

Accounting Historians Notebook

Volume 6
Number 2 *Fall 1983*

Article 11

Fall 1983

Accounting historians notebook, 1983, Vol. 6, no. 2 (fall) [whole issue]

Follow this and additional works at: https://egrove.olemiss.edu/aah_notebook



Part of the [Accounting Commons](#), and the [Taxation Commons](#)

Recommended Citation

(1983) "Accounting historians notebook, 1983, Vol. 6, no. 2 (fall) [whole issue]," *Accounting Historians Notebook*: Vol. 6 : No. 2 , Article 11.

Available at: https://egrove.olemiss.edu/aah_notebook/vol6/iss2/11

This Article is brought to you for free and open access by the Archival Digital Accounting Collection at eGrove. It has been accepted for inclusion in Accounting Historians Notebook by an authorized editor of eGrove. For more information, please contact egrove@olemiss.edu.



The Accounting Historians NOTEBOOK

Vol. 6, No. 2

© Academy of Accounting Historians, 1983

Fall, 1983

HOW TO USE CONTENT ANALYSIS IN HISTORICAL RESEARCH

by

Marilyn Neimark

Baruch College—The City University of New York

This paper illustrates the use of a content analysis in historical research. The purpose of a content analysis study is to illustrate the ways in which an individual organization participates in the processes of social change.

A business organization is viewed as both a product and a creator of its socio-historical environment. The overlap emphasizes the extent to which the organization comprises part of the environment as well as the extent to which the environment permeates and constitutes the organization. As individual firms strive to construct more profitable conditions for themselves, they introduce technological, social and organizational innovations that, if they are successful, are adopted by other firms and collectively transform the context in which the firms are situated, and hence their own existence as well. Although intended as resolutions to previously experienced constraints to continued capital accumulation, these innovations also introduce a number of contradictions into the social system that subsequently appear as new impediments that threaten both the reproduction of individual firms and ultimately that of the broader social system as well. These impediments are experienced by individual firms as a fall in the rate of profit and insufficient effective demand in relation to productive capacity, and provide the motive force for a new round of innovations. It is the dynamic and dialectical interplay of impediments to capital accumulation and resolutions of these impediments that describe the processes of social change examined in the study.

An example of these processes is provided by assembly line methods of production. The assembly line was a significant technological innovation and "the best-known symbol of modern mass production" (Chandler, 1977, p. 208). It increased management's control over the means of production and the work force by providing unambiguous direction as to what operation each worker was to perform next; and by establishing the pace at which the worker was to perform each task (Edwards, 1979, p. 118). On the other hand, the new technology, which represented a structural resolution of increasing labor conflict at the turn-of-the-century, raised that conflict from the individual workplace to the plant-wide level and facilitated the development of industrial unions: "when the line stopped every worker necessarily joined the strike" (ibid). The resolution of this new dimension of labor-management conflict was the post-WWII collective bargaining agreement in which management traded-off higher wages and benefits for the unions' agreement to accept the sanctity of management rights over pricing and the organization of the work process, bureaucratic grievance procedures that effectively removed disputes from the shop floor and limitations on the right to strike (Sloan, 1964). The inflationary bias inherent in these agreements and the relatively rigid internal plant structures they institutionalized emerged as new impediments to capital accumulation in the 1970s.

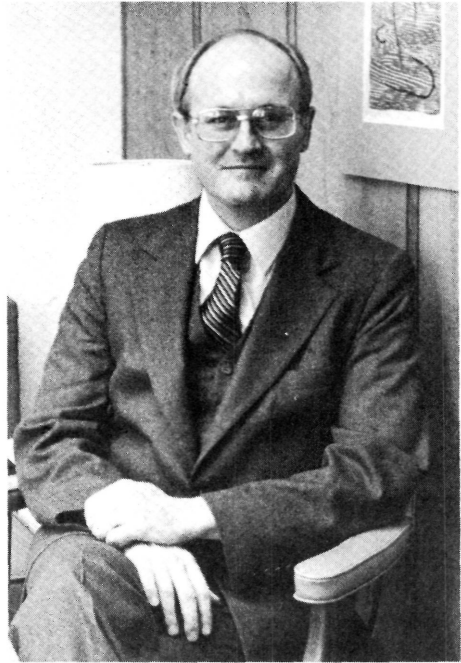
Continued on Page 19

Accounting Historians Notebook, Vol. 6 [1983], No. 2, Art. 11
MESSAGE FROM THE PRESIDENT

The Academy's strength and vitality were evident at our well-attended, spirited meetings in New Orleans this August. Despite a levelling-off in membership we have extended our reputation and influence considerably in the past few years. A sign of this extension is the growing awareness by accountants of history's importance. One sees this in references that accounting authorities make both to publications of the Academy and to writings by Academy members. The discussions in August at our Academy meetings and at the AAA technical session on accounting history revealed the strong sense of obligation among our members to make the past exciting and relevant to contemporary accountants.

One person whose work exemplifies the historians obligation to make the past accessible and exciting to nonhistorians is Richard P. Brief, recipient of this year's Hourglass Award. It was my pleasure in New Orleans to recount Dick's many important contributions to scholarship in accounting history. Among his numerous articles that make the past exciting and relevant to accountants, two stand out in my mind: "19th Century Accounting Error" in the Spring, 1965 *Journal of Accounting Research* and "The Accountant's Responsibility in Historical Perspective" in the April, 1975 *Accounting Review*. In addition to publishing many articles on the subject of accounting history Dick is also known for his prodigious efforts to make accounting's past accessible to scholars by editing 156 volumes for Arno Press and 40 volumes for Garland Publishing. We are indebted to him for what he has done and we look forward to more of his work in the future.

It was an honor and a pleasure to serve as President of the Academy for the past two years. I thank you all for your support and encouragement and I ask that everyone extend the same cooperation to Ed Coffman when he becomes President in January. Best wishes for a peaceful and productive 1984.



H. THOMAS JOHNSON

MANUSCRIPTS AND SHAGGY DOGS 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.

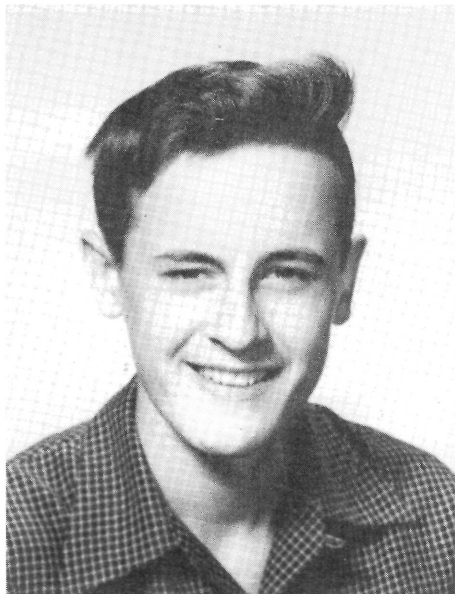
THE ACCOUNTING HISTORIANS NOTEBOOK

The Academy of Accounting Historians
Box 658
Georgia State University
University Plaza
Atlanta, Georgia 30303

Editor: Dale L. Flesher
School of Accountancy
University of Mississippi
University, Mississippi 38677

BIG CONTEST NUMBER THREE

The previous issue of THE NOTEBOOK included a contest wherein readers were challenged to guess the identity of a well known accountant who was pictured. Several members correctly identified the person holding the fish as Gary John Previts of Case Western Reserve University. Previts is one of the Academy's founders, a former president, and currently the Academy's corporate agent. The earliest postmarked entries were received from Richard Taylor of Auburn University at Montgomery, Alabama, and Terry Sheldahl of Millsaps College in Jackson, Mississippi. Interestingly, both of these correct respondents worked under Previts' tutelage at the University of Alabama a few years ago when that institution was the Camelot of accounting education. Several other members of the Academy correctly identified Previts, but their responses were post-marked too late to win the prize. These individuals included Ron Huefner of State University of New York at Buffalo and Hans Johnson of the University of Tulsa. Hans Johnson's letter of identification was written in Johnson's own inimitable style and included the following sentence: "I don't know who the dumb looking kid is, but the fish sure looks like Gary John Previts."



GUESS WHO?

There were also several incorrect responses to this contest. Various individuals identified the boy in the picture as Paul Garner, Herbert E. Miller, and Academy president, Tom Johnson. It is amazing how all accountants seem to look alike.

Although the second contest was more difficult than the first, there were (in the opinion of this editor) still too many correct respondents. Thus, the contest in this issue is going to be a little tougher. In fact, I know who sent me the picture and I cannot recognize him. The picture was taken in 1952. Thus, the individual pictured is in his mid to late 40's. He is a long-time American member of the Academy, but has both lectured and taught in other countries. He holds degrees from both an Ivy League school and a Big Ten school.

If you think that you can identify the person in the picture, send your answer to the editor of THE NOTEBOOK at the editorial address. To allow for the delay in the mail service of our foreign members, there will be two prizes awarded. One prize will to the first correct answer (based on earliest postmark) from a member in North America. The other prize will be awarded to the first correct respondent from a country outside of North America.

Who is eligible to enter? All members of the Academy of Accounting Historians are eligible except for officers.

What do you win? The prizes for contest number three will be the same as those for number two, and they are really good. The first respondent in each category will receive a book authored by the editor of THE NOTEBOOK entitled *Accounting for Advertising Assets*.

Be sure to read this column in the next issue of THE NOTEBOOK to learn the identity of the individual in the photo and to learn the names of the contest winners.

Accounting Historians Notebook, Vol. 6 [1983], No. 2, Art. 11
**HOURGLASS AWARD WON BY
RICHARD BRIEF**

Richard P. Brief, a professor at New York University, is this year's recipient of the prestigious Hourglass Award for his contributions to the history of accounting thought. The Hourglass Award is presented annually to a person(s) who has made a significant contribution to the study of accounting history.

Professor Brief received both his bachelors and masters degrees from Dartmouth College. He received his Ph.D. from Columbia University in 1964. Prior to going into Academe, Brief worked for Arthur Andersen & Co. in New York. He has also taught at Columbia University, City College of New York, and Brooklyn College. Brief has been a visiting professor at Dartmouth and at Catholic University of Rio de Janeiro. He is a long-time member and former president of the Academy of Accounting Historians.

Dr. Brief's contributions that won him the Hourglass Award included his publication of many articles in the field of accounting history and the editing of 196 classic accounting books which have been reprinted by Arno Press and Garland Publishing Co. Brief was the advisory editor for three series of books, totalling 156 volumes, published by Arno Press from 1976 to 1980. An additional forty volumes have recently been published by Garland Publishing. Through his efforts, Brief has made available to the average person those works which either would not have been available at all, or available only at prohibitively high prices. Indeed, Brief's editorial activities may have done more to advance the study of accounting history than has the work of any other individual before him. Professor Brief is certainly deserving of the Hourglass Award.

In addition to his editorial activities, Brief has also published numerous books and articles that have advanced the cause of accounting history and its development. The publications listed below have been selected from Brief's long resume as those of most interest to accounting historians.

PUBLICATIONS

Books:

Nineteenth Century Capital Accounting and Business Investment (New York: Arno Press 1976)

Editor, *The Late Nineteenth Century Debate Over Depreciation, Capital and Income* (New York: Arno Press 1976)

Editor, *Selections from the 1903 Encyclopedia of Accounting* (New York: Arno Press 1978)

Editor, *Dicksee's Contribution to the Development of Accounting Theory and Practice* (New York: Arno Press 1980)

Articles and Communications:

"Nineteenth Century Accounting Error," *Journal of Accounting Research* (Spring 1965)

"The Origin and Evolution of Nineteenth-Century Asset Accounting," *Business History Review* (Spring 1966)

"A Late Nineteenth Century Contribution to the Theory of Depreciation," *Journal of Accounting Research* (Spring 1967)

"Depreciation and Capital Gains: A 'New' Approach" (with J. Owen), *The Accounting Review* (April 1968)

"Depreciation Theory in Historical Perspective," *The Accountant* (December 6, 1970); also reprinted in *The Malta Accountant* (December 1970) and *Gestion Comptable* (March-April 1971)

"The Accountant's Responsibility in Historical Perspective," *The Accounting Review* (April 1975)

"A Note on 'Rediscovery' and the Rule of 69," *The Accounting Review* (October 1977)

"The Accountant's Responsibility for Disclosing Bribery: An Historical Note," *Accounting Historians Journal* Autumn 1977)

"Matching, Valuation and Earnings: The Continuing Debate," *The Relevance of History to Contemporary Accounting Issues*, a report on a seminar presented by the Ross Institute (January 1978)

"An Early Contribution to Accounting for Foreign Exchange" (coauthor), *Accounting Journal* (Autumn 1978)

"Baily's Paradox," *Accounting Historians Journal* (Spring 1979)

"Cumulative Financial Statements" (coauthor), *The Accounting Review* (July 1980); abstracted in *CFA Digest* (Spring 1981)

"Hicks on Accounting," *Accounting Historians Journal* (Spring 1982)

Richard Brief joins an elite group of scholars by winning the Hourglass Award. Previous winners of the award include some of the leading names in accounting history research. The previous Hourglass winners, and the publications that won them the award, are as follows:

1973—Steve Zeff, *Forging Accounting Principles in Five Countries*.

1974—Michael Chatfield, *A History of Accounting Thought*.

HOURGLASS: *Continued*

WHO IS GOING TO PISA?

- 1975—Hanns-Martin W. Schoenfeld, *Cost Terminology and Cost Theory: A Study of its Development and Present State in Central Europe*.
- 1976—Osamu Kojima and Basil Yamey, for reproduction of Ympyn's *A Notable and Very Excellent Worke* (1547).
- 1977—A. Van Severter, for translation of O. Ten Have's: *A History of Accountancy*.
- 1978—David A. R. Forrester, *Schmalenbach and After*.
- 1979—Murray Wells, *Accounting for Common Costs*.
- 1980—Gary John Previts and Barbara D. Merino, *A History of Accounting in America*.
- 1981—H. Thomas Johnson, for a series of articles on "The Development of Management Accounting."
- 1982—Williard Stone, for a series of articles on "American Accounting History."

The Fourth International Congress of Accounting Historians will be held in Pisa, Italy, from August 23-27, 1984 (this is the week following the AAA convention in Toronto). As mentioned in earlier announcements, this promises to be the finest meeting for accounting historians ever held anywhere. In addition to outstanding papers from some of the leading accounting history researchers in the world, there are plans for a bus trip to Luca Pacioli's hometown.

According to the latest news release from the organizers in Pisa, they have received advance registrations from over 125 individuals, including at least 38 from the United States, 26 from Italy, 12 from Brazil, 8 from Australia, 8 from Great Britain, and 6 from Venezuela. Other countries so far represented included Belgium, Canada, Colombia, South Korea, Ecuador, Finland, France, West Germany, Japan, Greece, India, Holland, Spain, and Hungary.

Those from the United States who are planning to attend should make their intentions known to the Academy secretary, Al Roberts at Georgia State University. As was discussed at the annual meeting, it might be possible to obtain lower priced group airfares if enough individuals were interested in leaving at the same time from either New York or Atlanta. Thus, if you American members are planning to go to Pisa, please let Al Roberts know as soon as possible.

And, if you are one of those individuals who has not yet decided whether or not to attend, think about it some more. After, all, how often do you get the opportunity for a tax deductible trip to Italy? Surely, the teaching and research skills of all members would be enhanced by a trip to the birthplace of modern accounting. To obtain more information about the Pisa Congress, write to: Professor Tito Antoni, c/o Facolta di Economia e Commercio, dell'Universita degli Studi di Pisa, Pisa, ITALY.

T. COLEMAN ANDREWS DIES

T. Coleman Andrews, a former Internal Revenue Service commissioner and presidential candidate, died on October 15, 1983, at the age of 84, in Richmond, Virginia. In 1920, Mr. Andrews became the nation's youngest certified public accountant. During his lifetime he served in many government positions including chief accountant for the North African Economic Board in 1943 and IRS commissioner in 1953. After serving as commissioner for two years, he returned to Richmond to become president of the troubled American Fidelity and Casualty Co.

Soon after leaving the IRS, Andrews began a personal crusade against the income tax system. His attacks soon attracted attention from conservative groups looking for a presidential candidate to lead their protest against the two established parties. Thus, in 1956, Andrews came the closest of any CPA in history to become president when he finished third behind Eisenhower and Stevenson. In later years, Andrews supported George Wallace for the presidency. He was also one of the twelve co-founders of the archconservative John Birch Society. During his lifetime, T. Coleman Andrews served on a number of boards including those of the American Institute of Accountants, the Virginia Society of CPAs, and the Panama Canal Company.

HISTORY IN PRINT

- Carmichael, Linda E., Carmichael, Bobby J., "The History and Future of Accountancy Acts Affecting Certified Public Accountants in the State of Texas," *Proceedings Southwest Regional American Accounting Association Meeting* (1983), pp. 300-306.
- Cooper, William D., "The Manigault Plantation Records, 1833-1889; A Look at the Financial Records of a Georgia Rice Plantation," *Proceedings Southeast Regional American Accounting Association Meeting* (1983), pp. 180-184.
- Gibson, R. W., "Accountants and Nation Builders," *Accounting History Newsletter* (Australia) (Winter 1983), pp. 2-4.
- Hassan, Nabil, "Significant Contributions of George Hillis Newlove to the Development of Accounting Theory," *Proceedings Southeast Regional American Accounting Association Meeting* (1983), pp. 189-193.
- Jacobsen, Lyle, "An Accounting Professor Ventures Into Anthropology," *Proceedings Southeast Regional American Accounting Association Meeting* (1983), pp. 185-188.
- Littleton, A. C., "Social Origins of Modern Accountancy," *Journal of Accountancy* (October 1983) reprint from October 1933, pp. 100-108. The *Journal of Accountancy* has implemented a new department entitled (J of A Revisited). To help put the present into perspective, the *Journal* has decided to reach into the past. Each month, the editors will select an article from the *Journal* published a decade or several decades ago. The article will be reprinted exactly as it appeared originally.
- Lubell, Myron S., "The Significance of Intra-Professional Occupational Conflict on the Legislative Development of Public Accounting in the United States," *Proceedings Southwest Regional American Accounting Association Meeting* (1983), pp. 308-314.
- Martinelli, Alvaro, "The Tabular System As An Antecedent to Double Entry Bookkeeping," *Proceedings Southeast Regional American Accounting Association Meeting* (1983), pp. 194-199.
- Mason, Julian, "Accounting Records and Business History," *Business History* (November 1982) pp. 293-299.
- Parker, R. H., "Chronological list of Books and Articles On Australian Accounting History," *Accounting History Newsletter* (Australia) (Winter 1983), pp. 5-11.
- Robb, A. J., "Coincidence Discovered: A Further Example and a Comment," *Accounting and Business Research* (Summer, 1983) pp. 213-214.
- Syme, B. T., "The Fitzgerald Editorials," *Accounting History Newsletter* (Australia) (Winter 1983), pp. 12-24.
- Yamey, B.S., "The First Danish Book on Bookkeeping and Accounts," *Accounting and Business Research* (Summer, 1983), pp. 209-211.

Editor's Note: Readers are encouraged to send items to the editor that might be included in the "History in Print" column in future issues. Again, thanks to Dr. Robert Gibson of Deakin University for notifying this editor of the Australian publications listed above.

HISTORICAL ACCOUNTING REPRINTS

Since Arno Press went out of business a few years ago, many accounting historians have wondered where they could acquire some of the 156 accounting books that were reprinted by that organization. There is now good news for book buyers. It seems that the entire stock of Arno Press has been acquired by a distributor known as the Ayer Company. Anyone interested in old accounting books should write to the Ayer Company for a catalog of books still in print. The Ayer Company is managed by the man who originally founded Arno Press, Arnold Zohn. For a copy of the latest accounting history catalog, write to:

The Ayer Company
99 Main Street
Salem, New Hampshire 03079

THE LEADING CONTRIBUTORS TO ACCOUNTANCY

by

Linda M. Leinicke

and

Dale L. Flesher

University of Mississippi

Doctoral candidates at many schools are expected to be familiar with the individuals who have made a significant contribution to the field of accounting. This awareness and appreciation of individuals who have contributed to accounting is considered to be basic knowledge which any candidate for a Ph.D. in Accountancy should possess. However, when considering individuals who have helped to advance the profession of accountancy many names come to mind, names such as Luca Pacioli, Robert Sprouse, Maurice Moonitz, William Paton, A. C. Littleton, Edgar Edwards, Philip Bell, Robert Anthony, George May, Carman Blough, John Burton, Francis Wheat, and Robert Trueblood, to name but a few. Thus, being "familiar" with the works and achievements of all significant accounting contributors is a formidable task, to say the least, to a Ph.D. candidate who is studying for his/her comprehensive written and oral examinations in accounting. As a consequence, a research study was undertaken to determine the answer to the following question: Which individuals are perceived, by current accounting professors, to have contributed the most to the field of accounting?

The Research Study

The purpose of this study was to identify the individuals who have contributed the most to the profession of accountancy. The study was *not* intended to be a "popularity" contest, but was a genuine and sincere attempt to determine if there was any general consensus of opinion among accounting professionals as to who the most outstanding contributors to the field of accounting have been.

Questionnaires, asking respondents to identify the five individuals who in their opinion had contributed the most to the accounting profession, were sent to accounting historians and other accounting educators. The accounting "historians" group consisted of 200 current American members of the Academy of

Accounting Historians, while the accounting "educators" group consisted of 200 accounting educators currently teaching at AACSB accredited schools who were not members of the Academy. Accounting historians were selected as one survey group because, as Academy members, it was assumed that these individuals had an interest in, and perhaps a greater than average knowledge of, significant contributors to the field of accountancy. Accounting educators, on the other hand, were surveyed to determine if their responses would differ from those of the accounting historians. In other words, the researchers were trying to determine if different accounting professionals (i.e., historians vs. educators) had different opinions as to whom the significant accounting contributors have been, or if a general consensus of opinion existed among accounting professionals in general.

Respondents were asked to identify the five individuals who had contributed the most to the accounting profession, and to rank their selections in order of importance, from most important (i.e., a number one ranking) to least important (i.e., a number five ranking). Respondents were also asked to give a brief statement as to why they ranked their number one choice as such.

Results of the Study

Four hundred questionnaires were mailed: 200 to accounting historians and 200 to accounting educators. A total of 129 usable responses were returned, an overall response rate of 32 percent. Of the 129 usable responses, 77 were from historians and 52 were from educators. Thus, of the 129 questionnaires analyzed, approximately 60% represented historian responses while the remaining 40% represented educator responses.

Continued

LEINICKE & FLESHER: *Continued*

To analyze the responses of the survey participants, the following weighting scheme was used: any individual who was given a number one ranking by a survey participant was awarded a point total of five; any individual who was placed in the number two position was given a point total of four; similarly, individuals who were placed in ranks three, four, and five were awarded point totals of three, two, and one respectively. Total points were then accumulated for each name that appeared in the survey rankings. (For a listing of every individual whose name appeared at least once in the survey rankings, see Exhibit 1.) The top five point totals accumulated, based on the responses of all 129 survey participants, are displayed in Exhibit 2. Beyond these five, there was little consensus as to other important contributors.

As indicated by Exhibit 2, William A. Paton was perceived by the survey respondents to be the most significant contributor to the accounting profession. Note that Paton received nearly 3½ times as many first place votes as did Luca Pacioli, the individual who received the second highest total of first place votes. The other individuals who were perceived by the respondents to be significant contributors to accounting were, in order of point totals, A. C. Littleton, George O. May, Luca Pacioli, and Carman G. Blough.

In order to determine if perception of who had contributed significantly to the accounting profession differed between the historians and the educators, each group's responses were independently analyzed (see Exhibit 3 and 4). The results indicate that *both* the historians and the educators perceived William Paton to have been the most significant contributor to the accounting profession. It is also interesting to note that *both* groups ranked their second and third choices in exactly the same order.

Participant responses were also analyzed by age category to determine if different age groups had different opinions as to whom the significant accounting contributors have been. The results were the same regardless of respondent age.

The Top Five Contributors

As mentioned previously, respondents were asked to indicate why they ranked their number one choice as such. The following paragraphs provide insight into respondents' perceptions of Paton, Littleton, May, Pacioli, and Blough. A short biographical sketch of each man is also provided.

William A. Paton

William A. Paton has proven himself to be both an innovative thinker and a prolific writer during the

course of his accounting career. As evidence of his progressive thinking, Paton, as early as 1916, was advocating that discounts on long-term debt be deducted from the face amount of the related long-term liability, rather than be shown as a deferred charge among the assets. It was not until 1971 that deducting discounts from long-term debt became a generally accepted accounting practice. Also, as early as 1918, Paton advocated the use of the terms "Allowance for Depreciation" and "Allowance for Uncollectible Accounts" when the common terminology of the day was "Reserve."

Paton has authored many texts and journal articles. His textbook writing endeavors began in 1916 when he was a graduate student in economics at the University of Michigan. Paton's first three textbooks, all entitled *Principles of Accounting*, and all co-authored with Russell A. Stevenson, appeared in 1916, 1917, and 1918. In 1922 Paton's *Accounting Theory—With Special Reference to the Corporate Enterprise* was published. Paton continued his writing with *Accounting* (1924), *Essentials of Accounting* (1938 and 1949), *Advanced Accounting* (1941), *Asset Accounting* (1952), and *Corporation Accounts and Statements* (1955). Perhaps his best known published work, however, was a monograph entitled *An Introduction to Corporate Accounting Standards* which he co-authored with A. C. Littleton.

Paton was president of the American Association of University Instructors in Accounting in 1922; he was the first editor of *The Accounting Review*. He also served as a member of the Committee on Accounting Procedure. In 1944 he received the AICPA's Gold Medal for distinguished service to the profession and in 1950 he was inducted into the Accounting Hall of Fame of Ohio State University.

Indicative of the survey participants' perceptions of William Paton are the following three comments. One respondent wrote, "Paton expressed many concepts and innovative views long before others." Another respondent described Paton as a "trailblazer" during the early development of the accounting profession in the United States. And yet another survey respondent indicated that Paton's "writings are as appropriate now as they were decades ago." *A. C. Littleton*

Ananias Charles Littleton was another significant contributor to the profession of accounting. Many of Littleton's ideas and beliefs still permeate present day accounting practices. For example, Littleton believed the central goal of accounting was that of income determination. He was an advocate of the concept of matching revenues and expenses, and a strong proponent of historical costs.

Continued

Exhibit 1
List of Individuals Whose Names Appeared
in the Survey Rankings

Alexander	Haskins	Richardson
Andersen	Hatfield	Saliers
Anthony	Hendriksen	Sanders
Barr	Himmeublauf	Schmalenbach
Beaver	Horngren	Schrader
Bedford	Ijiri	Scott
Bell	Jones	Scovill
Bladeraster	Kester	Seidler
Blough	Kirk	Sells
Briloff	Kohler	Smith
Burns	Kojima	Sorter
Burton	Leonardo of	Spacek
Canning	Pisa	Sprague
Carey	Linowes	Sprouse
Carter	Littleton	Sterling
Chambers	Mattessich	Sterrett
Church	Mautz	Sweeney
Cooper	May	Taggart
Davidson	McKinsey	Thom
DeFliese	Miller	Trueblood
Demski	Mitchell	Vatter
Devine	Montgomery	Waterhouse
Dickinson	Moonitz	Wellerowicz
Dicksee	Mueller	Welsch
Edwards	Murphy	Wheat
Emerson	Nelson	Wildman
Finney	Neuman	Wixon
Garner	Oldcastle	Yamey
Gillman	Pacioli	Young
Grady	Paton	Zeff
Hand	Philippe	Zimmerman
	Previts	

Over 300 of Littleton's articles, editorials, comments, and reviews were published in various accounting journals and periodicals during his lifetime. Littleton co-authored with William A. Paton *An Introduction to Corporate Accounting Standards*, a landmark achievement in the quest for an internally consistent set of corporate accounting standards. In addition to several other books, Littleton authored *Accounting Evolution to 1900*, a work which gives insight and perspective to the historical evolution of accounting. Cognizant of Littleton's special contributions to the topics of accounting history, one survey respondent ranked Littleton as the number one accounting contributor, "for his overall contribution to the field and [his] special emphasis on this history of accounting."

A. C. Littleton was a Professor of Accounting at the University of Illinois; he served on the faculty of that institution from 1915 to 1952, and helped

establish the first doctoral program in accountancy in the United States at the University of Illinois. At least one survey respondent recognized Littleton's pioneer effort in establishing doctoral studies in accountancy when he stated, "A. C. Littleton is ranked first because of his early writing and his development of the Ph.D. program at [the University of] Illinois."

George O. May

George O. May is probably best remembered for the invaluable service contributions he made to the profession of accounting through his long association with the American Institute of Certified Public Accountants. To name but a few of his service contributions, George O. May was: vice-president of the Institute, 1917-18; on the Board of Examiners, 1916-19; chairman of the Special Committee on Cooperation with stock Exchanges, 1930-35; chairman of the Special Committee on Development of Accounting Principles, 1933-36; vice-president of the American Institute of Accountants Foundation, 1923-24; vice-chairman of the Committee on Accounting Procedure, 1937-45; and chairman of the Committee on Terminology, 1939-47. George O. May was offered the Presidency of the Institute, but declined. In 1944 he received the AICPA's award for service to the accounting profession.

Survey respondents who ranked George O. May as the number one contributor to the accounting profession stressed his understanding of "the societal role of accountancy," his "great intellectual depth," and his emphasis on the "ethical aspects" of accounting.

Luca Pacioli

Luca Pacioli, often referred to as the "Father of Accounting," is given credit for writing the first widely published description of the double-entry system of bookkeeping. Pacioli's work which was entitled *Summa de Arithmetica, Geometria, Proportione et Proportionalita*, or "Everything concerning Arithmetic, Geometry, and Proportion," was published in Venice in 1494. Pacioli's *Summa* was primarily a treatise on mathematics and geometry; however, the last section of his book, entitled "Of Reckonings and Writings," consisted of thirty-six chapters on bookkeeping.

Pacioli started his chapters on bookkeeping by stating that three things were essential to anyone who wished to be successful in business. Those three things were: (1) ready money, (2) good bookkeepers and clerks, and (3) the keeping of one's affairs in good order. Pacioli then went on to describe the mechanics of the double-entry system of bookkeeping and the function of the Memorial, the Journal, and the

Continued

Exhibit 2
Responses of All 129 Participants

	Total No. 1 Votes (weighted 5 points each)	Total No. 2 Votes (weighted 4 points each)	Total No. 3 Votes (weighted 3 points each)	Total No. 4 Votes (weighted 2 points each)	Total No. 5 Votes (weighted 1 point each)	Total Points
William A. Paton	275	108	36	18	4	441
A. C. Littleton	70	128	42	16	5	261
George O. May	55	36	39	12	9	151
Luca Pacioli	80	4	12	10	5	111
Carman G. Blough	30	16	27	24	5	102

Exhibit 3
Responses of 77 Historians

	Total No. 1 Votes (weighted 5 points each)	Total No. 2 Votes (weighted 4 points each)	Total No. 3 Votes (weighted 3 points each)	Total No. 4 Votes (weighted 2 points each)	Total No. 5 Votes (weighted 1 point each)	Total Points
William A. Paton	120	52	33	12	4	221
A. C. Littleton	35	80	27	8	4	154
George O. May	40	16	24	8	6	94
Luca Pacioli	65	4	9	6	5	89
Carman G. Blough	20	16	12	20	5	69

Exhibit 4
Responses of 52 Educators

	Total No. 1 Votes (weighted 5 points each)	Total No. 2 Votes (weighted 4 points each)	Total No. 3 Votes (weighted 3 points each)	Total No. 4 Votes (weighted 2 points each)	Total No. 5 Votes (weighted 1 point each)	Total Points
William A. Paton	155	56	3	6	0	220
A. C. Littleton	35	48	15	8	1	170
George O. May	15	20	15	4	3	57
Luca Pacioli	15	0	3	4	0	22
Carman G. Blough	10	0	15	4	4	33

Ledger. Although Pacioli did not originate the double-entry system of bookkeeping (i.e., Pacioli merely put into writing the current bookkeeping practices of the time), his description of the double-entry system helped to spread the so-called "Italian method" throughout Europe.

The responses of two survey participants who ranked Luca Pacioli as the number one contributor to the profession of accounting aptly summarize the importance of Luca Pacioli as follows: "He brought together in writing the accounting principles and practices in his era." Furthermore, "His writing laid the foundation or structure necessary for reflection and the consequent development of accounting theory."

Carman G. Blough

According to one survey respondent who ranked Carman Blough as the number one contributor to

the accounting profession, Carman Blough was the Man "responsible for *not* transferring standard setting to the SEC." Indeed, Carman Blough served as the first chief accountant of the Securities and Exchange Commission until 1938, at which time he left the SEC and joined the firm of Arthur Andersen & Co. In 1942 he left Arthur Andersen & Co., and in 1944 began a 16-year term as Director of Research of the AICPA. Blough is a past president of the American Accounting Association and has been elected to the Ohio State University Accounting Hall of Fame.

Accounting History Education

In order to get some idea of whether or not the teaching of accounting history has been a prevalent practice at institutions of higher learning, respondents were asked to indicate whether or not they had

Continued

LEINICKE & FLESHER: *Continued*

been exposed to accounting history, no matter how briefly, at the bachelor's, master's, and/or doctoral levels. Survey results indicated that 33% of the respondents had encountered some mention of accounting history at the bachelor's level, 67% at the master's level, and 87% at the doctoral level. It would appear, then, that accounting students are much more likely to encounter the subject of accounting history as they progress through their academic careers. This trend is understandable considering the wealth of technical accounting information which must be covered at the bachelor's level. However, it is encouraging to note, that, overall, one-third of the respondents encountered at least minimal exposure to accounting history while still at the undergraduate level.

Limitations of the Study

As stated previously, accounting "historians" and accounting "educators" were surveyed to determine their perceptions of who the top five contributors to the accounting profession had been. It should be borne in mind, however, that the distinction between accounting historians and accounting educators may be a nebulous one at best, since it is probable that most of the historians hold full-time teaching positions at institutions of higher learning. Furthermore, the study is limited in that no full-time practicing accountants were included as a separate survey group in the study. Thus, results should not be generalized to the total population of accounting professionals. Nevertheless, it is intuitively appealing that the survey results *do* incorporate the opinions and perceptions of the "real world" accountant since the demographic data provided by each respondent indicated that many of the survey participants had experienced long careers in private, public, and/or government accounting.

Another aspect of the study which requires elaboration is the use of the phrase "contributed the most to the accounting profession" on the questionnaire itself. This phrase was deliberately intended to be vague in order to elicit respondents to indicate exactly *why* they ranked their number one choice as such, and to generate insight into exactly what various accounting professionals perceived a "contribution" to the accounting profession to be.

Finally, it should be mentioned that a list of 58 names of possible accounting contributors was attached to the questionnaire. This list was provided in order to stimulate respondent interest and provoke respondent thought. However, the attached list may

have given individuals whose names appeared on the list an unfair "edge," or advantage, over individuals whose names did not appear on the list. Nevertheless, the authors do not believe this phenomenon to be a significant limitation of the study primarily because 51 individuals whose names did *not* appear on the attached list were indicated by participants as having made a significant contribution to the field of accounting. Actually, out of a total of 93 different responses, more names that did *not* appear on the attached list (51 in total) ended up in the survey results than did names (42 in total) which *did* appear on the attached list. In other words, 16 of the names on the list received no votes at all.

Conclusion

This study has attempted to determine if any general consensus of opinion exists among accountants as to who the significant contributors to the field of accounting have been. Survey results indicated that participants in the study, for a variety of reasons, viewed William A. Paton to be the most significant contributor to the accounting profession, followed by A. C. Littleton, George O. May, Luca Pacioli, and Carman G. Blough.

The author is cognizant of the fact that *numerous* individuals have contributed to the progress and development of the accounting profession, and wishes to emphasize once again that *this study is in no way intended to minimize the contributions of other individuals to the field of accounting*. The study was simply the result of a desire to determine if any common agreement existed as to who the significant accounting contributors have been. Since a total of 93 individuals received votes, there are obviously many who have made significant contributions. However, these contributions are not viewed as being as great as those of the top five individuals.

In conclusion, it is hoped that this study will help to foster an increased interest in, and appreciation of, the importance of accounting history and the many dynamic men who have helped the accounting profession evolve to its current esteemed position in society today.

COMMENTS ON LEINICKE – FLESHER SURVEY

by
James W. Jones, CPA
Baltimore, Maryland

The objective or the background of the questionnaire other than the statement in the letter of March 13 does not indicate the purpose for which information is solicited. "Beauty is in the eyes of the beholder."

It seems to me that "contributions to accounting" have been influenced markedly by eras and events, not as much as persons who have perhaps risen to the occasions. Some of these have caused differences of opinion as to treatment of capital, assets, costs, etc. Therefore, I have written a few lines on several topics selected at random from personal experience and education.

Municipalities

An area that received a great deal of attention; in fact, was prominent in the program of the First International Congress of Accountants (1904).

Public Utilities

With the development and growth of these servants of the public there was extensive writing on accounting related subjects. Accountants' Index for 1920 listed 13 pages from numerous authors.

One significant activity was the development and expansion of *railroads* in the 1800's. The Accountants' Index of 1920 listed 47 pages of writings pertaining thereto. One of those contributors to that particular industry was Marshall M. Kirkman among whose many contributions was a two-volume set on *Railway Expenditures* (1880). A review by me of a reprint of this set was published in *The Accounting Historians Journal*, Spring, 1981.

Has anyone explored and exposed the effects on accounting procedures of the *Interstate Commerce Commission* (1887)? This traffic is vital to the welfare of the U.S. Surely, there must have been some comments by prominent persons involved in financial matters.

Consider the impact of the 16th amendment (1913) *tax on income* which was ratified by the States. We are still burdened by this law in spite of numerous writings and speeches and voluminous regulations.

I did not bother to count listings in Index. Surely there were some thinkers who have expressed their views; which one was outstanding?

Two *words* which generated a lot of discussion and writings were *depreciation* and *depletion*. Evidence of concern can be found in the 336 pages on this subject printed in the Accountants' Index (1920). We all recognize the import of these words but who can say, without refutation, that any 1, 2, 3, individuals "contributed the most to accounting"?

Another subject which commanded a great deal of attention was "*Interest as a cost*" which in the 1920 Index required seven columns of listings for items in print at that time. I doubt that the argument was ever resolved but books were written on this one topic.

Importance of *Costs*. My friend Paul Garner, has authored *Evolution of Cost Accounting to 1925* which acknowledges the importance of costs and portrays in some detail the attitudes of many persons toward material, labor and overhead costs. In itself I feel it is a major contribution to accounting literature and in it he cites numerous other writers in the 19th and early 20th centuries who have influenced our procedures and financial statements.

In the first half of this century the United States has been involved in two major *wars* which have strained all national resources. These were factors in developing accounting procedures. In the 1920 Accountants' Index, over a column of references was devoted to WWI after its ending. Following the termination of these wars, pent-up consumer demand, as well as industrial, resulted in so-called prosperity followed by declines referred to as depressions or recessions. From each of these arose problems of contract settlements not unnoticed by writers.

The *Securities and Exchange Commission* (1933) assuredly has had a most profound effect on accounting procedures and the profession of accountancy. Should some one person (or five) of the subsequent trials and tribulations be selected as having "contributed the most to accounting" disregarding all other activities?

JONES: *Continued*

By casually scanning the list of 58 names provided with the questionnaire, I have selected eight names with which I have been acquainted over the past sixty years of my affiliation with accounting. Two of these I know on a first-name relationship. Five of these eight appear in the original issue of the *Accountants' Index* (1920) and the three others appeared later through 1950. This terminal date is obviously unfair to some but without it the critique could go on forever.

The name of Haskins appeared 26 times in the 1920 A.I. Sells appeared 36 times in orig. & Sup. 1 & 2
 Littleton " 80 times in orig. & thru Sup. 9
 May " 129 times in orig. & thru Sup. 9
 Paton " 88 times in orig. & thru Sup. 9
 Barr " 3 times in Sup. 5 & 6
 Blough " 68 times in Sup. 5 thru 9
 Davidson " 2 times in Sup. 9

There may be some merit to suggesting that the names which have appeared the most times in the *Accountants' Index* are those who have contributed the most to accounting.

A name which does not appear on your list is that of Seymour Walton whose writings and Walton School certainly influenced accounting procedures and accountancy.

I noted the name of Pacioli, often referred to as "the inventor of double-entry bookkeeping," "the father of bookkeeping," etc. He was none of these. In the two translations that I have he specifically states "we will here adopt the method employed in Venice which among others is certainly to be recommended, etc." Pacioli had the advantage of the printing press which facilitated dissemination of his complete work "Summa" so that a few copies have endured.

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.

THE ACCOUNTING HISTORY ASSOCIATION (JAPAN)

In the Fall 1982 issue of the *Notebook* (Vol. 5, No. 2), the formation of the Accounting History Association of Japan was announced. Recently, the *Accounting History Association Annals 1982-83* has been published in Japanese with a synopsis in English. The English portion contains a summary of two papers that were presented at the general meeting in 1982. They are entitled "Development of the Stock Accounts in the Ledgers of the First Half of the East India Company in England" by Torao Moteki, and "Some Reflections on the Development of Double-Entry Bookkeeping in the Sixteenth Century" by Satoshi Shirai.

If anyone is interested in pursuing these topics or would like to contact the Association for other reasons, the address is:

Accounting History Association
 c/o Professor Hirabayashi
 Faculty of Business
 Osaka City University
 3-138, Sugimoto 3-chome
 Sumiyoshi-ku, Osaka 558
 Japan

THE SOUTH SEA COMPANY

In the late 1700s, Charles Lamb's first *Essays of Elia* describes the dust covered, unused ledgers and day-books related to the South Sea Company debacle with humorous admiration.

"With what reverence have I paced thy great bare rooms and courts and eventide! They spoke of the past—the shade of some dead accountant, with visionary pen in ear, would flit by me, stiff as in life. . . . But thy great dead tomes, which scarce three degenerate clerks of the present day could lift from their enshrining shelves, with their old fantastic flourishes and decorative rubric interlacings; their sums in triple columniations, set down with formal superfluity of ciphers; with pious sentences at the beginning, without which our religious ancestors never ventured to open a book of business or bill of lading; the costly vellum covers of some of them almost persuading us that we are got into some better library, are very agreeable and edifying spectacles. . . ."

MINUTES OF 1983 ANNUAL MEETING

Business Meeting—August 22, 1983. La Nouvelle Orleans Room (West), Monteleone Hotel, New Orleans, Louisiana, 9:40 a.m.

President Tom Johnson welcomed the members and summarized the discussion at the Trustees' meeting. (See Report of Trustees' meeting).

President Johnson noted that there was a growing awareness of accounting history among non-historian colleagues and that they have gained more understanding of current trends and problems by studying the evolution of accounting. This awareness reflects what he hopes is our effort to make accounting history an integral part of contemporary accounting. In the future the Academy should continue what is being done and, in addition, try to increase interest in accounting history by: speaking to various groups as accounting historians; preparing bibliographies and course outlines with historical emphasis; getting historical items published in publications of other groups; attracting more student members—they are the source of future membership; and being visible at national, regional and local meetings. He stressed that what has been done is good but we can do more and these accomplishments are due to the dedicated group of officers and members. President Johnson thanked all the officers for their support and efforts.

Treasurer Vangermeersch distributed copies of the financial statements and answered questions to everyone's satisfaction.

Secretary Roberts presented some membership statistics. As of July 30, 1983, the membership was:

	Individual	Institutional	Total	%
Domestic	249	127	376	70
Non-domestic	102	62	164	30
Totals	<u>351</u>	<u>189</u>	<u>540</u>	
%	65	35		100

Members reside in 25 countries in addition to the United States, and 45 states plus the D.C. and Puerto Rico are represented. Membership at this time in 1982 was 510 and 543 by December. The membership seems to be moving toward 550. The split between domestic and non-domestic membership remains almost constant on a percentage basis but there is a continuing shift from individual to institutional; 1983 figures indicate about a three percent change. The number of domestic members is almost constant but the number of non-domestic members has dropped slightly (about three percent). The number of domestic institutional members has increased by 18 (approximately 16.5 percent) and the number of

non-domestic institutional members has increased by 12 (approximately 24 percent).

No proposals have been made to change the dues structure for 1984. Therefore, 1984 dues will remain at \$20.00. It was suggested that a reason for the decline in non-domestic individual members was due, in part, to the increased strength of the dollar.

Some concern was expressed about the decline of individual members in relation to institutional members. A suggestion that we try to attract more non-academic members was put forth. This might be accomplished by sending the *Notebook* to state societies of CPAs. Merv Wingfield encouraged individual members to contact local practitioners for historical recollections about the development of accounting in their areas and to try to interest them in accounting history and The Academy.

The following nominees for 1984 were presented to the membership:

Officers (one-year term)

President: Edward Coffman (Virginia Commonwealth)
 Vice-President: Dale L. Flesher (Mississippi)
 Vice-President: Eugene H. Flegm (General Motors)
 Treasurer: Richard Vangermeersch (Rhode Island)
 Secretary: Alfred R. Roberts (Georgia State)

Trustees (three-year term)

Norman X. Dressel (Georgia State)
 Paul Frishkoff (Oregon)
 H. Thomas Johnson (Puget Sound)
 Osamu Kojima (Japan)
 Barbara D. Merino (N. Texas State)

It was moved and seconded that the slate be approved. The vote for approval was unanimous.

The 1983 Hourglass Award was presented to Richard P. Brief, New York University, for his major contribution in accounting history research and in directing efforts to make available to the public reprints of accounting classics. This contribution is evidenced by his many articles in various journals and his editing of the 156 volume Arno Series and 40 volume Garland Press Series of classic and unique accounting literature.

Norman X. Dressel, Director of the Accounting History Research Center, reported that the Center was starting to function on a limited basis. Several collections of books and papers had been received and the Center will house the archives of The Academy. The Director of the School of Accountancy at Georgia State University has given his enthusiastic support for the Center by providing space, furnishings, supplies and student assistance. While the space available now is limited, the prospects for

Continued

MINUTES: Continued

larger accommodations are very good when the School of Accountancy moves to a new building in the near future.

A dedication program for the Center is planned for Thursday, April 8 and 9, 1984. The dedication will take place in the late morning, followed by a lunch. In the afternoon there will be a program which will include specific research presentations and a roundtable discussion as to how the Center can be of service to researchers. A dinner will follow the afternoon program.

Secretary Roberts reported that the arrangement of the Fourth International Congress of Accounting Historians seems to be progressing. The Pisa tourist bureau recently sent information about hotels and rates to those who had sent in registration cards. It appears that those who are interested in presenting papers can still submit proposals to Professor Antoni in Pisa.

Ed Coffman, Manuscripts Editor of *The Accounting Historians Journal* presented statistics related to manuscripts submitted. (See the attachment). He also reported that Kenneth S. Most will assume the duties of Manuscripts Editor on January 1, 1984 and that Merv Wingfield will continue as Production Editor. In addition, Linda H. Kistler, University of Lowell, will assume the duties of Book Review Editor on January 1, 1984. Dale Buckmaster, the current editor, was thanked for his contributions and efforts over the last four years.

Don-Rice Richards, Editor of the Working Paper Series, reported that working papers 56 through 58 will be ready in October and that working papers 59 through 61 have been accepted. Volume No. 3 of the working papers, consisting of working papers 41 through 60, is expected to be available about November 1983. An index for Volumes 1 through 3 by subject matter and author is being compiled.

In order to aid in the continuity of the quality of and procedures for the Working Papers Series, Ashton Bishop has agreed to act as Consulting Editor for the Series.

During 1982-83 a Review Board was established for the Working Papers Series. Each manuscript is sent (blind) to two members of the Board for acceptance or rejection. Thus a referee process is now part of the Series. The Review Board Members are:

- Edward A. Becker (Virginia Commonwealth)
- Doris M. Cook (Arkansas)
- Hans J. Dykxhoorn (Western Michigan)
- Harvey Mann (Concordia)
- Owen B. Moseley (Murray State)
- Charles E. Wuller (Saint Louis University)

Dale L. Fleisher, Editor of *The Accounting Historians Notebook*, reported that the cost of printing *The Notebook* has remained constant, regardless of size, until this latest issue. Therefore, some increase in cost is anticipated for future issues. He urged members to submit to him items that might be of interest.

A question was raised regarding the relationship of *The Notebook* and *The Accounting Historians Journal* to the newsletter that the Accounting Historians Research Center intends to send out. The newsletter will be entitled *Scripturis* and will deal primarily with the acquisitions and activities of the AHRC and will not compete with *The Notebook*. In addition, *Scripturis* will be sent out winter and summer which will not conflict with the spring and fall schedule of *The Notebook* and *AHJ*.

James E. Gaertner, Editor of the Monograph Series, reported that Monograph No. 4 will be available by November 1983. It is selected items from the four Haskins Seminars and will be a 6" x 9" perfect bound book. The price will be \$15.00. He will prepare a brochure or flyer for advertising purposes and will send the monograph to the major accounting magazines for review.

Gary Previts, Editor of the Classic Reprint Series, noted that the Academy now receives the royalty from the books sold by The University of Alabama Press. Formerly, the amounts were credited by The University Press and used to cover the cost of new reprints. The series is on a sound financial footing. Previts asked for suggestions as to how the series should proceed. The reprint of *History of Public Accounting in the United States* by James Don Edwards is out of stock and a decision will have to be made to have more of them printed or look for a new item. He also proposed that Dale Buckmaster replace him as editor of the series.

President Johnson thanked Peter McMickle for his effort and dedication in setting up and staffing the Academy booth in the exhibit area. Pete has done an outstanding job in this area year after year. This exposure of The Academy usually results in several new members every year. We are also indebted to Pete for the display of rare books that he brings to the booth each year.

There being no further items for business the meeting was adjourned at 11:30.

Respectfully submitted,
Alfred R. Roberts
Secretary
September 2, 1983

Continued

MINUTES: *Continued*

THE ACCOUNTING HISTORIANS JOURNAL
 Statistics Relating to Manuscripts Submitted
 During the Period January 1, 1982-December 31,
 1982

FEATURE ARTICLES

Initial Submission	Number	Percent
Accepted on initial review	5	18%
Rejected on initial review	10	37%
Sent back to author for revision	8	30%
In process of review	4	15%
TOTAL	<u>27</u>	<u>100%</u>

Resubmissions	Relating to Reviews of Current Year		Relating to Reviews of Prior years	
	Number	Percent	Number	Percent
Accepted	1	12%	6	35%
Rejected	0	0%	1	6%
Still outstanding	7	8%	10	59%
TOTAL	<u>8</u>	<u>100%</u>	<u>17</u>	<u>100%</u>

HISTORICAL NUGGETS*

Initial Submissions	Number	Percent
Accepted on initial review	1	14%
Rejected on initial review	2	28%
Sent back to author for revision	2	29%
In process of review	2	29%
TOTAL	<u>7</u>	<u>100%</u>

Resubmission	Relating to Reviews of Current Year		Relating to Reviews of Prior years	
	Number	Percent	Number	Percent
Accepted	1	50%	2	67%
Rejected	0	0%	1	33%
Still outstanding	1	50%	0	0%
TOTAL	<u>2</u>	<u>100%</u>	<u>3</u>	<u>100%</u>

*Historical Nuggets are considered brief informational items covering a broad range of topics of interest to the general readership of *The Journal*. Nuggets are not necessarily designed to reflect the results of original research.

ACADEMY NECKTIE AND SCARF POLL

Gary John Previts is conducting a poll to determine how many members of the Academy would be interested in purchasing a man's necktie or lady's scarf bearing the Academy's emblem. In order to have such ties or scarves made up, the Academy would have to order at least 100 of a single color. At that volume, the price would be \$12 each.

Gary is not sure whether 100 ties (or scarves) could be sold, even if the Academy were to undertake such a project. Thus, he would like to hear from those members who would be interested in making such a purchase. If you are interested, write to Gary Previts with the following information: (1) How many ties or scarves would you be apt to buy if they are made available? (2) What is your color preference (navy blue, gray, or burgandy)? (3) Would a second color be acceptable to you if your first preference is not available? Send your card or letter to Gary at the following address:

Dr. Gary John Previts
 Graduate School of Management
 Case Western Reserve University
 Cleveland, Ohio 44106

At this point, there is no obligation; this is strictly a straw poll. Of course, Gary might get a bit peeved if he goes ahead and orders the ties and no one comes through with the cash once the ties become available.

STUDEBAKER ARCHIVES

The Studebaker Museum, Inc. has been formed in South Bend, Indiana, to house the historic Studebaker vehicle collection which was given to the city by the Studebaker corporation. Accounting historians will be interested to know that in addition to carriages, wagons, and classic cars, the collection includes 70 tons of business archives and photographs. Academy members in the Northern Indiana area need to examine this material for its usefulness in accounting history research.

MINUTES OF 1983 TRUSTEES' MEETING

Trustees' Meeting—August 22, 1983, Bienville Room, Monteleone Hotel, New Orleans, Louisiana, 7:30 a.m.

Present—Maureen H. Berry, Richard P. Brief, Dale Buckmaster, Edward N. Coffman, Norman X. Dressel, Kenneth O. Elvik, Eugene H. Flegm, Dale L. Flesher, Paul Garner, Hans V. Johnson, H. Thomas Johnson, Peter L. McMickle, Barbara D. Merino, Kenneth S. Most, Gary John Previts, Don-Rice Richards, Alfred R. Roberts, Ross M. Skinner, Richard Vangermeersch, Mervyn W. Wingfield, Vernon K. Zimmerman.

President H. Thomas Johnson welcomed the group.

Treasurer Vangermeersch presented a comparative financial report for the calendar years 1980 through 1982 and a report of activities from January 1 through June 30, 1983. In addition he presented a budget for 1983. It appears that the actual receipts and expenditures for the six months ended June 30, 1983 are in reasonable accord with the budget for 1983. Treasurer Vangermeersch was commended on the completeness and clarity of the reports.

With regard to student membership, it was suggested that membership at a discounted rate might be extended to students below the doctoral level in order to encourage greater interest in accounting history. After some discussion President Johnson suggested that his successor might appoint a task force to study the issue of student membership.

It was noted that Kenneth S. Most would assume responsibilities as the manuscripts editor of *The Accounting Historians Journal* as of January 1, 1984, replacing Edward N. Coffman. President Johnson proposed that there be an allocation for administrative and travel expenses incurred by the editor of the AHJ in the performance of his functions. It was pointed out that should it become necessary for the editor to require certain funds, the president is authorized to determine and pay such amounts within the limits of the bylaws. No budgeted amount or budget item was approved.

The 1983 budget was prepared by Treasurer Vangermeersch based upon his observations of actual activities and projections for the year. The by-laws of The Academy do not require that a budget be prepared. However, due to the numerous activities in which The Academy is now engaged, it was suggested that a formal budget should be presented at the annual trustees' meeting for review and approval. Since the annual meeting is in August the

budget approval would have to be for the following year. Therefore, the budget for calendar 1985 would be presented at the August 1984 meeting. It was further suggested that the budget requirement might be the subject of a by-laws amendment.

Treasurer Vangermeersch mentioned that he felt it would be of benefit if the financial records of The Academy were audited periodically.

Secretary Roberts reported that the membership was growing each year and that it did not appear, from the renewal in membership and the new members acquired, that an increase in dues would be necessary for the near future. He also reported that a committee appointed by President Johnson had recommended Basil S. Yamey of the London School of Economics be awarded life membership in The Academy of Accounting Historians in recognition of his contributions to accounting history. This was put in the form of a motion, duly seconded, and approved unanimously.

Norman X. Dressel, Director of the Accounting History Research Center, reported that the AHRC is located at Georgia State University in Atlanta and that several collections of books, manuscripts, personal papers, periodicals and so forth have already been acquired. While space is limited, the AHRC is trying to acquire useful material that is not easily available elsewhere and will stress its service function to help accounting history researchers. AHRC is seeking suggestions as to how it can best be of use. On April 8 and 9, 1984 the Center will be dedicated and a program will be presented. He invited all who are interested to attend the dedication and the program. Peter McMickle suggested that the AHRC might try to enter into a long-term arrangement with the University of Baltimore to work with the Herwood Collection. This collection is reputed to have some very rare accounting books and manuscripts.

Paul Garner reported that elaborate plans are being made for the Fourth Congress of Accounting Historians in August 1984 in Pisa, Italy. He encouraged anyone who is interested to attend the Congress. It was noted that papers for the Congress are still being accepted by Professor Antoni.

Gary Previts mentioned that extensive plans are being made for the AICPA Centenary in New York in 1987. Barbara Merino informed the meeting that during this Centenary period the *Journal of Accountancy* wants to stress the historical perspective and plans to publish a series of historical articles. The person in charge of this project at *The Journal* is Barbara Shildneck.

Continued

DO YOU BELIEVE THIS?

Gary Previts stated that the question of AAA sectional status was up to The Academy if they wished to pursue the matter. There seems to be no AAA concern about it.

Mention was made of the process for the nomination of Academy officers. It was suggested that consideration should be given to the designation of a president-elect and the possible amendment of the by-laws to this effect.

President Johnson thanked all those who had worked so hard during the past year. The meeting was adjourned at 9:20 a.m.

Respectfully submitted,
Alfred R. Roberts
Secretary
September 2, 1983

In the course of human events a practicing accountant died. When he arrived at the gates of heaven there was an impressive welcoming committee which included such notables as Moses, Buddha, Jesus, Mohammed, St. Peter and several other saints.

The inquisitive accountant inquired, "Does everyone get this kind of reception?"

St. Peter said, "No, but this is a special occasion. It isn't often that we welcome an accountant of your advanced age."

"What advanced age?" questioned the accountant. "I am only 45."

"Not according to the hours you've billed clients," St. Peter said, "We also keep accounts."

Submitted by Jimmy Jones

BASIL YAMEY SELECTED AS LIFE MEMBER

At their recent meeting in New Orleans, the Trustees of the Academy of Accounting Historians elected Basil S. Yamey to life membership in the Academy. Yamey has been a professor at the London School of Economics since 1960. According to the bylaws of the Academy, life membership status can be accorded to scholars of distinction in accounting history. Professor Yamey is the fifth individual who has been so honored by the Academy. The others are: Paul Garner (Alabama), Osamu Kojima (Kwansei Gakuin University, Japan), Kojiro Nishikawa (Nihon University, Japan), and Ernest Stevelinck (Belgium).

Basil S. Yamey was born in 1919 in Cape Town, South Africa. He received a Bachelor of Commerce degree from the University of Cape Town in 1938. Prior to his 1960 appointment to the economics faculty at the University of London, Professor Yamey had taught at Rhodes University, University of Capetown, and McGill University. He has also been a visiting professor at the Universities of Barcelona, Bologna, Chicago, and Louvain, and at Queen's University in Ontario. Yamey was elected a Fellow of the British Academy in 1977 and was appointed Commander of the Order of the British Empire in 1972.

Professor Yamey was a trustee of the National Gallery of London from 1974-81. He also served as a trustee of the Tate Gallery of London from 1978-81. In terms of government service, Professor Yamey served as a member of the Monopolies and Mergers Commission from 1966-78.

He has published extensively in various fields of economics, including industrial organization, futures trading and development economics. His articles on accounting history have been republished in two volumes, *Essays on the History of Accounting* (1978) and *Further Essays on the History of Accounting* (1982). He was joint editor, with A. C. Littleton, of *Studies in the History of Accounting* (1956); with H. C. Edey and H. W. Thomason he wrote *Accounting in England and Scotland 1543-1800* (1963), and with M. Bywater, *Historic Accounting Literature: A Companion Volume* (1982). With O. Kojima, he edited re-issues of two early treatises in English, Ympyn's of 1547 and Peele's of 1569. He was also a featured speaker at the 1980 World Congress of Accounting Historians held in London. Professor Yamey is certainly deserving of his election to life membership in the Academy.

The Content Analysis: Selection of General Motors (GM)

This model of social change was studied through a content analysis of sixty-one years of GM's annual reports. GM was chosen for this study because of the importance of the automobile industry for the social and economic development of the U.S. during the 20th century, and because of GM's dominant position both in the automobile industry and in the U.S. economy for much of this period.^{1 2}

Although at first glance annual reports may appear to be an idiosyncratic choice for a data base for such a study, they are in fact, ideally suited for several reasons. In the first place, because annual reports are produced every year, they assure full coverage of a lengthy period. Furthermore, with the exception of the required financial statements, the contents and format of the annual report are not pre-determined, but represent what the top management of the organization chooses to communicate to its shareholders and the public. The annual report can thereby provide insights into the issue and social relations that management regards as important and/or problematic. It also furnished us with the construction of these issues and relationships that management chooses to present to the world. Because annual reports are temporally produced, they offer a snapshot of management's mind-set at each point in time, before they have had time to reflect on or fully digest the events they are describing or trying to influence.³

The study traces the appearance in GM's annual reports of ten dialectical themes. These themes correspond to a number of areas in which the technological, social, organizational and ideological innovations that are widely regarded as being characteristic of the period from 1916 through 1976 took place. The ten themes, which are summarized in figure 1, are described as dialectical to emphasize the dynamic interaction of resolutions and impediments to capital accumulation that characterize social change. It should be emphasized that the themes are neither independent nor mutually exclusive. Rather they are linked synchronously and diachronously by a network of interrelationships.

The sixty-one years covered by the study enables us to compare GM's messages with regard to each of the themes under changing economic, political, and social circumstances, and thus to explore the dynamic and dialectical relationship between GM and its environment. Specifically, by tracing the frequency with which each theme is mentioned and the way it is treated in GM's annual reports, the study illustrates both: (1) The manner in which the

changing character of social conflict and cycles of capital accumulation were experienced by GM over sixty-one years; and (2) The part played by GM in changing the character of social conflict and transforming the process of accumulation over this period.

Research Design

Figure 2 summarizes the study's overall design. In the study, the theoretical concepts in the figure (impediments and resolutions) are linked to the observational variables (subjects in the annual reports) through the ten dialectical themes. Selecting these themes and making the assignment of observational variables to each of them was largely an inductive process and a matter of judgment.

The data (observational) variables were selected primarily to provide coverage and redundancy in relation to the dialectical themes. Redundancy (or duplication) between data variables ensures that substitutes are available. Coverage involves ensuring that all dimensions implied by a theoretical variable are represented in the set of data variables (Tinker, 1975, p. 162). A list of some of the dialectical themes (such as state intervention) and their corresponding operational variables is provided in the appendix.

The appearance of an observational variable in an annual report was measured by the space devoted to it (i.e., by counting the number of characters in a line of text discussing the subject or by counting the number of textual characters that would fit into the photograph or exhibit that addresses the subject). The number of characters were then summed to a character count for each dialectical theme per annual report. In addition, an index was constructed by annual report for each dialectical theme. i.e.:

$$\frac{c_{it}}{c_t} \times 100 = \text{index}_{it}$$

where c_{it} = character count for theme i in year t . The index adjusts for the changing lengths of the annual reports over time and allows us to examine changes in the relative importance of a theme over the years.

The frequency of appearance of each theme was illustrated graphically by pairs of figures (e.g. figures 3 and 4 on the following pages illustrate the frequency of discussions regarding various aspects of state intervention). Figure 3 charts the index. Figure 4 charts the raw character count. The index indicates the relative importance of the theme to a particular year's annual report. By tracing the changes in the index one can see the waxing and waning of the theme relative to other topics that were discussed in the annual report in each year. The raw character count enables one to trace the changes in the space

Continued

NEIMARK: *Continued*

devoted to a theme over time relative to itself. But these changes were not merely charted in the study. Rather, the study situated GM's treatment of each theme in its broader social and historical context to illustrate to the reader the relationship between these thematic changes and the changing character of social conflict and the cycles of capital accumulation, and to illustrate the part played by GM in the broader processes of social change. For example, an explanation would be necessary as why GM commented so heavily on state intervention during the World War II years.

Limitations of the Research Design

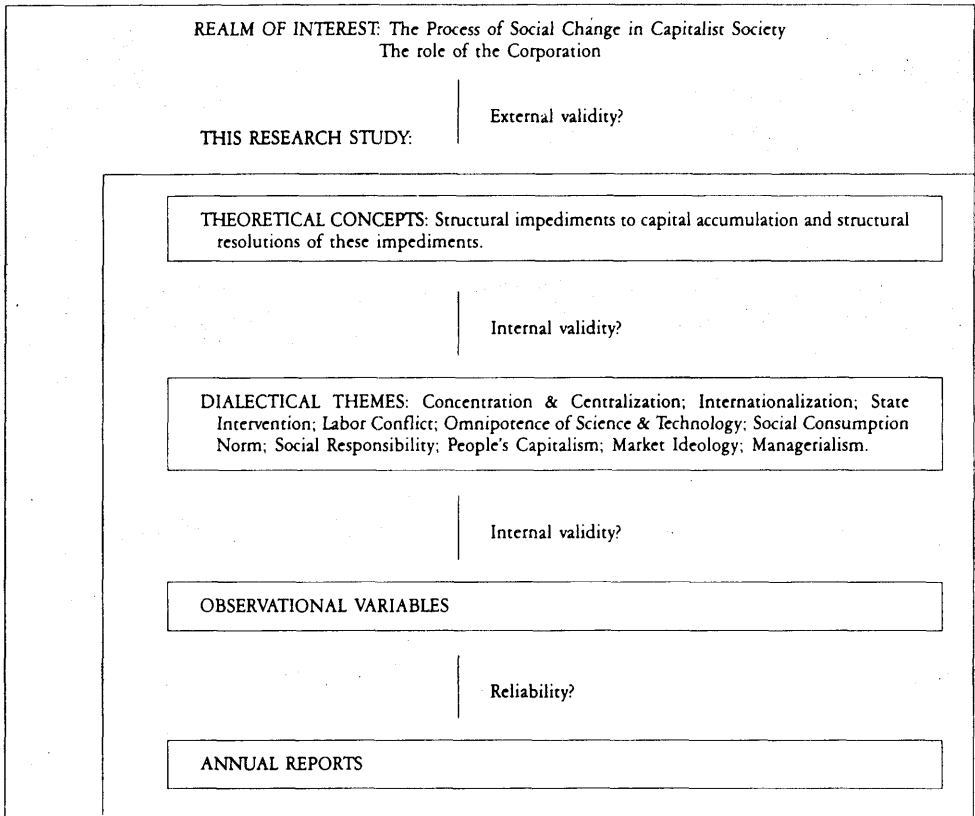
The arrows between each level in figure 2 raise a series of questions about the validity and reliability of the study's research design. The first set of questions involve the study's internal validity and essentially reduce to questions about the validity of the study's implicit measurement model. A measurement model relates a study's abstract-theoretical concepts (in this case the structural impediments and resolutions) to its concrete-observational concepts (the dialectical themes and their observational correspondents) through rules of correspondence (Firestone and Chadwick, 1975, p. 35). In this study, questions of internal validity are raised at each stage of the linkage

Figure 1
Dialectical Themes as Structural Impediments and Resolutions

Dialectical Theme	As a Structural Resolutions Of Impediments Arising From:	As A Structural Impediment Results In:
Concentration & Centralization of Capital (Domestic).	Economies of scale and Market saturation.	Legitimation issues leading to state intervention.
Internationalization of Production and Distribution	High organic composition of capital. Economies of scale and market saturation. High labor costs, and/or labor conflict. Protectionist policies of other nations.	Weakening of the nation state. Legitimation issues leading to state intervention. Impoverishment of work force in developing countries limits effective demand and increases social tensions. Synchronization of business cycles worldwide. Weakening of MNC's domestic economies.
Labor Conflict	Craft-worker control over methods & pace of production. Labor militancy and corporate vulnerability to strikes and job actions.	Plant-wide vulnerability to strikes & job actions. Worker alienation (low productivity; high absenteeism) Rigid job structures. Lack of control over wages and benefits. Inflation.
State Intervention	Realization (i.e., under-consumption) crisis. Intra and inter-class conflict. Social costs of production.	Weakening of the state: inability to fund essential programs; and inability to develop & implement necessary policies.
Social Consumption Norm	Realization (i.e., under-consumption) crisis.	Increase in expectations regarding the quality of life leads to legitimation demands and increases the fiscal crisis of the state.
Ideology of the Market Omnipotence of Science & Technology	Ideologies are solutions to impediments posed by potential disruptions to the maintenance of social order and to the continuation of the private appropriation of the social surplus under existing terms for its disposition and division.	Rising expectations. Divergences between the appearance suggested by the ideology and the underlying structure lead to legitimation demands.
Managerialism Corporate Social Responsibility People's Capitalism		

Continued

Figure 2
Research Design



between the theoretical concepts and the observational variables. Consider, for example, the correspondence between the theoretical concepts and the ten dialectical themes. Do the latter present a comprehensive picture of the structural impediments to capital accumulation and the structural solutions to these impediments in each year covered by the study? For example, is their coverage adequate? If so, are they specified at a sufficient level of detail? As noted previously, the dialectical variables are neither independent nor mutually exclusive. Similar questions can be raised about the correspondence between the observational variables and the dialectical themes. Related to the latter are a number of additional questions about the measurements used in the study. For example, do measurements of the space devoted to a message and the form of the message (e.g., text, photographs, graph) and its location in the report (e.g., main body, supplementary section, cover) reflect the relative importance of the message in the annual report, and if so, in what ways? Or can the types of

message and their placement be weighted equally (as they have been here)? Finally, does the appearance of a message in an annual report (whatever its length, form or location) reflect its importance to management or what management wants to communicate to the public in general (i.e., beyond the audience of annual report readers)? These are all important questions but ones to which no answers are readily available. Clearly, very real and unresolved measurement modeling problems exist in a content analysis study—as they do in virtually all social science research (Firestone and Chadwick, 1975, p. 36). These questions must be raised in studies such as this so that the reader is not misled as to the precision of the results that are presented.

The conduct of an empirical study also raises questions of reliability (the arrow between the Observational Variables and the Annual Reports in figure 2). For example, if more than one rater is used to code the annual reports, will their results be

Continued

FIGURE 3

STATE INTERVENTION INDEX

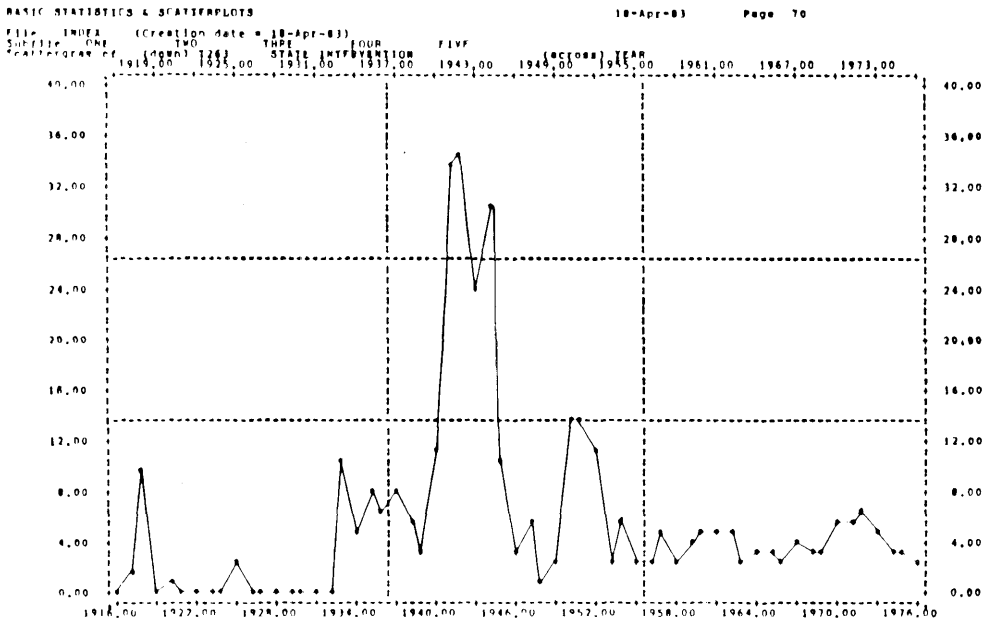
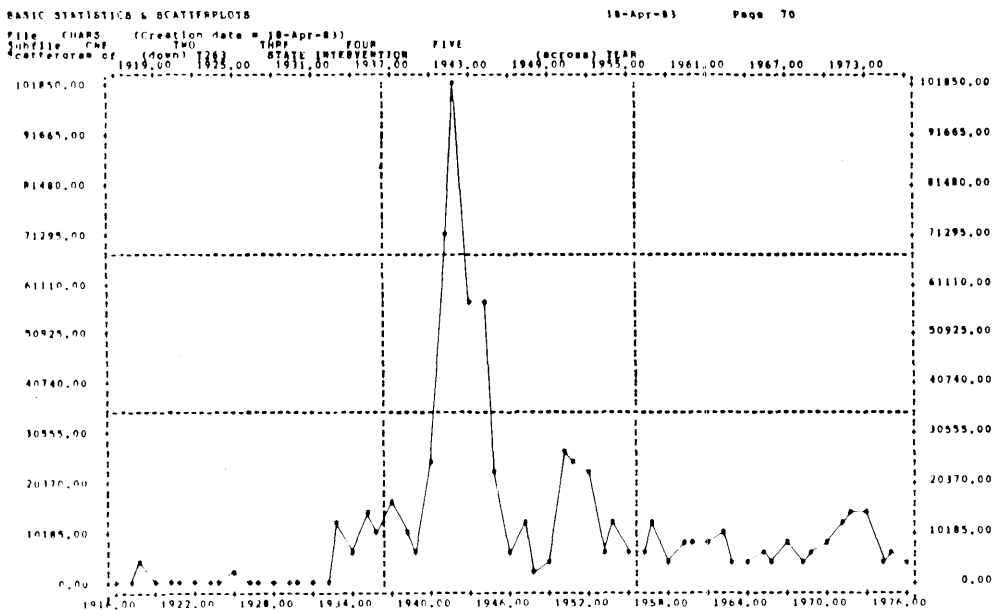


FIGURE 4

STATE INTERVENTION CHARACTER COUNT



consistent? In this case, the reports were coded by a single researcher which reduced (but did not eliminate) the likelihood of internal inconsistencies. But this still leaves unexamined the question of rater intersubjectivity i.e., would other researchers, examining the same annual reports code them in the same way? Although tests of the intersubjectivity of the coding scheme were not conducted in this study, they are clearly important for assessing its reliability.

Finally, there is the question of the study's external validity. To what extent is such a study taken as a whole generalizable to the realm of interest it addresses: i.e., to the processes of social change in capitalist society and to the role of the corporation in this process? This question remains unresolved, although the importance of the automobile industry and GM within it throughout the period covered by the study suggests the likelihood of some generalizability.

FOOTNOTES

¹Some recent statistics illustrate the importance of the automobile industry to the U.S. economy. According to the Commerce Department's input-output tables, the motor vehicle industry accounts for one-third of all textile demand, one-third of all non-ferrous metal manufacturers and nearly 15% of primary iron and steel consumption (*The Wall Street Journal*, Feb. 28, 1983). The 1975 issue of *Facts and Figures of the Automobile Industry* published by the Automobile Manufacturer's Association) estimated that approximately 17% of the U.S. labor force was employed in jobs related to the manufacture, distribution, service and commercial use of motor vehicles. And the 1973 *U.S. Statistical Abstract* reported that 11.7% of consumer spending was on new and used vehicles and their operations.

²GM has dominated the world automobile industry since the early 1930s when it replaced Ford as the number one automobile company. GM held the number one position on the Fortune 500 listing from its inception in 1955 until 1974. (Since then the company has been in the number 1, 2 and 3 positions.) GM's sales revenues exceed the GNP and/or GDP of many countries. For example, in 1979 the company's sales revenue of \$66.3 billion exceeded the GDP of Denmark, South Africa, Norway, Greece, Phillipines, Thailand, Pakistan, Peru, Kenya, Ecuador, Bolivia, Panama among others.

³This description is not intended to imply that annual reports are not prepared with care and forethought. But the preparers of the annual report do not have the benefit of hindsight nor an extended period of reflection and are caught up in the ambiance and ideologies of their time.

- Chandler, Alfred D., Jr. *The Visible Hand: The Managerial Revolution in American Business*. Cambridge Mass: The Belknap Press of Harvard University Press, 1977.
- Edwards, Richard. *Contested Terrain: The Transformation of the Workplace in the Twentieth Century*. London: Heinemann, 1979.
- Firestone, Joseph M. and Chadwick, Richard W. "A New Procedure for Constructing Measurement Models of Ratio Scale Concepts," *International Journal of General Systems*. 2(1975): 35-53.
- Sloan, Alfred P., Jr. *My Years With General Motors*. Garden City, New York: Doubleday Company, Inc., 1964.
- Tinker, Anthony M. "An Accounting Organization for Organization Problem Solving." Unpublished Ph.D. dissertation. Manchester Business School, 1975.

Appendix appears on next page

PENSION ACCOUNTING HISTORY NEEDED

Anyone who is presently searching for a new research project to undertake might be interested in pursuing the topic of pension accounting history. The FASB is currently studying the problems of accounting for pensions and the research staff would like to see additional material on early ways of accounting for pensions. Tim Lucas of the FASB says that the staff at Stamford would be willing to make available copies of the materials that are already available. Naturally, the FASB staff is familiar with what has happened since the promulgation of APB Opinion No. 8. However, any information regarding how the APB came up with Opinion No. 8 would be welcomed, as would anything pertaining to pension accounting in earlier years. Historic ways of accounting for pensions in other countries would also be of interest to the staff. If anyone has any materials available, or would like to see what the FASB has available, the contact person is: Tim Lucas, Financial Accounting Standards Board, High Ridge Park, Stamford, CT 06905 USA.

APPENDIX

DIALECTICAL THEMES AND CORRESPONDING OBSERVATIONAL VARIABLES

Themes

Observational Variables

1. State intervention

Refers to the collection of state activities that support, complement and promote the accumulation of capital by private business interests (Herman, 1981, p. 166). In addition to activities that directly support capital accumulation (i.e., state activities that increase the productivity of a given amount of labor power through spending on physical or human capital and by promoting profitable private accumulation by lowering the reproduction costs of labor). State intervention also refers to activities that fulfill the state's legitimation function and only indirectly support capital accumulation by maintaining social harmony.

2. Labor conflict

Refers to actions that address the social conflict between, and the relative strengths of capital and labor (e.g., Technical control systems, the collective bargaining compromise, and bureaucratic control systems) (Edwards, 1979).

3. Social consumption norm

Refers to the development of a social orientation to career, leisure and consumption, corresponding to what Habermas (1973, p. 75) refers to as familial-vocational-privatism, i.e., "a family orientation with developed interests in consumption and leisure on the one hand, and a career orientation suitable to status competition on the other." The development of the social consumption norm is a structural response to the realization crisis that began to emerge in the 1920s and has been described by Baran and Sweezy (1966, p. 128) as "a relentless war against saving and in favor of consumption" that was principally carried out by inducing changes in fashion, creating new wants, setting new standards of status, and enforcing new norms of propriety. Also integral to this ideology is the substitution of consumption and consumer choice for social conflict and political participation.

4. Social responsibility

Refers to the view that the corporation is responsible for the consequences of its action (or inactions) to constituencies that extend beyond its legal owners (e.g., to its employees, customers, suppliers, the communities in which it operates, the less advantaged, such as women or minorities, the public in general), whether or not these responsibilities are required by law.

Military Spending:

GM's participation in the national defense program (i.e., war); conversion of facilities for national defense (i.e., war time) production; importance of peacetime preparedness, military-industrial cooperation, joint civilian-defense production facilities; linkage between defense spending and economic stimulus; defense production, profits, sales and investment in PP&E; and training military personnel.

Taxes & Capital Investment incentives:

Social Conflict:

Regulation of prices labor and wages, materials usage, output; monetary and fiscal policy; inflation as a problem of government policy (e.g., fiscal, tax and/or credit policy); need for government to promote savings; and government sponsored social consumption (e.g., social security, unemployment insurance, workman's compensation).

Social Costs of Production:

Government policies, investigations, and regulations concerning automobile safety, air and water pollution (industrial pollution), automobile emissions, energy and fuel consumption, occupational health and safety, non-discriminatory employment practices.

Physical Infrastructure:

Government policies, investigations, regulations concerning mass transit, transportation, urban renewal, and highways.

Anti-trust:

Government antitrust policies, investigations and lawsuits; other litigation.

Welfare Capitalism:

Housing, health and life insurance, bonuses, stock purchase plans and savings plans. GM's steps to ensure, and their concerns about, facilities and services provided for the health and safety of employees on the job. Labor militancy; collective bargaining.

Automobile as a necessity to the American way of life; product and lifestyle (family leisure, upward mobility, annual model change); available features on products; performance (e.g., driving ease, riding comfort); Motorama, advertising, selling efforts, promotion, design and styling; and product line (philosophy, description of products).

Dealers and Dealer Relations:

Customers; Environment; Minorities and Women.