SYDNEY WORLD CONGRESS HIGHLY SUCCESSFUL

Over 130 accounting academics from 14 countries gathered in Sydney, Australia this past August to convene the Fifth World Congress of Accounting Historians. The United States, Australia, Japan and Italy sent the largest delegations. Other countries with representatives included Great Britain, New Zealand, Finland, Spain, Canada, Norway, Hungary, Sweden, Poland and China. Most delegates found the Congress quite inspirational, perhaps because of the presence of such luminaries as Sydney's own Ray Chambers and Murray Wells and individuals of similar stature from other nations. Professor Chambers attended every session and his encouragement of younger scholars was appreciated by all in attendance. This also marked the first Congress attended by a professor from the Peoples Republic of China, in the person of Professor Guo of Wuhan University, the most renowned accounting academic in China.

Editors of various accounting journals were much in evidence. At least seven editors were in attendance and at times seemed to be vying for submissions of the best conference papers. Again, the presenters benefited from the availability of this expertise.

An international conference such as the
MESSAGE FROM THE PRESIDENT

This has been a wonderful year to be president of the Academy. The fact that the Fifth World Congress of Accounting Historians was held at the University of Sydney added a dimension to my term in office that can not be duplicated. Attending and preparing for the Congress was accompanied by other events of importance including the annual meeting in Orlando. For me, one of the highlights of the annual meeting was making the awards that are given each year by the Academy. Dr. Jan Heier of Auburn University in Montgomery was the recipient of the Outstanding Manuscript Award. Dr. Peter McMickle and Dr. Richard Vangermeersch were the winners of the Hourglass Award for the greatest contribution to the literature of accounting history. The recipients of these awards are not notified in advance that they have won. Thus, I was quite nervous as to what I would do if the individuals were not present at the meeting. However, I was lucky in that all three winners were in attendance. Such is the excitement that the president has to bear.

Much of my time in the past year has been devoted to planning the renovation and furnishing of the facilities of the Tax History Research Center which was established last year at The University of Mississippi. The Center is to be officially opened on December 2, 1988, with a dedication conference. The conference will also celebrate the 75th anniversary of the 16th amendment to the U.S. Constitution.

Another activity that consumed a great deal of time was membership development. I have written to hundreds of potential members and librarians encouraging them to join our organization. This activity has been rewarded with a significant growth in membership. Other activities of the president have included writing grant proposals, corresponding with representatives of other international accounting organizations, and representing the Academy at regional meetings. In addition, I have maintained my role as editor. All in all, it has been a hectic year.

Although I have had a busy year, there is much left to be accomplished. The president for 1989 will be Eugene Flegm of General Motors Corporation. Gene will be the first non-academic president that the Academy has ever had. With Gene's diverse contacts and interests, the role of the Academy should be enhanced tremendously.
JAN HEIER WINS MANUSCRIPT AWARD

Dr. Jan Heier, an assistant professor at Auburn University in Montgomery, Alabama, was the winner of the $500 prize in the Academy's first annual manuscript award. His manuscript was entitled "Thomas Affleck and His Cotton Plantation Record and Account Book: A Study in the Reasons and Origins of Accounting Principles."

The annual manuscript award was established to encourage young academic scholars to pursue historical research. The winner must be a faculty member who received his or her doctorate within the previous seven years. Manuscripts must also be the work of a single author and must conform to the style requirements of The Accounting Historians Journal.

Jan Heier is originally from Manitowoc, Wisconsin, and received both bachelor's and master's degrees from the University of Wisconsin at Oshkosh. Dr. Heier worked as an internal auditor with the Singer Company out of New York and as a financial analyst with the Valley Banks in Appleton, Wisconsin before starting a teaching career. He completed his doctorate from Mississippi State University in 1986. He is a CPA.

The announcement concerning the 1989 manuscript contest appears elsewhere in this issue.

*The Accounting Historians Notebook, Fall, 1988*
McMICKLE AND VANGERMEERSCH WIN
HOURGLASS AWARD

Dr. Peter McMickle of Memphis State University and Dr. Richard Vangermeersch of the University of Rhode Island are the recipients of the 1988 Hourglass Award for their 1987 book, The Origins of a Great Profession. The Academy's prestigious Hourglass Award is presented annually to a person(s) who has made a significant contribution to the study of accounting history.

The award winning book was published last year by the Academy to commemorate the 100th anniversary of the AICPA. Copies were presented to all who attended the AICPA convention in New York. The work annotates and comments on 35 accounting works and provides 57 illustrations as background to discovering the value of the Montgomery Collection which is housed at Columbia University. The cooperative scholarship evidenced in the volume and the unique application of computer technology to its production merit special attention (In fact, Pete McMickle was on the program at the 1987 AAA convention in Cincinnati with his subject being how he used a computer to develop the cover for the book). This valuable scholarship can be expected to provide added awareness to the developments in American accounting prior to the twentieth century. This marked the first time that the Hourglass Award has been given for a volume published by the Academy of Accounting Historians.

Dr. Peter McMickle received his Ph.D. from the University of Alabama in 1977. He is the author of several books including two published in the new Foundations of Accounting series from Garland Press. He has also done a fantastic job over the past decade of maintaining the Academy's exhibit booth at the American Accounting Association annual meeting. Many of the present members of the Academy made their first contact with accounting history at Pete's booth.

Dr. Vangermeersch earned his Ph.D. from the University of Florida in 1970. He, too, has authored several previous books including a volume on Alexander Hamilton Church in the new Garland series.

Professors McMickle and Vangermeersch join an elite group of scholars by winning the Hourglass Award. The previous Hourglass winners, and the publications that won them the award are as follows.

From left to right, Peter McMickle, Academy President Dale Flesher, and Richard Vangermeersch.


1976 — Osamu Kojima and Basil Yamey, for reproduction of Ympyn’s *A Notable and Very Excellent Worke* (1547).


1979 — Murray Wells, Accounting for Common Costs.


1982 — Williard Stone, for a series of articles on “American Accounting History.”

1983 — Richard P. Brief, for authoring many books and articles and editing 196 volumes on accounting history subjects.


1987 — Ernest Stevelinck, for a half century of work in the study of accounting history and accounting historians.

***

ACCOUNTING HISTORY EDUCATION COMMITTEE

The Academy's Accounting History Education Committee, under the chairmanship of Abdel Agami of Old Dominion University, is currently working on two major projects. The first project is the second volume of Biographies of Notable Accountants which has been submitted for publication to Random House. The volume contains biographies of 18 notable accountants of the past. Random House expects to publish this volume in early 1989. Members should check at the Random House booth at the various regional AAA meetings for free copies of Biographies.

The committee's other project is to organize panels at each of the AAA regional meetings for purposes of discussing the various means of incorporating accounting history into the present accounting curriculum. If any member of the Academy is interested in appearing on one of these panels, please contact Abdel Agami at Old Dominion University (804) 683-3504 or (804) 467-1524.
A FEW SUGGESTIONS FOR POTENTIAL FUTURE HOURGLASS Awardees

by

Richard Vangermeersch
University of Rhode Island

On behalf of Peter McMickle and myself, I am very happy and honored to thank the Academy for its awarding us the 1988 Hourglass Award. As our experience could be helpful to you in perhaps trying a similar project, I'd like to relate the milestones of the book, *The Origins of a Great Profession*. It is an example of what might be called "Celebration Accounting." Since there are many celebrations coming in the next few years: Columbian 500 in 1992; NAA 75 in 1994; Summa 500 in 1994; and CPA 100 in 1996, for instance, perhaps the relating of our experiences can alleviate some fears of doing a longer-type project.

In the role of Chairman of The Academy's Archives Committee, I visited in 1979 the Rare Book and Manuscript Library in the Butler Library of Columbia University to examine the Montgomery Collection. Robert H. Montgomery, an American accounting practitioner and educator of much note, had donated his rare accounting books and manuscripts to Columbia in 1926. I noted that Columbia had housed a major exhibit from the collection for the 50th Anniversary of the A.I.A. (AICPA) in 1937 and still had available in inventory two copies of the souvenir booklet and 1 copy of "A Second Check List of The Montgomery Library of Accountancy." These items were purchased and the idea of redoing the exhibit in 1987 for the AICPA Centennial very quickly came into mind. Hence, the first milestone was a spin-off of an Academy project.

Early 1981 marked the second milestone—a letter written by myself to the editor of the *Journal of Accountancy* about a 1987 Centennial, including a repeating of the Columbia Exhibit. The letter was published in the new Professional Notes and Letters section in April, 1981. The third milestone was a meeting, called by Gary Previts, of Academy members interested in the AICPA Centennial at the AAA Convention in 1981. The Columbia project remained alive and was again activated in the latter part of 1985. The excellent book done for the 4th World Congress in 1984 was a tremendous inspiration to me. The AICPA had appointed an AICPA Centennial Member in Education in early 1984. The chairman of that committee was James Don Edwards and included these other members of The Academy: Sidney Davidson, Gary Previts, and Doyle Williams. Jim Flynn of the AICPA was its representative on the Committee. All were very helpful to the project. By October of 1985 Gary Previts contacted John (Sandy) Burton, then Dean of Columbia's Graduate School of Business, about the projected exhibit. Sandy, also an Academy member, was also quite supportive.

My fourth milestone was a visit in November, 1985, to the Rare Books and Manuscript Library and its Librarian, Ken Lohf. Mr. Lohf allocated enough exhibit space for 35 items and I chose a representative sample of this number from the 1937 Exhibit Book. With the exhibit items selected, it was then possible in milestone five to team with Peter McMickle, the leading scholar of rare books in accounting and, then unknown to me, a computer wizard of remarkable talent. Peter is to be commended for the inspiring of his students to participate in
the review of many of the exhibit items. With the project well under way, Peter was able to arrange the bulk of the funding in milestone six from Avron and Robert Fogelman from their gift to the Fogelman College of Business Administration at Memphis State. Merv Wingfield, then president of The Academy, showed his personal support of the project by funding and supervising the brochure for the exhibit, milestone seven. The eighth milestone was inclusion of our brochure and a letter of invitation to the exhibit for each attendee of the AICPA Centennial, arranged by Jim Flynn. I selected the pages to be exhibited at Columbia in June, 1987, milestone nine. The Rare Books and Manuscripts Library did a marvelous job in its display. The tenth milestone was the printing of the book, which Peter brought to our August, 1987, business meeting. I am hoping Peter will relay to you the exciting tasks of the production of the book in another writing. Peter's efforts produced a truly beautiful product. The eleventh, and last, milestone was the exhibit itself from September through November and the AICPA Centennial events in mid September. The AICPA kindly also publicized the exhibit in its June 29, 1987 The CPA Letter. In addition to Jim Flynn, I'd like to thank Karen Hegge Neloms, the Director of the AICPA Library Services Division, and Charles McGrath, AICPA Director of Meetings and Travel, for their help during the Centennial. The Academy was given a booth quite near the Registration Desk to publicize the exhibit and to show the book.

In addition to my thanking The Academy for the Hourglass, I hope to have inspired some members to do another version of "Celebration Accounting." Both accounting practitioners and educators are eager to participate in this form of accounting scholarship aimed at a major accounting historical event. While there are many obstacles to success, it is possible to "get it all together" because there is a demand for historical output tied into a major event. Our project attracted funding because it was well developed and had a great deal of both administrative work and actual output to sell. By having this well underway, we were able to adapt the output to the funding. The opportunities mentioned in this thank-you message represent tremendous potential for us to broaden the base of interest in accounting history, as well as to inform accountants of their rich heritage. Speaking for myself—and, without a doubt, for Peter—all the effort was worth it. In closing, thanks again for the honor and for creating the opportunity to do this project. Without The Academy, I doubt this type of effort could have been made.

***

JOURNAL HAS NEW BOOK REVIEW EDITOR

Dr. Patti Mills of Indiana State University in Terra Haute has been named as the new book review editor of The Accounting Historians Journal. She replaces Dr. Barbara Merino of the University of North Texas who has served as book review editor for the past three years. Dr. Mills holds a doctorate from the University of Rochester and her specialty is early European accounting, particularly Spanish.
AL ROBERTS STEPS DOWN AS SECRETARY

Dr. Alfred R. Roberts of Georgia State University is finishing up his final year (he hopes) as secretary of the Academy of Accounting Historians. Al has been secretary of the Academy for the entire 15 years of its existence except for the two years he served as president. Essentially, since the Academy has no paid employees, Al has been the chief administrative officer of the Academy for the past 15 years. He has mailed out the dues notices, received and processed checks, administered orders for the Academy's many publications, written letters, and generally did everything else that has led to the success of the Academy.

Al will be replaced by Dr. Ashton Bishop of James Madison University. Thus, all future correspondence to the secretary of the Academy should now be addressed to Ashton at School of Accounting, James Madison University, Harrisonburg, VA 22807.

Al Roberts may no longer be the Academy secretary, but he will still be active in Academy matters. He was elected to fill a spot on the board of trustees at the annual meeting in Orlando, and he will continue to serve as co-director of the Academy's Accounting History Research Center at Georgia State University.
On August 30, 1987, Norman X. Dressel died. He had been the Director of the Accounting History Research Center from its inception. His illness started in the Fall of 1986 and became serious in the Spring of 1987.

During most of 1987 there was little activity in the AHRC due to Norman's condition. In September 1987 President Vangermeersch appointed Elliott L. Slocum to complete Norman's term as a Trustee. He then appointed Elliott Slocum and Al Roberts as Co-Directors of the Accounting History Research Center.

A Dedication Seminar of the Accounting History Research Center had been held on November 10-11, 1985 and the papers were to be published in a proceedings monograph. In January 1988, 350 copies of the Proceedings were published and distributed to member-libraries and selected officers, trustees and members of the Academy. This 202-page publication was produced and distributed at a cost of about $6.50 per copy (total cost of approximately $2,300). The Academy had authorized the publication in 1986 and 1987.

During 1988, two sets of the Accounting Historians Journal are being bound for archival and AHRC use. The total cost of this binding will be $420. This will be within the budget authorized for the Center. Andrew Barr, former Chief Accountant of the SEC, donated to the Center a complete set of the Accounting Review (1926-1987). These journals are now at the bindery and will cost approximately $1,500 to bind. Mr. Barr has indicated that he might be willing to cover part of the cost (he said he will discuss it with us).

During 1988, Georgia State University, School of Accountancy, purchased for the Center 30 magazine boxes for the unbound collection of the Journal of Accountancy at a cost of $180.

Through the good offices of Gary John Previts, the Center was informed of the existence of an original, autographed copy of Charles E. Sprague's The Philosophy of Accounts (1907-1908). A letter has been sent soliciting the donation of the book to the Center.

During the spring, records of the Federation of Schools of Accountancy were received. These records are in the process of being cataloged. Elliott Slocum is serving as chairman of the FSA Historical Materials Committee, which includes Dale Flesher. This Committee will, once the records have been cataloged and completed, write a history of the FSA.

It is anticipated that during 1988/89 we will be able to devote more time to the Center and to plan for programs, and better inform the members of the Academy of what is available in the Center.

Elliott Slocum
Alfred R. Roberts

The Accounting Historians Notebook, Fall, 1988
Published by eGrove, 1988
THE ACADEMY OF ACCOUNTING HISTORIANS 1989 MANUSCRIPT AWARD

The Academy of Accounting Historians has established an annual manuscript award to encourage young academic scholars to pursue historical research. Any historical manuscript on any aspect of the field of accounting, broadly defined, is appropriate for submission.

Eligibility and Guidelines for Submissions

Any accounting faculty member, who received his/her doctorate within seven years, is eligible for this award. Manuscripts must conform to the style and length requirements of the Accounting Historians Journal. Manuscripts must be the work of one author and previously published manuscripts or manuscripts under review are not eligible for consideration.

Seven copies of each manuscript should be submitted by March 31, 1989 to: Dr. Barbara D. Merino, North Texas State University, P.O. Box 13677, Denton, Texas 76205. A cover letter, indicating the author's mailing address, date doctoral degree awarded, and a statement that the manuscript has not been published or is not being currently considered should be included in the submission packet.

Review Process and Award

The Academy's Manuscript Award Committee will review submitted manuscripts and select one recipient each year. The author will receive a $500 stipend and a certificate to recognize his/her outstanding achievement in historical research. The manuscript will be published in the Accounting Historians Journal after any revisions deemed necessary by the manuscript editor of the journal. The award will be given annually unless the manuscript award committee determines that no submission has been received that warrants recognition as an outstanding manuscript. The award will be presented at the business meeting of the Academy in Hawaii in August 1989.

GM, AA, AND DH&S CONTRIBUTE TO ACADEMY

During the past few months, the Academy has received substantial donations from the General Motors Foundation, the Deloitte Haskins & Sells Foundation, and the Arthur Andersen & Co. Foundation. The GM Foundation contributed $2,500 to be used to purchase furnishings for the Academy's Tax History Research Center. The money was used primarily for bookcases and also for a small conference table. This was the second consecutive year that the GM Foundation has made a contribution to the Academy. Last year's money was used for support of the Fifth World Congress of Accounting Historians at the University of Sydney.

The Arthur Andersen & Co. Foundation contributed $3,000 to support the general operations of the Academy. Arthur Andersen has been providing financial support for the Academy for over a decade. Although some of the past AA&Co. contributions have been for special projects, such as monographs, the majority of donations have been to cover general operating expenses (and thereby keep your dues at a low level).

The Deloitte Haskins & Sells Foundation contributed $3,500 toward support of the Tax History Conference to be held on December 2 and 3, 1988. DH&S has long been a supporter of accounting history projects, including the Haskins Seminars that the Academy sponsored in the late 70's and early 80's.
The following writings on accounting history have appeared in non-Academy publications during the past few months. The articles are listed here to make members aware of the articles being published and the publication outlets available. Readers are urged to keep the editor of The Notebook alerted to publications which should be listed in this column. Send your suggestions to Dale Flesher at the editorial address. Readers in Asia and Australia may send their suggestions to Dr. Robert Gibson, School of Management, Deakin University, Victoria 3217 AUSTRALIA.


Gary Previts (Case Western) serves Ray Chambers (University of Sydney) a cup of Cocoa.

Paul Garner (University of Alabama), Gary Previts (Case Western), Lee Parker (Flinders University), and Finley Graves (University of Mississippi) wait for a bus back to the Koala Hotel. As is evident by Paul Garner's overcoat, it was winter "down under."

Academy past presidents Richard Vangermeersch (University of Rhode Island) and Al Roberts (Georgia State University) stand on either side of Dale Flesher (University of Mississippi) who bravely holds a live koala. The three humans were visiting a wild game park outside of Sydney.
Working papers dealing with research in accounting history are published on an irregular basis by the Academy. A complimentary copy of each working paper issued during a fiscal year is available to members upon request during the year the working paper is printed. The most recent working papers are:

No. 72, "Luca Pacioli and Piero Della Francesca," by Ernest Stevelinck (Belgium).
No. 73, "History of College and University Accounting and Auditing," by Dale L. Flesher (University of Mississippi) and Zabihollah Rezaee (University of Detroit).

Copies of working papers produced in prior years are available to members at a nominal cost of $2 each.

Papers for possible inclusion in the Working Paper Series are reviewed by at least two members of the eight-member review board. Manuscripts should be submitted in triplicate, typed on 8-1/2 x 11 inch paper, and double spaced. Footnotes and bibliography should be in the style used by The Accounting Historians Journal. Manuscripts ranging from 8 to 30 pages are deemed most appropriate for this series. An abstract of approximately 200 words should accompany the manuscript. Papers should be submitted to:

Dr. Rasoul H. Tondkar, Editor
School of Business
VA Commonwealth University
Richmond, VA 23284 USA

Three bound volumes containing the first 60 working papers published by the Academy are also available. Volume I contains the first 20 working papers, Volume II contains papers 21-40, and Volume III contains papers 41-60. Volume IV will be published as soon as five more papers have been accepted (the Academy budget for 1989 includes the printing of Volume IV). The first three volumes are available to members at $7.50 each. The price to nonmembers is $15.00 per volume. Order from: The Academy of Accounting Historians, School of Accounting, James Madison University, Harrisonburg, VA 22807 USA.

KEN ELVIK STEPS DOWN AS TREASURER

Kenneth Elvik of Iowa State University relinquished the position of Academy treasurer after four years of service. He is replaced by Ross Tondkar of Virginia Commonwealth University.
RAYMOND DE ROOVER
(1904-1972)
BUSINESS HISTORIAN

by
O. Finley Graves
University of Mississippi
and
Ernest Stevelinck
Expert comptable, Belgium

The distinguished historian of medieval and Renaissance business history, Raymond Adrien Marie de Roover, first won recognition for scholarly excellence as an MBA student at Harvard University in 1938. The award was the James Bowdoin Graduate Prize, and his prize-winning essay was on the Florentine wool industry. Based on an examination of Medici family account books housed in the Harvard Library, the study epitomized the research methodology de Roover was to employ throughout his career: careful study and masterful interpretation of archival accounting records. The Bowdoin Prize, further, proved only the first of a battery of prizes and honors he was to receive over the years. In 1948, the American Historical Association awarded him its Herbert Baxter Adams Prize for his book *The Medici Bank*; in 1950 the Medieval Academy of America awarded him its Charles Homer Haskins Gold Medal for *Money, Banking, and Credit in Mediaeval Bruges*; and in 1966 Harvard University Press awarded him its Robert Troup Paine Award for *The Rise and Decline of the Medici Bank, 1397-1494*. He was elected a member of the Royal Flemish Academy of Sciences, Letters, and Fine Arts in 1952 and a Fellow of the Medieval Academy of America in 1970. In 1969 he was knighted for his academic achievements by King Baudouin I of Belgium as a Knight Officer of the Order of the Crown.

A native of Belgium, de Roover was born the son of an industrialist in Antwerp on 28 August 1904. Educated in local schools, he graduated from Antwerp's St. Ignatius Institute in 1924, where he studied business and accountancy. After completion of his studies at the Institute, he accepted employment at an Antwerp bank and later (1929-1936) as an accountant at the International Maritime Agency, a Belgian shipping concern. During these years de Roover developed a strong interest in accounting history and began to visit the Antwerp archives where he poured over sixteenth century account books. His particular interest in the medieval and Renaissance period, however, soon led him to the Bruges archives which held even older accounting records and where friendly archivists helped him master problems of paleography.

As a result of these part-time endeavors, de Roover published between 1928 and 1937 a number of articles and essays on early Flemish accounting including several on Jan Ympyn, the author of the first treatise on accounting in Flemish. On one of his visits to the Royal Archives during this period, he was annoyed to learn that a young foreigner, an American who evidently was researching the same topic as he, had reserved the sources he wished to consult. The matter was soon resolved, however, when the two researchers met. The young American was Florence Edler, the medieval economic historian, who became de Roover's wife in 1936 and his collaborator for the next thirty-six years. Indeed, it was Florence Edler who in 1949 discovered the secret Medici account books...
in the Florentine National Archives on which de Roover based much of his post-1950 writings including his 1963 classic *The Rise and Decline of the Medici Bank*.¹

Immediately after his marriage to Edler, de Roover accompanied his wife to the United States and matriculated at Harvard. (Mrs. de Roover occupied a position in Cambridge as Resident Associate of the Medieval Academy of America.) He obtained his MBA at Harvard in 1938 and that summer received a grant from the Belgium *Fonds National de la Recherche Scientifique* for study in Italian archives. On his return to the U.S. in the fall, he entered the Ph.D. program in economics at the University of Chicago, where Mrs. de Roover had previously earned her degree. He completed his studies at Chicago in 1943 and immediately joined the faculty in economics at Wells College in Aurora, New York. In 1954 he became professor of economics at Boston College and held that post until 1961 when he joined the economics faculty at the Brooklyn College of the City University of New York. He remained at Brooklyn until his death in 1972.

Since de Roover's research depended on archival study, he often took leaves of absence from his teaching duties for visits to European libraries. Most of these trips were supported by prestigious grants and fellowships. In addition to the grant he received from the Belgium *Fonds National* in 1938, he received Guggenheim Fellowships for study in Italy in 1949-50 and in 1952-53 and a Fulbright Fellowship for study in Pisa in 1951-52. In 1955 he received a grant for study in Belgium from the American Philosophical Society and in 1967 for study in the same country from the City University of New York. In 1968-69 he held a senior fellowship in the humanities from the National Foundation of the Arts and Humanities for study in France and Italy.

While de Roover's early publications dealt almost exclusively with accounting history, in the 1940s (perhaps as a result of Florence Edler's influence) he expanded his scope of inquiry to the development of medieval business in general. Indeed, during that decade he formulated the theory that occupied him for the rest of his life, that is, that a commercial revolution took place in the thirteenth century that fundamentally changed the form of business organization. Based on evidence he gleaned from thirteenth-century Italian account books, de Roover posited that beginning in the mid-1200s the travelling businessman who had traditionally accompanied his goods abroad became sedentary. As a result, Italian merchants of the time abandoned the single-venture form of business in favor of permanent branch offices abroad (notably in the Low Countries) managed from home. Business, accordingly, became more complex, and the increased complexity gave rise both to double-entry bookkeeping and to international banking.

De Roover's theory was at variance with
currently accepted ideas, and he devoted the remainder of his career to expounding upon and adducing evidence in support of his theory. Among his books on the subject are *The Medici Bank* (1948), *Money, Banking, and Credit in Mediaeval Bruges* (1948) *L'évolution de la lettre de change* (XIVe-XVIIe siecles) (1953), *The Rise and Decline of the Medici Bank* (1963), and *The Bruges Money Market Around 1400, with a Statistical Supplement by Hyman Sardy* (1968).

During the latter two decades of his life, de Roover also became interested in the economic thought of the medieval Schoolmen, who, he argued, had influenced the development of modern capitalism more than commonly recognized. Indeed, de Roover traced the influence of the economic thought of the Schoolmen from the late Middle Ages through the sixteenth and seventeenth centuries to Adam Smith. De Roover's major work on the subject is *La Pensée économique des scholastiques: Doctrines et méthodes*, which appeared in 1971 shortly before his death. Another of his books on the Schoolmen, *San Bernadino of Siena and Sant'Antonino of Florence: The Two Great Economic Thinkers of the Middle Ages* (1967), dealt with the Schoolmen's impact on contemporary (fourteenth-century) business practices.

In all, de Roover published nine books and over eighty scholarly articles. The majority of these publications appeared in English, but since he was equally proficient in French, Italian, German, and Flemish, a number appeared in these languages. As productive a researcher as he was, however, de Roover also found time to serve the scholarly community. Notably, he was advisory editor of *Studies in Medieval and Renaissance History* and was instrumental in organizing the International Congresses of Economic Historians in Aix-en-Provence in 1962, Munich in 1965, and Leningrad in 1970.

On a personal note, de Roover remained conscious of his Belgian heritage throughout his life and was especially concerned about the Belgian community question. In his 1972 New Year's card to his Belgian compatriot Ernest Stevelinck, he wrote:

> I hear that the situation in Belgium is going from bad to worse... It's folly pure and simple, and so much the more dangerous since it's collective. You can't have a coherent nation with two communities who no longer have anything in common. I've been told that the library at Louvain is going to be divided and the odd numbers of a series given to the Flemish and the even numbers to the Walloons. Its simply absurd.

Those who participate in our petty domestic quarrels...do not understand that, viewed from the outside, [the quarrels] are prejudicial to Belgium... Flemish, Walloon are but first names. Belgium is our family name.³

Near the end of his life, de Roover planned to return to Europe, although not to his native Belgium. "I do not count on remaining in the U.S.,” he wrote Stevelinck in 1971, “but on returning to Europe. I will find a place in southern France. My wife cannot tolerate the rainy, humid climate of Belgium” (letter of 19 March 1971). His reasons for wanting to return to Europe, however, apparently related to more than proximity to his homeland. Already in 1970 he had expressed his dissatisfaction with the chaotic situation at the American university:

> At present, with all this agitation at the university, it is no longer a pleasure to teach the young savages. And besides the administration makes the great mistake of granting concessions. One knows who is behind the agitation and who has an interest in keeping things stirred up.
His sudden death on 14 March 1972, however, prevented his plans from materializing.

In sum, De Roover’s fame rests primarily on his writings on general business history and in particular on his theory of the transformation of the organization of business during the thirteenth century. Yet his theory and the body of work based on its stem from his examination of accounting records. For this reason his work should be of no less interest to accounting historians than to economic historians and medievalists.

Notes
1 A respected scholar in her own right, Florence Edler is perhaps best known for her Glossary of Medieval Terms of Business (Cambridge, Mass., 1934). She was also an expert on the Florentine silk trade.
3 Letters translated from the French by O.F.G.

Biographical Sources
Kibre, Pearl. “Raymond de Roover.” American Historical Review (Recents Deaths), 77 (October 1972), pp. 1202-03.
“The Late Professor Raymond de Roover.” Accountants Magazine (Notes and Comments), 76 (July 1972), p. 333.

QUALITIES OF AN ACCOUNTANT
The two qualities most esteemed in an accountant, or business-man, are accuracy and facility of execution (order and neatness being always understood). To say of an accountant, “He never makes an error in calculation,” is to pronounce the highest praise; and this reputation, honestly earned, is beyond value to its possessor. To obtain these qualities may require effort of no ordinary kind; but all such effort, well-directed, can not fail of compensation.

Silas S. Packard, 1873
Submitted by S. Paul Garner

CALL FOR PAPERS—AAA NATIONAL

Papers for possible presentation at the American Accounting Association annual meeting in Hawaii in August, 1989, should be submitted by February 1, 1989. The current president of the Academy, Dale Flesher, is a member of the program committee. He expects that there will be at least three sessions devoted to accounting history. Papers should be complete and follow the format guidelines of The Accounting Review. Abstracts will be published and 30 copies of the paper must be made available by the author at the presentation. Papers which have been previously accepted for publication will not be accepted, nor will papers be accepted which have been presented at regional AAA meetings. Papers should be submitted, in triplicate, to:
Professor Douglas A. Snowball
Program Coordinator
University of Florida
Gainesville, FL 32611

When submitting papers, authors should indicate the topical area (i.e., accounting history) for which their paper should be considered.

The program advisory committee also solicits proposals for special sessions (such as panel discussions, etc.) which do not involve the presentation of research papers. The person submitting session proposals should provide as much information as possible about the content of the proposed session including a list of suggested participants.
Speakers at the plenary sessions at the Fifth World Congress of Accounting Historians included Tom Johnson (USA), Ray Chambers (Australia), Guo Daoyang (China), Alicja Jaruga (Poland), and Kyojiro Someya (Japan).
Academy President Dale Flesher (University of Mississippi) confers with Ray Chambers (University of Sydney).

Three Aussies, James Guthrie (University of New South Wales), Michael Gaffikin (University of Wollongong), and Ross Stewart (Seattle Pacific University), discuss whether Sydney will recover from the invasion of foreign accounting historians.

At the time this picture was snapped, Gary Previs (Case Western Reserve University), Ed Peragallo (Holy Cross), and Guiseppe Galassi (University of Parma) were discussing the fact that Peragallo was celebrating his 80th birthday at the Congress. It was also the 50th anniversary of Peragallo's Classic book on accounting history.
one in Sydney gives researchers the oppor­tunity to learn of others working in their field of interest. Many of the delegates believed that they were the sole researchers in their specific fields of interest, only to learn that others in Poland, China, Australia, or elsewhere were working in similar areas. In this respect, the delegates became appreciative of how small our world really is and how similar accounting is from one culture to another.

Americans accustomed to attending only American Accounting Association meetings would have been surprised at how scholarly the Congress participants were. Virtually every delegate attended a session every hour, and there was spirited discussion following the presentations, and that discussion centered around the papers presented—not recruiting and job hunting. In essence, the Congress was the type of scholarly meeting that nonacademics probably imagine all academic conferences to be.

The next Congress is scheduled for Kyoto, Japan in 1992. Start now to make your plans to attend.

CALL FOR PAPERS


This peer-reviewed annual which focuses more on theoretical than practical analyses, attempts to fill the gap in the social policy journal field by: a) encouraging historical as well as contemporary cases of social policy developments and implementation and b) stressing unconventional interpretations of social policies (e.g., Marxism, phenomenology, and internal colonialism). It publishes papers on social policies as developed by elite international political bodies as well as those which explore the response of subjects of such policy-making.

Papers should be no more than forty pages in length (Chicago Manual style) and paper abstracts should be at least four pages. Submission deadline is April 30, 1989. Send papers and abstracts to: Professor John H. Stanfield II, General Editor, Research in Social Policy, Sociology Department, The College of William and Mary, Williamsburg, Virginia 23185.

Australian buses carried signs reminding people to file their tax returns early.
MINUTES OF TRUSTEE'S MEETING

August 14, 1988, Marriott's Orlando World Center, Orlando, Florida, 2:00 p.m.


President Flesher opened the meeting at 2:25 and welcomed the group.

Chairman of the Board of Trustees, Edward N. Coffman, presented some comments as a "starting point" for the development of a five-year strategic plan for The Academy. These comments are primarily to get a dialogue started as to what and where The Academy should be in the future. The objectives of The Academy he listed are to: encourage research, encourage publication, encourage teaching and encourage personal exchanges. It was acknowledged that much of what The Academy does presently supports these objectives. An organization chart was presented showing the various positions and functions of The Academy. It is suggested that an operations manual be compiled for each function on the organization chart and that a system of reporting be established for each position.

Increases in both individual and institutional membership is necessary for the maintenance and expansion of Academy activities. It is recommended that the Endowment Fund be raised to the amount of $100,000 within the next five years. To replace ad hoc type committees, it is recommended that the following standing committees be established:

- Accounting History Education Committee
- Accounting History Research Methodology Committee
- Publicity Committee
- Membership Committee
- Oral History Committee
- "Think Tank" Committee

The establishment of the position of Historian-Archivist is proposed. The Archives would be maintained in the Accounting History Research Center.

The Academy should coordinate with other history groups to our mutual advantage. This might encompass workshops, conferences and other interactions. In conjunction with such interactions, the Accounting History Research Center and the Tax History Research Center should position themselves to serve and enhance accounting history and tax history research. They should serve as resource bases and also service Academy members by holding workshops, seminars, and other functions at least every other year.

After extended discussion it was proposed by Richard Vangermeersch and seconded by Elliott L. Slocum that the proposals be accepted and be put into operational form at the Trustees' meeting to be held in December in Oxford, Mississippi. The motion passed. Edward N. Coffman was to inform non-attending Trustees and officers of what had transpired with regard to this proposal. It was also suggested that the Trustees discuss where The Academy wants to be at the end of five years and determine strategy, goals and implementation.

Kenneth O. Elvik, Treasurer, presented audited financial statements for the year 1987. Statements for the period 1/1/88 to 6/30/88 and a budget for the calendar year 1989 were distributed. It was noted, with thanks, that General Motors had contributed $2,500 for the support of the Tax History Research Center, and that Arthur Andersen & Co. Foundation had contributed $3,000 for the continuing support of Academy functions. An increase in the sale of back issues of the Accounting Historians Journal was due to the sale of 25 complete sets of the Journal to a...
German book agency. The report also indicated that there is a constant increase in printing and postage costs for Academy publications. All questions having been satisfactorily answered, it was moved, seconded, and passed that the reports be accepted and approved.

Those present at the meeting offered a vote of thanks to Kenneth O. Elvik for his outstanding service as Treasurer of The Academy during the last four years. With membership approval, this position will be assumed by Rasoul H. (Ross) Tondkar on January 1, 1989.

Alfred R. Roberts, Secretary, presented the following information with regard to membership as of June 30, 1988 for the 1988 membership year:

<table>
<thead>
<tr>
<th></th>
<th>Domestic</th>
<th>Non-Domestic</th>
<th>Totals</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals</td>
<td>335</td>
<td>116</td>
<td>451</td>
<td>62</td>
</tr>
<tr>
<td>Institutions</td>
<td>197</td>
<td>79</td>
<td>276</td>
<td>38</td>
</tr>
<tr>
<td>Totals</td>
<td>532</td>
<td>195</td>
<td>727</td>
<td>100</td>
</tr>
</tbody>
</table>

Members reside in 27 countries in addition to the United States, and 48 states plus D.C. and Puerto Rico are represented. As of July 30, 1987, membership was 666 and by December was 729. The report was accepted and approved.

Roberts presented an analysis of the approximate income from member dues. This was noted and compared with the cost of supplying members with Academy publications. It was moved by Lee D. Parker and seconded that the dues for individuals and institutions be raised to $27 and $40, respectively, for 1989. An amended motion by Barbara Merino was seconded that the dues be $25 and $40, respectively. The amended motion was passed. Therefore, the dues structure for 1989 to be presented at the business meeting will be as follows:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals</td>
<td>$25.00</td>
<td></td>
</tr>
<tr>
<td>Institutions</td>
<td>$40.00</td>
<td></td>
</tr>
<tr>
<td>Doctoral Students</td>
<td>$7.50</td>
<td></td>
</tr>
</tbody>
</table>

Roberts presented four proposed amendments to The Academy Bylaws:

1. Article IV, Section 2., be amended to read, in part, "...The number of Trustees shall not be less than twelve nor more than twenty..."

2. Article IV, Section 4., be amended to read, in part, "...A quorum shall consist of eight Trustees,..."

3. Article IV, Section 1., be amended to read, "The President of The Academy shall preside at all meetings of The Academy, other than meetings of the Board of Trustees..." and the following sentences be added at the beginning of Article IV, Section 4., "A Chairman of the Board of Trustees shall be elected at an appropriate meeting of the Board of Trustees. The elected Chairman will hold that office for a term to be specified, but no longer than one three-year term, and may not serve consecutive three-year terms. The Chairman will preside at meetings of the Board of Trustees. In the absence of the Chairman of the Board of Trustees, these duties shall be discharged by the President, or alternatively by the President-Elect, or a Vice President, according to numerical order."

4. Article V, Section 4., be amended to read, in part "An agenda of all meetings should be reported to members at least three weeks before the annual meetings."

It was moved, seconded, and approved that the amendments be presented to the members at the business meeting. Upon a motion presented by Roberts and seconded, it was approved that the amount of $2,000 annually be made available to the Secretary of The Academy for clerical assistance.

Barbara D. Merino, Vice-President, stated that she would relinquish the function of Book Review Editor of the Journal. This function will be assumed by Patti A. Mills of Indiana State University. The Academy of Accounting Historians 1988 Accounting History Manuscript Award was presented to Jan Heier, Auburn University at Montgomery.

Barbara Merino will service the mailing of back issues of The Accounting Historians Journal. This function has been
handled by Ross H. Tondkar.

Lee D. Parker, Chairman, the Accounting History Research Methodology Committee, reported that the bibliography of research methodology is completed and the text is in laser printed form. This 246 page book was edited by Lee D. Parker and O. Finley Graves. Publication delay is due to getting final permissions. As soon as permissions are granted, the book will be published by Garland Press. The publication date is expected in 1989 or 1990. Parker hopes that with such a data base members will be encouraged to write papers on historical methodology. He also feels that there is the potential to sponsor one- or two-day conferences on historical methodology.

Gary John Previts, Manuscripts Editor, The Accounting Historians Journal, submitted the following manuscripts report for the period August 1, 1987 to August 8, 1988:

- Accepted: 10
- Accepted pending publication: 3
- Accepted — commissioned: 1
- Being revised by author(s): 6
- Being reviewed by references: 9
- Second round revisions: 1
- Rejected after review: 14
- Returned to author without review: 3
- Referred to other outlets: 2
- Withdrawn by author(s): 3
- Awaiting submission fee: 1
- Commissioned: 2
- Total in process: 55

Mary S. Stone, Production Editor, stated that she is working on a guidance sheet for authors to help streamline the production process. She also reported that Birmingham Publishing has increased its price by $1.00 per unit. The printer has suggested that the printing run be increased by 200 to 500 units due to the increase in authors, associate editors and others who receive complementary copies of The Journal. There was some discussion that perhaps authors and reviewers receive too many copies in relation to what is given by other journals. This procedure will be reviewed during the year to see if cost savings can be affected. There will also be a review of the exchange listings with other journals. It appears that some journals do not reciprocate.

Maureen H. Berry, Editor, Doctoral Research, has reduced her review to one paper per issue. Her in-depth review results in more comments on methodology, but she is finding it difficult to discern historical methodology in items reviewed.

Dale L. Flesher, Editor, The Accounting Historians Notebook, stated that he had changed the masthead on the publication. He requested that items of interest to the members be submitted to him. After nine years as editor, Dale indicated that it might be time to start looking for a replacement in the near future.

Rasoul H. (Ross) Tondkar, Editor, Working Paper Series, submitted a report indicating that working papers 72, 73, 74, and 75 have been issued. During the period 9-1-87 through 8-14-88, four papers have been received and, after review, four papers have been accepted. A promotional flyer was distributed during the year to Academy members and libraries encouraging them to purchase the Working Paper Series. Working Paper volumes sold or shipped during the year were: Vol. 1, 37; Vol. 2, 41; Vol. 3, 52. It is estimated that Vol. 4 will be printed in early 1989 at an approximate cost of $7,000 for 1,000 copies.

James L. Boockholdt, Editor, Monograph Series, submitted a report that four manuscripts had been received for consideration and all had been rejected. The Trustees are to look into establishing some guidelines for the series and give some indication as to the purpose of the series.

Richard P. Brief, Editor of the Garland Press accounting history reprint series, stated that the four books of The Academy's Classics Series would be reprinted by Garland with a separate page indicating that these were part of the Academy of Accounting Historians Classics Series. He also indicated the possibility of Academy members getting a fifty percent discount on certain publications. Details will be made known at a later date. There is some discussion at
Garland that there may be future reprints of accounting history books but perhaps in smaller numbers and more frequently.

Abdel M. Agami, Chairman, The Accounting Education Committee, reported that a second edition of biographies of notable accountants was in process. Seventeen biographies have been commissioned and four have been received. The complete manuscript is due at the publisher in October and should be out in January 1989 in time for the regional and annual AAA meetings. The major problem encountered by the committee is how to increase the amount of accounting history in undergraduate courses. They are also concerned what should be in history courses and how history can be integrated into courses at all levels. Lee D. Parker suggested that the committee receive a letter from The Academy acknowledging the problem and state its position so that the committee will have some guidance. This matter should be taken up at the Trustee's meeting in December.

Rita M. Hull, Chairman, The Membership Committee, reported that 72 letters had been sent to 1987 members who had not renewed for 1988. So far ten former members have renewed on the forms provided. Letters were sent to 49 members whose libraries were not members of The Academy requesting them to encourage their libraries to join. Walker Fesmire is to write to doctoral coordinators asking them to distribute membership brochures to doctoral students. Members in Great Britain, Italy and Canada have been appointed and asked to identify potential members in their countries for follow-up contact. Committee members have been asked to write to state CPA societies recommending that retired members join The Academy. Also each committee member is to write to ten individuals urging them to join.

Elliott L. Slocum, Co-Director, The Accounting History Research Center, presented his report. It was noted that Norman X. Dressel had died on August 30, 1987. In January 1988 the Center published and distributed 350 copies of the Proceedings related to the dedication of The Accounting History Research Center at Georgia State University which was held November 10 and 11, 1985. During 1988, two sets of The Accounting Historians Journal were bound at a cost of $420. Mr. Andrew Barr has donated a complete set of the Accounting Review to the Center. This collection will be bound at an approximate cost of $2000. Mr. Barr has agreed to cover the cost of binding.

Dale L. Flesher reported on the Tax History Research Center. The space provided in the School of Accountancy by the University of Mississippi has been repainted and carpeted and an air conditioner has been installed. A grant from General Motors in the amount of $2,500 will be used to secure bookshelves and furniture for the Center.

It was announced that there will be a dedication of The Tax History Research Center, December 2-3, 1988, at The University of Mississippi, Oxford, Mississippi. This conference will encompass a dedication ceremony and papers by accounting and tax historians. In addition, there will be a Trustees' meeting during the conference. While outside funding will be sought to cover the cost of the conference, it is recognized as an Academy sponsored function and the Trustees authorized up to $1,000 to deal with any short fall of outside funding.

Secretary Roberts presented to the Trustees the nominees for the various offices for 1989. The slate was approved for presentation at the Business Meeting. (Note: See the Minutes of the Business Meeting.)

President-Elect Eugene H. Flegm presented some of his thoughts on what he intends to accomplish during his year as President. Eugene H. Flegm will be the first non-academic president of The Academy and will bring the perspective of a practitioner-historian who intends to be pro-active and try to involve more practitioners in the organization. He will aid in developing proposals for obtaining
financial support for research and will support efforts to increase membership.

There being no further business, the meeting was adjourned at 5:50 p.m.

Respectfully submitted,

Alfred R. Roberts
Secretary, AAH

***

CONFERENCE TO DEDICATE TAX HISTORY RESEARCH CENTER

A conference is to be held on December 2 and 3, 1988, to dedicate the opening of the Academy's Tax History Research Center at the University of Mississippi. The conference will also celebrate the diamond jubilee of the 16th Amendment to the U.S. Constitution.

Some of the leading accounting and tax historians in the nation have indicated their willingness to participate. The keynote speakers will be former American Accounting Association presidents, Harold Q. Langenderfer of the University of North Carolina and James Don Edwards of the University of Georgia. Other participants will include Paul Garner and William Samson of the University of Alabama, Maureen Berry of the University of Illinois, Gary John Previts of Case Western Reserve University, Larry Crumbley of Texas A&M, Anna Fowler of the University of Texas, Roxanne Johnson of the University of Baltimore, and Eugene Flegm of General Motors.

NEW SERIES FROM GARLAND

Approximately 30 members were in attendance.

President Flesher called the meeting to order at 8:40 a.m. and welcomed members and guests. He gave a recapitulation of the major points covered in the Trustees' meeting. He then acknowledged, with thanks, the gift of $3,000 from the Arthur Andersen & Co. Foundation and the gift of $2,500 from General Motors Corporation. The discussion document prepared by Edward N. Coffman, Chairman of the Board of Trustees, was summarized and President Flesher stated that it will be the subject of the Trustees' meeting to be held in early December.

Treasurer Elvik distributed copies of the financial statements and the 1989 budget proposals. Specific items were discussed and questions from the members were answered. He cautioned again that it is difficult to match the budgeted amounts that are for the calendar year with the actual timing of the cash receipts and disbursements that relate to that calendar year. However, the budget is adhered to in general.

Since Kenneth O. Elvick will turn over the responsibilities of the Treasurer to Rasoul H. (Ross) Tondkar on January 1, 1989, the membership gave a vote of thanks to Ken for four years of outstanding service as the Treasurer of The Academy.

Secretary Roberts presented statistics on membership, similar to those at the Trustee's Meeting, and answered questions from members.

Secretary Roberts distributed copies of four amendments to The Academy Bylaws for discussion and comment. The logic of amendments 1 and 2 was explained as being a correction of the balance between officer-trustees and non-officer-trustees. The number of elected officers has increased since the bylaws were first written.

Amendment 3 was the creation of the office of Chairman of the Board of Trustees and the term of that office. Amendment 4 established the requirement that the agenda for the annual meeting must be sent to the membership at least three weeks before the meeting. After some discussion and questions, the amendments were approved unanimously.

The proposal for a change in the dues structure for 1989, which was approved by the Trustees, was presented to the members. There was some discussion but upon movement and second, the motion passed with one dissenting vote. The dues for 1989 will be: Individuals, $25.00; Institutions, $40.00; and Doctoral students, $7.50.

Vice-President Merino introduced the chairman of the committees on Accounting Education, and Accounting History Research Methodology who gave their reports. The report of the Membership Committee was read by Vice-President Merino. These reports were similar to those recorded in the Minutes of the Board of Trustees. In addition Peter McMickle reported on the booth set up in the exhibit area at the AAA meeting.

Vice-President Parker introduced reports of the editors of the various Academy publications. The reports were similar to those recorded in the Minutes of the Board of Trustees.

Elliott L. Slocum, Co-director of The Accounting History Research Center, presented his report. Dale L. Flesher presented the report for The Tax History Research Center in the absence of Tonya K. Flesher, Director of the Tax History Research Center.

Vice-President Merino, Chairman of the committee for The Academy of Accounting Historians Accounting History Manuscripts Award, reported that her committee of five persons had evaluated manuscripts from recent Ph.D.s. Jan
Heier, Auburn University at Montgomery, was given the first award and the article will be submitted to The Accounting Historians Journal for consideration.

President Flesher presented the 1988 President’s Hourglass Award to Peter L. McMickle and Richard G. Vangermeersch. Their significant contribution to accounting literature, Origins of a Great Profession, includes 57 illustrations from the Montgomery Collection at Columbia University and comments on these illustrations. The monograph was published in honor of the Centennial of the American Institute of CPAs.

Secretary Roberts presented the following nominees for offices to the membership:

OFFICERS (one-year term)
- President: Eugene H. Flegm (General Motors)
- President-Elect: Barbara D. Merino (Univ. of North Texas)
- Vice-President: Lee D. Parker (Flinders Univ. of S. Australia)
- Vice-President: Tonya K. Flesher (Mississippi)
- Treasurer: Rasoul H. (Ross) Tondkar (Virginia Commonwealth)
- Secretary: Ashton C. Bishop, Jr. (James Madison)

- Edward N. Coffman (Virginia Commonwealth), Dale L. Flesher (Mississippi), Thomas J. Nessinger (Arthur Andersen & Co.), Gary John Previts (Case Western Reserve), Alfred R. Roberts (Georgia State)

It was moved, seconded and the slate was approved.

President Flesher presented Secretary Roberts with a plaque for 15 years of service as the principal administrative officer of The Academy. As of January 1, 1989, the Secretary’s functions will be assumed by Ashton C. Bishop, Jr. of James Madison University. The new address of The Academy will be:

The Academy of Accounting Historians
School of Accounting
James Madison University
Harrisonburg, Virginia 22807, USA

Secretary Roberts, in turn, presented President Flesher with a plaque recognizing his term as President of The Academy.

President-Elect Flegm gave some of his educational background and experience in accounting. He related his “continuing education” with today’s problems in financial reporting and apparent shift in the profession and education from theory to rules and rule compliance. He feels that part of the cause of the many problems in accounting today is due to the failure of accountants to understand the history of their own profession. He intends to become pro-active in relations with the AAA and try to establish symposia on accounting by preparers. In addition, he intends to actively seek financial support for the Academy functions and to increase membership.

There being no further business, the meeting was adjourned at 10:05 a.m.

Respectively submitted,
Alfred R. Roberts
Secretary, AAH
September 16, 1988

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 be editor, Dale L. Flesher, School of Accountancy, University of Mississippi, University, MS 38677.

* * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * *
HERBERT C. HOOVER:
ACCOUNTING INFLUENCES ON HIS LIFE

by
Glenn Vent
University of Nevada, Las Vegas
and
Ronald A. Milne
University of Nevada, Las Vegas

Herbert C. Hoover was arguably the most distinguished mining engineer in American history. During the early part of this century he enjoyed great success as a consultant and mine manager. He was regarded as one of the most skilled practitioners of his day. In addition, he was a regular contributor to the mining journals and wrote several books, two of which became classics (Principles of Mining and De Re Metallica, an annotated translation of the works of Agricola). The rationalization of management was an important theme in his life. He frequently turned to accounting as a means to improve management systems. This paper describes several of the more interesting stories concerning the role accounting played in Hoover's early life.

EARLY EXPERIENCES

Herbert Hoover received his first training in accounting when he was about sixteen years old. He was working as an office boy in his uncle's land development company in Oregon. Hoover spent his spare time assisting the company bookkeeper in exchange work, when he decided that he wanted to pursue a career in accounting. Unfortunately, the bookkeeper "was a sad and dour Scotsman," and eventually Hoover concluded that accounting was a "cheerless calling" [Hoover, 1951, p.12]. Hoover decided to become a mining engineer after he learned of the excellent opportunities that existed in that field for a person with a college education.

In pursuit of his newly chosen profession, Hoover joined the first class of students to enter Stanford University. During his freshman year at college, in the Spring of 1892, he became the manager of the school's football team. For their first game Hoover rented a stadium and had 10,000 tickets printed. Unexpectedly nearly 20,000 fans showed up for the contest, so he spent the entire game selling tickets and collecting admission fees. After the game he placed the receipts, over $30,000 in gold and silver coins, in grain bags and carried them back to his hotel room where he stood guard until the banks opened the following morning [Hoover, 1951, p. 21-22].

During his junior year at Stanford, he was elected student body treasurer. One of the central issues of this campaign was the inadequate financial disclosure of the incumbent student government. As the treasurer he set up a full system of accounts and he published these accounts regularly in the student newspaper [Hoover, 1951, p. 23]. Hoover was an early and continuing advocate of public accountability through full disclosure of accounting information. His commitment to full disclosure was rooted in the strict religious environment of his childhood and also reflected the progressive attitudes of the period.

Two years after graduating from college, Hoover obtained a position with Bewick, Moreing and Company, a prominent British firm of mining consultants and engineers. He spent the next 18 months in Western Australia appraising mines and managing the Sons of Gwalia gold mine. He was quickly recognized as one of Australia's best mining engineers. His next assignment was in revolutionary
China, where he spent several exciting years, before returning to London as a partner in the firm.

The new partnership consisted of Moreing (60%), Hoover (20%), Wellstead (10%), and Rowe (10%). Hoover was responsible for managing the firm's mines; Wellstead handled the details of contracts and purchasing supplies, and Rowe was the chief accountant. A little less than one year after becoming a partner Hoover learned some important lessons about the value of adequate internal accounting controls when Mr. Rowe fled to Canada having embezzled approximately one million dollars. Rowe had taken money from both the partnership accounts and the accounts of the mines which the partnership managed. At Hoover's suggestion, the remaining partners voluntarily covered all of the losses. However, it took Hoover three years to pay for his share of this debt. Rowe was quickly apprehended and sent to prison for his misdeeds. While Rowe served his time in prison, Hoover quietly helped support the unfortunate wife and children of the accountant.

As has been shown, Hoover's interest in accounting predated his professional engineering experiences. He frequently looked to accounting as an area where he could make contributions. For example when he was named to Stanford's Board of Trustees [Hoover, 1951, p. 119], one of his first actions was to have the school's financial statements released to the public and he considered this to be an important achievement. However it was Hoover's practical experience in Australia that formed the basis of his theories on management accounting. The important mines of Western Australia consisted of very large deposits of low grade ore. The exploitation of these deposits could only be economically justified if the working costs were kept very low [Nash, p. 78]. Operating efficiency was the key. Hoover believed that mine managers should be evaluated on their ability to control working costs. Efficiency and the control of working costs became the foundation of his style of management.

MINING INDUSTRY

A problem frequently encountered by firms at the turn of the century was how to manage mines located in remote regions of the world. It seemed to the investors that the honesty of a mine manager was inversely related to the distance of the mine from the corporate headquarters. To obtain honest and efficient management, company directors tried a variety of techniques [Spence, p. 118]. One was to require improved accounting and reporting by the manager. Another solution was to send representatives on frequent inspection trips. A third method was to engage respected engineering firms, such as Bewick, Moreing & Company, to manage the property. Hoover's experience reflects all three of these strategies.

HOOVER'S INFLUENCE

In 1903 Hoover wrote a short paper on gold mine accounting for the Engineering and Mining Journal. He stated that all of the well managed mines of that day had fully developed systems for determining the cost of production. Unfortunately there was a "most harassing lack of uniformity" in the details of these accounting systems. While Hoover felt that these various methods resulted from honest differences of opinion, he argued that the mining industry would benefit from a uniform set of accounting rules. He then called on both the American Institute of Mining Engineers and the Institution of Mining and Metallurgy to establish uniform standards for the industry.

Hoover's paper was well received and within a few months the Engineering and Mining Journal published three papers from prominent engineers supporting Hoover. There had been significant worldwide support for the idea of standardizing mine accounts since about 1895, so Hoover was lending his support to a popular cause. Since the Institution of
Mining and Metallurgy was already working on the standardization of other aspects of the industry, Hoover was merely suggesting that accounting be added to their agenda. A few years later the Institution of Mining and Metallurgy established the Mine Accounts and Cost Sheets Committee under the direction of A. G. Charleston for this purpose. Late in 1910 the Institution unanimously adopted the standards proposed by this committee.

The Mine Accounts and Cost Sheets Committee's report shows evidence of Hoover's influence. The committee's recommendations are quite similar to Hoover's theories on accounting. Certain sections appear to be merely paraphrasing Hoover's [1909] book. There is only one quotation in the committee's report and it is from a "prominent" but unidentified engineer. The prominent engineer is Hoover and the quotation is from the Principles of Mining.

In Western Australia Hoover was in a position to change the accounting practices of many of the region's leading mining companies. Hoover's firm provided management services for firms producing over half of the district's output of gold. At that time Australia was the world's leading producer of gold and this industry was centered in Western Australia. Faced with the task of efficiently managing the mines of approximately twenty different corporations with twenty different sets of stockholders, it is easy to imagine why he would wish to employ a uniform set of accounting principles. A standardized system of accounts (Prichard, 1903) was tested at four large mines in 1903. The following year this system was installed at all of the mines managed by Bewick, Moreing and Company. In approximately 1905 Hoover described this system of accounts in a manuscript. Although the manuscript was never published it can be found at the Herbert Hoover Presidential Library.

**HOOVER ON MINE ACCOUNTING**

Hoover [1909, p. 169] states that there are three purposes of accounting: first, to guide in the collection of receivables and the disbursement of payables; second, to determine the enterprise's profit or loss; and third, to provide management accounting reports. These reports to management enable managers to reduce expenses and increase revenues, and they allow the owners to evaluate the performance of the managers.

The classification of development costs was a particularly difficult problem for the mining industry. Hoover's methods adhered more closely to the matching principle than is common today. He capitalized development costs and amortized them as the ore was mined. The modern practice is to expense all development costs incurred after the production stage of operations has commenced. When a development tunnel follows a narrow vein of ore, should part of the tunneling cost be charged to production? Hoover (1905) suggested that the ore extraction account be charged with an amount equal to the average cost of stopping an equivalent amount of ore, and the remainder charged to development. It was Hoover's practice to write off the original cost of plant and equipment (Hoover, 1906, p. 686) as the expenditures were incurred. Thus there was no plant asset and no depreciation expense. This appears to be a very conservative accounting practice and it was not a common practice of the mining industry of that day. Plant assets were much more likely to be capitalized and never depreciated.

When WWI broke out Hoover ended his mining career and began a new life in public service. During and after the war he directed famine relief activities throughout Europe and is credited with saving the lives of millions of people during this period. He served as Secretary of Commerce during the Harding and Coolidge administrations and became President in 1928. During this time he continued to work toward the standardization and rationalization of all aspects of government and industry.
CONCLUSION

Hoover appears to have had a clear understanding of the relationship between good management and good accounting. His ability to achieve low working costs and his insistence on full financial disclosure are prime factors that helped Hoover obtain great success in the mining industry. He also was an enthusiastic supporter of the world wide drive to standardize mine accounting practices. Not only did he influence the Mine Accounts and Cost Sheets Committee of the Institution of Mining and Metallurgy, but he changed accounting practices at many of the largest mines in Australia.

REFERENCES

Agricola, G., *De Re Metallica*, Translated by H. C. Hoover and L. H. Hoover (Dover Publications, 1950.)


Hoover, H.C., "Gold Mine Accounts," *Engineering and Mining Journal* (July 11, 1903), p. 44.

Hoover, H.C., "Mining Accounts," Unpublished manuscript from the Herbert Hoover Presidential Library (circa 1905).


***SHAGGY DOG STORY***

(Tremont Pharmacy in Upper Arlington, Ohio has a show case which allows people in the neighborhood to put up posters promoting events, garage sales, notices, lost and found notices - even for pets) "LOST DOG. Description: three legs, blind in left eye, missing right ear, tail broken, accidently neutered. Answers to the name of - LUCKY." Reward-Call 488-2625

Alex J. Gaal
Historian
National Assn. of Accountants
Columbus, Ohio Chapter

AUSTRIAN ACCOUNTING HISTORY

The Accounting History Special Interest Group of the Accounting Association of Australia and New Zealand at its meeting in Canberra in August agreed that its official publication should be called Accounting History.

Robert Gibson of Deakin University continues as editor maintaining a link with the previous Newsletter. After seventeen issues Barrie O'Keefe has resigned as joint editor and Gary Carnegie also of Deakin University is assistant editor.

A revised editorial policy will retain an emphasis on Australian material. In addition to historical studies it is planned to publish papers which rely on essentially historical methods, eg. studies of compliance with accounting standards.
The full title of David Young's book, "The Farmer's Account-Book of Expenditure and Produce for Each Day, Month, and Year" [Young, 1790] is unlikely to capture the attention of the casual reader. Historical Accounting Literature, [1975] describes the work as "a book published for the purpose of having accounts entered in it." This description, although accurate does not do full justice to Young's attempts to develop an effective farm management and accounting system.

The Account-Book

The book contains three sections, an introduction, the pro forma accounts, which take up most of the pages, and an appendix. None of the pages are numbered. The appendix contains three disparate sections. In the first, Young offered a brief history of his own farming experience at Woodhead Farm, near Perth, Scotland, which forms the basis of his examples. The second section comprises Young's reasons, with diagrams, for his annoyance that his plan of some twenty years earlier, for the improvement of the town of Perth, had been rejected in favor of an inferior scheme. In the third section, under the heading "The Despicable Reviewer Reviewed," he accused an anonymous reviewer of his earlier book of essays on agriculture [Young, 1785] of a "pedantic pomposity of..., and... total ignorance of the subject he pretends to review."

Modesty was not, it seems, among Young's virtues. He claimed to have been encouraged to publish the book by "many of the most intelligent farmers in Britain," who have "gained considerable sums by adopting that system of husbandry which I have recommended, or methods similar to it." He argued that if all farmers were to use his system, "the greatest advantage would accrue to the nation in general."

However, he noted that most farmers were "so much wedded to their own opinions and so much attached to antiquated methods of farming that they will not take the trouble to read, far less put into practice, what is recommended to them." His accounting recommendations fall into two categories: the need to keep regular and detailed accounts, and the need for national statistics for comparative purpose.

Regular and Detailed Account

Young appears to use the term "regular" to mean "routine" although he may also be using the term in the sense employed by North [1714 p. 12], that is, as a synonym for double-entry accounting, or "the Italian Method." Young's argument was as follows:

"There are a number of capital mistakes that most farmers commit every year, and many are so ignorant and confident of their own judgment that it is very difficult to convince them that they are both injuring themselves and ruining their farms; and although many will own they are wrong, yet through indolence, they never attempt to alter their method. To convince them of their improper conduct, nothing appears more suitable than the keeping of regular accounts of expenditures and produce [revenue] for every article, the continuation of which for some years would prove to a demonstration, which was the best mode of culture, and that the present schemes practiced by the most of farmers are very bad and unprofitable."

Further, Young observed:

"If a farmer was in considerable arrears for rent to the proprietor, or to other creditors, his keeping accurate books, would show to everyone concerned from whence that proceeded. Humanity and self-interest would dictate to his creditors and friends, the duty of enabling him to rectify his errors, and to support him upon the express condition, that he adopted a regular system of cropping, and kept regular books. If the farmer did so, in a few years, he would not only be able to pay off all his debts, but the farm would be worth perhaps double the value it would have let for before, and thereby both the proprietor and tenant would be much benefitted."

National Statistics

Young argued in favor of his system not
just for individual farmers, but as a way of systematically collecting national statistics, which would help each farmer to judge his own performance:

"It would be the greatest advantage if every member of Farmers' clubs were to keep such accounts, and compare them with one another...Nothing would so powerfully stimulate...[the farmer's pursuit of profit]...as the certain knowledge from facts of his neighbor having gained three, or even five times more than formerly, by adopting and pursuing another and better system of cultivation."

The Accounts

The first item in the account book was not an "account" in the normal sense of the word. It was a tabular diary or register of daily temperatures, barometric pressure, weather conditions and any "remarkable occurrences," to be kept both "as a mean of adding greatly to the stock of science" and as additional data, which, when related to the financial accounts, would assist the farmer in decision making.

The remaining accounts were also in tabular form and comprised inventory accounts, and a general, analyzed, cash-based receipts and payments accounts, from which a receipts and payments account was derived for each crop. Figures were aggregated and summarized monthly, and annually, and the annual profit or loss and return per acre were calculated. Young recommended an annual physical inventory, saying "no farmer is confined to one particular month, but may take it in any month he finds most convenient."

The inventory account contained details of the:

"Whole stock and utensils upon the farm, with the value thereof, and additional money columns for each month, wherein should be inserted the cost or value of new articles purchased, or made, during the course of the year; and by subtracting the produce of any article sold from the inventory, it can easily be shown how much of that article is in stock any day."

It is clear from his description of a particular inventory account, the granary account, that Young intended the physical quantities to be used for control purposes:

"The advantage of keeping a granary account is obvious to every person. First. It is satisfactory to know that quantity of each type of grain growing upon each different field. 2ndly. This account shows not only the quantity of all the different grains put into the granary, but likewise the quantity of grains delivered out, and by the adding of each table, will show what quantity remains in the granary of each different grain...It is likewise an advantage to know the quantity of grain developed for feed, to strangers, to servants, and for the maintenance of bestial, each distinctly by themselves. When its account is properly kept, it will show the whole quantity of corn produced in the different fields, and if any embezzlement, will prove it. This will likewise be a check for every month's expenditure and produce, when both should agree together."

Young developed a specimen set of accounts for a farm of one hundred and twenty acres, divided into six fields. Each crop was identified with a particular field, and spaces for notes on manuring and soil conditions. The balance on each crop account was the profit or loss on that crop, with inventories being taken annually at what seem to be transaction values. These values were used for subsequent additions to, or removals from, inventory. As noted earlier, he also proposed that a granary account be maintained to control quantities bought, harvested, sold and used with the farm, as a check against cash received or paid. Each of these accounts was kept on a daily basis, and one double page (folio size) was allowed per month.

Young's Defense of his Accounting System

There is little doubt that Young recognized that his scheme might appear to be too cumbersome containing, as it did, some thirty-nine accounts or "tables." In its defense, he argued first on the basis of his own experience:

"It is now about twenty years since I made out the table of expenditure and produce, for the first eight years upon my farm at Woodhead; and after deliberately viewing this table, I was fully convinced, that if I had followed this plan at first, of keeping my farm accounts, it would have saved me several thousand pounds...I received more instruction, by carefully perusing this table, than from reading many volumes, as I saw things quite in a different light from what I understood before; and I may venture to assert, that every farmer even the most intelligent, by following the example of keeping a minute register of his daily transactions, will likewise be of the same opinion...There are a multiplicity of schemes, wrote by different authors, many of which tend to mislead rather than instruct the farmer. It
is only by practice that any farmer can know which is best; yet nothing is more common, than to hear a great number of farmers highly extolling some authors, but never attempting to practice what they recommend."

Young's second argument was based on private and social cost-benefit grounds: "The keeping of accounts in the manner proposed, would be attended with very small expense, but the increase in profit and knowledge would be great to individuals and the nation at large."

The third argument advanced by Young was on stewardship and control grounds: "Any gentleman, though some hundred miles distant from his farm, could judge whether every field was plowed and sown in proper season, by having a copy of the state of the weather and monthly expenditure sent him... As these tables not only exhibit a mode of keeping accounts for the expenditure and produce of any farm in general, but also how the expense and produce of each field or decision in particular may be known, with the general or distinct gains arising therefrom."

Finally, Young used the argument familiar to all teachers of accounting, that accounting is fun: "Some farmers at first may think the keeping of these tables very difficult but, by a little practice, they will find it very easy, especially when every article is marked down in its proper time, which in place of a labor, will make it an agreeable amusement to see the transaction of each day properly arranged."

Conclusion
Young's "Farmer's Account-Book" has rested in obscurity for almost two centuries. He did not establish a full and elaborate double-entry accounting system as did, for example, North [1714], Drummond [1718], Malcolm [1718], Hayes [1714], Dodson [1750], and Hamilton [1777]. He did not offer the very detailed discourse on farming technique and management of North [1726]. Nor did he carry out Bradley's [1727] comparative profit studies among different farms and among different enterprises in the same farm. However, he did identify the need for decision and control mechanisms which are tailored to the requirements of the farmer rather than made to conform to a standard double-entry bookkeeping format. The importance of the account book lies more in Young's explanation of the need for regular and detailed record keeping and in his ability to blend practical experience of farming with the managerial accounting needs of farmers, individually, and collectively through his call for the compilation of national statistics.

REFERENCES
Historical Accounting Literature, Mansell, London 1975, published for the Institute of Chartered Accountants in England and Wales, p. 216.
Young, D., National Improvements upon Agriculture, in Twenty-seven essays, Edinburgh: J. Bell, 1785.
Young, D., Agriculture, the primary interest of Great Britain, Edinburgh and London: for the author, 1788.
Young, D., Address to the landed gentlemen and farmers of Great Britain to the town councils of the royal boroughs in North Britain, and to societies for promoting agriculture. To which are added hints for lowering the price of provisions, and a memorial lately presented to the Convention of royal boroughs, Edinburgh: for the author, 1791.

In addition to his 1790 and 1785 books, Young published books in 1788 and 1791, also on agricultural topics.

See, for example, Hayes [1714] p. 2.
A.T. Craswell (University of Sydney) edited the Proceedings of the Congress.

Murray Wells (University of Sydney) was the principal organizer of the Fifth World Congress.

NOW AVAILABLE

COLLECTED PAPERS OF THE FIFTH WORLD CONGRESS OF ACCOUNTING HISTORIANS

Held at The University of Sydney, Australia

Includes keynote addresses by Tom Johnson, Kyojiro Someya, Alicja Jaruga, Guo Daoyang and Ray Chambers, and over thirty other papers (approx. 1,000pp.).

Price: $70.00 (Australian)

Order from:
The Director
Accounting and Finance Foundation
University of Sydney H04
AUSTRALIA 2006

The Librarian

Please order copies of the following:
ISBN 0 908269 92 7
Editor: A.T. Craswell
Title: Collected Papers of the Fifth World Congress of Accounting Historians
Date and Place of publication: 1988 Sydney, Australia
Publisher: Accounting and Finance Foundation within The University of Sydney
Price per copy: $70