal nature upon certain officials indulged in by Mr. Whitaker.

At the same time, we feel that as a director of the USCF Mr. Whitaker had the right, rather the duty, to express his opinions or grievances as to the way in which the Federation has been run. We all have that duty; if the right to speak ever is withdrawn from the directors there is no reason for their existence, except as rubber stamps.



We believe that many of Mr. Whitaker's criticisms were, in fact, well founded in his long knowledge of Federation affairs, and that they deserved (if in a more temperate manner) to be brought to the attention of the Board of Directors. We can not escape the suspicion that Mr. Whitaker was expelled in order to spare the officers the necessity of answering some pertinent and revealing questions he had asked in his capacity as director.

Other persons in the Federation have used immoderate language. For many years the Editor of Chess Life has freely used controversial and libelous language against any member he wished, yet no action to expell him ever was taken, nor was the injured party able to have a rebuttal published in Chess Life. A conspicuous example of this was the publication in Chess Life of September 5, 1948, of the statement that Larry Evans was a "chess thief," and there have been numerous subsequent examples. Even the President of the USCF used immoderate language under the official letterhead of the Federation (writing to the Editor with copies to several other persons), saying that a certain director from California was a "6 foot, 200 pound hunk of humanity with an addled brain and diarrhea of the mouth... possessed of a disordered mind and was absolutely void of reason."

We believe that the methods used to expell Mr. Whitaker — starting with the threat of the entire Ways and Means Committee to resign and leave the Federation with no management in the middle of the year if a vote of confidence was not forthcoming — were deplorable. Aside from the legal question of whether or not the officers of an organization can expell one of the duly-elected directors who have appointed the officers, we disavow this hasty mail-order expulsion. The evidence indicates that no time for defense was given Mr. Whitaker, that specific charges were not presented, that the jury was prejudiced by propaganda, both from the Ways and Means Committee and in the pages of Chess Life, and that in fact some of Mr. Whitaker's accusers also sat on the jury that tried him.

(In passing we would like to state the opinion that the allegations concerning Mr. Whitaker's past, which have no bearing on the present controversy, had no place on the front page of Chess Life, issue of May 20th. This was, to use the Ways and Means Committee's own words, a "resort to his own methods of calumination" [see the undated communique to the Executive Committee and the Board of Directors sent out by that committee on or about February 1, 1955].)

We recommend that a full investigation of Director Whitaker's charges and of the methods used to expell him be undertaken at the forthcoming annual meetings at Long Beach.

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We, the undersigned directors, have made a thorough investigation of the affairs of the Federation. We urge other directors, who may have had less opportunity to look into the questions, give our report serious consideration. Before a new Board of Directors, perhaps unfamiliar with these current issues, has been selected, we plan to ask the President to convene members of the current Board at Long Beach, at which time these issues will be raised.

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