

# Accounting Historians Notebook

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Article 7

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Fall 1978

## Accounting historians notebook, 1978, Vol. 1, no. 2 (fall) [whole issue]

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### HIGHLIGHTS OF THE 1978 ANNUAL MEETING

The Annual Meeting of The Academy of Accounting Historians was held on August 21st in Denver, Colorado in conjunction with the American Accounting Association. The preceding evening got the events moving with a cocktail reception held at the Denver Hilton. It was attended by Academy members, their spouses, and guests. The reception was made possible through the generous contributions of Coopers & Lybrand, Deloitte, Haskins & Sells, and Touche Ross and Company. Following the reception the Trustees met at the Emerson Street East Restaurant to discuss policy matters and, in particular, amendments to the articles of incorporation which were necessary to satisfy the requirements of the Internal Revenue Service.

The business meeting itself was held at 10:30 the following morning again at the Denver Hilton. After a brief progress report from President Hanns-Martin Schoenfeld, including mention of the current membership of 365 persons, various reports were presented by Academy members. Edward Coffman discussed plans to compile and publish two volumes of the working papers accepted thus far; Volume I of the series would probably include working paper numbers one through twenty and would hopefully sell for around \$5.00 a copy. Williard Stone, co-editor of *The Accounting Historians Journal*, stated that the acceptance rate on eighty manuscripts received to date was 34 percent. Gary John Previts cited the need to get additional university library subscriptions for the *Journal* and asked the membership to help in this project. He also discussed plans for the Academy to reprint James Don Edwards' *History of Public Accounting in the United States*. Dr. Previts discussed the satisfactory progress of recovery for former President and current Secretary, Alfred Roberts, who had recently undergone open heart surgery. Dr. Roberts has now resumed his duties at Georgia State University.

Treasurer Anthony Krzystofik reported on the financial status of the Academy and explained the measures he has taken to tighten control over fi-

ances. The Regional Chairpersons present (Horace Givens-Mid Atlantic, Ken Elvik-Midwest, Hans Johnson-Southwest, and Diana Flamholtz-Western) generally reported that they had experienced good attendance and quality presentations at their 1978 regional meetings.

President Schoenfeld then followed with the Hourglass Award presentation which was made this year to David A. R. Forrester (see page 2 for details). The election of Academy officers was held and the present officers were unanimously re-elected for another one year term. Four new trustees, each to serve three year terms starting January 1, 1979, were also unanimously elected by the membership. These Academy members are Maurice Newman (The University of Alabama), George Sorter (New York University), Arthur Wyatt (Arthur Andersen & Co.), and Edward Coffman (Virginia Commonwealth University). Revisions to the Academy By-Laws were then discussed and were approved unanimously (for the complete revised text see page 5).

Peter McMickle prepared and coordinated an exhibit stand which distributed Academy publications and solicited new memberships. Perhaps the most memorable single item done by The Academy, however, was to present each registrant to the Convention with a beautiful monograph on the works of John Raymond Wildman, the First President of the American Accounting Association. Monograph Two, *John Raymond Wildman 1878-1938* (The Academy of Accounting Historians, 1978) was compiled and written by Gary John Previts and Richard F. Taylor. They and The Academy are to be congratulated for this fine work.

Editor

#### SCHMALENBACH AND AFTER

International Scholarly Book Services, Inc., 2130 Pacific Avenue, Forest Grove, Oregon 97116 (503) 357-7192 is the exclusive U.S. distributor for David Forrester's book. No price per copy has been quoted at this time.

David A. R. Forrester of the University of Strathclyde is this year's recipient of the Hourglass Award for his work entitled *Schmalenbach and After: A Study of the evolution of German business economics*. Academy President Hanns-Martin Schoenfeld in making the award commented that Forrester had made a very comprehensive and in depth scholarly analysis of Schmalenbach's contribution to accounting and business administration which had previously been almost totally neglected in the English speaking world. Further, Forrester has succeeded extremely well in blending together a biography and a scholarly assessment of Schmalenbach's contribution. It is a "model case for historical writing."

Eugen Schmalenbach (1873-1955) was a professor at Cologne who came to have a profound influence on the development of accounting thought in Germany. Forrester writes that, "both in consultancy and in academic research, Schmalenbach sought practical purposes, and tried to clarify uses and objectives. But these were necessary not to deduce some theoretical and optimal model, but for his emotional pragmatism. He thus saw that lofty goals were most talked of by authoritarian states, and sensed that perfect adaptation to immediate or rationalized functions could be a threat to further evolution."

The book provides a historical perspective of such controversial issues as inflation adjusted financial statements, objectives of financial accounting, social accounting, conceptual framework for accounting, behavioral dimensions, and preferability of basic concepts of accounting rather than strict rules of procedure. After an appropriate introduction the book is organized by chapters to include —

- Schmalenbach the Man
- Commercial Education and Business Economics
- Practical Accounting
- Dynamic Accounting
- Charts of Accounts
- Costs and Prices
- Finance, Capital and Labour
- And Beyond

Jules W. Muis in his review of *Schmalenbach and After*, published in *Accounting and Business Research*, states that, "the book is accessible to anyone with a relatively advanced knowledge of economics, accounting or business finance. It should prove interesting not only to students and teachers in comparative accounting and accounting history but to all anxious to avoid repeating accounting history."

The Ohio State University Accounting Hall of Fame on August 22, 1978, inducted into its ranks Robert K. Mautz. Dr. Mautz, a distinguished former professor at the University of Illinois and a just recently retired partner of Ernst & Ernst, is the thirty-eighth person to be awarded the honor. In responding to his induction, Dr. Mautz explained that he "fell into a career in accounting by happy accident" as he registered as an accounting major at the University of North Dakota "in the belief that it offered him the best possibility for a job at graduation." But the happy accident of entering the accounting profession "has provided an unending series of intellectually stimulating experiences, has provided challenges that have stretched my capabilities to the fullest, has provided unexpected, varied, and continuing opportunities for service, has provided contests with fine minds on both conceptual and applied issues, has provided associations with good people whose lives are examples of integrity and service, and has provided material rewards well beyond my needs."

### THIRD INTERNATIONAL CONGRESS OF ACCOUNTING HISTORIANS

London 1980

According to word received from Professor R. H. Parker, the following decisions have been made concerning languages to be used at the Congress:

- (a) papers may be submitted in English, French or German
- (b) an English summary should be provided for all Congress papers
- (c) English will be the language of all plenary sessions
- (d) parallel sessions may be in English, French or German
- (e) so far as possible, chairmen of parallel sessions should speak English plus French and/or German

The Congress will be held on August 16-18 at the London Business School, at Sussex Place, Regent's Park, London NW1 4SA.

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#### The Accounting Historians Notebook

The Academy of Accounting Historians

Box 6999

Graduate School of Business

University, Alabama 35486

Editor: Hans V. Johnson

The University of Texas at San Antonio

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A meeting of the Japan Accounting Association held at Waseda University on September 12, 1978, included the following papers on accounting history:

- "On the Stages of Development of the Bookkeeping Method Proper to Japan," by Eiichiro Ogura, Shiga University
- "A Problem on the History of Bookkeeping in Tuscany in the 14th Century," by Katsumi Izutani, Osaka Keizai University
- "The Development of Bookkeeping in the Sixteenth Century," by Satoshi Shirai, Osaka City University
- "Some Methodological Problems in Management Accounting History," by Sadao Takatera, Kyoto University
- "Study in the Bibliography of the Accounting History of Railway Enterprises," by Manji Nakamura, Nippon Daigaku University
- "The Fundamental Problems of Management Accounting History: A Critical Review on the Article by M. Jay Epstein," by Atsuo Tsuji, Osaka City University
- "Early Accounting Textbooks in Scotland," by Osamu Kojima, Kwansai Gakuin University

## CANADA

Turgut Var has been named Regional Chairman for Canada. It is hoped that an accounting history session can be arranged for annual meeting of the Canadian Academic Accounting Association next May in Saskatoon. Professor Var can be contacted at Simon Fraser University, Burnaby, B.C., Canada V5A 1S6.

History of Accounting Thought (Commerce 493) is being offered for the first time this Fall at Simon Fraser University.

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## HELP

The Editor asks your assistance in providing information on accounting history meetings or other noteworthy items. Please send them along to: Notebook, Box 6999, University, AL 35486.

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The following quotations on "miscellaneous and unclassified rules of etiquette" were taken from *A Guide to Success, with Forms for Business and Society* (being a most complete and universal hand-book for business, legal and social guidance) by J. A. Dacus, Ph.D. and published by Scammell & Company in 1884.

Conceit is the vice or folly of the shallow-minded; so if you would not be thought so, avoid boasting or affectations of any kind.

Beware of a constant desire to "get even" with people you fancy have injured you. It is unchristian.

To answer a civil question rudely, or even impatiently, is a gross breach of etiquette.

In private, watch your thoughts; in your family, watch your temper; in society, watch your tongue.

It is better to live alone than in low company. If you cannot keep good company, keep none.

If you try to make yourself appear more important than you really are, you run the risk of being considered less so.

It is a breach of good manners, and a violation of common sense, to laugh at your own wit. The greatest wits always keep a sober face, and let others do the laughing.

Never recline backwards, while seated, so as to push your chair upon two legs. This appears to be almost exclusively an American habit, and is decidedly an evidence of bad-breeding.

It should be remembered that no provocation whatsoever can justify any man in not being civil to every woman; and the greatest man would justly be reckoned a brute if he were not civil to the meanest woman.

Pulling out your watch in company unasked is a mark of ill-breeding. It looks as though you were tired of the company, and that time dragged heavily.

A lady should never call upon a gentleman, excepting upon business, at his place of business. Even relatives, unless in the immediate family, cannot receive calls from ladies at home.

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## NOTICE

Academy members interested in taking on the responsibility of serving as a Regional Chairperson are asked to contact: Hanns-Martin Schoenfeld, 215 Commerce West, U. of Illinois, Urbana, IL 61801.

# CALL FOR PAPERS ON ACCOUNTING HISTORY

Accounting Historians Notebook, Vol. 1 (1978), No. 2

Persons wishing to present papers on the subject of Accounting History at the annual meeting to be held in Honolulu, Hawaii, August 21-25, 1979, are requested to submit two copies of each of the following:

1. an outline of their research (maximum 3 pages)
2. a 100 word abstract
3. a current resume

This material, inquiries and other correspondence should be addressed to:

Professor H. Thomas Johnson  
College of Business and Economics  
Washington State University  
Pullman, Washington 99164  
Phone: (509) 335-2410

To meet deadlines it is essential that proposals be received no later than December 31, 1978.

## 1979 REGIONAL MEETINGS

Dr. Kenneth Elvik has suggested that Academy members contact Ph.D. candidates and recent graduates who have pursued research in accounting history to determine their possible interest in presenting a paper at one of next year's AAA Regional Meetings. Interested scholars should immediately contact the appropriate Regional Chairperson for The Academy or write to: Regional Meetings, Box 6999, University, AL 35486.

## BOOKS FOR SALE

A bound set of original and unmarked issues of *The Accounting Review* for the years 1926 through 1933 (Vols. I-VIII) is available for sale from a member of the AAA at a price of \$400. The same member has a volume of papers presented at the 1920, 1921 and 1924 Annual Meetings of the Association of University Instructors of Accounting at a price of \$40.

Persons interested should contact Paul L. Gerhardt, Admn. Sec., American Accounting Association, Sarasota, Florida 33577.

"Double Entry Bookkeeping and Resident Merchants," by F. C. Lane, *The Journal of European Economic History*, Vol. 6 No. 1, Spring 1977, pp. 177-192.

"The Saga of Prior Period Adjustments," by Brenda Crittenden and Larry Farmer, *Proceedings of the Thirteenth Annual Meeting, Southeastern Regional Meeting, AAA, 1978*.

"The Hand That Helped to Write the Tax Law," by Tonya K. Flesher, *Proceedings of the AAA 1978 Southwest Regional Meeting*.

"Double Entry Bookkeeping in the Genoese Tradition, the Bank of St. George, 1408-1444," by Alvaro Martinelli, *Proceedings of the AAA 1978 Southwest Regional Meeting*.

"Uniformity in Accounting: A Historical Perspective," by Barbara D. Merino and Teddy L. Coe, *Journal of Accountancy*, August, 1978, pp. 62-69.

"The SEC and Its Chief Accountants: Historical Impressions," by Gary John Previts, *Journal of Accountancy*, July, 1978, pp. 83-91.

The following papers were presented at the 63rd Annual Meeting (1978) of The American Accounting Association and will be published in the forthcoming *Proceedings*:

"Accounting in an Early 19th Century Communitistic Society," by Tonya K. Flesher and Dale L. Flesher.

"The Development of Distribution Cost Methodologies 1908-1941," by Paul F. Anderson.

"Les Forges de Saint-Maurice: An Accountant's Perspective," by Harvey Mann.

"Implications from the Chronological Study of the Annual Reports of Twenty Companies," by Richard Vangermeersch.

"Uncertainty in Accounting," by Robert Bloom.

"History of Accounting in the Bible," by James W. Jones.

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As you find interesting examples of Accounting History in Print, please share with your colleagues by sending the reference to:

Dr. Gadis Dillon  
School of Accounting  
University of Georgia  
Athens, Georgia 30602

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## THE ACADEMY OF ACCOUNTING HISTORIANS

### I. Objectives

1. The purpose of this not-for-profit organization, name The Academy of Accounting Historians, is to encourage research, publication, teaching and personal interchanges in all phases of accounting history and its interrelation with business and economic history including the environment within which they developed.

### II. Membership

1. There shall be two classes of members: regular and life. The amount and type of annual dues and payment schedule will be proposed by the Board of Trustees and ratified by the membership. All members shall be entitled to full voting and other privileges pertaining to The Academy.

2. Any person supporting the purposes of The Academy will be enrolled as a regular member upon payment of annual dues to the Secretary or other authorized representatives of The Academy. The Board of Trustees shall have powers to regulate membership as to admission and discipline.

3. Scholars of distinction in accounting history may be designated life members. Selection of such members, shall be made by a committee of members and Trustees appointed by the President of The Academy and its recommendations shall be subject to approval by the Board of Trustees. Dues of life members shall not exceed 50% of those paid by regular members.

4. A member deficient in payment of dues will be held to be "not in good standing."

### III. Officers and Trustees

1. The Academy shall have the following elective officers: a President, two Vice-Presidents (1st Vice-President and 2nd Vice-President) and a Secretary and a Treasurer, each elected for one-year terms, commencing on the first day of January following the election.

2. There shall be a Board of Trustees. The number of Trustees shall not be less than five nor more than eighteen. Such Trustees shall consist of the officers named above in Section III, Paragraph 1, and members elected by the general membership as nominated in Section III, Paragraph 3. The terms of office of Trustees who are not officers shall be three years with at least two to be elected each year. The details of initial election and tech-

nique for initial succession are to be designated by the President serving at time of incorporation. In any event, a Trustee should stand election at least once each three years, excepting past presidents. Each retiring President of The Academy shall, upon election of his successor, become a member of the Board of Trustees for a term of three years. The President may appoint interim Trustees to fill vacancies created by departure of any Trustee during the Trustee's term of office.

3. Each year the President shall designate a nominating committee. The nominating committee shall present to the Secretary of The Academy the nominations for the offices of President, Vice-Presidents, Secretary and Treasurer, and nominations for Trustee positions to be filled, all nominees to be members in good standing of The Academy at least three weeks before the annual meeting. Nominations may also be made from the floor in accordance with *Robert's Rules of Order* (Newly Revised).

4. Election of officers will be held at the conclusion of the annual business meeting. Proxy votes are limited to one certified proxy per member in good standing in attendance. The results of the election shall be certified and announced by the Secretary. The Secretary shall certify proxies prior to the start of the meeting.

### IV. Duties of the Officers and Trustees

1. The President of The Academy shall preside at meetings of The Academy and of the Board of Trustees. In case of the President's disability or absence, these duties shall be discharged by a Vice-President according to numerical order. Standing and Special committees, to include the task specification and the membership, shall be appointed by the President.

2. The Vice-Presidents shall undertake whatever functions are deemed appropriate by the President of The Academy.

3. The Secretary shall keep the records of The Academy, the minutes of general meetings and the Treasurer shall receive and have custody of the funds of The Academy.

4. The Trustees shall have responsibility and authority to approve all disbursements in excess of \$1,000 unless other-

(Continued on Page 6)

wise authorized by special resolution of the Trustees. They may accept, renew and propose research, teaching and seminar projects in keeping with the objectives of The Academy. The Board of Trustees shall fill vacancies in the list of offices and may adopt any rules and regulations for the conduct of its business not inconsistent with these by-laws. It shall act as a committee on time and place of meetings, and perform such other duties as The Academy may delegate to it. A quorum shall consist of five Trustees, with the provision that action taken at any meeting not attended by the majority of the Trustees shall be confirmed through a majority correspondence received from the Board of Trustees.

5. An adequate record of funds is to be maintained by the Treasurer. An annual report shall be prepared and reported by the Treasurer to the membership each year in the appropriate fashion. An examination of the financial records will take place as deemed necessary by the Trustees.

#### V. Meetings

1. The annual and any other meetings of The Academy shall be held at such time and place as shall be determined by the Trustees. Notice of such time and place shall be given to members, by mail or otherwise, before such meetings, unless other means of satisfactory notice can be applied. Such notice should include an agenda. A quorum at such duly called meetings shall consist of those members present or represented by appropriate proxy.

2. Special meetings of The Academy may be called at such time and place as may be determined by a resolution of the Board of Trustees.

3. Meetings of the Board of Trustees or the officers of The Academy shall be called by the President of The Academy or at the request of any four Trustees, all announcements of meetings shall be through the office of the Secretary.

4. The program for the annual meeting of The Academy shall be the responsibility of the President. An agenda of all meetings should be reported to members at a reasonable time before the annual meeting.

5. For purposes of conducting all general and special meetings of the organization, *Robert's Rules of Order* (Newly Revised) will apply wherein the by-laws do not specify procedure. A parliamentarian will be appointed by the officer presiding at each meeting.

Trustees during the year shall be reported at the next annual business meeting of The Academy.

#### VI. Amendments

1. Amendments to these by-laws may be submitted at any time by any member to the President and by the President submitting to the Trustees at their next regular meeting for approval or disapproval. Amendments shall be adopted if so voted by a plurality of the membership of The Academy in attendance (Article V, 1), or at the discretion of the Trustees, by a majority vote of all voting members through a poll by mail. Amendments shall go into effect as soon as the results of polls are approved and reported at a regular annual business meeting.

2. Every member of The Academy is encouraged to submit suggestions and recommendations for the improvement and expansion of the activities of The Academy to the Trustees or the officers in writing or from the floor during meetings of The Academy.

#### VII. Discipline

1. The Trustees are empowered to discipline any member who has not fulfilled his obligation to advance the purposes of The Academy. In all cases the member shall be properly notified of the prospect of action against him and afforded an opportunity to present his position.

#### VIII. Selection of Directors

1. The Trustees of The Academy shall select and/or elect the Directors of The Academy of Accounting Historians as incorporated under the laws of the State of Alabama, for every period as necessary, except that the initial directors for purpose of incorporation shall be S. Paul Garner, W. Baker Flowers and Gary John Previts, all residents of the State of Alabama. The office Corporate agent shall be Gary John Previts. The agent shall represent the corporation with regard to corporate legal matters and shall serve as a trustee.

#### IX. Compensation

1. Officers, Trustees, Directors and members of standing committees shall not be compensated for services. Persons employed on a wage or salary basis to perform administrative or other duties shall be governed by Article IV, Section 4.

Revised and Approved by the Membership  
August 21, 1978

### Research Committee

Chairperson: Diana T. Flamholtz, Loyola Marymount University

Charge to Committee:

1. Investigate methodology of historical research and identify typical areas of application for specific methods; prepare a committee statement as guideline for historical research.

2. Continue work initiated by previous committee to identify and update historical research priorities; develop recommendations for future research to be undertaken by the Academy and by individuals.

3. Identify and develop (if possible) funding sources for Academy sponsored research; this may require initially the identification of priority projects for which funding is thought.

### Membership Committee

Co-Chairpersons: Dale L. Flesher, U. of Mississippi and Gyan Chandra, Miami U. (Ohio)

Charge to Committee:

1. Attempt to identify accounting educators and practitioners with an interest in accounting history (domestically and abroad).

2. Try to enlist these individuals as members of the Academy.

3. In the enlistment process try to find out why certain individuals are not willing to join the Academy. This will help to either amend our goals and services or recognize existing limitations.

4. Determine the particular interest of new members to fully utilize their abilities and service potential.

### Committee on Taxonomy and Bibliography

Chairperson: Harvey Mann, Concordia U. (Montreal)

Charge to the Committee:

1. To establish a workable and complete taxonomy for the subject of accounting history.

2. To determine significant publications that should be included under each of the taxonomic groups.

3. To investigate the feasibility of devising a computer program to encompass a continuously up-dated bibliography by taxonomic.

4. To periodically attempt to publish such a bibliography.

### Translations Committee

Chairperson: Roscoe E. Bryson, Jr., U. of Alabama (Huntsville)

Charge to Committee:

1. To establish a listing of materials for which (partial or total) translation should be undertaken (also attempt to determine priorities for such translations).

2. To determine language capabilities of Academy members and their willingness to participate in translation projects.

3. Develop guidelines for partial translations (extended book reviews of original historical sources) which might help individuals doing research to evaluate foreign sources without having a complete translation. These extended reviews shall be published eventually by the Academy; it therefore will be necessary to approach members with such review requests and obtain firm commitments.

4. Investigate funding and/or sponsorship possibilities for the translation projects.

### Archives Committee

Chairperson: Richard Vangermeersch, University of Rhode Island

Identify all available archival collections in the United States and Canada that might be of value to researchers in accounting and business history. Obtain descriptions of collections within the various archival collections which have specific value to accounting historians and prepare a bibliography of such collections, which should periodically be updated.

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## CONTRIBUTION MADE TO THE ACADEMY

The University of Florida School of Accounting has made another contribution to The Academy according to President Hanns-Martin Schoenfeld. This year's contribution of \$1,000 will be used to cover certain postage, duplication, and travel expenses.

## A GOOD QUESTION

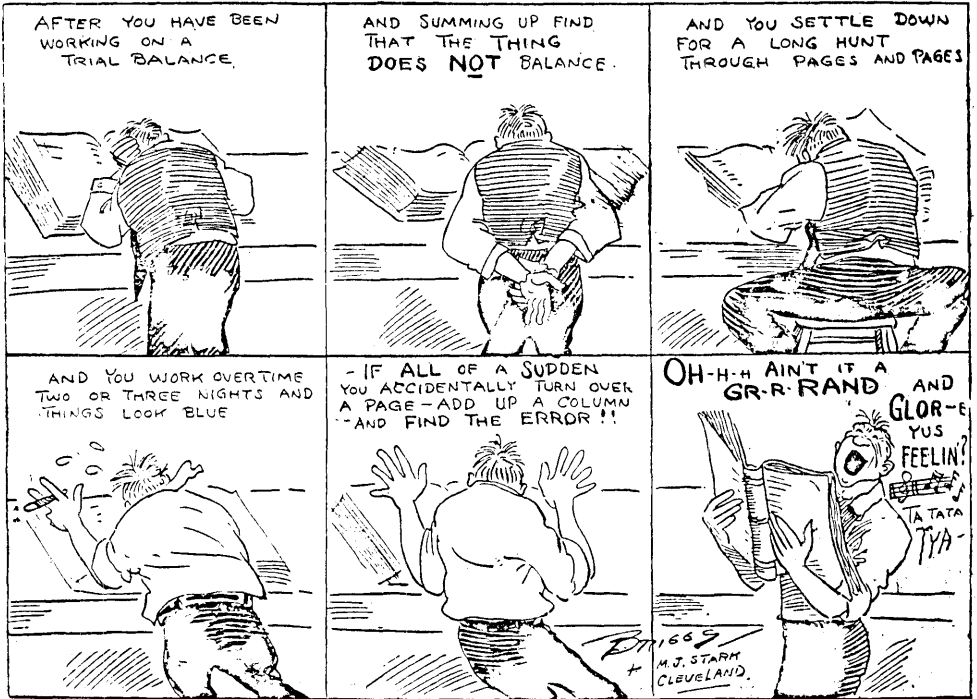
What is the responsibility of the accountant who undertakes to examine a going business for the purpose of issuing a certificate showing the net earnings of the business for the preceding five years to (a) the owners, (b) those investing money therein on the faith of the report?

New York CPA Examination, 1906



Ain't It a Grand and Glorious Feelin'?

By BRIGGS



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The Academy of Accounting Historians  
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