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The Accounting Historians NOTEBOOK

Vol. 5, No. 1

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Spring, 1982

TIPS FOR WRITING A HISTORY OF A STATE SOCIETY OF CPAs

by

Richard Vangermeersch
University of Rhode Island

The Rhode Island Society of CPAs has just celebrated its 75th Anniversary. The writer, as the Historian of the Rhode Island Society, prepared the text of the anniversary booklet and would like to discuss some tips garnered in the process of writing the text. These tips may enable other historians to attempt histories of their own State Society.

The first step is to determine accurately the founding of the Society. The Rhode Island Society of Public Accountants was founded in 1905 and became the Rhode Island Society of CPAs in 1907. It became crucial for a determination to be made and a consensus to be had on what year the Society was founded, because it would be embarrassing to be faced with an open conflict about the correct date in the midst of the celebration. The writer was fortunate to get a consensus from the others involved in the celebration activities that 1905 was the year in which the Society was founded.

The Rhode Island Society has kept its minutes books from its inception. The minutes were quite detailed for both general membership meetings and for board of director meetings. These books enabled the writer to have enough material to write the history without reviewing the history of the Rhode Island State Board of Accountancy, the AICPA, or the accounting profession in the United States. With this limited scope, the project became doable without any travel and other research costs and without any logistical and political problems. The writer outlined each meeting in great detail and then used the outline to write the chronology, the narrative, and to select the outstanding members of the Society.

The Executive Director of the Rhode Island Society and the writer scoured the files to locate memorabilia of the Society. The most significant find was a series of signature pages of the membership from 1905 through the middle 1960's, when the policy of having new members sign the signature pages was discontinued. There was no doubt that the highlight of the history, at least as far as the audience of the membership of the Society, was the reproduction of these pages. Members were actually thrilled to find their signatures and the signatures of their past and current friends in the Society. Since general membership interest was a very important goal for the overall anniversary celebration, the writer struck unexpected paydirt in this reproduction of the signature pages. A significant quantity of other memorabilia were located. Some items were some early Cash Receipts and Cash Expenditure Statements, the original charter, a marked-up copy of the first CPA law, menus of major banquets, speeches from testimonials, and the invoice for the Society seal. While only a few of these were reproduced in the three preliminary booklets and in the final anniversary edition, these items did enable the booklet team to choose the most appropriate memorabilia. Another use of these items could be a collage-type display at the anniversary dinner meeting.

The Rhode Island Society Committee on the 75th Anniversary wisely chose to seek professional assistance in the layout of the four program books,

Continued on page 16

Since its first meeting in Quebec City in 1973, the Academy of Accounting Historians has enjoyed nine years of successful development. Increasingly its publications, programs, and conferences reflect the high standards of scholarship required of an organization concerned to promote research and teaching. Undoubtedly the Academy shall continue to maintain high standards for its work. To help assure this, a committee consisting of Ashton Bishop, Ed Coffman, Jim Gaertner, Gary Previts, Al Roberts, and Williard Stone is now evaluating the Academy's publishing activities. I look forward as chairman of this committee to receiving its recommendations. I also look forward to seeing many of you at the Academy's annual business meeting and accounting history sessions in San Diego in August. Gary Previts has organized a fine program for the accounting history sessions at the American Accounting Association's annual meetings. Dale Flesher's detailed description of the San Diego meetings is included in this Notebook.

Should you have ideas about the activities of the Academy of Accounting Historians, please let me hear from you. I may be reached until June 30th at Western Washington University. On July 1st, I move to a new position as Director of the School of Business and Public Administration at The University of Puget Sound in Tacoma, Washington, 98416.



H. Thomas Johnson

H. Thomas Johnson
President

MANUSCRIPTS AND SHAGGY DOG STORIES

Anyone wishing to submit article manuscripts, short notes, cartoons, shaggy dog stories, letters to the editor, or other filler to THE ACCOUNTING HISTORIANS NOTEBOOK should send the material to the editor, Dale L. Flesher, School of Accountancy, University of Mississippi, University, MS 38677.

THE ACCOUNTING HISTORIANS NOTEBOOK

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Dr. McMickle examines copy of Pacioli

ACCOUNTING HISTORY HOBBIES— PETE McMICKLE'S RARE BOOK COLLECTION

by
Dale L. Flesher

(Editor's Note: This article is the first of a series on accounting history hobbies. Readers are encouraged to submit manuscripts on other types of accounting history hobbies.)

Dr. Peter McMickle is a professor of accounting at Memphis State University, but his major claim to fame is his avocation rather than his vocation. Pete McMickle is best known for having accumulated what is probably the world's finest collection of rare and historic accounting books. His collection of rare books now exceeds 800 volumes. Many members of the Academy have observed portions of Pete's collection as he has manned the Academy's booth at the American Accounting Association meetings in recent years and brought along several of his rare volumes.

Pete first got the idea for his collection back in 1968 when he took Professor Baker Flowers' accounting history course during his doctoral student days at the University of Alabama. Professor Flowers inspired Pete with a love for accounting history. At about the same time, Pete also came under the influence of Lewis Stewart, a finance professor at Alabama. Professor Stewart had accumulated a sizeable collection of rare, old finance textbooks. Pete was impressed not only with the size of the collection, but also with the fact that the collection had been put together at a very low cost. This combination of influences from Professors Flowers and Stewart inspired Pete to start his own collection. His initial goal was to build the world's greatest collection of rare accounting books.

Continued

Starting the Collection

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McMickle worked hard at building his collection. He took a job with the Department of Health, Education and Welfare (HEW) as the director of an audit project. This position required him to travel around to many large cities throughout the nation. In every city, Pete visited every rare book dealer in his search for historic volumes. For example, in New York City, he visited over 100 dealers. His perseverance paid off; he acquired dozens of rare books—sometimes at prices as low as twenty-five cents. Many were bought for a couple of dollars or less. The low prices were apparently the result of the lack of demand for old accounting books. Although the great majority of books were quite cheap, others were expensive. If Pete wanted a book for his collection, the price was no object. For instance, Pete did not hesitate when he stumbled onto a New York dealer who had two copies of Pacioli. The price was exorbitant, as is true of all fifteenth century books, but Pete knew that any collection of rare accounting books would be incomplete without a copy of an original Pacioli.

There is one interesting sidelight to the story about Pete's copy of Pacioli. The book Pete initially bought turned out to have been stolen. Fortunately, the dealer was reputable, and had a second copy of Pacioli. Thus, Pete ended up with the other volume which he had not initially purchased.

McMickle's collecting efforts involved more than just visits to rare book dealers. He also wrote thousands of letters to dealers throughout the world. He also placed advertisements in numerous rare book publications in both the United States and Europe. His letters and advertisements resulted in dozens of offers from dealers every week. The bulk of Pete's collecting correspondence fills an entire file cabinet.

By 1973, McMickle had amassed a collection of about 200 pre-1900 books and 500 rare twentieth century works. At this point, tragedy struck. Lightning hit Pete's apartment and set the place on fire. Fortunately, his books were not burned. However, there was extensive soot and smoke damage.

Starting Over Again

Pete felt that the soot-damaged books were beyond repair, so he decided to start over again. He renewed his correspondence with rare book dealers and placed more advertisements. In the meantime, Pete learned the secrets of modern restoration methods. It turned out that his collection had not been severely damaged by the smoke. After

learning the tricks of the trade, Pete was able to restore his valuable collection to the point where no damage is apparent. Because of his efforts in restoring his collection, he has been asked to write a book on manuscript restoration techniques.

McMickle was fortunate in not having to start his collection over again. Instead, he was able to concentrate his efforts on enlarging his pre-1900 holdings. It is this category that he has been emphasizing since 1973. As a result, his 800 volume collection includes 300 different titles published prior to 1900. These date back to the fifteenth century.

Favorite Pieces

Pete McMickle has many favorites in his large and varied collection. Probably his most favorite is not a book at all, but two tally sticks dating back to 1580. Pete is also proud of some of his autographed volumes. Among his numerous autographed copies are ones authored by B. F. Foster and C. C. Marsch.

More than any one piece, however, Pete is proud of his collection as a whole. He has the world's most complete collection of works published in America. Even the AICPA library and the Library of Congress do not measure up.

Uses of the Collection

In addition to using some of the books in the writing of his doctoral dissertation, Pete has also been able to use volumes from his collection for a number of smaller projects. He also has an extensive list of ideas for future use of the books. The books are also being used as the basis for a new reprint series. Williard Stone, of the University of Florida, is preparing a series of historic accounting reprints for the Japanese publishing firm of Ushodo Book Sellers. None of the books in the series have ever been reprinted before, and many of them come from McMickle's collection. This obviously illustrates the rarity of Pete's collection.

Collecting Philosophy

McMickle feels that there are two reasons why people collect rare books. First, there is the sheer joy of collecting. This is why people collect stamps, coins, and anything else. Pete also had a second reason for collecting old books and that was to provide a reference for historical research.

Unfortunately, Pete has now lost much of his enthusiasm for collecting. He feels that his philosophy of life has changed. He is no longer interested in material things. He feels that enjoying life is more important than owning things. Thus,

Continued

his books do not mean as much to him as they once did. Now, his sole reason for maintaining the collection is as a source for historical research. He is no longer adding to his collection.

Costs and Care

McMickle's hobby has essentially paid for itself. He is probably one of the few people who has made money from accounting history. He has done this by buying and selling nonaccounting books that he has discovered in old-book stores. For example, he bought an old atlas for \$165 that is now appraised at \$6,500. He also purchased a Chinese manuscript for \$200 which he later sold at auction for \$3,700.

As far as care is concerned, little effort is required for maintaining old books in good condition. As long as the humidity is kept at a reasonable level and insects are kept out, then nothing else is required. Acid-free storage facilities are not needed for old books because they were published on fine quality paper. Today's books, however, are printed on lower quality paper and may disintegrate within forty years. Thus, McMickle feels that rare book collecting is an ideal hobby because of the ease of care.

Summary

Dr. Peter McMickle set out to amass the world's greatest collection of English language accounting books. That was certainly a monumental goal, and one that most individuals would never attempt to accomplish. But, through hard work, and constant attention to his goal, he did build an outstanding collection. In fact, it took McMickle less than five years to build the world's greatest collection of historic accounting books. Pete is now sharing his collection with others by making them available for reprinting. McMickle's employer (Memphis State University), his alma mater (the University of Alabama) and its professors who inspired him, the Academy of Accounting Historians, and the accounting profession in general should all be proud of Pete McMickle's accomplishment and his dedication to excellence.



REVIEW OF THE McGraw-Hill CALENDAR

Although thousands of book reviews are published each year, there are rarely any reviews of calendars. This slight is hereby remedied since the McGraw-Hill Book Company has for each of the past two years issued an accounting history calendar that is deserving of consideration.

Images, McGraw-Hill's 1981-1982 calendar, is a useful and informative reference that can be used by both the academician and student. It is not only interesting and enlightening, but it also provides a humorous look at the accounting profession.

Short articles on the history of accounting are of particular interest. Summaries of the Fugger and Medici accounts in the 15th and 16th centuries provide insight as to the origin of industrial accounts. For those interested, references for additional reading are given.

Continuing into the calendar, a condensed biography of Arthur Young affords a view of the life of a pioneer in modern accounting.

For those with literary interests, there is Henry Thoreau's detailed account of the costs incurred in building his house in 1845. In times of skyrocketing housing costs, it is disheartening to discover that Thoreau built his house for the grand sum of \$28.12½. Furthermore, it is interesting to note that his net income for the year was \$25.21¾.

Additional features range from the McKesson-Robbins controversy to a history of women in accounting and the use of computers in perpetrating fraud.

Anyone who enjoys a challenging crossword puzzle would not be disappointed by taking on the puzzle included. If it proves to be too challenging, a solution is supplied.

There is even a section of trivia for trivia buffs. For example, did you know that accountants were not always paid a regular fee? That 14th century business people cheated on their expense accounts? That the Kings of England were poor credit risks? The underlying reasons are to be found in the calendar.

One does not have to be an accountant to enjoy reading the features. The articles are of general interest and the cartoons and film stills can be enjoyed by everyone. After perusing the calendar, one looks forward to the 1982-1983 edition. McGraw-Hill is to be commended for publishing a very inspirational work.

Reviewed by
Robert Terry and Dale Flesher
University of Mississippi

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et al., Accounting Historians notebook, 1982, Vol. 5, pp. 7-11

FRENCH SOCIETY OF ACCOUNTING CELEBRATES ITS 100th ANNIVERSARY

by

Paul Garner

University of Alabama

Last June, 1981 the respected French Society of Accountants celebrated its centennial with great style and elegance as one would expect from the reputation for such events in France. The Society over the ten decades has had a splendid list of accomplishments to its credit. It now has thousands of members from a modest beginning in 1881.

Since I have been a long time correspondent associate of the Society, having been nominated for this honorary position by a long time friend, Mayor Lucien Duchesne, of La Celle-Saint-Cloud, France, I naturally received a copy of the 232 page centennial edition of the bulletin of the Society which has been published continuously for 100 years. Mayor Duchesne is a former Executive Secretary (or Secretary General) and Director of the International Chamber of Commerce, which has its headquarters in Paris. I first met him at a world congress held in Paris almost a quarter of a century ago when we first began to attend world meetings. In the intervening years, it has been my pleasure to prepare brief articles for the bulletin, in the French language of course, with the assistance of linguists, and these have been published immediately by the Society.

The centennial volume of the bulletin has many special features as one would expect. Each of the sections contains historical notes regarding the development and progress of the Society by 25 year periods. The original charter or contract of the Society is presented first with the reproduced signatures of the founders, some 20 persons in all. At the time of the founding of the Society, there were very few accounting organizations in the world. Therefore, this particular Society is to be congratulated especially for its continued existence for the 100 years.

References are made on one of the pages of the centennial edition to the honorary correspondent members such as myself. These are limited to just one or two persons in each of the regions of the world. It has also been my personal pleasure to visit in the headquarters of the Society in Paris where I examined the magnificent library with thousands of items from nearly all countries contained

therein. It is located on one of the very busy boulevards of that famed old city.

It is interesting to note that the Society's first name was the "Academic Society of Accounting". This was not changed to the current name for a good number of years. It is not specifically mentioned as to the reason why the name was changed.

The Society for a long time has administered rather tough examinations for its several classes of membership. These are reproduced in the bulletin as they take place. I have examined the problems and the questions from time to time to see whether I could pass the examination!

Referring to the examinations again, I noted some months ago that one of the questions for the candidates was based on a rather lengthy quotation from one of the works of our esteemed Academy of Accounting Historians member, Dr. Adolf Enthoven. Other Americans (and other countries) are also represented from time to time on the examination.

In 1916, during World War I, the National Government of France presented the Society with a formal recognition in a decree of the 25th of August of that year. It is interesting to me that the government of France, which was at that time terribly involved in fighting the war, would take the time to recognize an association of accountants.

The bulletin of the Society over the many years has often contained articles of historical significance. Those of the lectures of Albert Dupont are the most noted. They were delivered to the Chapter of the Society in Paris in the late 1920s and early 1930s. One of the working papers (no. 16) of our Academy has been prepared based on these lectures.

The Society has local chapters in many cities of France and these groups all have highly respected members.

We extend most hearty congratulations to the Society on its centennial, and hope and trust that its 200th anniversary will be equally successful in assisting the French accounting development.

ONE PAGE IN THE LIFE OF A PRESIDENT

by

Kenneth O. Elvik
Iowa State University

Most American citizens have a general curiosity about the financial status and spending habits of our presidents. Details of their early, formative years of life, however, are generally limited to personal recollections and correspondence. The following footnote to the history of an exceptionally well-known president calls attention to some intimate details of his childhood. It is a clearly expressed item of evidence. The reported numbers are small, some of them tiny; many would simply be rounded off in today's financial disclosures from presidential candidates as required by recent federal laws. The amounts and the items represented were, however, quite significant in the life of the former president whose private life and public career are both subject to considerable discussion.

Herbert C. Hoover was born in the Quaker community of West Branch, Iowa on August 11, 1874. His father was the owner and operator of an agricultural implement and blacksmith shop. When Herbert was 6, his father, age 34, died of typhoid (some sources say heart problems). Two years later his mother died of pneumonia, at the age of 35. Thus Hoover, along with an older brother and younger sister became orphaned and thereafter raised in the homes of relatives. From Hoover's memoirs we find that relatives were glad to take in the children, but that an acquaintance was named legal guardian in order to avoid any implication of manipulation of the estate. The estate, by no means large even in those days, was made up of proceeds from insurance and from the sale of the implement business and their home. It is the accounting for Herbert Hoover's share of that

estate that is of interest because here we find formal records, pages in guardian Laurie Tatum's account book (one of these pages here illustrated). Such records alone are far from complete in telling the story of Hoover's early life, but the contents make interesting reading, and a letter from the clerk of the local county indicates acceptance of reports, presumably based on pages from the book of account. These pages tell about the everyday investment in raising a child—clothing, room and board, a \$1.00 payment to a doctor. It shows a dwindling balance, more debits than credits, occasionally augmented by interest. Although the guardian usually paid \$1.50 per week for room and board, the rate was reduced to \$1.00 during the summer because Herbert worked on the farm of the family he lived with. Additional pages tell about the contributions of the fund as applied to sending Hoover to Stanford University.

The account book does not add to accounting theory, the author had no such intent. But neither could he have known that his handwritten pages would someday become one of the featured items in a Presidential Library for thousands of people to view and reflect upon. These pages must rank very high in terms of exposure to the general public. The contents also provide valuable material for authors who write about those years.

| | | Herbert Hoover | | Dr | Cr |
|-----------|---|----------------|----|----------------------|----|
| 1884 | | | | | |
| 3 mo 7 | Appointed Guardian for above | | | | |
| 4, 14 | Rec of Cedar Rapids Mutual Relief Association 1/3 of life insurance of his mother | | | 333 | 33 |
| " " | To 1/3 the expense of going to Cedar Rapids to get the above RR fare. Horse feed at West Branch 40 One days work 40 | 1 | 20 | | |
| " 1 | To J. J. Hoover for going to Kingsley & bringing Herbert to W. Branch | | 12 | 50 | |
| " 12 | To Cash to Allen Hoover for 6th mo | | 15 | 00 | |
| | | | | 28 | 70 |
| | | | | 333 | 33 |
| | | | | " | 28 |
| | | | | | 70 |
| 8 mo 25 | Bal due on rep't to Court | | | 304 | 63 |
| " 30 | To Cash for board from 21 of 4 mo to 8 mo 8, @ \$150 pr week 20 weeks | 30 | 00 | | |
| " " | To cash for clothing "6" | | | | |
| " 1885 17 | " " Dr. Daily for treatment | | 1 | 00 | |
| 1 mo 7 | " " to Allen Hoover for board from 9 mo 5, 1884 to 1 mo 5, 1885 11 weeks at \$100 pr week | 25 | 50 | | |
| 1 mo 10 | " Cash for clothing | | 22 | 21 | |
| 5 mo 28 | " Cash to Allen Hoover for board from 1 mo 5 to 5 mo 25, 1885, 20 weeks at \$150 pr week | 30 | 00 | | |
| 8 mo 21 | To cash for Allen Hoover for board from 8 mo 25, 1885 to 8 mo 17, 1886, 12 weeks at \$1.00 pr week (He worked some during vacation & board reduced) | 12 | 00 | | |
| " " | For clothing & making | | 14 | 92. | |
| 8 28 | To 1/3 expense fixing fence of lot near repair & fence filled with J. J. Hoover's report | 15 | 20 | | |
| " " | By 1/3 rent of property | | | 19 | 47 |
| " " | " interest on above @ 8% | | | 13 | 84 |
| " " | " 1/3 amount rec'd of Wm Hammell Administrator | | | 352 | 18 |
| " " | To charges as guardian | | 4 | 00 | |
| | | | | 155 | 83 |
| | | | | 689 | 82 |
| 8 mo 25 | Bal due at report to Court | | | 533 | 99 |
| | | | | Carried to page 206. | |

Account book of Laurie Tatum on Exhibit at the Herbert Hoover Presidential Library, West Branch, Iowa.

PROFILE: WARREN W. NISSLLEY

by

Elliott L. Slocum
and

Alfred R. Roberts

Georgia State University

Accountancy owes much to those dedicated persons who, during the formative years, perceived it to be a dynamic profession rather than a technical skill. This paper recalls one such person, Warren W. Nissley. Born in Middletown, Pennsylvania in 1893, his career in accounting spanned approximately thirty years. At his untimely death on January 17, 1950, Nissley was within reach of the pinnacle of success at Arthur Young & Company. His influence on accountancy had been considerable and had he lived, it would undoubtedly have been even greater.

Montgomery, May, and Paton were his contemporaries. These men and others continue to be recognized as leaders in the development of the profession. Warren Nissley, however, is generally unknown to most accountants and educators today. Although he has not received lasting recognition, few have contributed more to the profession of accountancy.

THE PERSON

One of Nissley's outstanding characteristics was that he had a consuming interest in all things related to the profession. He could not be silent or passive in any matter which affected the profession or his firm. Consequently, his often uncompromising and outspoken views caused Nissley to be unpopular with a number of people. [Higgins, pp. 122-123.] In a resolution of the American Institute of Accountants (Institute), Nissley was described as "... a remarkable man because he combined extraordinary physical vigor with intellectual depth and originality. He was no conformist. He did his own thinking and said what he thought." ["Warren W. Nissley," p. 188.]

"When Warren Nissley was on a crusade, his tenacity was terrific." [Higgins, p. 161]. In the mid-thirties, he had become concerned about inadequacies in prevailing reporting practices and the apparent lack of independence of some accounting firms. Higgins relates that, as a result, "We in the New York office had accounting principles morning, noon, and night. A lunch with

Warren in those days was a substantial mental exercise." [Higgins, p. 161.]

Nissley was a perfectionist and found it difficult to delegate responsibility. He had to edit documents and look into the details of any problem regardless of triviality. No one was more willing to get involved in problems of others, and no personal sacrifice was too great where the firm or the profession was concerned. [Higgins, pp. 208-209, 212.]

EARLY TRAINING

Nissley graduated from Princeton University in 1914 with a degree in civil engineering. After graduation, he moved rapidly from job to job serving in management positions with Concord Gas Company of Concord, North Carolina, Nassau and Suffolk Lighting Company in Long Island, New York, and National City Bank of New York. In late 1916 he began a period of military service.

Nissley served for nine months on the Mexican border as a private in Troop C, First New York Cavalry Regiment. After returning to New York, Nissley applied for and received a commission as a second lieutenant. [Nissley, 1935, p. 16.] While serving in the field artillery, he saw action in France. At the close of the war, he was commissioned a captain in the reserves. [*The New York Times*, p. 27.]

After the war, Nissley returned to the National City Bank and began to study accounting at night at Pace Institute. Shortly thereafter, he joined the New York accounting firm of McArdle, Djourup & McArdle as a staff accountant. [*The New York Times*, p. 27.] In July 1921, Nissley joined the firm of Arthur Young & Company.

With additional study of accounting and a review course from Paul Esquerre, Nissley passed the CPA exam and received the certificate from New York State in 1923. He was also certified in Pennsylvania and was a public accountant in Illinois. [*The New York Times*, p. 27.]

et al., *Accounting historians notebook*, 1982, p. 108. In a speech on the experiences of the Bureau for Placements at the annual meeting of the Institute on September 18, 1928, Nissley took the opportunity to express his views on the education of public accountants. He believed that a technical school, operated independently or as a part of an existing institution, should be developed specifically to train public accountants. Only students who had successfully completed at least two years, preferably three or four years, of study in cultural courses at a recognized college should be accepted for the study of accountancy. Such a school, which he noted did not exist, "would be of incalculable value in elevating the standards of accountancy practice, . . ." [Nissley, 1928, p. 8.]

Nissley deeply believed that the firm and the profession could be elevated through better education, selection, and training of personnel. As a result, he crusaded for change within the firm and the profession. In 1936, he undertook the firm's first recruitment interviews on a college campus. In order to bridge the gap between theory and practice and to reduce the fifteen years normally required to advance to senior level, Nissley established the firm's staff school in 1937. [Horn, pp. 73-76.]

Higgins described Nissley as the firm's "crown prince." He was admitted to the Arthur Young & Company Management Committee in 1940. In the forties, Nissley became involved in most of the important aspects of the firm. Not only did he have charge of a number of the important clients in New York, he had close personal ties with many of their top executives. In professional circles, Nissley was so well known that many people assumed he was the managing partner of the firm. It was generally expected within the firm that he would become managing partner when Jim Burton retired at the end of 1951. [Higgins, pp. 211-212.]

PROFESSIONAL ACTIVITIES

For more than twenty-five years, Warren Nissley was deeply involved in the committees and activities of the American Institute of Accountants and the New York State Society of CPAs. Now some of his professional activities will be reviewed.

Special Committee for Placements. Nissley conceived, organized, promoted, and chaired the Special Committee for Placements which the Institute established in 1926. The objectives of the Special Committee were to attract college graduates, place them with public accounting firms, and reduce the dependence on part-time personnel. In an effort to attract college graduates, the Special Committee published the first official Institute pamphlet promoting accounting as a career. The placement activities were carried out through the Bureau for Placements. ["Warren W. Nissley," p. 188.]

This Institute program brought about, or at least significantly contributed to, the trend toward hiring of college graduates by public accounting firms. In addition, better relations were established between academics and practitioners which resulted in improvement of accounting education.

Committee on Education. During the thirties, Nissley was outspoken in calling for professional schools of accountancy to train students specifically for careers in public accounting. He also advocated raising the educational requirements for CPA candidates. In working toward these ends, he served on the Institute's Board of Examiners, 1933-34, and the Committee on Education, 1934-36.

The recommendations of the Committee on Education during Nissley's tenure were extraordinary. How much Nissley influenced the Committee is difficult to determine. However, several speeches he made during 1934-36 indicated his general agreement with the Committee's recommendations.

Based partly on a survey of the accounting courses in 123 colleges and universities, the Committee concluded that the profession should recognize the inadequacy of its educational requirements and the need to adopt an educational program that would provide better graduates for the profession. The Committee stated that the Institute would render a valuable service to accounting education by: 1) formulating a policy specifying educational standards, 2) encouraging the improvement of educational programs in schools of business with the possibility of organizing separate professional schools of accountancy, 3) supporting legislative action for higher educational requirements, and 4) strengthening of the CPA examination. [1935 *Yearbook*, pp. 283-285.]

The Council of the Institute expressed general approval of the 1935 Committee's report and instructed it to develop specific recommendations. In compliance with the Council's instruction, the 1936 Committee proposed that four years of college be the minimum education for

Continued

accountants. The program of study should not exceed 120 semester hours consisting of 60 hours of cultural subjects and 60 hours of professional subjects. The Committee also recommended the development of a set of standards to be used for rating of schools offering professional training in accountancy. The Committee stated that professional training in accountancy would, in a few years, require five years of college. [1936 *Yearbook*, pp. 441-442.]

These recommendations were radical because a college education was not required for entering public accounting. However, the Council went on record approving college training as preparation for the profession and authorized the Committee to continue its efforts to establish standards for accounting education.

Committee on Accounting Procedure. Nissley served on a number of committees of the Institute dealing with technical issues. He was an active member of the Committee on Accounting Procedure for nearly ten years, 1938-47. Partly as a result of his efforts, it was recommended to the Council in 1938 that the Committee be enlarged and that a research division be established. Both recommendations were approved. The Committee was enlarged from seven to twenty-one and became more representative of the profession, since firms of various sizes and some accounting educators were included.

Committee on Personnel Selection. In the early forties, Nissley believed that the profession needed a more effective personnel screening process to replace the trial and error approach then in use. He conceived the idea of using vocational and achievement tests in selection of students wishing to enter the profession and won approval for development of a testing program from the Council of the Institute despite opposition and much inertia. ["Warren W. Nissley," p. 188]. The Committee on Personnel Selection was established to direct the testing project development. Nissley served as the Committee chairman from its inception in 1943 until 1947. This Committee spearheaded the validation of the accounting segment of the Strong Vocational Interest Test and development of the Orientation and Levels I and II Achievement Tests. In addition, Nissley advocated a personnel-reference service for students having completed the testing program. That service was about to be launched at the time of his death. ["Warren W. Nissley," p. 188].

Other Activities. Nissley also served on the Executive Committee, Council, and a number of other committees of the Institute. He had been

News, Vol. 54 (1982), No. 4, four months before his death.

Nissley's professional activities were not limited to the American Institute of Accountants. He was a member of the New York State Society of CPAs and served as a Director and on several committees including the Legislation Committee, Committee on Education, and Committee on Accounting Procedure.

Nissley served during World War II as Special Consultant to the Under-Secretary of War. As a result of his efforts, the civilian-operated pilot-training schools were put on a sound financial basis. He later participated in the study to improve procedures of renegotiating war contracts. In addition, Nissley lectured at Columbia University and contributed many articles to accounting publications. He was in frequent demand as a speaker.

This brief profile of Warren W. Nissley identifies some of his contributions to the profession, education, and society. He was a man of vision and is deserving of recognition.

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A PLEA FOR ACCOUNTING ARCHIVAL RECORDS

by

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and

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Important aspects of financial, economic and social history depend on the availability of archival source material. The archives department at most libraries has vast holdings of old manuscripts authored by writers both famous and not-so-famous. Also, political papers are widely available as almost every former Congressman has donated complete files to libraries for the benefit of future historians. These political papers usually include every document with which the politician ever came in contact. For some reason, political figures feel that the documentation of American history would be inadequate without the notes to their milkmen.

Unlike political records and writers' manuscripts, business records are not nearly so common. In fact, the shortage of business archival records presents a hardship for many college students who would like to do accounting history research. The lack of business records in library archives is due to a number of reasons. First, most businessmen are not aware that their records are of academic importance. Whereas politicians sometimes overestimate the value of their papers, business managers tend to err in the other direction by underrating their documents. The second reason for the scarcity of historic business papers is that some businessmen may fear that competitors might obtain trade secrets if records are made available in a public library. This objection can usually be overcome by not placing the most recent records in the archives. After all, how much damage could a competitor cause with data applicable to 1945 and earlier? The third reason that business records are scarce in archival collections is that archivists have typically been indifferent toward, and unappreciative of, commercial documents. Archivists traditionally have been librarians with no business background. Consequently, they did not understand the importance of old journals, ledgers, cancelled checks, financial statements, trial balances, and other forms of business correspondence.

The objective of this article is to combat the first two of the above reasons; that is, to convince business managers that their records are academically important and should be donated to library archives. The problem of overcoming the indifference of librarians can only be overcome by future use of those business documents that are made available.

Importance of Old Business Records

Perhaps the easiest way of explaining why old business records are important is to quote Cicero, the famous Roman.

If no use is made of the labors of past ages, the world must remain always in the infancy of knowledge.

In other words, accounting history should be studied in order to avoid repeating the same mistakes in the future.

Accounting techniques are a product of their environment. Consequently, a study of past accounting practices, and the environment in which they thrived, can lead to a better understanding of the present, and to development of new ideas for the future. The importance of a knowledge of the past cannot be overemphasized. There has often been inadequate research performed in the area of business history. As a result of this, there have been many "rediscoveries." This means that many modern attempts at innovative business management are just repeats of methods tried and abandoned in the 19th century. Thus, one of the overall objectives of accounting history research is to "rediscover" a few things before too much effort is spent by others in "discovering" for the first time. The shortage of archival records, however, hinders research of early accounting practices.

Continued

Advantages to Business Of Donating Records

There are advantages to a company, or individual, that donates old business records to a library archives. Probably the biggest advantage to a firm is that a lot of storage space is freed up for more productive use. A century's accumulation of records can fill many file cabinets. Since these records are rarely used within the firm, it is good management to let the library take over the storage duties. And if the firm ever did need access to the records for any reason, they would be available.

Another advantage to businesses who donate old records is that they may get a company history written at no charge to the firm since doctoral students in history, economics and business could all utilize the records for writing dissertations. Faculty members, who are expected to "publish or perish," might also use the records in writing books and articles. Finally, an individual donating records (perhaps from Granddad's store) may be able to get a charitable contribution tax deduction.

Types of Records Needed

Records of all types of businesses are desired. Generally, the older the records are, the better. Although pre-1900 records are of most value to scholars, documents up to 1945 can also be useful. Some archival collections consist of only one volume—a journal or ledger. The largest collections consist of all of a firm's records (journals, ledgers, cancelled checks, cancelled stock certificates, financial statements, copies of tax returns, invoices, and business correspondence) for periods of many decades. Records covering many years are particularly desirable in that they permit researchers to examine business practices under varying economic conditions.

The quantity of records available in most libraries is minimal. The best collections of archival business records are at Harvard and the University of Virginia. The abundance of records in those collections can be attributed to the fact that the archival facilities were made known to businessmen. If more business records were made available to the public, the world could perhaps be better appraised of various economic contributions. And maybe accounting research would be simplified since rediscoveries would no longer be necessary.

In the opinion of these authors, it is the responsibility of all members of the Academy to enrich the data base available to accounting historians. Members can do this by encouraging businesses to donate old records to established archival facilities. The job does not stop there. In

addition, members must convince their university archivists of the value of old accounting records. In fact, members should establish a working relationship with local archivists. Only through a united effort will more accounting history material be made available. And at the local level, it is the individual member who is responsible for the future of accounting history research.

**HELP NEEDED IN SAN DIEGO**

The Academy of Accounting Historians usually has a booth at each annual meeting of the American Accounting Association. The purpose of the booth is to generate interest in accounting history and to sign up new members. Academy publications are also distributed at the booth. In addition, Pete McMickle, who is in charge of the booth, usually has several of his rare books on display.

Volunteers are needed to work in the booth during this year's convention in San Diego (August 16-18, 1982). If you would be willing to devote one hour or more of your time to the Academy, please contact Pete McMickle, Department of Accountancy, Memphis State University, Memphis, Tennessee 38152.

VIDEOTAPE SERIES LIBRARY

The Academy sponsors a videotape lending library for the benefit of members in the United States. The series was funded by a donation from the Touche Ross Foundation. Nine tapes (each one-hour in length) may currently be borrowed for use in accounting theory and history courses. The tapes were originally filmed during the early 1960's. The subjects appearing on the 3/4 inch (U-matic type) tapes are: Mautz and Trueblood (two tapes), Bevis and Davidson, Blough, Carey, Paton, Chambers, Littleton, and Sprouse and Moonitz. There is no cost to the members borrowing the tapes, other than the return postage. Tapes may be kept for one week at a time. The videocassettes can be played on equipment available at most campuses. A brochure will be prepared in the near future describing the contents of each tape. In the meantime, members who wish to use any of the nine tapes mentioned above should contact the Academy's Curator of the Tapes: Dale L. Flesher, School of Accountancy, University of Mississippi, University, MS 38677.

The Fourth International Congress of Accounting Historians will be held at the University of Pisa from August 23 thru August 27, 1984. The topic of discussion will consist of the following: the history of accounting prior to 476 A.D.; the Early Middle-Ages up till 1096; the Late Middle-Ages up till 1494; Modern Times through 1880, and finally the Present Day.

The Organizing Committee invites all those who plan to attend to bring some factual contribution. A copy of the report should be submitted prior to June 1983.

Due to inflation, the cost of the subscription and the stay over in Pisa are impossible to determine. Information concerning the costs will be contained in a circular during 1983.

The Congress promises to include several distinguished dignitaries. Presently, professors Egidis Giannessi and Tommaso Zerbi (Italy), Osamu Kojima (Japan), Paul Garner (U.S.), Ernest Stevelinck (Belgium), and Basil S. Yamey (U.K.) are expected to attend. Details as to how to submit papers will be sent out later this year or in early 1983.

Professor Dr. Tito Antoni, Secretary
of the Congress, University of Pisa

TORTURED SLAVES MAKE THE BEST ACCOUNTANTS

(Excerpted from the newsletter of the Tennessee Society of CPAs).

The ancient Greeks circa 1400 B.C. were very warlike and had little use for writing, arithmetic or accounting. Therefore, slaves were often used to keep the king's accounting records. Slaves were preferred as accountants because the law forbade torturing free men. Thus, the statements of a slave under torture were considered more conclusive evidence than those of a free man under oath. This crude method of obtaining reliable financial data was an effective and generally accepted auditing procedure.

VIRGINIA RECEIVES ERIE LACKAWANNA ARCHIVES

Do you remember the movie "Iron Horse" where Dale Robertson wins a bankrupt railroad? The University of Virginia finds itself in the same situation. The Norfolk & Western Railway Company recently donated its Erie Lackawanna Railway division to the University's Darden Graduate School of Business Administration. Unfortunately, the Erie Lackawanna has been in bankruptcy proceedings since 1972. While the school could be stuck with responsibility for paying off millions of dollars in creditor claims, the possibility seems unlikely.

The donation does have one benefit. For the educator, the corporate records will provide a bonanza of case studies on how the Erie Lackawanna reached its present state. Also, accounting historians can no doubt find much in the way of meaningful research material in a horde of this size. Rarely is such a large and complete collection of archival materials made available to researchers.

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Kennedy, Janice M., "The Relevance of Accounting History," *Beta Alpha Psi Newsletter* (Winter, 1981), p. 3.

Meissner, Dennis E., "Accounting Records Common to 19th and 20th Century Businesses," *Midwestern Archivist* (Vol. 5, No. 2, 1981).

Wesson, Kenneth R., "The Southern Country Store Revisited: A Test Case," *The Alabama Historical Quarterly* (Fall and Winter, 1980, pp. 157-166).

(EDITOR'S NOTE: Readers are urged to bring accounting history articles to the attention of the editor for use in this column).

which culminated with the anniversary edition at the fourth dinner meeting. The advisor decided to use the first three programs as preparatory to the fourth by dividing two of the textual parts, the chronology and the narrative, into 25 year segments. This decision made the textual components of the first three programs different and, hopefully, increased the readers' appetites for the celebration. Since ads were sold for the booklets, this approach had further merit. The writer decided to write the narrative on a goal-oriented basis. The 14 goals of the Rhode Island Society through the years were generalized as being: (1) legality, (2) education, (3) ethics, (4) relations with national and regional accounting groups, (5) social relations, (6) public relations, (7) administration, (8) relations with the credit and legal communities, (9) relations with educational institutions and their accounting students, (10) concern with smaller CPA practitioners, (11) member recognition, (12) public service, (13) lobbying for tax and other accounting matters, and (14) improved accounting practices. The major events listed from the analysis of the minutes books were catalogued into these 14 groupings and became the basis of the narrative.

Another segment of the anniversary edition was the writer's view of "The Rhode Island Society of CPAs in the Year 2005." The 14 point approach used in the narrative was also used here and did provide some continuity. This segment of the program is a good vehicle to prepare members of the Society for change.

The writer enjoyed the segment on "Outstanding Members" a great deal, as the Society has had a truly outstanding membership roll, including the first CPA governor, Christopher DelSesto, a Commissioner of Internal Revenue, Russel C. Harrington, and an administrative Vice President of the AICPA, John L. Carey. A total of 15 past and present members were chosen by the writer and the Anniversary Committee. There was not the time for the membership involvement in the selection process that the writer wanted. He recommends an approach of the membership nominating past and present members who are either deceased or over a certain age. Brief biographies of these 15 members were printed in the Anniversary Edition and the 11 living honorees were feted at the Anniversary Dinner.

The writer has hopefully helped convince fellow members of the Academy of Accounting Historians that a Society of CPAs history is possible for each

jurisdiction and that it should be attempted. The writer urges also an immediate project to collect archival items in each Society, to list them, and to store them in a safe place. Since 1987 will mark the centennial of the AICPA, the AICPA should consider a national project of collecting a history for each Society for display during the centennial celebration.



REPORT FROM ERNEST STEVELINCK

A letter has been received from Ernest Stevelinck of Belgium thanking the Academy for the magnificent plaque sent to honor him on his selection for life membership. Stevelinck's selection for life membership was based primarily on his near-life-long study of the iconography of Luca Pacioli (a subject upon which he spoke at the 1980 Third World Congress of Accounting Historians in London).

Stevelinck noted that he had corresponded with Tito Antoni, who is in charge of the Fourth World Congress which is to be held in Pisa in 1984. Antoni recently spent considerable time in South America and reports that the Venezuelians, Peruvians, Bolivians, Argentinians, and Brazilians all pledge their cooperation for the 1984 meeting. Also, the rumor is that the South American accounting historians plan to request that the Sixth World Congress be held in Caracas in 1992 to commemorate the celebration of the 500th anniversary of the discovery of America. The Fifth World Congress is tentatively scheduled for Sidney, Australia, in 1988 (to be held in conjunction with the 100th anniversary of the accounting profession in Australia).

The quadrennial World Congress meetings are the epitome of accounting history meetings. All members of the Academy should be planning now for their 1984 trip to Pisa. It would be a good opportunity for a tax deductible trip to Italy.

LIBRARY SUBSCRIPTIONS TO ACADEMY PUBLICATIONS

Does your library subscribe to the ACCOUNTING HISTORIANS JOURNAL and the ACCOUNTING HISTORIANS NOTEBOOK? If not, urge your periodical librarian to place an order. You will be helping both the Academy and your own students.

HENRY SWEENEY AND STABILIZED ACCOUNTING

by

Walker Fesmire

Eastern Michigan University

Since the mid-1960's, inflation has been exacting a heavy toll from American business and the American Public. During this period, the Accounting profession has studied the problem of price-level changes and has issued many pronouncements upon the subject. Thus, the public assumes that the theory of handling price-level changes is a recent development. This is an incorrect view as accounting theorists were concerned with and were writing about the problem as far back as 1920. One of these early individuals, who considered price-level accounting in depth, was Henry Sweeney. This article will present a brief biographical sketch of Sweeney encompassing the circumstances which led to his interest in stabilized accounting and will trace his professional activities related to stabilized accounting.

During the 1920's, Sweeney reworked and consolidated the ideas of the Europeans, who wrote during the post World War I period, into a proposed method of inflation accounting for America. His proposal was contained in a group of articles and in his dissertation which later became his book, *Stabilized Accounting*, originally published in 1936.¹ Sweeney's proposal did not receive much consideration during the 1930's because inflation was not then a problem facing American society.

Biography of Henry Whitcomb Sweeney

Henry Whitcomb Sweeney was a lawyer and an accountant who had among his many accomplishments the honor of serving as the Deputy Assistant Secretary of Defense during 1964 and 1965. Earlier, he had formed and supervised the Defense Contract Audit Agency for the Defense Department. From 1951 to 1953 he served as a special consultant to the Defense Department.

Mr. Sweeney's professional life extended over a broad range of activities. He was a university educator, a federal government administrator, an attorney, and a public accountant. He was a Certified Public Accountant in seven states² as well as an attorney admitted to practice before the U.S. Supreme Court, the U.S. Court of Claims, and the

U.S. Tax Court.³ He began his professional career as a faculty member at the University of Wisconsin, Madison, from 1921 to 1923. For the academic year 1924-25, he was Assistant Professor of Accounting at the University of Pittsburgh. In 1925, he returned to New York City to enter public accounting. Between December 1925 and April 1934, he practiced with three New York City public accounting firms before becoming Assistant Comptroller of C.I.T. Corp. of New York from April 1934 to April 1935.⁴

In May 1935, Mr. Sweeney left New York City for Washington, D.C., where he served as an Accounting Supervisor and Depreciation Expert with the Federal Communications Commission until July 1935. Then he transferred to the Farm Credit Administration as a Senior Land Bank Examiner until August 1939.

In the summer of 1939, he was appointed Chief Accountant for what was to become the Navy Board of Contract Appeals. During 1940 and 1941, he employed and trained most of the Navy Board's civilian "cost inspection" personnel, whose responsibility was the auditing of the records of private firms holding cost-type contracts with the War and Navy Departments. In early 1943, as a result of his experience with the law of government contracts, he was offered the Washington partnership of the New York City law firm of Leve, Hecht and Hadfield. He accepted the post. In 1943, with the firm's approval, he opened his own CPA firm, Henry W. Sweeney and Co., in New York City, to serve clientele who required specialized legal-accounting assistance with government contracts and income taxation. In 1944, he withdrew from the law firm and transferred his endeavors to his public accounting practice. There he remained except for short leaves of absences for other work such as two years as Deputy Assistant Secretary of Defense. Mr. Sweeney maintained his CPA practice on Wall Street until shortly before his death, when he sold his practice to and joined Main, LaFrentz, and Co. as a general partner.

During his professional career, he held membership in many professional organizations

related to the fields of accounting, law, and government service. He served as Federal legislation editor for the *Georgetown Law Review* from 1937 to 1939 and as assistant editor of *The Accounting Review* from 1936 to 1940. From 1936 until his death, he served as adjunct professor of law or accounting or both, first at Georgetown University and then later at Columbia.

Four books on accounting and income taxes were authored or co-authored by Mr. Sweeney. He also contributed many articles to accounting and business journals on topics as varied as stabilized accounting, income taxes, and government contracts. His best known work was his doctoral dissertation, *Stabilized Accounting*, which was published as a book. In order to expand and treat the subject of stabilized accounting more fully, he contributed fifteen articles to various journals on the subject. Among his published books were *Bookkeeping and Introductory Accounting*; *Tax Effects of Operating as a Corporation or Partnership*, with H. Shockey; and *Taxation and Business Planning*, with H. Shockey And G. P. Brady. At the time of his death, he was working on a book which was to have been entitled "The Defense Contract: A Critique."

Stabilized Accounting

Sweeney's association with the subject of stabilized accounting extended over a period of forty-two years. His involvement with the subject matter was intense during the early years of his career, but diminished to little involvement after 1936.

After passing his comprehensive examination for the Doctor of Philosophy degree in May 1924, he selected the area of valuation theory for his dissertation topic. He noted that he had been singularly unimpressed by the orthodox rules of valuations. He was dissatisfied with the valuation process of the mid-1920's. He expressed his negative view of valuation.

The whole valuation process, dictated by conservatism, expediency, and practicality, seemed a mere conglomerate hodge-podge, largely because of the continuing reliance on original (or, as it was often called, aboriginal) cost.¹

He thus set out to improve the valuation process. As he considered various valuation theories, he found himself continuously having to deal with the problem of fluctuations in the purchasing power of the dollar. Since he was unable to work into his valuation theory the effects of the changing

purchase power of the dollar, his attempts to develop a better valuation method was stymied.

His ensuing frustration ended when he realized that the old, easy-going treatment of a dollar as always remaining the same in value had to be discarded. He asked how could he measure with a ruler that was twelve inches long at one date, seven or eight inches at another date, and perhaps twenty or twenty-four at still another? Before he could proceed with any sound measurement of values, therefore, he had to have a sound money unit of measurement. At that moment "stabilized accounting" was born.

In the fall of 1925, Sweeney left his teaching position at the University of Pittsburgh and returned to New York City. His decision was strongly influenced by comments made to him by Professor Roy B. Kester, his dissertation advisor at Columbia. Professor Kester advised him that theory alone, regardless of how intellectually stimulating it might be, would not be acceptable as a dissertation: any valuation theory would have to be applicable to actual accounts. Realizing that he must test his theory in practice, using real accounts, Sweeney returned to public accounting. It was here, in his early years in public practice, that stabilized accounting reached full development.

Recognizing that Germany, in the years immediately following World War I, had undergone the most extreme inflation in history, Sweeney decided to investigate the German post-World War I inflation experience for ideas that would lead to a practical solution. He mastered the technical procedures of the German experience and published his first article on stabilized accounting entitled "Effects of Inflation on German Accounting." It was included in the March 1927 issue of the *Journal of Accountancy*.

In May 1927, he submitted the first draft of his dissertation to the Hart, Schaffner and Marx Economic Contest. The manuscript won the contest and he would have been awarded a \$500 prize if he had had it ready for publication by Houghton, Mifflin and Company within two years. Sweeney, however, chose not to claim the prize but to concentrate on improving his theory by incorporating ideas from the French books and pamphlets on inflation accounting which were beginning to appear. The French literature, having benefited from the earlier German experience tended to be more mature, concrete, and practical. Consequently, in order to enhance the soundness, completeness, and workability of his theory, he continued work on it, allowing the prize to lapse.

After successfully defending his thesis in early 1933, the awarding of the Ph.D. awaited its

publication. Realizing that Accounting historians noted that the concepts contained in ARS 6 were his.

and that it contained numerous tables which made it too expensive to publish, he developed a plan which enabled him to reduce the size of his manuscript and still keep his theory intact. He had already been parceling out sections of the manuscript for publication in magazines, mostly in the *Accounting Review*, although he had planned to include them in the final book. About 1932, however, he developed the plan of having the lengthy explanations of the new fundamental concepts published as magazine articles only and of then summarizing them in the manuscript and referring to them in footnotes. By this method, he was able to reduce greatly the length and complexity, hence cost, of the final book while preserving its breath of coverage. Magazine editors welcomed this approach because it presented a thought-provoking set of new unified principles and techniques based on foreign experiences.

In 1936, Harper and Brothers published *Stabilized Accounting*. However, its publication did not interest the accounting profession in the problem of the unstable dollar. Sweeney recognized that the publication of his work had been ill-timed and explained the accounting profession's lack of interest thus:

The probable reason is not at all mysterious. It is simply that a period of general economic depression does not cause much fault to be found with conventional accounting (although it should).⁶

After publication of *Stabilized Accounting*, Sweeney shifted his interest to other pursuits such as law and public accounting. He noted that he felt he had done all he could in the field of valuation and thus turned his attention toward becoming an attorney.

Between 1936 and 1964, Sweeney occasionally lectured on stabilized accounting. He produced only one written piece on the subject during this period: in 1960, he submitted an essay on valuation-depreciation accounting to the Columbia School of Law as a requirement for the Master of Laws degree.

In 1964, he prepared a detailed critique of Accounting Research Study (ARS), No. 6, *Reporting the Financial Effects of Price-Level Changes*, for the October 1964 issue of the *Accounting Review*. His reaction to Accounting Research Study No. 6 was three-fold. He was encouraged that the topic was now being seriously considered but disappointed that the accounting profession had been so slow in considering it and

"Stabilized Accounting" appeared in 1936 and, as far as I know, antedated by many years any similar complete exposition, in even booklet form, in the English language. Furthermore, as far as I know, it presented the first complete and realistic treatment, in any language, of gains and losses from changes in the value of money. (The early pioneer accountants in Germany and France had not had the time I had to work it out. Nor had they had the good fortune, as I had, to find the foundation of stabilized accounting already in place for them to build on.)

As partial compensation for the time, effort, and money that I spent in writing "Stabilized Accounting," I cherish the belief that it was the first fully-formed and mature exposition of what is bound to become a new branch of conventional accounting. . . . in 1937. . . . Victor Stumpf, . . . senior partner of Touche, Niven and Co., jocularly told me that I was "fifty years ahead of my time." The first half of the period has now elapsed. I shall be content if the second half sees the fulfillment of his flattering prophecy.⁷

Henry Sweeney could be referred to as the father of changing price accounting in the United States. Indeed, his contributions served as the foundation for much of the later developments in the field. Although Sweeney's theories were not picked up by others during the 1930's, the reason was because of the economic conditions of the time. Eventually, in 1979, most of his ideas were incorporated in Statement of Financial Accounting Standards No. 33. As the previous quote indicated, Sweeney was certainly ahead of his time.

FOOTNOTES

¹This book has been published by three different publishers. Harper and Row originally published it in 1936; Holt, Rinehart and Winston published a Revised Edition in 1964; a Reprint Edition of the original was published by Arno Press in 1978.

²Sweeney, Reprint Edition, p. 223. (Certified Public Accountant-Illinois, 1923; Wisconsin, 1923; New York, 1930 Louisiana, 1931; Arkansas, 1931; New Hampshire, 1935; District of Columbia, 1935.)

ANNUAL MEETING IN SAN DIEGO

³Contemporary Authors, *A Bio-bibliographical Guide to Current Authors and Their Works*, edited by Ethridge, James M., and Barbara Kopala, Gale Research Company, Detroit, Michigan, 1967, Volume 17-18, pp. 382-3.

⁴Sweeney, Reprint Edition, pp. 221-222. (The firms were Price, Waterhouse and Company, December 1925 to June 1931, rising to Supervising Senior Accountant; S.D. Leidesdorf and Co., December 1932 to May 1932, as a Supervisor; R. G. Rankin and Co., December 1932 to April 1934, as a Supervisor.)

⁵Sweeney, Revised Edition, p. XVIII.

⁶*Ibid.*, p. XXV.

⁷*Ibid.*, p. XXXVIII.

The Academy of Accounting Historians will hold its annual business meeting on Monday, August 16, 1982, at the Stardust Hotel and Convention Center in San Diego, California. This is across the street from the Town & Country where the American Accounting Association will be held. The schedule of events will begin with a Trustees' Meeting from 7:30-9:30 a.m. in the Gold Room. This will be followed by the General Business Meeting from 9:30-11:00 a.m. in the Terrace Room.

For those wanting to make reservations, they may write the Stardust at 950 Hotel Circle, San Diego, California 92108, or call (714) 298-0511. All members who are in the area are urged to attend this year's meeting.

The Accounting Historians Notebook
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