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MESSAGE FROM THE PRESIDENT

Since it has existed, The Academy of Accounting Historians has developed extremely well, thanks to the able leadership of its past presidents and officers, specifically Gary Previts and Al Roberts, to name a few. The monographs, working papers and *The Accounting Historians Journal* give ample evidence of past efforts. Your new officers pledge to continue these efforts to the best of their ability.

All efforts of organizations such as ours, however, depend entirely on the willingness of its members to give their time and assistance; without these inputs it is impossible to move forward. Therefore, I take this opportunity to call on all of you for your continued support. There are several ways in which you are able to contribute: submitting papers for our publications and annual meetings, and participation in meetings [regional and national] are some of these ways. Another important contribution is your participation in the work of our committees and working groups. Presently there are the following committees: Research, Taxonomy and Bibliography, Accounting History Course, Translations, Archives, and Publicity. Your participation in one or more of these committees is greatly appreciated. Will you please return the questionnaire sent to you together with your annual dues notice so that we will be able to find new or additional committee members based on your area of special interest.

Over and above letting the Academy know about your willingness to cooperate in established activities, we need suggestions concerning worthwhile tasks and projects to undertake—thus widening the scope of our activities. Will you therefore communicate your suggestions to your officers? This will help us greatly to direct our efforts in accordance with the interests of our members and bring together members with common interests. This, I believe, will stimulate our organization appreciably.

To facilitate research of individual members we are thinking about a project to review [with considerable details] important foreign language historical material. This should enable our members to access foreign sources with greater ease,

not having to spend excessive amounts of time for search. This, however, is only one thought—and by no means the only area in which we should explore opportunities. I am sure you will have many more suggestions and ideas.

The Academy, as any other organization, is also dependent on the number of its members for inputs, suggestions and last, not least, for funds which will enable us to undertake or continue projects. I therefore call on you to approach your colleagues with an interest in history and ask them to join us.

Finally, I would like to mention the Third World Congress of Accounting Historians which will be held in England [tentatively scheduled for August 16-18, 1980, immediately after the AAA meeting in Boston [August 10-13, 1980] to facilitate your travel arrangements]. We should not only support the Congress by attending in large numbers but also should submit papers. Our British colleagues have already asked for papers [to be submitted to Professor R. H. Parker, University of Exeter, Department of Economics, Armory Building, Rennes Drive, Exeter EX 4 4RJ, England]. It is highly desirable that many members submit papers. Will you please notify Professor Parker of your intentions [stating topic] and also let the Academy know.

All the officers and I look forward to working with you during the next year. Your help and cooperation is greatly appreciated.

Hanns-Martin W. Schoenfeld



DENVER AAA MEETING

On Sunday evening August 20, 1978 a reception will be held for Academy members at the Denver Hilton. The Business Meeting will be held the following Monday morning. Members should stop at the main desk in the hotel to obtain specific times and locations.

The following members were chosen last August at the National Meeting of the American Accounting Association, held in Portland, Oregon, to lead The Academy in 1978.

OFFICERS

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The Accounting Historians Notebook
The Academy of Accounting Historians

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Editor: Hans V. Johnson
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HOWARD I. ROSS

The Accounting Hall of Fame inducted into its ranks the late Howard Irwin Ross on August 23, 1977 as the thirty-seventh person to be so honored. Mr. Ross is the first member who has never been a U. S. citizen. He was a third generation accountant, dating back to when his grandfather founded the firm now known as Touche Ross & Co. An ardent advocate of current value accounting, Mr. Ross was a former President of both the Quebec Institute of Chartered Accountants and the Canadian Institute of Chartered Accountants. At his beloved McGill University in Montreal, Howard Ross became the first Dean of the University's Institute of Management. Mrs. Ross was present to accept the honor for her late husband.

HOURGLASS AWARD TO A. VAN SEVENTER

A. van Seventer of San Francisco State University received The Academy's 1977 Hourglass Award for his translation of O. ten Have's *The History of Accountancy*. The Award was announced at the annual meeting held last August in Portland, Oregon.

AUSTRALIA/NEW ZEALAND

The Accounting Association of Australia and New Zealand held its annual conference in Sydney last August. The Accounting History Committee met during the conference and appointed Dr. Robt. W. Gibson as Chairman, (Deakin University, Victoria, Australia), and Mr. Barrie O'Keefe as Secretary, (Riverina College of Advanced Education, Wagga Wagga, N.S.W., Australia).

One project which the committee hopes to undertake this year is to compile information on available resources which could assist accounting faculty in developing historical background material for their courses. This is seen as one way to promote the study of accounting history particularly where there is not the opportunity for a separate course.

Other objectives of the committee are:

(a) To secure at least one article on history in each issue of *Accounting Education*.

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- (c) Appealing for old records, books, etc., from time to time.
(d) Circularising members for details on holdings of rare materials.
(e) Publishing lists of books being sought by the members.

JAPAN

Committee reports on Accounting History presented at the Thirty-Sixth Annual Meeting of the Japan Accounting Association (University of Osaka, May 6-8, 1977) included the following:

- "Study of Japanese Own Accounting System," by Ei-ichiro Ogura, University of Shigg.
"The Problems and the Present Condition of the Study of Italian Bookkeeping History," by Katsumi Izutani, University of Osaka Keizai.
"The Problems and the Present Condition of the Study of German Accounting History," by Satoshi Shirai, Osaka Municipal University.
"The Development of Historical Study of Bookkeeping Textbooks in English," by Osamu Kojima, Kwansei Gakuin University.
"New Approach to Early History of Management Accounting," by Sadao Takatera, University of Kyoto.
"Bibliographical Study of Managerial Cost Accounting History," by Manji Nakamura, Nihon University.
"The Tendency and the Problems of Management Accounting History," by Kosei Tsuji, Osaka Municipal University.

FRANCE

A National Institute of Accounting Historians of France (Institut National Des Historiens Comptables De France) has been created. A semi-annual "Bulletin" will be published by the Institute. The mailing address is: 31, rue Jean-Jaurés - C.C.P. Dijon 4 074 79A, France.

HELP

The Editor asks your assistance in providing contributions for the "History in Print" and "Historical Potpourri" columns. Also, should you have information on accounting history meetings or other noteworthy items, please send them along to: Notebook, Box 6999, University, AL 35486.

Accounting Historians Notebook, Vol. 1 [1978] No. 1, Art. 7
AMERICAN ACCOUNTING ASSOCIATION
1978 REGIONAL MEETINGS

NORTHEAST
Hartford, Connecticut
March 17, 1978

Panel Discussion -

"Aspects of Early Accounting and Auditing"

Moderator -

Stephen A. Zeff, Harvard University

Panelists -

William Holmes, Peat, Marwick, Mitchell & Company (Boston)
Ross Watts, University of Rochester
Richard P. Brief, New York University

MID-ATLANTIC
Seton Hall University
South Orange, New Jersey
March 30-April 1, 1978

"Preliminary Considerations in the Development of a Theory of Accounting History," by Horace R. Givens

"Panel on Accounting History"

Chairman -

Horace R. Givens, West Virginia University

Panelists -

Edward N. Coffman, Virginia Commonwealth University
Jay H. Coats, West Virginia University

SOUTHEASTERN
Appalachian State University
Boone, N.C.
April 27, 1978

Development and Use of Quantitative Methods as Applied to Historical Research

Chairman -

A. R. Roberts, Georgia State University

Panelists -

Gary M. Fink, Georgia State University
"Quantitative Methods in Historical Research: The State of the Art."
Richard Sylla, North Carolina State University
"An Application of Quantitative Methods to Economic History."

MONOGRAPH NO. 1

A Reference Chronology of Events Significant to the Development and Accountancy in the United States, by Knight, Previts, and Ratcliffe is now in stock. A complimentary copy is free to those Academy members who did not previously receive one. Additional copies are \$3.00 each.

MIDWEST
Chicago, Illinois
April 6, 1978

Chairman -

Ken Elvik, Iowa State University

"A History of U.S. Treasury Stock Practice and Its Accounting Consequences"
Norlin G. Rueschhoff, University of Notre Dame

Discussant - John H. Smith, University of Iowa

"Historical Perspective and Future Direction in Accounting: Some Observations"
James F. Gaertner, University of Notre Dame
David N. Ricchiute, University of Notre Dame

Discussant - Robert H. Raymond, University of Nebraska—Lincoln

"Private Accountability for Public Contracts: An Historical Perspective"
Maureen H. Berry, University of Illinois

Discussant - Charles B. Handy, Iowa State University

"An Historical Analysis of the Financial Reports: Chrysler Corporation, 1907-1960"

Barbara D. Merino, New York University

Discussant - Frederick Neumann, University of Illinois

WESTERN
Pasadena, California
May 5, 1978

Accounting History - Some Problems in Managerial Accounting

Chairperson -

Diana Flamholtz, Loyola Marymount University

"The Origin of Budgeting for Planning and Control"

George Costouros, San Jose State University

"The Importance of Schmalenbach for the Development of Management Accounting in Germany"

A. van Seventer, San Francisco State University

"Management Science and the Development of Human Resource Accounting: An Historical Perspective"

Shahid Ansari, University of California at Los Angeles

Diana Flamholtz, Loyola Marymount University

(Continued on page 7)

It is announced that a School of Commerce is about to be organized in the City of Chicago through the cooperation of Northwestern University, the Illinois Society of Certified Public Accountants, the Chicago Chapter of the American Institute of Banking, and certain public spirited citizens. It is proposed to open the School in October, 1908, in the Northwestern University Building at the corner of Lake and Dearborn Streets, for evening courses in Finance, Accountancy, Auditing, Commercial Law, Economics, and other commercial subjects.

The purpose of this School of Commerce will be to train men who are already engaged in active business during the day, but who feel the need of more extensive preparation, especially with the expectation of taking the state examination for Certified Public Accountants, or the examination for the certificate of the American Institute of Banking. The School will attempt first to supply these most pressing needs

So many inquiries have been made concerning instruction in Accounting that arrangements have been made with Mr. Seymour Walton, C.P.A., of the firm of Buchanan, Walton, Joplin & Company, who will conduct a course of thirty-six evenings of two hours each, meeting on Wednesdays and Fridays, from 7:30 to 9:30, beginning January 8, 1908. This will be the equivalent of three terms of twelve weeks each of the regular course. Mr. Walton will be assisted in this course by Professor Earl Dean Howard of Northwestern University. The students will receive mimeographed lecture notes similar to those of the course in Finance.

The only requirement for admission to this course is a knowledge of elementary bookkeeping, together with practical experience in bookkeeping. The work will include the practice and theory of accounts, with special view to preparing the students for the C.P.A. examination. The amount of ground which can be covered in the thirty-six evenings will depend upon the students themselves. The tuition fee for this course will be \$30, payable in three installments of \$10 each. This will include the mimeographed lecture notes mentioned above. A student who successfully completes this course will be entitled to credit in the proposed School of Commerce. Those who contemplate taking up the three-year course in the School of Commerce will do well to begin the work this year, thus reducing the number of evenings which must be

In the ancient city of Ebla in northern Syria, archaeologists have uncovered over 15,000 clay tablets dating back some 2000 to 2500 years before Christ. They contain expense accounts of King Igrish-Kalam and successor kings. They record the amount of food and drink used by the households, the king's messengers and the ambassadors to other kingdoms. The Italian archaeologists regard Ebla, a 33 miles south of present day Aleppo, as a sensational discovery because prior to this there were only two other such known ancient centers in Egypt and Mesopotamia. Further excavations are expected to provide a new and richer historical backdrop to Old Testament writings.

Ohio Contractors Assn., *Newsletter*,
August 19, 1977, p. 4.

COULDN'T HE PUT ON A COAT?

In 1641, a German Countess was put to death after her husband discovered an elderly court accountant beneath her skirts.

The Countess explained the unusual circumstances by saying, "The poor man had a chill."

1978 "Book of Days,"
Virginia Slims Calendar

All work entrusted to the firm by its clients is strictly confidential and must be treated as such at all times. The information with which we, as public accountants, deal in the course of professional engagements is not our property. It belongs to our clients for whom we hold it in trust. Any deliberate violation of this trust is unthinkable; any accidental violation is inexcusable.

Arthur Andersen & Co.,
Manual of General Instructions and Procedures,
1940

spent upon it from four to three next year. Further information regarding either the course in Finance or the course in Accounting may be had by correspondence or preferably by calling in person upon Mr. Walton at his office, or upon Professor Earl Dean Howard on Thursday evenings, at the Northwestern University Building, or at Northwestern University, Evanston, Illinois.

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The Journal of Accountancy, (Jan. 1908) p.
252-3.

A Chronology of the Development of Depreciation up to 1930, by A. W. Burrows, Occasional Paper No. 14, Massey University, Palmerston North, New Zealand, February 1977, 11 pp.

History of Accounting Thought, by Michael Chatfield. (Huntington, NY: Krieger Publishing Co., Inc., Reprint, 1977), 320 pp.

"The Ship Scribe as Accountant in Medieval Sea Trade," by Jack L. Carter, *The Woman CPA*, Vol. 39 No. 2, April, 1977, p. 32.

"Some New Views on the Origins of Double Entry Accounting," by Ernest Stevelinck, *INSECA* (France), 3rd Issue, No. 20, 1976.

History of Evolution of Bookkeeping in USSR, by V. A. Mazdorov. (Moscow: Publisher of Finance, 1972), 318 pp.

"The Accountancy Profession and Disclosure in Published Reports 1925-1935," by J. R. Edwards, *Accountant Magazine* (Scotland), Autumn 1976, pp. 289-303.

Book Review: *The History of Accountancy*, by O. ten Have and translated by A. van Seventer (Palo Alto: Bay Books, 1973), by Richard P. Brief, *The Accounting Review*, Vol. LII, No. 4, October, 1977, pp. 1009, 1010.

The Accounting Hall of Fame: Profiles of Thirty-six Members, by Thomas J. Burns and Edward N. Coffman (Columbus: Ohio State University, 1976).

History of the Accounting Profession in the Virgin Islands, Virgin Islands Society of Certified Public Accountants, 1976.

Book Review: *The History of Accounting*, by Richard P. Brief, Advisory Editor, Twenty-nine Volumes (New York: Arno Press, 1976), by Maurice Moonitz, *The Accounting Review*, Vol. LII, No. 3, p. 768.

Book Review: *A Reference Chronology of Events Significant to the Development and Accountancy in the United States*, by C. L. Knight, G. L. Previts, and T. A. Ratcliffe (University, Alabama: Academy of Accounting Historians), by Michael Chatfield, *The Accounting Review*, Vol. LII, No. 3, p. 775.

"Fiftieth Anniversary of The Accounting Review," by M. J. Mumford, *Accountant Magazine* (Scotland), Spring, 1976, p. 149.

Book Review: *The Man and Thinker*, by Luca Pacioli, by Dr. ing Jaroslav Kubesa, *ŮČETNICTVI* (Czechoslovakia), August, 1976, p. 307.

Pioneers of a Profession, by Jas. C. Stewart. (Edinburgh: The Institute of

Chartered Accountants of Scotland, 1977), 181 pp.

"Pacioli Revisited," by Lee Berton, Editor, *Journal of Accountancy*, December, 1977, p. 74.

"The Historical Development of Standard Costing Systems until 1920," by Nathan Kranowski, *Journal of Accountancy*, December, 1977, pp. 66-73.

"Eric Kohler: An Accounting Original," by Gary John Previts and Robert K. Mautz, *The Accounting Review*, Vol. LII, No. 2, April, 1977, pp. 301-307.

"A Note of 'Rediscovery' and the Rule of 69," by Richard P. Brief, *The Accounting Review*, Vol. LII, No. 4, October, 1977, pp. 810-812.

"The Ledger of Jachomo Badoer," by Edward Peragallo, *The Accounting Review*, Vol. LII, No. 4, October, 1977, pp. 881-892.

Book Review: *Evolution of Cost Accounting to 1925*, by Paul Garner (University, Alabama: The University of Alabama Press, Reprinted Edition, 1975), 416 pp., by Doris M. Cook, *The Accounting Review*, Vol. LII, No. 4, p. 996.

"The Place of History in Accounting Education," by Richard H. Homburger, *Proceedings of the AAA 1977 Southwest Regional Meeting*, Thomas Klammer and William Morris, Editors, pp. 199-204.

"Accounting for Management in Early Mesopotamia," by Blan McBride, *Proceedings of the AAA 1977 Southwest Regional Meeting*, Thomas Klammer and William Morris, Editors, pp. 213-220.

"Some Nineteenth Century British Accountants' Reflections on Accounting for Goodwill," by Kenneth O. Elvik, *Proceedings of the AAA 1977 Southwest Regional Meeting*, Thomas Klammer and William Morris, Editors, pp. 205-212.

"An Historical Inquiry into the Development of the Statutory Disclosure Requirements of Schedule A," by Hans V. Johnson, *Collected Papers of the 1977 Annual Meeting, Midwest Region, AAA*, Stephen W. Vasquez, Editor, pp. 123-134.

"Learning to Account: A History of Early American Accounting Education," by Rand Hammond and Lynn Turner, *Collected Papers of the 1977 Annual Meeting, Midwest Region, AAA*, Stephen W. Vasquez, Editor, pp. 135-146.

"Gras Stages Theory and Accounting History," by James R. Adler, *Collected Papers of the 1977 Annual Meeting, Midwest Region, AAA*, Stephen W. Vasquez, Editor, pp. 147-151.

topics. He was much concerned about maintaining the internal consistency and coordination of a total body of thought.

Certain themes are recurrent in all of Littleton's writings. Ever conscious of the role of history and its influence in the development of accounting ideas, Littleton looked to history as a source of guidance for present practices and ideas. He viewed change as a continuing element in the evolutionary development of accounting as a discipline responsive to change and need. He emphasized continuously the interrelationship between theory and practice. The theory of accounting is rooted in transactions reflecting actions and experiences. Theory and practice are inseparably connected; therefore, accounting is a practical art. In his continuing discussions of the historical cost concept, Littleton repeatedly stressed the necessary choice among alternatives; the choice between the use of cost or value in income determination.

An Introduction to Corporate Accounting Standards, coauthored with W. A. Paton and published in 1940, has been noted (by Eldon S. Hendriksen, *Accounting Theory*, Revised, 1970) as the single most significant contribution of its period to the development of accounting theory. It is likely that no single United States' accounting publication has been cited so often or esteemed so highly. It has been a staple in courses in accounting theory since its publication and has thereby influenced accounting teaching and research.

Structure of Accounting Theory, published in 1953, grew out of Littleton's seminars, thinking, and writing over a twenty year period. It can be viewed as a culmination of his considered thought.

It is apparent that 302 articles, editorials, comments, discussions, bulletins, papers, and book reviews written and presented in various accounting journals from 1926 to 1966 constitute a conspicuous contribution to the literature of accounting. A broad spectrum of topics were covered although the bulk were basic, continuing topics of interest and importance to the field of accounting.

After graduation with a degree in business administration from the University of Illinois in 1912, Littleton worked with the public accounting firm of Deloitte, Plender, Griffith and Co. in Chicago, Illinois from 1912-1915. In 1915 he returned to his alma mater as an accounting instructor. He received a Master of Arts degree in economics in 1918, an Illinois CPA certificate in 1919, and a Doctor of Philosophy degree in 1931. His doctoral thesis was later developed into *Accounting Evolution to 1900* for which Littleton received an award from the Grand Chapter of Beta Alpha Psi for the most noteworthy contribution to accounting literature in 1934.

University of Illinois, up to retirement in 1952, Littleton served as the first Dean of the College of Commerce and 20 years as assistant director of the bureau of business research in addition to his teaching, research, and writing articles. He is widely credited as a primary force in the inauguration and development of the doctoral level graduate program in accountancy under which the first Doctor of Philosophy degree in Accounting in the United States was conferred in 1939.

The list of graduate students who wrote under Littleton's supervision includes the names of many who have become prominent in the profession, notable writers in various areas of accounting, as well as many academicians and educators.

Littleton's most extensive activities with professional organizations were with the American Accounting Association and its predecessor organization. He was Acting Director of Research during 1938 and co-director from 1939-1942. He was president of the Association in 1943 and served as chairman of the editorial board for *The Accounting Review* from 1943-1946. It appears he used the editorial section and "The Accounting Exchange" column as a sounding board for his views.

Littleton was the third national president (1927-1929) of Beta Alpha Psi which was founded in 1919. His recognition by various groups is indicative of his impact upon members of the groups and others. In 1954 he was awarded the American Accounting Association's Alpha Kappa Psi Award for his many contributions to his profession. He was elected to the Accounting Hall of Fame in 1956.

1978 REGIONAL MEETINGS

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SOUTHWEST
Dallas, Texas
March 10, 1978

Chairman -

Hans Johnson, University of Texas,
San Antonio

"Stages of Influence of the New York
Stock Exchange on Accounting
Principles"

Robert H. Raymond, University of
Nebraska—Lincoln

"The Role of Fact and Interpretation in
the Evolution of the Auditing Method"

Florence R. Sneed, North Texas State
University

"Interim Financial Reporting in the
United States — 1900 to Present"

Bill D. Jarnagin, The University of Tulsa

Discussants -

Brother George F. Malecek, St. Mary's
University

Ralph W. Estes, Wichita State University

Richard V. Calvasina, Mississippi State
University

Born in 1886, A. C. Littleton entered the accounting profession early in the twentieth century, 1912, when the discipline faced major problems. Demands from government, investors, and others for earnings information were creating pressing needs for more accounting data. Although Littleton chose the accounting field somewhat by chance, he emerged as a major force in the development of accounting thought. Responsive to perceived needs at the time, he addressed himself to the intrinsic accounting problems of income determination and approached other developing issues and problems with assurance. For example, he resolutely defended and promoted the allocation of costs, including the proper determination of depreciation, as the essential feature of the matching process. His highly expressive and extensive writing spanned a period of fifty years, 1919-1970. His views of income determination as a central purpose of accounting, of historical cost as the basic means of maintaining data integrity, and his basic approach and views concerning principles were of major significance during his own period as well as the present.

Littleton's writing was lucid, scholarly, complete, and comprehensive. The careful attention he gave to clarifying detail and explanations added to the effectiveness of his presentations. Although not a particularly colorful writer, his attention to details of terminology, elaboration, and illustrations reveal his clear thinking. His selection of the most important, basic, continuing problems demonstrated his extraordinary insight. He rarely expended any effort upon minor or temporary issues.

His breadth of vision and analytical ability were exerted unstintingly in the consideration of accounting problems. His conviction that analytical ability and analytical techniques are important communication skills forecast *Horizons for a Profession* conclusions. He believed analytical ability, associated with a wide knowledge of accounting, to be necessary for technical competence.

Littleton's interest in the concept of accounting principles and the method of their formulation was unceasing and his extensive concentration of effort in this area constitutes a significant and unique contribution to the total literature of accounting. The formulation of a consistent set of broad, inductively derived principles, rooted in experience and action, as a basis for a cohesive structure of accounting theory embodies the culmination of his efforts. This formulation is set forth in *Structure of Accounting Theory* (1953).

Staunch in his advocacy of adherence to the use of historical cost and maintenance of the integrity of the original enterprise transaction data, Littleton crystallized a goal which became the accepted practice and embodied a unification and standardization of accounting ideas. During the early period of pressure for injection of replacement values, appraisal values, and price-level adjustments into the accounts, Littleton suggested that presentation of supplementary price-level adjusted figures. Well ahead of his time in suggesting such a presentation, his insight in this area is usually overlooked.

Stress upon income determination as the central purpose of accounting constitutes what appears to be one of Littleton's major contributions to the field of accounting. His emphasis upon income determination and the matching concept were undoubtedly influential in the final acceptance of these basic concepts. Littleton was in the midst of the evolution and at the forefront of the developing dominance of the income statement over the balance sheet.

The work of Littleton is noteworthy for its consistency of viewpoint over several decades. His carefully considered and thought-out views concerning issues remained basically unchanged over time, only being refined, expanded, and/or clarified in later statements. Additionally, he demonstrated painstaking effort to maintain a consistency of viewpoint concerning related

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The Accounting Historians Notebook

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