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EDITOR'S CORRECTION TO VOLUME 15, NO. 1, SPRING, 1988

An error was made in printing Figures 1 and 2 of "The Nature and Function of Cost Keeping in a Late Nineteenth-Century Small Business." The front page of the article and the corrected figures are printed on the following pages.

The editors regret any inconvenience caused by the error.

Thomas Tyson
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THE NATURE AND FUNCTION OF COST KEEPING IN A LATE NINETEENTH-CENTURY SMALL BUSINESS

Abstract: J. Henry Rushton was the preeminent American builder of canoes and small pleasure boats in the late nineteenth-century. Beginning in the mid 1890s, Rushton personally maintained books of cost records and cost finding rules for his boat-building operations. In conjunction with the company's product catalogs and Rushton's personal letters, these books reveal the nature and function of cost keeping for this enterprise. They also suggest that pressures from increased competition and an economic depression may have stimulated Rushton to undertake detailed costing procedures.

J. Henry Rushton built canoes and other small pleasure boats in Canton, St. Lawrence County, New York between 1874 and 1906. Through a combination of high quality workmanship and aggressive catalog marketing, Rushton successfully expanded his business and attained international recognition. Rushton's detailed cost records and cost-finding rules reveal his concerns for the cost side of the enterprise.

This case study of the Rushton boat building business describes cost accounting practices of a late nineteenth century small business. As discussed by Chandler [1977] and Solomons [1968], costing methods such as used by Rushton were not standard management practice at the time. The archival records for the case study suggest business conditions that may have stimulated Rushton to undertake such formal costing procedures as a basis for rational managerial decision making. These conditions include increased competitive pressures, market development strategies, catalog and special order pricing decisions, and profitability concerns.

Rushton's cost accounting records were maintained in two volumes he kept himself, in a labor operations record book kept

Dedicated to the memory of Norman X. Dressel, a devoted accounting historian. I would also like to thank Robert Colson and an anonymous reviewer for their helpful comments and suggestions.

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Boat #105

	A	B	C	D	E
1 Keel	50	50	50	50	50
2 Sterns	20	20	20	20	20
3 Planking	8 73	7 86	7 86	7 82	7 00
4 Gunwales	25	25	25	25	25
5 Gunwales	40	40	15	15	. 15
6 Decking	1 60	1 05	50	50	20
7 Cunnings	10	10	05	05	
8 Battens	15	15	10	10	
9 Bottom board	25	25	25	25	25
10 Ribs	90	90	90	60	60
11 Nails	90	90	90	90	85
12 Sterns	1 25	1 12	1 12	1 12	1 12
13 Stays	2 60	2 60	2 60	2 60	25
14 Floor battens Sterns	10	10	10	10	10
15 Bandy iron	1 00	90	90	90	40
16 Ring bolt	20	18	18	18	18
17 All woodwork	8 88	8 88	9 08	8 08	6 88
18 Oil var. all in					
19 Oil var. Parsons	5 36	5 36	5 36	5 36	5 36
20 Seat-brace screws	1 20	96	96	48	48
21 Ribs	2 30	2 30	2 30	1 08	50
22 Ribs	1 50	1 25	1 25	75	
23 Oars	5 60	3 00	2 00	2 00	1 50
24 Seat-brace	60	75	86	44	22
25 Seat back	1 00	65			
26 Trim bit out	90	90	90	90	60
26 Crates & cty	1 50	1 50	1 50	1 50	1 50
	48 17	42 92	41 47	36 91	29 09
Share owning expense	16 28	14 27	13 92	12 80	9 69
	64 45	57 09	58 29	42 21	38 78
	35 3 4/4	26 7/8 of 4	31 1/2	22 1/2 of 4	22 1/2 %

FIGURE 1

Photo of material housed in the Adirondack Museum Library

between 1885 and 1895.⁹ It is unclear if the costs for component parts represent an average based on a sample of boats or are the result of an "engineering" analysis of one boat in each grade. In any case, product costs were computed on a system-

⁹Though undated, Kip's book associates labor costs with models that appear in Rushton's 1893 catalog. This book is housed in the Atwood Manley Collection at the St. Lawrence County Historical Association in Canton, New York. It is a marble-covered ruled account book, approximately 8" high by 9 1/2" wide and over 100 pages in length.

prime costs and running expenses for grades A, B, C, D, and E, respectively. Other catalog models show even more divergence among markup percentages across grades. Given that prices for #105 boats had not changed between 1885 and 1893, these varying percentages may indicate that detailed product costs were computed to identify the level of price cutting that could be tolerated, as well as justify Rushton's consistent promotion

Memorandum of Cost of 10 No 105 } Basswood 95
 10 " 107 }
 10 " 112 } boats.

Built in H.C. Aquinas, Spring 1894 - Southwestern Wis. Shore

Basswood for siding 2626 ft @ 16 ⁰⁰	\$ 42 00
30 keels & stems	15 00
210 ft basswood. seats, tops	3 15
500 " ash sec " 7 1/2" maple 120	9 20
Splicing tackle 122 cleat nails 72 ⁰⁰	8 50
Iron screws 3,80. do in tangons 88 ⁰⁰	6 68
Bundy iron 15 30 " rings 98 ⁰⁰	16 20
Rudder rope 1 1/2 other rope 72 ⁰⁰	1 90
15 gal oil 9,25 " 8 1/2 ash shellac 23,50	33 05
wood filler	1 00
M. J. Coxlet screws	15 00
30 iron oars	45 00
leather oars	4 50
clt on lumber	1 00
J.H.R. 3 days work out r sides	7 00
J.H.R. 47 hours. plans r	9 40
Labor	256 96
crates clt (no crate) on 3 boats	71 -
crates r clt on 27 boats	27 00
Labor	7 00
Allow for Power & use Machinery	9 71
	522 00
Call No. 112 sa 1650	
" 107 " 1750	
" 105 " 1820	
	\$ 522 00

Ribs 5 spaced 4" (think they were gotten out of ash. Finish was 1 Coat oil. put on hot; 1 coat shellac. It did not burn out to be a good finish.)
 These boats were put through to the best possible advantage in every way.

4* 3 1/2 oars do 5* 1/2
 4* 4 " " 38 98 } Cleat nails
 tackle 38 98

FIGURE 2

Photo of material housed in the Adirondack Museum Library