

# Accounting Historians Notebook

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Volume 16  
Number 1 *Spring 1993*

Article 17

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Spring 1993

## Newman T. Halvorson (1908-1992): A memorial

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### Recommended Citation

Bloom, Robert (1993) "Newman T. Halvorson (1908-1992): A memorial," *Accounting Historians Notebook*: Vol. 16 : No. 1 , Article 17.

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## NEWMAN T. HALVORSON (1908-1992) A MEMORIAL

A native of Wisconsin, Halvorson graduated from the University of Wisconsin in Madison in 1930. Thereupon he began his career with Ernst & Ernst in Detroit. In 1954 he transferred to the national office of the firm in Cleveland and remained there until he retired in 1972. Modest and self-deprecating, he was the firm's principal technical partner, representing Ernst & Ernst on prominent professional accounting and auditing committees. As a member of the AICPA Committee on Accounting Procedure (1956-59), the Committee on Auditing Procedure (1963-65), and the Accounting Principles Board (1966-73), Halvorson had considerable influence on accounting policy. A loyal pragmatist, he espoused Ernst & Ernst's views on those professional committees, which are clearly reflected in his dissents from, and qualified assents to, accounting opinions issued by the Accounting Principles Board.

Halvorson experienced first-hand the significant changes in accounting and auditing set in motion by the 1929 Stock Market Crash with its revelations of the deficiencies in financial reporting. He witnessed stock market losses stemming in part from shortcomings in accounting and auditing. As a consequence, Halvorson stressed the importance of objectivity and

verifiability in financial reports. He was an ardent advocate of historical cost, strongly opposed to "as-if" or "might-be" accounting.

Halvorson preferred flexible accounting standards or guidelines, allowing accountants and auditors considerable professional judgement in applying the standards. He placed emphasis on the "professionalism" of accountants and auditors. Disturbed by standards overload, he desired fewer and looser standards. Nevertheless, Halvorson did concede that in our contemporary business environment, more standards are needed than used to be so in earlier, simpler circumstances.

Well aware of the significance of research in the standard-setting process, he appeared to view the conceptual framework as "too philosophical" to apply in establishing pragmatic accounting standards. However, he did recognize the importance of considering "economic consequences" in standard setting since accounting data affects business decision making.

Some would say that Halvorson was an arch-conservative, if not a reactionary. Yet, in this time of standards overload, his perspective can be appreciated.

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