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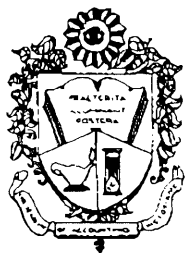
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The Accounting Historians Notebook

Vol. 21, No. 1

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April, 1998

THE PAST, PRESENT, AND FUTURE OF ACCOUNTING HISTORY AS IT RELATES TO METHODOLOGY, EDUCATION, TECHNOLOGY AND INTERNATIONAL ORGANIZATIONS

On December 4-6, 1997, The Academy of Accounting Historians hosted its 1997 research conference in Richmond, Virginia. The theme of the conference was "The Past, Present, and Future of Accounting History as it Relates to Methodology, Education, Technology, and International Organizations." The program committee, chaired by Edward Coffman and members, Roger Daniels, Laurie Henry, and Rasoul Tondkar, provided an excellent program and conference. Attendance numbered approximately 90 individuals, representing 15 countries, fifty-six institutions, and two firms. The Academy appreciatively recognizes the contribution of papers from the members and representatives of universities from outside the United States. Additionally, the Academy is pleased that again a number of graduate students, representing Virginia Commonwealth University, have attended and participated in the program.



Graduate Students from VCU

The Academy gratefully acknowledges the generous financial support provided by Arthur Andersen LLP, Chrysler Corporation Fund, Deloitte & Touche LLP, General Motors Foundation, and KPMG Peat Marwick Foundation which makes a research conference such as ours possible. Additionally, the Academy appreciates the support of Virginia Commonwealth University in hosting the conference.

President Rasoul Tondkar and Program Chair Edward Coffman opened the morning plenary session. Dr. Ruth Epps, Chair of the Department of Accounting, Virginia Commonwealth University, extended a welcome to the Academy and its members and participants in the research conference. The program consisted of the following:

Plenary Session: Technology and International Perspective of Accounting History

Moderator:

Gary J. Previts, Case Western Reserve
University

Speakers:

Arthur R. Wyatt, University of Illinois,
"The International Accounting
Standard-Setting Process: Past, Present,
and Future"

PAST...continued on page 16

As the Academy begins its twenty-fifth year, we can look with great pride on the accomplishments of the past and the challenges of the future. The many contributions of individual members and supporting institutions and firms have made it possible. I especially want to thank you who have so readily volunteered to serve the Academy in various capacities this year.

The committees are currently working on the many activities of the Academy. In the areas of membership and education, I believe that we need to formulate long-term plans which will encourage new members and better maintain and serve existing members. Each year, we appear to begin anew, whereas, we need to establish more continuity and to build on accomplishments of previous years. Your suggestions will be greatly appreciated.

Expanding membership, participation, and service internationally continues to be an area of challenge. Based on suggestions from prior year committees, the international relations committee has been expanded to include greater numbers of members in other countries with an objective of improving communications and membership. A new proposal is under consideration for development of a new international group in "comparative accounting history research" to encourage research efforts globally among members, especially younger members. I am especially pleased regarding the potential of this new group to expand international involvement in the Academy and research in accounting history.

The difficulties the Academy experienced in 1996 and early 1997 with the distribution of *The Accounting Historians Journal*



Elliott L. Slocum

have been dealt with, and we do not believe such problems will occur in the future. I want to thank Barbara Merino, Ross Tondkar, Gary Previts, Alan Mayper, Richard Fleishman, and other members who contributed much effort in this matter. I particularly appreciate your patience and understanding regarding the delay and replacement of missing issues.

Due to the suggestions of several officers and members, we will have a session regarding accounting history

research at the Annual Meeting of the American Accounting Association in New Orleans. Finley Graves and Vaughan Radcliffe will offer a CPE session prior to the regular program. The planned program will focus on various types of accounting history research.

Work is continuing regarding the Academy's 1998 Research Conference in Atlanta, at the Atlanta Hilton, on November 12-14. This conference will culminate the activities of the Academy's twenty-fifth year, and we plan for the conference to be a celebration. The program committee, in choosing the theme, "The Evolution of Business Disclosures," expects to provide a program which will trace the origins and purposes of reporting and disclosures, structure and content of financial statements, and the social, economic, and political influences on accounting disclosures. We especially encourage papers concerning these issues from international members in order to illustrate comparative developments among countries. Regardless, make plans to come to Atlanta and join in the scholarly discussions and celebration.

Elliott L. Slocum

SCHEDULE OF ACADEMY FUNCTIONS

Academy activities are briefly listed below for 1998. The Academy encourages you to attend and participate.

Annual Meeting of AAA CPE Workshop: Research in Accounting History

August 16, 1998
8:00 am – 12:00 noon
New Orleans Hilton Riverside
New Orleans, Louisiana

Officers and Trustees' Meeting

Past Presidents' Dinner

Membership Reception

August 19, 1998
New Orleans Hilton Riverside
New Orleans, Louisiana

1998 Research Conference

Annual Business Meeting

Silent Auction

November 12–14, 1998
Hilton Hotel
Atlanta, Georgia

THE ACCOUNTING HISTORIANS NOTEBOOK

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HOME PAGE

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Case Western Reserve University

MONOGRAPH NO. 8 PUBLISHED

Monograph No. 8 in the Monograph Series of the Academy of Accounting Historians appeared in November 1997 with Garland Publishing, Inc. Authored by Hugh Brian Markus, a Chartered Accountant as well as Wirttschaftsprüfer, the book is entitled *The History of the German Public Accounting Profession*. First published in German by the prestigious Beck Publishing House in 1996, it deals comprehensively with the history of the German public accounting profession from its beginnings in 1931, through the Third Reich, to its re-creation after 1941, first on a zonal basis and in 1961 on a federal basis. The monograph includes comparisons with the professions in the U.S., Canada, and the British Isles; appendices on the profession in other European countries; and an account of the activities of U.S. and British accounting firms in Germany up to the 1950s. \$70.00. ISBN 0-8153-3010-3. For orders contact Garland Publishing, 1000A Sherman Avenue, Hamden CT 06514, or call toll free 1-800-627-6273.

CALL FOR PAPERS

FIFTH CHARLES WALDO HASKINS
ACCOUNTING HISTORY SEMINAR
THE ACADEMY OF ACCOUNTING HISTORIANS
The Evolution of Business Disclosures
November 12–14, 1998—Atlanta, Georgia

The Academy of Accounting Historians will present its 1998 Research Conference on November 12–14, 1998 in Atlanta, Georgia at the Atlanta Hilton. The research theme is *The Evolution of Business Disclosures*. The Conference will seek to identify and analyze the developments of business disclosures from financial statements, to financial reporting, to business reporting. The theme is not limited to the evolution of business disclosures in the United States, and the program committee encourages papers regarding such evolution in other countries. This broadly stated theme permits subjects ranging from technical to philosophical issues in various national and international settings, including but not limited to:

Origins and Purposes of Reporting and Disclosures

Stewardship

Performance Analysis

Resource Allocation

Financial Statements (Balance Sheet, Income, Funds)

Structure

Content

Disclosure

Terminology

Social, Economic, and Political Influences and Issues

Regulatory Legislation, Agencies, and Policy

Standard Setting Agencies

Completed papers should be submitted by June 1, 1998. Four copies of the double spaced completed paper and an abstract/synopsis of approximately 1,000 words should be sent to:

Dr. Kumar N. Sivakumar

Co–Chair, Program

Phone: 404-651-4486

E-Mail: ksivakumar@gsu.edu

Fax: 404-651-1033

OR

Dr. Ram S. Sriram

Co–Chair, Program

Phone: 404-651-4464

E-Mail: rsriram@gsu.edu

School of Accountancy
College of Business Administration
Georgia State University
P.O. Box 4050
Atlanta, Georgia 30302-4050

All papers will be double-blind reviewed. Authors will be notified of the status of their papers by September 1, 1998. Papers accepted for the conference are not precluded from submission for publication to journals at a later date; however, the abstracts/synopses of accepted papers will be published in the Proceedings of the conference, in an issue of *The Accounting Historians Notebook*, and on the Academy's Home Page.

COFFMAN PRESENTED THE 1997

HOURLGLASS AWARD

President Rasoul Tondkar presented the Academy of Accounting Historian's 1997 Hourglass Award to Dr. Edward N. Coffman at the December Research Conference in Richmond Virginia. The Award was given for Dr. Coffman's lifetime research and contributions to the literature in accounting history. The Hourglass Award is the Academy's most prestigious recognition of one or more authors who make a significant contribution to accounting literature in the area of accounting history regarding a particular publication or for cumulative publications.



Rasoul Tondkar and Edward N. Coffman

Ed has written a number of articles on accounting history methodology and on the integration of accounting history into the accounting curriculum in such journals as *Abacus*, *Issues In Accounting Education*, and the

Accounting Historians Journal. He initiated and coauthored the book entitled *Historical Perspectives of Selected Financial Accounting Topics* which contains articles on the evolution of selected financial accounting topics to assist in the integration of accounting history into financial accounting courses. The second edition of this book was recently published by McGraw-Hill.

Ed has demonstrated interest and contributions in the area of accounting biography. He was instrumental in starting and contributing to the Academy's publications entitled *Biographies of Notable Accountants* which was distributed to academicians for their classes. He participated in the authoring, with Tom Burns and Dan Jensen, materials regarding members of the Accounting Hall of Fame. Recently, three volumes were published of the collected works of selected Hall of Fame members.

As a former president, chair of the Board of Trustees, and service on numerous committees, Ed has contributed much to the Academy's success. He edited the Academy's working paper series and served as manuscript editor of the *Accounting Historians Journal*.

EIGHTH WORLD CONGRESS OF ACCOUNTING HISTORIANS IN THE YEAR 2000

The Eighth World Congress of Accounting Historians will be held at the Universidad Carlos III de Madrid in the year 2000, tentatively on the dates of July 19-21. Esteban Hernandez-Estevé, Comision de Historia de la Contabilidad de AECA (Comisión de Historia), is serving as the Convenor of the Congress.

Additional information on the Congress will be released in the future, but requests can be addressed to:

Esteban Hernandez-Estevé, Convenor
8th World Congress of Accounting
Historians
Asociacion Espanola de Contabilidad
y Administracion de Empresas (AECA)
Alberto Aguilera, 31, 5
28015 Madrid, Spain
Tels.: 34-1-547 44 65
559 12 27
547 37 56
Fax: 34-1-541 34 84
Email: info@aeca.es

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LOUIS GOLDBERG—PROFESSOR EMERITUS, THE UNIVERSITY OF MELBOURNE

On October 18, 1997, Dr. Louis Goldberg, Professor Emeritus, The University of Melbourne, passed away at the age of eighty-nine. Dr. Goldberg's interest and support of accounting history spans more than five decades. He was awarded Life Membership in the Academy of Accounting Historians in 1989 and served on the editorial board of *The Accounting Historians Journal*. He was also a long-time member of the Accounting History Special Interest Group of the Accounting Association of Australia and New Zealand.

Dr. Goldberg began his academic career in 1931 at The University of Melbourne as a part-time tutor and was appointed to a lectureship in accounting in 1946. During this period, he obtained experience in public accounting, cost accounting, and governmental accounting. Dr. Goldberg became the first full-time professor of accounting in Australia with the appointment in 1958 as the G.L. Wood Professor and Head of Department of The University of Melbourne. "Professor Emeritus" was awarded at his retirement in 1973.

Dr. Goldberg's many contributions to literature include *An Inquiry into the Nature of Accounting* (1965) in which he expounded his "commander theory" of resources, *A Philosophy of Accounting* (1939), and *The Elements of Accounting* coauthored with V. R. Hill. His long-standing interest in account-

ing history and education led to the publishing of *The Florescent Decade, Accounting Education in Australia 1945-1955* (1981), *Dynamics of an Entity: The History of the Accounting Association of Australia and New Zealand* (1987), and several articles in *The Australian Accountant*, *Accounting in Australia*, *Accounting and Business Research*, *Accounting History Newsletter*, and *The Accounting Historians Notebook*.

A respected teacher and scholar, Dr. Goldberg helped establish the Australian Association of University Teachers of Accounting, forerunner of the Accounting Association of Australia and New Zealand (AAANZ). He served as president of AAANZ in 1962 and was awarded Life Membership in 1983. He was awarded the Order of Australia "for service to education, particularly in the field of accounting." Recently, he placed his accounting books, pamphlets, and journals which he collected during his career from many countries at Geelong Woolstores Campus of Deakin University where "The Louis Goldberg Collection" will be available for use by students and academics.

Accounting, accounting education, and accounting history in Australia and the world have benefited from Dr. Goldberg's influence and many contributions. He will be missed.

(Garry D. Carnegie, Deakin University, Based on "Vale Louis Goldberg," *Accounting History*, NS Vol 2, No 2 (1997): 7-8.)

BUSINESS HISTORY CONFERENCE, 1999

Dr. Gary Previts is working with Dr. Larry Neal, President of the Business History Conference to include two sessions on accounting history at the 1999 conference. Possible issues include regional discrepancies in GAAP develop-

ment, accounting procedures for philanthropic and not-for-profit organizations, and how corporations account for social benefits. Please contact Gary at (216) 368-2074 or E-mail: gjp@po.cwru.edu for dates and details.

NEWS AND NOTES

Lee Receives Burnum Award

Dr. Tom A. Lee, president-elect of the Academy of Accounting Historians and Professor at the University of Alabama was named recipient of The Burnum Distinguished Faculty Award for 1997-1998. This annual award is made to a faculty member in recognition of excellence in research, scholarship, and teaching based on nomination of his or her peers, recommended by The Burnum Award Committee, and selected by the President. The recipient must have demonstrated superior scholarly or artistic achievements and dedication to the art of teaching which are distinctive and bring credit to the academic community. Congratulations Tom on this well deserved and prestigious award.

Flesher Receives Award

Dr. Dale Flesher of The University of Mississippi was named Outstanding Educator in the State of Mississippi for 1997. This annual award is made by the Mississippi Society of CPA's. Dale as a long-time member of the Academy has served as president, on the Board of Trustees, and numerous committees. We congratulate Dale on this well earned recognition. We should note that Dr. Tonya Flesher received the award in 1995 and also has served as president, on the Board of Trustees, and numerous committees. It seems to run in the family, and we are glad.

Williams Wins Manuscript Award

Dr. Robert Williams of the University of Wollongong was announced as the winner of *Accounting History* 1997 Manuscript Award for his paper entitled, "Inscribing the Workers: An Experiment in Factory Discipline or the Inculcation of Manners? A Case in Context." This article was published in the May 1997 issue of *Accounting History*. This annual award is judged by the members of the Accounting History Special Interest Group of the Accounting Association of

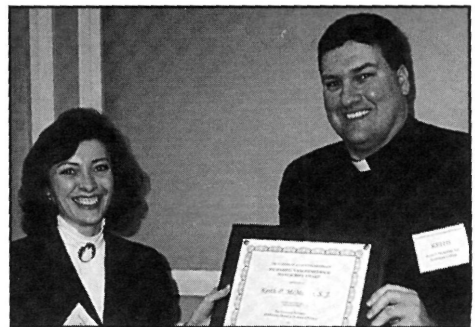
Australia and New Zealand and awarded to the author(s) whose paper is determined to make the most significant contribution to accounting history literature. A prize, sponsored by the Faculty of Business and Law, Deakin University, is presented to the author. Dr. Williams is also a member of the Academy of Accounting Historians.

Schoenfeld Receives Award in Switzerland

Dr. Hanns-Martin W. Schoenfeld received the Dr. Kausch Price Award at the University of St. Gallen, Switzerland. The award was given for Dr. Schoenfeld's integration of European and American accounting. He is the first American to receive this award. Dr. Schoenfeld, Professor-Emeritus, University of Illinois, served as president of the Academy in 1978-1979 and has made many contributions to accounting history.

McMillan Receives Award

Keith P. McMillan, S.J., Rockhurst College in Kansas City, Missouri, was given the 1997 Vangermeersch Manuscript Award at the 1997 Research Conference in Richmond. The award was made by Dr. Donna Street, chair of the award committee. Dr. McMillan received the award for his manuscript entitled, "The Science of Accounts: Bookkeeping Rooted in the Ideal of Science."



Dr. Donna Street and Dr. Keith P. McMillan

Holmes Publishes Cases

Sarah Holmes, Texas A&M University, recently authored a case and coauthored another with Joyce Strawser, Seton Hall University, which was published by Dame Publications, Inc. These cases are intended for use in introductory and intermediate financial accounting courses and have been extensively class tested. Sarah is treasurer for the Academy.

International Conference on Accounting and Governance

The International Conference on Accounting and Governance will be held at the University of Naples, Faculty of Economics, on October 23-24, 1998. The main topic of the Conference is the relationship between Accounting and Corporate Governance. Papers should focus on management/financial accounting and governance models in entities of all types and size, such as public and private companies, subsidiary and associated companies, family firms, government enterprises and non-profit-making organizations. Both theoretical studies and empirical researches, including case studies are welcome. Prospective contributors are invited to submit abstracts of papers by April 5, 1998. Full conference papers must be submitted by June 10, 1998. Papers presented will be considered for publication in *The Journal of Management and Governance*, published by Kluwer. Enquires and submission of papers to: Professor Michele Pizzo, Università di Napoli Federico II, Department of Business Economics, International Accounting Section, via Cinthia Monte S. Angelo, 80126 Napoli, Italy. Tel. +39 81 7645429; Fax +39 81 7645389; EMAIL: pizzomi@unina.it

Silent Auction a Success

Again this year, the Academy hosted a silent auction at its annual research conference. During the conference in Richmond, December 4-6, 1997, members were able to browse and bid on the old books, mono-

graphs, and periodicals made available by a number of contributors. Jeanette Sanfilippo, chair of the public relations committee, directed the auction and reports that over \$900 was raised for the Academy. The Academy tentatively is planning to host another silent auction at the 1998 research conference in Atlanta on November 12-14.



Silent Auction

Information for the Future

Gary Spraakman of York University encourages members of the Academy to consider presenting a paper at the Business History Section of the Administrative Sciences Association of Canada. Accounting papers are acceptable and there is a blind review process that provides detailed written comments. The annual conference is held at a different location in Canada each year at the end of May or the beginning of June. Papers must be submitted by January 15 thus it is too late this year. However it is not too late to begin planning for the 1999 conference. For information on attending the 1998 conference or on the 1999 conference, contact Gary Spraakman at Atkinson College, York University, Toronto, Canada M3J 1P3 or Garys@Yorku.ca.

Contributions to Research Centers

In recent months, the Accounting History Research Center at Georgia State University (AHRC) and the Tax History Research Center (THRC) at The University of Mississippi have received substantial contributions of accounting history publications.

THRC received in December, 1997,
NEWS...continued on page 34

SCHUYLKILL HAVEN RAILROAD COMPANY: 1844-1864

by

Gary Giroux, Texas A&M University

The Minehill and Schuylkill Haven Railroad Company (MSH) was one of the first commercial carrier railroads chartered in the U.S. The stock traded on the Philadelphia Stock Exchange and the company managers faithfully issued annual reports to the stockholders beginning in 1828. Fifteen annual reports were discovered at the Library Company of Philadelphia, covering most years from 1844-1864. The purpose of this paper is to conduct a content analysis of these annual reports.

Few articles describe the financial reporting characteristics of specific 19th century railroads. Several histories exist of early major railroads (Baltimore and Ohio, Pennsylvania, New York Central, and Erie), but with limited accounting analysis. Each railroad responded to financial circumstances and problems in unique ways. Particularly important was the financing of railroads, largely through the burgeoning capital markets. What information was presented to demonstrate credibility to corporate stakeholders? What compensation (cash and stock dividends, interest payments) must be made and why? Before much headway is made on generalizing the contributions of railroads to accounting, these specific stories must be told.

Minehill and Schuylkill Haven Railroad Company

The early history of MSH was described in the earliest annual reports of the company, which is presented below. No financial statements were presented before the 1848 Report and little financial information of any kind discussed.

The Pennsylvania State Assembly granted a charter to establish the Minehill and Schuylkill Haven Railroad Company in 1828, with capital of \$25,000 to "constitute

a railroad from the canal at Schuylkill Haven, up the valley of the West Branch to the coal seams in the Mine Hill, a distance of nine miles." Initial track construction was completed in 1831 at a cost of \$186,000. Coal was hauled in cars pulled by horse and mule teams, 17,559 tons in 1831.

The lines were expanded as new coal fields were opened. Locomotives were first acquired in 1847, requiring improved infrastructure. During 1863, 1.5 million tons of coal were hauled, a total of 25 million tons over 32 years (1831-63). The end of the line connected to the docks of Schuylkill Navigation Co. or the rail of the Philadelphia & Reading Railroad Company at Schuylkill Haven. MSH was acquired by the Philadelphia & Reading in the 1930s. Thus, the MSH continued in existence for over 100 years.

The initial \$25,000 in stock (1828) was subscribed by local coal land owners and company managers. As more capital was needed, mortgages were obtained from Philadelphia capitalists. The mortgages were convertible to common stock. The stock traded on the Philadelphia Stock Exchange, the first stock exchange founded in the U.S. (1790) and the premier stock exchange at the time the company was chartered.

Schuylkill Haven & Lehigh River Railroad was acquired by MSH in 1863. Also in 1863, MSH managers agreed to lease the railroad to the Philadelphia and Reading Railroad for an annual fee of 8% of total assets. MSH stock price rose from 48½ at the start of 1863 to 62½ in December. No mention was made in the 1864 annual report of the consequences of the Civil War. The 1879 balance sheet of the Philadelphia and Reading showed \$175,300 of MSH stock as an asset (Previts and Merino, 1979, pp. 82-83).

MSH had a December 31 fiscal year-end. The annual meetings were early in January at which was presented the "Report by the Board of Managers to the Stockholders of the Mine Hill and Schuylkill Haven Rail Road Company." The report was signed by the president of the railroad. The form of the report was a narrative, usually of the previous year's operations and not much different than a president's letter in a modern annual report. In some years financial statements and supplementary reports were attached, such as the "Report of Engineer and Superintendents." The trend was to report more information in later years. No audit opinions were included in any of the annual reports. The fifteen annual reports available for analysis were for the years 1844, 1846, 1848-1849, 1851-1852, 1854-1861, and 1864.

The managers' reports were written for the annual meetings, but it is not clear to what extent the reports were distributed. The 1852 cover from the Library Company of Philadelphia was addressed to a Mr. Tucker in Philadelphia. This suggests that the report was at least distributed regionally.

Reporting practices of MSH reflect that documented in prior literature. Previts and Merino (1979) described the Utica and Schenectady report of 1841 and other railroads. The emphasis was cash-basis, with limited reporting vaguely resembling balance sheets and income statements. On the other hand, a substantial number of corporations refused to disclose any financial information. For example, until 1910 the New York Stock Exchange had an "unlisted" department for traded firms not disclosing financial information. However, many firms were most likely to disclose a balance sheet rather than a complete set of financial statements. This was based, in part, on state regulations; e.g., the Massachusetts law of 1852 on railroad security issues (Hawkins, 1986).

According to Boockholdt (1978) railroading was the first industry to have a large fixed asset base, to require extensive outside

capital, and to be regulated by governments. Thus, the industry was the first to attempt to value fixed assets, to attempt to deal with depreciation and other accrual issues, and to report publicly to outside investors and creditors. Early accounting reports were cash based, with periodic reporting of receipts and expenditures.

Financial Statement Information

Initially, MSH financial statements seemed to represent supplementary information rather than represent the main part of the annual reports. The discussion differed somewhat from year to year. Operating and construction activity and repairs were discussed, sometimes at great length. Financial activities were usually mentioned briefly. A summary of annual report disclosure by year is presented in Table 1 (see page 30).

The first financial statement, Statement of the Receipts and Payments of Cash, from January 1st to December 31st, appeared in the 1848 report (for the 1847 fiscal year). This "cash statement" appeared in every annual report after 1848 until 1861 (but not the 1864 report). Schedules on railroad operations and taxes began in 1849 and were presented in most years. These included net tonnage of coal, duty performed by engines, and taxes on dividends paid into the Treasury [of Pennsylvania].

"Complete" financial statements were prepared only for the fiscal years of 1850 and 1851. These included the equivalent of a balance sheet, an income statement, and the previously mentioned cash statement. It was not stated in the annual reports why these were prepared or why the balance sheet was discontinued after 1852. On the other hand, the income statement and cash statement equivalents were included in all years through 1860. The financial statements for fiscal year 1850 are presented in Table 2 (see page 31).

Balance Sheet

The balance sheet equivalent for fiscal year 1850 (1851 report) was called "Summary of Debits and Credits, or Ledger
MINEHILL....continued on page 30

CALL FOR MANUSCRIPTS

THE ACCOUNTING HISTORIANS JOURNAL

The Accounting Historians Journal encourages you to submit papers on subject matter related to the development of accounting thought and practice. Papers on biographical subjects and on historical method are also acceptable. Guidelines on research and a guide for submitting manuscripts may be found in *The Journal* or may be obtained from the Editors.

Manuscripts must be in English and of

acceptable style and organization for clarity of presentation. The manuscript should not exceed 7,000 words. An abstract of not more than 200 words should separately accompany the manuscript. More detailed information concerning additional requirements regarding style, content, and the submission requirements is included in the guidelines mentioned in the previous paragraph.

Submit Manuscripts to:

Richard K. Fleischman
Department of Accounting
John Carroll University
University Heights, OH 44118

Phone: (216) 397-4443

FAX: (216) 397-3063

Email: fleischman@jcvaxa.jcu.edu

Matters Related to Production:

Anthony Joseph Cataldo II
Department of Accounting, Econ. & Fin.
School of Business Administration
Gonzaga University, East 502 Boone Ave.
Spokane, WA 99258

Phone: (509) 328-4220, ext. 3433

FAX: (509) 324-5811

Email: cataldoa@jepson.gonzaga.edu



A CALL FOR PAPERS

1998 VANGERMEERSCH MANUSCRIPT AWARD

The Academy of Accounting Historians seeks to encourage young faculty to engage in historical accounting research. Thus, each year the Academy administers the Vangermeersch Manuscript Award. Any accounting faculty member holding a full-time appointment and having received the masters or doctorate degrees within seven years prior to date of submission is eligible to be considered for this award. The manuscript submitted must be the work of one author, not have been previously published or under review for publication, and conform to the style and length requirement of

The Accounting Historians Journal. The author selected to receive the award by the award committee will receive a \$500 stipend, a certificate of achievement, and the manuscript will be published in *The Accounting Historians Journal* after an appropriate review. Six copies of each manuscript should be submitted by June 15, 1998, to Dr. Donna L. Street, James Madison University, School of Accounting, MSC 0203, Harrisonburg, VA 22807, USA. For further information please contact Dr. Street at (540) 568-3089 or at streetdl@jmu.edu.

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Accounting Historians Notebook, Vol. 21 [1998], No. 1, Art. 13
**THE DENNISON MANUFACTURING COMPANY: AN
INTRODUCTION TO THE COMPANY, ITS MOST
INFLUENTIAL PRESIDENT AND ITS ARCHIVE**

by
Gloria Vollmers, University of Maine

Aaron Dennison started a small family business in Brunswick, Maine in 1844 for his father, Andrew. Initially, the only product was hand constructed paper boxes for watch makers and jewelers. Eliphalet Dennison, another son, bought the business from his father and moved it in 1855 to Roxbury, Massachusetts for its larger markets. There he continued making boxes but expanded into tags and later into crepe and other paper products. To acquire larger facilities and access to a railway siding, H.K. Dyer, president from 1892-1909, moved the company to Framingham, Massachusetts in 1896. The company also had a factory in Marlboro, Massachusetts and two subsidiaries, one in Drummondville, Canada and the other in London, England.

Henry Dennison was the most influential of all the presidents of the company (of which four were Dennison family members). After graduating from Harvard in 1899, he became works manager, then treasurer, and finally president in 1917—a post he retained till his death in 1952. A progressive, a liberal, and a humanitarian, he was a prolific writer, coauthoring several books, writing many articles and delivering innumerable speeches. A student of history, he believed that knowledge of history helped to guide decision-making. The purpose of this article is to introduce briefly the reader to the company, to its fascinating leader, and to describe the contents of a virtually unknown and untouched archive which he established. It is believed that others may find these data useful in their research.

Dennison Manufacturing, during the first half of the twentieth century, had five primary product lines: fine paper boxes, tags and labels (for attachment to merchandise),

gummed paper (seals), crepe paper (party goods, crafts, costumes), and the holiday line (Christmas, Easter, St. Valentines Day etc). They had five retail stores which sold only Dennison products in Boston (two stores), Philadelphia, Chicago, and New York. These stores also served to teach women how to make creative use of Dennison products - making flowers, costumes, and lampshades out of crepe and sealing wax for example. Their U.S. sales offices varied in number, but the 1929 annual report listed twenty-five, including locations in Minneapolis, New Orleans, San Francisco, and Seattle. They also had foreign sales offices in Copenhagen, Havana, Singapore, Sydney, Mexico, Hamburg, Buenos Aires, and Rio De Janeiro as well as two in England and three in Canada. From 1869 through 1950 the company only reported two loss years, both during the Depression.

The company produced goods in bulk for retail use but also devoted about half of its capacity to special orders. Companies would, for example, order tags or seals in specialized sizes and shapes, with customized designs and colors. A broad customer base allowed Dennison to maintain constant employment levels except under the rarest conditions, in particular, the Depression. Many interviews with former employees confirmed that the greatest benefit of their employment was security - a condition that Henry Dennison himself strove to maintain (Dennison, 1922).

Henry Dennison was greatly influenced by and became active in scientific management. He became the president of the Taylor Society. He believed in the idea of the business engineer, of one who could apply scientific concepts to management problems. By

concepts is meant thorough research into the problem at hand. This research took a variety of forms, studying people and their work, survey evidence of customers and other firms, and historical study. An example of the types of research he used can be found in a republished paper he presented to the Taylor Society in 1927 entitled "Scientific Management in Manufacturers' Marketing." In that paper he discussed the information his traveling salesmen collected on their own use of time. He used research published by the Federal Government on narrow trading areas in order to compare Dennison sales in the same areas. He ordered analyses of expenses and sales dollars to be correlated with towns to help decide where additional sales effort might be most profitable. He applied scientific management principles to his firm, using time studies where possible to create bonus compensation plans. However, he added a human touch to a system commonly associated with treating men as machines:

The (business) engineer cannot measure his success solely by results in their usual business meaning, by his financial return or the degree to which he has his own way. Some other measure of his worth must have a part in his final self-valuation, some estimate of service to his fellow man and of contribution to the fund of human knowledge. No engineer would neglect so useful a force as the profit motive, but would limit its sovereignty by placing greater emphasis on the motives enhancing self-respect, on service and scientific consistency. The financial measure of success, the profit motive, enters into his calculations as it enters into the doctor's as a part of his consideration, not as its beginning, middle and end, not as its single control (Dennison, 1925a, 145).

Linked to his interest in scientific management, Mr. Dennison believed that cost

accounting offered necessary information and he and other executives made regular contributions to the *National Association of Cost Accountants Bulletin* (see separate section in bibliography). The company's work analyzing distribution costs was on the cutting edge of modern cost management (Vollmers, 1993).

Henry Dennison frequently voiced concern about outsiders influencing firms. He fought successfully in 1911 to remove voting stock from outside shareholders and place it in management's hands (McQuaid, 1977, 81-82, Heath, 1929, 175-178). "Here are often found glaring instances of considerable shares in the ultimate responsibility for the success of a corporation resting in the hands of those who have not the least knowledge of its needs," (Dennison, 1915, 184, see also Dennison, 1918, 424). Reporting on the meeting of the President's (Wilson) Industrial Conference of October, 1919, Mr. Dennison said:

If we are to get ahead and handle the industrial relations problem better and better each year, it must be done on the job. It must be done by a management resident in the business. It cannot be done by absentee directors; it cannot be done by the distant financial management which is all too common in American corporations (Dennison, 1920, 80).

Although convinced that the control of the firm should rest solely in the hands of management, Henry Dennison did not believe in corporate secrecy. The annual reports to shareholders (1920-1929) were models of disclosure for the period. They went further than merely describing company products, including details of company policies on depreciation and advertising. Ripley (1927, 184) cited them as examples of the best corporate reporting. Dennison also believed in sharing information for mutual benefit and started the Manufacturers Research Association in 1924. This group of non-competing firms

DENNISON...continued on page 35

TAX HISTORY

RESEARCH CENTER FELLOWSHIPS

The Tax History Research Center (THRC), which is sponsored by the Academy of Accounting Historians and housed at The University of Mississippi, is offering research fellowships of up to \$1,000 for individuals wishing to conduct research at the THRC. The grant can be used only for lodging at the Alumni House Motel at The University of Mississippi during the time the researcher is working at the THRC. Based on current room rates the grant would pay for about four weeks of lodging at Ole Miss. Applications should be submitted at least two months in advance of the projected visit. Applications should include a cover letter and an approximately one page proposal explaining how the resources of the THRC would be useful in the applicant's research.

Both predoctoral and postdoctoral

fellowships will be considered. Fellowships would be particularly suitable for those on sabbatical or Summer leave.

The THRC has an extensive collection of tax services, congressional committee reports, books, journals, and other publications dating back to 1909, dealing with the federal income tax. Some state materials, primarily theoretical or policy oriented, are also available.

Fellowship applications should be sent to:

Dr. Tonya K. Flesher, Director
Tax History Research Center
School of Accountancy
The University of Mississippi
University, MS 38677

For more information call Dr. Flesher at (601) 232-5731 or (601) 234-3969.



PRELIMINARY ANNOUNCEMENT

The First *Accounting History* International Conference

Melbourne, 4–6 August 1999

Accounting History is the journal of the Accounting History Special Interest Group of the Accounting Association of Australia and New Zealand. The First *Accounting History* International Conference is scheduled to be held in Melbourne, Australia. Consistent with the editorial policy of the journal, conference papers are encouraged across a wide range of topics and using a variety of approaches. Among other approaches, biography, prosopography, business history through accounting records, institutional history, public sector accounting, comparative international accounting history, and oral history are supported. Encouragement is given to the use of theoretical perspectives drawn from relevant disciplines such as economics, sociology, and political theory in conducting investigative studies of accounting's past.

Contact details

To register your interest in obtaining further details about the conference, contact the Conference Convenors or Conference Secretary using the following email addresses:

Conference Convenor:

Garry Carnegie
Deakin University
carnegie@deakin.edu.au

Conference Convenor:

Terry Heazlewood
Charles Sturt University
theazlewood@csu.edu.au

Conference Secretary

Michael Scorgie
La Trobe University
m.scorgie@latrobe.edu.au

A SPECIAL SUBSCRIPTION OFFER

Accounting History

The Accounting History Special Interest Group (AHSIG) of the Accounting Association of Australia and New Zealand (AAANZ) in an effort to further the interests of accounting historians worldwide makes available *Accounting History* to individual members of the Academy of Accounting Historians at a special rate. The special subscription rate of AUD is \$50, airmail will apply to individual Academy members

in 1998. New individual subscribers are also able to obtain back issues from 1996 (Vol. 1) and 1997 (Vol. 2) at this special annual subscription rate. A complimentary copy of NS Vol. 1, No. 1 is available on request. The May 1998 issue is a special issue being edited by Christopher Napier of the University of Southampton on the theme "Accounting, Regulation and Law in Historical Perspective."

ANNOUNCING

STUDIES IN THE DEVELOPMENT OF ACCOUNTING THOUGHT

"Studies in the Development of Accounting Thought" is a new series which will publish original monograph and book length research on subject matter relating to the development of the discipline of accountancy. Studies which address perspectives on the nature, meaning and foundation of accounting ideas and propositions, as well as, research related to the thought contributions of individuals and the relevant role of institutions will also be considered. Joint Editors, Robert James Bricker and Gary John Previts are faculty members in the Department of Accountancy, Weatherhead School of Management, Case

Western Reserve University. Both are members of the Academy of Accounting Historians, and Dr. Previts has served as president, trustee, and on numerous committees. Both have collaborated extensively on a variety of prior research projects on the evolution of the "marketplace for accounting ideas" relating to a theory of disclosure, measurement, and business reporting. Information may be obtained by writing to the authors at: 625 Enterprise Hall, Case Western Reserve University, Cleveland, OH 44106-7235. Phone: 216-368-2074; Fax: 216-368-4776; Email: rjb@worldnetoh.com or gjp@po.cwru.edu.

SPECIAL SUBSCRIPTION OFFER

Accounting Business and Financial History

Accounting Business and Financial History (ABFH), edited by J. R. Edwards of Cardiff Business School is offering a special reduced subscription price to members of the Academy of Accounting Historians. AAH members can now subscribe at the special rate of 25 (English) pounds or \$42.50 USA/Canada, which is half the normal subscription fee. ABFH provides a valuable forum for investigating interdependence of

the fields of accounting, business, and financial history.

In the US and Canada, contact Subscriptions Department, ITP Journals, 409 Market Street, Suite 750, Philadelphia, PA 19106, USA or call 1-215-574-2300. Elsewhere contact Subscriptions Dept., ITPS Ltd., Cheriton House, North Way, Andover Hants SP10 5BE, UK or call 44 (0) 1264-342713. E-mail is stmsubs@itps.co.uk.

PAST...continued from page 1

Miklos A. Vasarhelyi, Rutgers University-Newark, "Role of Technology in Researching, Teaching, and Communicating Accounting History and Accounting Information"



Miklos A. Vasarhelyi and Arthur R. Wjatt

Plenary Session: Relevance of History to Business Organizations and Education

Moderator:

Paul J. Miranti,
Rutgers University-
New Brunswick

Speakers:

Edward J. Perkins,
University of South-
ern California, "Evo-



Edward J. Perkins

lution of
the Capital Markets in the
United States"

William G. Shenkir,
University of Virginia,
"Accounting History: The
Best of Times the Worst of
Times?"



William G. Shenkir

Concurrent Sessions

Session A: Research Methodology: Biographical

Moderator:

Daniel L. Jensen, The Ohio State Univ.

"Biographical Research in Accounting"

Dale L. Flesher, Univ. of Mississippi

Tonya K. Flesher, Univ. of Mississippi

"William Basset Chinnery: 1787-1812,
Australia's Premier Accountant & Embezzler"

Michael E. Scorgie,

La Trobe University

David J. Wilkinson,

La Trobe University

"A Preliminary Analysis
of Women with Doctor-
ates in Accounting 1900-
1959"



Michael E. Scorgie

Joann Noe Cross,

University of

Wisconsin-Oshkosh

Session B:

International Studies

Moderator:

Kathleen E. Sinning,

Western Michigan

University



Joann Noe Cross

"A Review of the Evolution of the G4+1 and
Its Impact on the Harmonization of
Accounting Standards"

Donna L. Street, James Madison
University

Kimberly A. Shaughnessy, James
Madison University

"Accounting and Radical Modernity: The
Case of Economic Accounting and Price
Formation in the German Democratic
Republic"

O. Finley Graves, Kansas State
University

Maureen H. Berry, University of Illinois

"Still Cursing the Darkness: U. S. Cost
Accountancy and the War Industries Board
(1917-1918)"

Richard K. Fleishman, John Carroll
University

Thomas N. Tyson, St. John Fisher
College

Session C: Uses of Technology in Accounting Courses and the Study of Early Journals

Moderator:

Victoria K. Beard, University of North
Dakota

"Something Old and Something New -
Using Electronic Groups to Teach Historic
Practices in Accounting"

Sarah A. Holmes, Texas A&M
University

Sandra T. Welch, University of Texas at
San Antonio

Orion J. Welch, St. Mary's University

"It's Just a Matter of Time: The Impact of
Technology on the Accounting Profession in
the Twentieth Century"

Sarah A. Holmes, Texas A&M
University

Sarah T. Welch, University of Texas at
San Antonio

Jason Collins, Texas A&M University
(Senior Accounting Major)

"In the Quest of Andrew Jackson, Merchant
and Cotton Gin Operator, 1795-1804"

Lewis L. Laska, Tennessee State
University

Concurrent Sessions

Session A: Research Methodology: Archival

Moderator:

Henry C. Smith, III, Texas A&M
International University

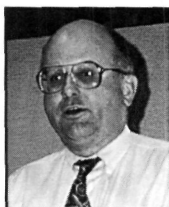
"The Early Record Books of E.I. Dupont De
Nemours & Company: A Case Study in the
Practice of Accounting History"

Roxanne T. Johnson, University of
Scranton

"The Development of
Management Accounting
at the Hudson's Bay
Company, 1670-1820"

Gary Spraakman,
York University

Alison Wilkie, York University



Gary Spraakman

"Using Accounting Records to Trace His-
torical Events: The Story of the Short Life of
the Richard A. Bingham"

Jan Richard Heier, Auburn University
at Montgomery

Session B: Accounting History and Education: Evolution of Selected Accounting Topics

Moderator:

Gloria Vollmers, University of Maine

"Cash Flow Reporting in the Public Sector"

G. Robert Smith, Jr., Auburn
University

"The Evolution of Probability Concepts"

Jim Martin, University of Montevallo

"A Technical Debate Over the Measurement
of Business Income"

Diana Kay Pence, University of Texas at
Brownsville

Session C: Research Methodology: Historiography

Moderator:

Ashton C. Bishop, James Madison
University

"Historiography of Accounting: The
Challenge of Post-Kuhnian Realism for
Accounting History"

Maxwell Aiken, La Trobe University

Dean Ardern, La Trobe University

"A Suggested Program for Relating
Accounting History to Accounting
Practitioners, with Examples"

Richard G. Vangermeersch, University
of Rhode Island

Concurrent Sessions

Sessions A: Research Methodology; Writing Organizational Histories

Moderator:

Garry D. Carnegie, Deakin University-
Geelong

"Accounting, Accountability, and Cost
Efficiency at the Commonwealth of Australia
Clothing Factory, 1911-1918"

Peter Foreman, Deakin University-
Warranambool

Thomas N. Tyson, St. John Fisher
College

"Prophets or Puppets of Profit: The
Securities Legislation and the Accounting
Profession in the 1930's"

Barbara D. Merino, University of North
Texas

Alan G. Mayper, University of North
Texas

Session B: Accounting History and Education: Integrating History into the Accounting Curriculum

Moderator:

Harvey S. Hendrickson, Florida
International University

"Accounting History - Its Importance in the
Process of Accounting Education"

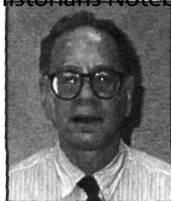
Darwin L. King, St. Bonaventure
University

"Annual Reports of the Minehill and
Schuylkill Haven Railroad Company: 1844-
1864"

Gary Giroux, Texas A&M University

"Teaching Basic Accounting Using

Robert Bloom, John
 Carroll University
 John Solotko, John
 Carroll University



Robert Bloom

Session C: Writing Doctoral Dissertations in Accounting History

Moderator:

Tom A. Lee, University of Alabama



*Denise M. de la Rosa,
 Margaret A. Hoskins, Keith P. McMillan*

Panelists:

Denise M. de la Rosa, Central Connecticut State University, "Financial Reporting in Poland: Privatization of Select Firms Traded on the Warsaw Stock Exchange"

Margaret A. Hoskins, Henderson State University, "The Murphy Models for Accounting: A Test of Relevance"

Keith P. McMillan, S. J., Rockhurst College, "The Emergence of the U.S. Accounting Profession 1880-1900: A New Institutionalism Perspective"

Concurrent Sessions

Session A: Research Methodologies and Sources

Moderator:

Jeanette Sanfilippo, Maryville University - St. Louis

"Lifting Stones: A Place for Microhistory in Accounting Research?"

Robert Williams,
 University of
 Wollongong

"Early Accounting History: Adventures in Research Methodology"

George C. Romeo,
 Rowan University



George C. Romeo

Gary Giroux, Texas A&M University
 Sharon Hurley Johns, Brigham Young University

Session B: Accounting History and Education: Integrating History into the Accounting Curriculum

Moderator:

Roger B. Daniels, College of Charleston
 "Accounting History in the Academic Environment"

Elliott L. Slocum, Georgia State University

Ram S. Sriram, Georgia State University
 "Integrating Accounting History into the Curriculum"

Peter J. Clarke, University College Dublin

"Chordal's Letters: Illustrating Management & Accounting Theory Prior to 1880's"

Athar Murtza, Seton Hall University

Session C: Influence of Technology on Accounting Research and Practice

Moderator:

Lorraine L. Gilbert, Case Western Reserve University

"Macro-Case Analysis: The Resurrection of a Tax Research Methodology?"

Tina S. Quinn, Arkansas State Univ.

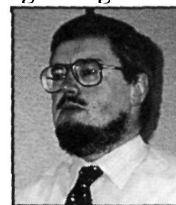
Tonya K. Flesher, Univ. of Mississippi

"The Stock Index and Market Seasonals (SIMS) Data Base"

Anthony J. Cataldo II, Gonzaga Univ.

"A Review of Military Accounting - Comparison of the 1860's and 1990's Systems"

Darwin L. King, St. Bonaventure Univ.
 David Spencer, St. Bonaventure Univ.



Peter J. Clarke



Darwin L. King

et al.: Accounting historians notebook, 1998, Vol. 21, no. 1 (April)
ACADEMY OF ACCOUNTING HISTORIANS
Minutes of the Officers' and Trustees' Meeting
Wyndham Anatole Hotel
Dallas, Texas
Sunday, August 17, 1997

Present: Ashton Bishop, A. J. Cataldo, Ed Coffman, Dick Fleischman, Dale Flesher, Tonya Flesher, Finley Graves, Sarah Holmes, Tom Lee, Alan Mayper, Barbara Merino, Gary Previts, Bill Samson, Jeanette Sanfilippo, Paul Shoemaker, Kathy Sinning, Elliott Slocum, Mary Stone, Donna Street, Ross Tondkar, Dick Vangermeersch, and Gloria Vollmers

1. The meeting was called to order at 1:00 p.m. by Ross Tondkar, President of the Academy.
2. Bill Samson, Secretary, distributed the minutes of the April 26, 1997 meeting in Nashville. These minutes were approved.
3. The report of the Education Committee, chaired by Gloria Vollmers, was given. The Education Committee has been active in updating the Academy's collection of course syllabi in which historical topics have been integrated into the accounting curricula.
4. The Membership Committee (chaired by Jean Harris) gave its report which contained suggestions of activities to be placed on the annual calendar.
5. Jeanette Sanfilippo gave the Public Relations Committee's report. The possibility of replacing Pacioli T-shirts with artistic note cards depicting notable accountants will be investigated for next year's meeting. The silent book auction will be repeated at the December 1997 Conference.
6. The membership report was given by Bill Samson. An increase in membership (53 over last year) was noted. The gain in membership is partially attributable to a recent article in *The Wall Street Journal* about the Academy as well as promotional letters sent out to prospective members by the Membership Committee. It was suggested that Academy members might approach state CPA societies about helping with writing a history in connection with 75th and 100th year anniversaries. This "Celebration Accounting" might provide access to potential new members.
7. Sarah Holmes gave the Treasurer's Report. Of primary concern was to resolve the printing charges. A motion was made by Ed Coffman that Gary Previts discuss the bills with Harold Fulton to see if a settlement could be reached. The motion was seconded, voted, and passed.
8. Ed Coffman described the tentative program for the December 1997 Conference in Richmond.
9. Editors Merino and Fleischman discussed the transition of the *Journal* and the editorship changes. Printing of the December and future issues was also discussed.
10. Elliott Slocum, editor of *The Accounting Historians Notebook*, reminded the Board that *The Notebook* would begin publishing on an October/April schedule starting with the October 1997 issue (rather than the December/June sequence).
11. The Tax History Center report was given by Tonya Flesher. Dale Flesher described the video library activity. Elliott Slocum discussed the status of the cataloguing at the Georgia State Accounting History Center and the receipt of 60 boxes of books from the Jones estate. The Garner Center at The University of Alabama—the administrative office—of the Academy was discussed by Bill Samson. Tom

Lee talked about his effort to possibly have The University of Alabama library house books and documents contributed to the Academy.

12. Donna Street announced the selection of the Vangermeersch Manuscript Award by her committee. The 1997 winner is Keith McMillan (Rachael Baskerville was the 1996 winner).
13. The proposal to have an on-going international silent auction of accounting history books was discussed by Gary Previts. It was recommended that this proposal be postponed indefinitely.
14. The Endowment Committee report (chaired by Gene Flegm) was presented.
15. Kathy Sinning gave the Financial Advisory Committee report.
16. The Nomination Committee report (chaired by Doris Cook) was presented with its recommended slate of officers and trustees for 1998. This slate will be presented to the membership at the December annual business meeting and voted on.
17. Tom Lee will give the International Relation's Committee report at the December meeting.
18. The possibility and ways that the Academy could piggyback on the AAA

national meeting were discussed. In particular, strong support was given to the idea that the Academy should have its own research activities either prior to or during the AAA meeting. The possibility of coordinating such activity through AAA was discussed. Also discussed were ways that such research activities could be done without undercutting the annual conference of the Academy.

19. The Regional Program Committee's report was given. Finley Graves chairs this committee.
20. Paul Shoemaker gave the Research Committee's report.
21. The report of the Strategic Action Committee, co-chaired by Ashton Bishop and Tom Lee, was presented.
22. New business was discussed. Elliott Slocum described the program for the 1998 Conference - scheduled for November 12-14, 1998, in Atlanta. The Atlanta Hilton has been chosen as a tentative site for the conference. Deadline for submission of "extended" abstracts of 1,000 words is June 1, 1998. Dick Fleischman discussed policies for AHJ papers.
23. The meeting adjourned at 4:45 p.m.

ACADEMY OF ACCOUNTING HISTORIANS

Minutes of Annual Business' Meeting

Omni Richmond Hotel, Richmond, Virginia

Saturday, December 6, 1997

1. Ross Tondkar, Academy President, called the meeting to order at 2:00 p.m.
2. The minutes of the 1996 annual business meeting (Cleveland) were approved.
3. Bill Samson, Academy Secretary, gave the 1997 membership report. The overall number of members is about the same as 1996, with gains in US memberships offsetting declines in international members.
4. Sarah Holmes gave the treasurer's report.
5. Elliott Slocum described the plans for the 1998 research conference which is scheduled to be held in Atlanta at the Hilton Hotel, November 12-14, 1998. The focus of the conference will be on the evolution of financial reporting. Particularly, participants and papers from outside the US are encouraged.
6. Reports were given by the editors.

Barbara Merino stated that the December 1997 issue of *The Accounting Historians Journal* is in the blue-line stage of production and will be printed and distributed from North Texas. Dick Fleischman, editor-elect, has received 39 manuscripts and will be able to publish the June 1998 issue in a timely fashion. The June issue will be printed by Birmingham Printing Company and A. J. Cataldo will handle the distribution from his university, Gonzaga in Spokane, Washington. Closing the postal mailing account with the Birmingham Post Office was discussed.

Elliott Slocum, editor of the *Notebook*, announced that items for the April issue should be sent to him by March 1.

The home page of the Academy is being transferred from Case Western to Georgia State.

Finley Graves announced that Monograph #8 has been published by Garland Publishing Company. It is on the development of the public accounting profession in Germany.

7. Next, reports from Academy centers were presented. Dale Flesher announced that one travel grant had been awarded and that the Ole Miss Tax History Research Center had received several donations. The Center will be moving to a new building in the near future. A catalogue of the History Center's holdings has been placed on disk.

Elliott Slocum reported that the Accounting History Research Center at Georgia State has received some additional collections of books and that cataloguing is continuing.

At the Academy's Administrative Center, the Garner Center at The University of Alabama, several new plaques had been received from Paul Garner's widow.

8. The Nominations Committee's 1998 slate of officers and trustees was read. **Officers:** President: Elliott Slocum, Georgia State; President-Elect: Tom Lee, University of Alabama; First Vice President: Kathy Sinning, Western Michigan; Second Vice President: Finley Graves, Kansas State; Treasurer: Sarah Holmes, Texas A&M; and Secretary: Bill Samson, University of Alabama.

Trustees: Ashton Bishop, James Madison University; Edward Coffman, Virginia Commonwealth University; Dale Flesher, The University of Mississippi; Gary Previts, Case Western Reserve University; Rasoul Tondkar, Virginia Commonwealth University; and Michael Wilk, Ernst & Young, LLP. The nominations were seconded. A vote by the members was taken and the candidates were elected.

9. Elliott Slocum, 1998 President, stated that he was in the process of making committee assignments and welcomed interested members to volunteer for Academy committees.
10. It was announced that the Academy would be holding a research session with papers presented during the AAA's National meeting in August in New Orleans. This piggyback conference would be separate from AAA's meetings and would be held before the AAA Conference begins or during the AAA meetings—perhaps at a separate hotel.
11. Paul Miranti reported that the research methodology project had 7 essays completed and a total of 17 essays committed to be written.
12. The importance of getting *AHJ* listed on the AACSB's list of basic research journals was discussed.
13. President Tondkar thanked members for their help and support in making 1997 a success. The meeting adjourned at 3 p.m.

Minutes of Officers' and Trustees' Meeting

Omni Richmond Hotel, Richmond, Virginia

Saturday, December 6, 1997

Present: Ashton Bishop, A. J. Cataldo, Edward Coffman, Richard Fleischman, Dale Flesher, Michael Gaffikin, Finley Graves, Sarah Holmes, Tom Lee, Alan Mayper, Barbara Merino, John Rigsby, Bill Samson, Jeanette Sanfilippo, Kathy Sinning, Elliott Slocum, Ross Tondkar, and Dick Vangermeersch

1. The meeting was called to order at 3:30 p.m. by President Ross Tondkar.
2. The minutes of the Officers' and Trustees' meeting held in Dallas, Texas, August 17, 1997, were approved.
3. The issue of fees for non-Academy members submitting papers to *AHJ* was discussed at length. A motion to drop this fee (now \$25) completely was made, seconded, voted upon and passed.
4. Sarah Holmes discussed the 1998 budget in detail and a few adjustments were made.
5. The Endowment Committee's report (chaired by Gene Flegm) was presented by Ross Tondkar.
6. Committee reports were given. Finley Graves reported that regional meetings of the AAA for the mid-Atlantic region, the Southwest meeting, the Ohio region and the Southeast meeting would have either paper sessions or a panel discussion of accounting history. The Education Committee's report (chaired by Gloria Vollmers) was given by Ross Tondkar. The need for course syllabi in which history is being integrated into the class was described. The Financial Advisory Committee's report, chaired by Kathy Sinning, was mentioned. The suggestions of the Committee for reimbursements and payment of bills are being implemented. The Membership Committee's report, chaired by Jean

Harris, was given by Ross Tondkar. Tom Lee gave the report of the International Relations Committee. This Committee is following through with the recommendations of the Strategic Planning Committee to establish international coordinators in various segments of the world. So far five coordinators have been named. The Public Relations Committee's report was given by Jeanette Sanfilippo. She sought advice and approval to carry out the idea for Academy note cards with pictures of accountants taken from art masterpieces. The note card packages would be sold at Academy and AAA meetings. Also, Jeanette sought approval to print up more T-shirts carrying a reference to the Academy. Both requests were approved and the budget was amended for these items.

7. Under "new business," having a paper session during the AAA National Meeting in August in New Orleans was discussed. There seemed to be enthusiasm and agreement that such a session should be hosted by the Academy as either a Continuing Education session with the AAA or a separate, independent session during or prior to the start of the AAA Conference. Next, the need to get new professors to be involved in history was discussed, and mentorship programs and post doctoral programs were suggested. The 1998 celebration of the 25th Anniversary of the Academy was mentioned and the 2004 Centennial in St. Louis was discussed as ways of making the Academy more visible and relevant to academics and professionals. Bill Samson mentioned that a Task

MINUTES...continued on page 34

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U.S. ACCOUNTING HISTORY AND HISTORIOGRAPHY

CALL FOR PAPERS

Critical and traditionalist historians have written extensively on U.S. accounting themes and topics during the past quarter century. It is in an effort to enrich and expand this outpouring that a special issue of *Accounting, Business & Financial History* will be dedicated. Papers are invited from authors of all nationalities, although topics should focus either specifically on U.S. developments or on comparative studies between the U.S. and other countries. The following listing of suggested subject areas is not intended to be all-inclusive.

- critical interpretations/revaluations of U.S. accounting events/practices
- professionalization movements and institutions
- findings from research into U.S. business records
- biographies of figures in U.S. accounting history
- gender studies on U.S. accounting practice
- the development of ethical standards in the U.S.
- distinctive aspects of U.S. accounting theory and methodology
- standard-setting processes
- themes from U.S. accounting education
- comparative studies, U.S. and abroad
- profession-state interfaces in the U.S.
- the role of technology in U.S. accounting history
- funding issues in U.S. accounting historiography
- paradigmatic themes in U.S. accounting historiography

This special issue will be co-edited by Richard K. Fleischman and Thomas N. Tyson. Anticipated publication date is Spring, 2000. Submissions should be made by March 31, 1999 to: Thomas N. Tyson, Department of Accounting, St. John Fisher College, 3690 East Avenue, Rochester, NY 14618, U.S.A.

A COMMENT ON ACCOUNTING AND LIBERAL ARTS

by

Gary Spraakman, York University

A discussion of accounting and liberal arts at the 1997 Research Conference in Richmond reminded me of Mephram's (M. J. Mephram, *Accounting in Eighteenth Century Scotland*, Garland, 1988) comments regarding John Mair's book published in 1736. Mephram quotes on page 130 that from Mair:

The theory of this art or science is beautiful and curious, very fit for improving the minds of youth, exercising their wit and invention, and disposing them to close and accurate way of thinking. On this account several gentlemen, and

after having acquainted with it themselves, have been induced, from the satisfaction and entertainment they found, to recommend it to others, as a valuable piece of human literature, proper to be studied and understood by everyone who pretends to liberal education.

Mair appears to have been recommending accounting as a liberal arts subject. Perhaps, we as accounting educators are being too modest in just asking that our students take some liberal arts courses. Should we be asking for accounting to be placed in the liberal arts curriculum?

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HISTORY IN PRINT

An increasing amount of research in accounting history is being published throughout the world in various books and periodicals other than those published by the Academy. The editors provide this section of *The Notebook* to identify accounting history research which may be of interest and use by the Academy membership. We encourage readers of *The Notebook* to advise us of the many such publications in an effort to provide the broadest coverage and recognition of accounting history research.

Accounting, Business and Financial History, Vol. 7, No. 1 (1997), (Selected Items):

Bartlett, Susan and Michael John Jones, "Annual Reporting Disclosures 1970-90: An Exemplification," pp. 60-80.

Berry, A., "'Balancing the Books': Funding Provincial Hospitals in Eighteenth-Century England," pp. 1-30.

Camfferman, Kees, "An Overview of Recent Dutch-Language Publications in Accounting, Business and Financial History in the Netherlands," pp. 105-136.

Murinde, Victor and Joram Kariisa-Kasa, "The Financial Performance of the East African Development Bank: A Retrospective Analysis," pp. 81-104.

Scorgie, M. E., "Progenitors of Modern Management Accounting Concepts and Mensurations in Pre-Industrial England," pp. 31-59.

Accounting, Business and Financial History, Vol. 7, No. 2 (1997), (Selected Items):

Arnold, A. J., "'Publishing Your Private Affairs to the World': Corporate Financial Disclosures in the UK 1900-24," pp. 143-177.

Briston, R.J. and M.J.M. Kedslie, "The Internationalization of British Professional Accounting: The Role of the Examination Exporting Bodies," pp. 175-194.

Higgins, D. and S. Toms, "Firm Structure

and Financial Performance: The Lancashire Textile Industry, c. 1884-c. 1960," pp. 195-232.

Jones, S., "The Professional Background of Company Law Pressure Groups," pp. 233-242.

Accounting, Business and Financial History, Vol. 7, No. 3 (1997), (Selected Items):

Batsch, L., "Accounting and Financial Policy at Schneider (1837-75)," pp. 281-294.

Bouquin, H. "Management Accounting in Its Social Context: Rimaillho Revisited," pp. 315-343.

Cailluet, L., "Accounting and Accountants as Essential Elements in the Development of Central Administration During the Inter-War Period: Management Ideology and Technology at Alais, Froges et Camargue (AFC-Pechiney)," pp. 295-314.

Lacombe-Saboly, M., "Hospital Accounts and Accounting Systems: A Study in the French Region of Toulouse from the Seventeenth to the Nineteenth Century," pp. 259-280.

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Zimnovitch, H., "The Development of Standard Costing at Saint-Gobain, 1920-60: Forty Years of Quarantine?" pp. 345-365.

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Funnell, Warwick, "Military Influences on the Evolution of Public Sector Audit and Accounting 1830-1880," pp. 9-29.

Parker, Robert H., "Roger North: Gentleman, Accountant and Lexicographer," pp. 31-51.

- Scorgie, Michael E. and Carmel Capitanio, "Transportation of Double Entry Bookkeeping to Early New South Wales," pp. 105-111.
- Scorgie, Michael E. and James A. Reiss, "The Impact of Naval Experience on Accounting in Colonial Australia from 1788 to 1792," pp. 53-76.
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- Iino, Yukie, "Process of Forming Omotokata-kanjomokuroku in Mitsui," pp 49-63.
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- Momose, Fusanori, "Die Entwicklung des Bilanzrechts in der preubischen Staaten," pp. 12-24.
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- Previts, Gary, and Barbara D. Marino, *A History of Accountancy in the United States: The Cultural Significance of Accounting*, Ohio State University Press (1998).

WANTED

MANUSCRIPTS AND ITEMS OF INTEREST

Anyone wishing to submit short article manuscripts, notes, cartoons, shaggy dog stories, letters to the editor, or other items to THE ACCOUNTING HISTORIANS NOTEBOOK should send the material for consideration to the editor, Kumar N. Sivakumar, School of Accountancy, Georgia State University, P.O. Box 4050, Atlanta, GA 30302.

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TASK FORCE ON ADMINISTRATIVE COORDINATOR

Charge: Investigate the establishment of an
administrative coordinator position at the

COMMITTEES...continued on page 40

Balance." Total assets were \$900,000, of which over 90% represented fixed assets,

side were expense-related accounts; below the equity and liabilities were revenue-related items (these revenue and expense

Table 1

Discussion of Stockholders' Reports by Year

Year	Financial Statements	Discussion
1844	None	Operations summarized in short tables throughout the report
1846	None	Board resolved to create "The Depreciation Fund"
1848	Receipts and Payments of Cash, for 1847	Dividends reduced to leave a surplus to be applied to the restoration of the Depreciation Fund for "extraordinary repairs"
1849	Receipts and Payments of Cash, Statement of Taxes on Dividends, Net Tonnage of Coal, Duty Performed by Engines	Described introduction of locomotives two years before, decision to expand the line (required supplement to charter)
1851	Complete set of financial statements: Debits & Credits, Statement showing, Income & Expenditures, Statement of Taxes, Receipts & Payments of Cash, tonnage by branch, duty of engines for 1850	Capital stock expanded by 4,000 to 16,000 shares
1852	Complete set of financial statements (similar to previous year) for 1851	
1854	Cash Receipts & Payments, Statement of Income, Taxes, Tonnage	Act of Pennsylvania to extend line passed by Assembly
1855	Cash Receipts & Payments, Statement of Income, Taxes, Tonnage	Detailed discussion of early years of railroad
1856	Cash Receipts & Payments, Statement of Income, Taxes, Tonnage	Report of Engineer & Superintendent on construction
1857	Cash Receipts & Payments, Statement of Income, Taxes, Tonnage	Report of Engineer
1858	Cash Receipts & Payments, Statement of Income, Taxes, Tonnage	Report of Engineer: on rolling stock, performance of engines, and track in use
1859	Cash Receipts & Payments, Statement of Income, Tonnage, Engines	Report of Engineer
1860	Cash Receipts & Payments, Statement of Income, Tonnage	Report of Engineer
1861	Cash Receipts & Payments, Tonnage, Engine Performance	Report of Engineer
1864	Tonnage, Lease contract attached	Acquisition of Schuylkill Haven & Lehigh River; MSH leased to Philadelphia & Reading for 8% of assets; discussion of stock price

primarily the track and track bed. The term "stock" apparently meant horses and mules. Fixed assets were listed first, followed by cash and other current assets. Presumably, all amounts represented original cost, but this was not mentioned in the annual reports.

The credit side was predominately capital stock, \$800,000 or 89% of total assets. The Depreciation Fund at over \$30,000 can best be considered a reserve equity account. This was treated as a residual amount (see separate section on depreciation) and was roughly analogous to retained earnings. The remaining items were liabilities. The large use of capital stock was unusual at the time. Most railroads, including the B&O, relied on long-term bonds for the majority of their fixed asset acquisition and construction.

The "Summary of Debts [sic] and Credits" for fiscal year 1851 differed from the prior year. Below the assets on the left

type items also were reported on the income statement). Why the change in format was not stated. The result was a less useful statement.

Only the first summary of debits and credits was similar to a modern balance sheet. Format differs slightly (e.g., fixed assets and equity items were listed first). The information seems relevant and is comprehensible today. Why the managers changed the statement for fiscal year 1851 and discontinued the presentation after 1852 is unknown.

The 1848 annual report of the B&O presented a Statement of Affairs of the Baltimore and Ohio Railroad Company (for the year ended September 30, 1848). This was the only statement for the entire company (operating statements were prepared for the two B&O railroad lines) and resembled the 1851 "balance sheet" of MSH. That is, it included both operating and position

Table 2

Financial Statement of MSH for fiscal year 1850

A.

*Statement of the Receipt and Payment of Cash by The Treasurer of the Mine Hill and Schuylkill
Haven Rail Road Company, from Jan. 1, to Dec. 31, 1850.*

RECEIPTS		PAYMENTS	
Balance on hand Jan 1, 1850	\$ 18,819.85	Expenses of motive power dep't	\$ 37,851.79
Received for new stock issued	80,000.00	Machinery for shop	302.70
for bills receivable taken for tolls	142,292.39	Paid order in favor of Sup't, for disbursements on account	
from Wm. Newell, coll'r.	6,729.85	new road, re-location of old road, and current expenses	52,178.57
for iron rails and c. sold	1,120.87	Iron rails purchased	23,754.87
for bills payable	19,880.00	Engines bought	3,829.99
for dividend and interest	257.89	Bills payable, note discounted	20,000.00
for locomotive engine sold	9,300.00	Dividends and interest	83,033.59
for advance (on account water		State taxes on dividends of 1849	3,600.00
station: returned	100.00	Real estate to straighten road	2,440.00
		Spikes	715.32
		Trucks	500.00
		Note discounted	991.50
		Expenses, damages, and sundry claims paid in Phila.	4,888.01
		Balance of cash on hand, Dec. 31, 1850	44,414.51
	<u>\$278,500.85</u>		<u>\$ 278,500.85</u>
		E.E.	
		SAMUEL MASON, Treasurer	

B.

Summary Statement of Debits and Credits or Ledger Balances, January 7, 1850.

DEBITS		CREDITS	
Cost of road and laterals	\$742,582.07	Capital Stock	\$ 800,000.00
Cost of engines and trucks	76,335.23	Depreciation Fund	31,332.58
Real estate	8,442.93		831,332.58
Machinery for shop	2,433.90	Philadelphia and Reading Rail Road	1,250.00
Stock	2,500.00	R. A. Wilder, for Iron sold	2,761.05
	832,294.13	R. A. Wilder, Superintendent motive	
Cash on hand	44,414.51	power department	2,699.89
Bills receivable	14,756.89	Dividends and Interest	56,412.34
Due by Collector	5,232.35	State Tax	4,600.00
Due by Superintendent	2,218.89	Relief Fund	189.95
Amounts due by sundry persons	1,359.06	Unpaid Tolls	1,030.02
	<u>\$900,275.83</u>		<u>\$ 900,275.83</u>

C.

Statement showing the Income of the Company for the year 1850, and the expenditures chargeable thereto.

RECEIPTS		PAYMENTS	
Amount charged for tolls		On account of motive power department.	
and use of motive power, & c.	\$157,095.22	Fuel, repairs and other expenses	\$ 39,830.28
Collections from old dues	120.87	On account of wages, materials and other expenses	
Rents of tenements	138.53	in the repair and maintenance of the road	11806.65
For loan of engines	372.50	Old claim for materials	102.19
	157,727.12	Expenses of office, salaries, & C. in Philadelphia	4467.18
Less tolls likely to be lost	574.42	Interest allowed upon installments for new stock	1167.78
	157,152.70	Dividend No. 33, August, 1850, on \$7200,000, 5 p. c.	36000.00
Net income for the year	<u>\$157,152.70</u>	Dividend No. 34, January, 1851, on \$800,000, 7 p. c.	56000.00
		State tax on dividends	4600.00
		Balance appropriated to the depreciation fund	3178.62
			<u>\$ 157,152.70</u>

statement accounts. Stock (equity) totaled \$7 million and liabilities about \$5 million. The major assets were cost of road and improvements and stock in subsidiary railroads.

Income Statement

Income statement presentation and calculations were substantially different from

modern practice. For 1851 the statement was titled: "Statement Showing the Income of the Company for the year 1850, and the Expenditures Chargeable Thereto." The receipts were revenues; when estimated bad debts were deducted ("less tolls likely to be lost"), the result was called net income. The railroad charged tolls for hauling coal by ton

mile (2¢ per ton mile in 1843, reduced to 1½¢ in 1847).

Expenditures were deducted from net income. Expenditures were essentially payments for the acquisition of goods and services. The major operating categories were wages, fuel, repairs, and head office costs. Payments included dividends and state taxes on dividends. Capital expenditures were not included. The balance was "appropriated to the depreciation fund." Thus, all financial statements for this year balanced debits with credits.

Dividends added to the depreciation fund, or \$95,000 for fiscal year 1850 would approximately be the equivalence of modern net income. This would be a return on capital stock of 12%. Most of this was paid out in dividends (\$92,000 or 59% of net revenues). The dividends were paid as a percentage of capital stock par value. The percentage varied from year-to-year, but was as high as 15%. In typical years, most available income was paid out as dividends. The only reported taxes were the state taxes on dividends (\$4,600 in 1850 or 5% of dividends). No mention was made of state and local property taxes. The approach was close to cash basis accounting.

The format of the income statement changed somewhat from year-to-year. For fiscal year 1859 receipts less bad debts was called "making total income" rather than "net income." The amount at \$504,000 was triple that of 1851. Payments totaled \$496,483, leaving a "balance to repair fund" of \$7,800. This was stated as a "bottom line" amount. Dividends of \$254,750 were again payments (51% of net receipts).

Receipts and Payments of Cash

The cash statement was the earliest statement presented, first appearing in 1848, and reported each year through 1861. In a period of virtually no accruals, this statement represented the most reliable information and, perhaps, useful data to stockholders.

The left side included the beginning cash balance and receipts. The right side presented payments and ending balance. No

attempt was made to segment (categorize) the line items. Receipts were revenue (bills receivable taken for tolls), new capital (new stock issued), and other items (such as locomotive engines sold). Payments included expenditures (expenses of motive power dep't.), capital acquisitions (engines bought), and dividends and interest. Several items were difficult to determine if they were expense- or capital-related (such as iron rails purchased [*sic*]). Unfortunately, the specific line items and balances did not articulate from one statement to another.

Fixed Assets and Depreciation

Balance sheets were presented only for two years. To understand fixed assets and depreciation, the available balance sheets, the cash receipts and payments, the narrative discussion of the president, and separate reports such as the Report of Engineer and Superintendent must be reviewed. The analysis is still incomplete.

Accumulated construction costs, rolling stock, real estate, and related items were capitalized on the balance sheet. Cash payments were recorded for capital items (e.g., "engines bought, iron rails purchased") that were not on the income statement. There is no evidence that fixed assets were written up (or down) based on fair value or other calculations, nor that scrapped fixed assets were written off.

Some maintenance and repair costs were expensed. The income statement showed payments for:

- (1) "fuel, repairs and other expenses,
- (2) ... repair and maintenance of the road" [Report, 1851, p. 13], for example.

New acquisitions and construction replacing outdated fixed assets were capitalized. Some of the replaced or no longer needed assets were sold, which was noted in the reports. For example: "...the Board was induced...to sell to the Reading Company the large 8 wheel engine No. 10...The sale was made at cost..." [Report, 1851, p. 7].

During the 1845 fiscal year the Board established "The Depreciation Fund." The

balance sheet of the 1851 report showed the depreciation fund as an equity item with a balance of over \$31,000. The income statement for the same year recorded "Balance appropriated to the depreciation fund, \$3,178.62." Thus, the depreciation fund seemed roughly analogous to retained earnings, rather than a contra asset account.

The income statement of the 1852 report showed a payment to: "depreciation of engines and machinery, \$6,842.35." Again, this was the residual balance on the income statement (net earnings); however, the depreciation fund had the same balance (\$31,332.58) as the previous year. As previously stated, the summary of debits and credits was no longer a balance sheet in that year. The residual balance was called the "repair fund" in later years. Unfortunately, it was not clear how it was used.

Thus, MSH managers understood some of the problems associated with fixed assets that wear out and need replacing. The railroad experimented with depreciation-related techniques. Since the managers changed procedures, presumably they did not discover a satisfactory procedure. Of course, none of the techniques resemble modern depreciation methods.

Conclusions

This paper reviewed 15 annual reports of the MSH over a 20 year period from the mid-19th century. The primary focus of the reports was a verbal summary of annual operations and construction activity, with limited fiscal information. The 1848 report was the first to present a financial statement, "Statement of the Receipts and Payments of Cash." The 1851 and 1852 reports presented virtually complete financial statements. The cash statement and income statement continued to be presented

through the 1860 fiscal year, but the balance sheet did not. Accounting was cash-based. Although the railroad experimented with a "Depreciation Fund," no depreciation allowance was used. Key points included the lack of obvious articulation across financial statements, a changing format of statements presented over the period analyzed, and a lack of accruals.

I would like to thank Sharon Hurley for discovering the annual reports of the Minehill and Schuylkill Haven, the Library Company of Philadelphia for making them available, and Sarah Holmes for helpful suggestions on an earlier draft of this paper. An earlier version of this paper was presented at the 1997 of Accounting Historians Research Conference.

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CONTRIBUTIONS TO SILENT AUCTION

The Academy will host a silent auction at the 1998 Research Conference in Atlanta on November 12-14. If you have some old accounting books or publications you would

like to contribute to the Academy for use in the silent auction, please contact Jeanette Sanfilippo at (314) 529-9571 or E-mail: jsan@maryville.edu.

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the Peter L. McMickle collection of historical publications. Dr. McMickle, professor, University of Memphis, is a member of the Academy and served in a number of offices. This collection consists of about 1,600 volumes published prior 1950, including 400 volumes published prior to 1900. Twenty-five books were published prior to 1800; the oldest volume published in 1655.

AHRC has received the complete collection of Jimmy Jones which remain to be cataloged. Mr. Jones was a practitioner and a long-time member of the Academy and supporter of accounting history. This collections of historical materials include approximately 800 books, monographs, and other items mostly dating from 1900 to 1960. Recently, the AHRC received about 50 publications of historical value from Dr. James Don Edwards. Dr. Edwards, Dean, University of Georgia, is a long-time member and has served the Academy in various offices.

The Notebook will provide more details concerning these important sources for accounting history research in future issues. Certainly these contributions will provide members of the Academy an excellent source for accounting history research.

A Reminder

MEMBERSHIP DIRECTORY. The Academy's Membership Directory has been placed on the Web as part of the Academy's Home Page. As a result, the Academy will not mail out the printed copy of the Membership Directory as in previous years unless such a copy is specifically requested. The Web address is <http://weatherhead.cwru.edu/Accounting>.

For those without Internet access, a limited number of printed Membership

Directories will be available upon request. If you need a printed copy of the Membership Directory, please contact the Secretary, William Samson at: The Academy of Accounting Historians, Culverhouse School of Accountancy, The University of Alabama, Box 870220, Tuscaloosa, Alabama, 35487-0220.

THE NOTEBOOK. *The Notebook*, is now published in April and October of each year. Each issue will be mailed by the end of April and October and should be received during the month following. Please be aware that postal delivery in the U.S. can take as much as four weeks, and destinations outside the U.S. can take as much as six weeks for delivery.

The Notebook, October 1997, Vol. 20, No.2, has been placed on the Web. Please check it out and let us know what you think about using the Web, at least partially, for publishing *The Notebook*. The Web address is <http://weatherhead.cwru.edu/Accounting>.

An Early Call for Nominations

The Academy presents annually the President's Hourglass Award to an author or authors of a particular publication deemed especially noteworthy in the field of accounting history or for a lifetime of research and contributions to the literature in accounting history. Members of the Academy are invited to submit nominations for this prestigious award for 1998. The 1998 Hourglass Award will be presented at the Academy's annual research conference in Atlanta, Georgia, November 12-14, 1998. Nominations should be sent to Dr. Elliot Slocum, School of Accountancy, P.O. Box 4050, Atlanta, GA 30302-4050 before September 1, 1998. The letter of nomination should include sufficient evidence to support the nomination and include current address, telephone and FAX numbers of nominees.

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Force on Administrative Coordinator had been formed to look into the secretary's position to see if a paid administrative coordinator should be utilized by the Academy; the

duties and the placement of such a coordinator are related issues to be addressed by the Committee.

8. The meeting adjourned at 5 p.m.

organized a research staff to exchange detailed information on management methods in order to identify and learn from the best practices of each member company (Golden Book of Management, 1984, 188).

Mr. Dennison adamantly opposed the industrial spy and the companies (American Confidential Bureau and Sherman Service Inc. were two) that sold this service. He actively sought formal support from other business leaders in declining the services of those companies offering to place spies among employees to detect theft and report on labor unrest and organizing activities. The following demonstrates Dennison's position:

It was way back sometime in 1904 when our Company had its last experience with the Industrial Spy. The factory management suspected stealing from our stock rooms and was rather easily persuaded by the salesman for one of the detective agencies to let him put in an operative to find out. Our superintendent was a solid Cape Codder of the best type, full of common sense and keen intuition. After about three weeks of the reports from this operative, in which no thefts were mentioned but every other crime known to the law was hinted at, the old Super spent something more than the usual allowance of time in this department himself and found it buzzing like a hornet's nest. Nobody there knew there was a spy on the job, but everybody had the fidgets and seemed to be suspecting everyone else of everything they could imagine. The old man came down to the office pretty soon after, and in the deliberate drawl that grows out of the warm climate of the southern part of the Cape, he "reckoned" that he didn't know whether there had been any stealing going on or not, but as he figured it, we would come

out a long ways ahead by hiring the thief and firing the spy. This was twenty years ago, but those of us who were in on it got a lesson that's good for another twenty years at least (Dennison, 1925b).

The company was in the forefront of the corporate welfarism movement. Dennison Manufacturing became the first company in the U.S. (1915) to set up a permanent unemployment insurance program (paying 80% to those laid off with dependents and 60% to those without - terms which fully included women workers). "Have we not a right to hope that some day a wage earner will no more be expected to give his life's work to a concern without some marginal security against times of stress..." (Dennison, 1932, 32). There was also a pension plan, a free medical clinic, and a works committee (company union). The company sponsored ball games and parties and had a store where employees could purchase their products at a discount. They made low interest loans to employees for second-mortgages and sponsored the immigration of employees' family members. Approximately half of their employees were women, who also participated on the works committee, although none served in top executive positions.

Henry Dennison's thoughtfulness towards his employees has been confirmed not by his printed words but by those of employees who remembered him in telephone interviews. Women and men reminisced that he often walked about in the factory, talking and joking with people. A machine worker fondly remembered an incident that occurred during World War II. An argument between workers and the foreman broke out because the poor quality wire they had to use was frequently breaking, slowing and stopping production. Mr. Dennison came over and asked what the problem was. After listening, he put his hand on "my shoulder and said 'I know the materials are bad, I only ask that you do your best.'" He approached a woman employee and asked what she was making and when she said

"crepe shrouds," he responded, shocking her at the time, "Not for me—for me you'll only need an ashtray." A woman passionately told the story of her uncle, who was "only a janitor" approaching Mr. Dennison to ask if he might sponsor the immigration of her parents. He did so immediately. Another said that Mrs. Dennison always made sure that nursing mothers in the neighborhood had milk.

Henry Dennison was also eccentric. He sometimes came to work in his slippers. The art director remembered him bringing a dead fox into his office to demonstrate the color he wanted reproduced. A man who caddied for him recalled a very hot day when Dennison went back into the clubhouse and cut off his trousers to turn them into shorts. A fascinating man who, almost 50 years after his death, continued to inspire warmth and regard from those who worked for him.

In 1920, plans were made to keep a formal record of the history of the company. A memo from H. N. Dowse (Secretary to the President) to Henry Dennison said that they would try to start with 1910 or as much before as possible and offered a preliminary list of what was to be retained:

- 1) Reports of the meetings of the manufacturing committee, the merchandising committee and sales conferences.
- 2) Quarterly reports of personnel managers, merchandizing managers, works manager, other managers and all their reports or minutes of committee meetings.
- 3) Every Dennison catalog and advertising booklet.
- 4) Reports of district manager conventions.
- 5) All district manager letters and Hippen-Tip letters (helpful information for retailers).
- 6) Special statistical department reports on factory figures, selling expenses, London finances, etc.
- 7) Reports of committee chairmen and others on visits to districts.

- 8) Daily, monthly, and yearly sales including those from retail stores.
- 9) District expense sheets.
- 10) Profit figures, miscellaneous sales, and financial figures.
- 11) All Round Robins (the internal company magazine for employees).
- 12) Records of salesmen and other classes and photographic resources.
- 13) All other company materials likely to contribute to the company archives, i.e., Works Committee Booklets, Employee Industrial Partners Book, etc.
- 14) Complete details of the Annual Industrial Partners Meeting and Dinner - including menus, song sheets, identification tags, photos of tables and hall decorations and the like.
- 15) Photographic records of all sorts including Industrial Partners Albums.

In the margins of this list, Henry Dennison added: Industrial Partner Outfits, any other booklets, 75-year book (an internally published history of the company), stockholder notices, balance sheets, minutes of divisional meetings, foreman's meetings, reports, and books. In 1923, Dowse decided to retain every speech or article written by an executive.

In 1922, the History Room was opened. In the Annual Report of that year is a photograph of this beautifully appointed room with built-in glass-fronted display cases, free-standing display cases, oriental rugs, and tables and chairs for study. The following statement was placed in the report:

During the past year the History Room at the Framingham factory has been completed, and within its fire-proof walls have been collected relics and records of the past. Jewelers' boxes of old Brunswick, tags of Civil War days, and crepe from Roxbury; correspondence of the founders, official instructions of 1900 and the years following, and

committee reports dating back to 1906. And each day, as a copy of every document which has a bearing on executive control is filed, an addition is made to this heritage for future generations of Dennison leaders.

From the records already collected, a history is being compiled for the instruction of our higher executives, present and future. From the story of the development of the plant, of merchandise, of selling methods, of finance and of personnel relations, it is hoped to form a body of tested principles to guide us. For each day the world, in the economic sense, grows smaller and more inextricably knit together; and the conditions of business competition become increasing more complex. The status of commerce and industry on the Rhine, in Mesopotamia and in China is, in the last analysis, as vital to our economic structure as are the coal mines of Pennsylvania or the mills of New England. Success, consequently, will depend less and less on circumstances and mere dynamic energy, the old method of trial and error giving way perforce to intelligent leadership based on recorded experience.

If the Dennison Manufacturing Company can from past and present performance discover principles for future guidance, then continued success seems so much more certain.

The responsibility for keeping, cataloguing and developing all the records was not left to an employee to handle during spare moments. Henry Dennison took this project far too seriously and hired an historian. The first was T. P. Martin, hired just as he was about to finish his doctorate in history. Dennison granted him access to all records and to all employees. The jobs he

wanted completed included the following (11/1/22 internal memo):

A general chronological sketch of the history of the business; the development of the selling organization; the history of merchandising, or why some articles of merchandise have turned out to be successes and why others have been failures; the history of factory expansion and organization and of coordination between the factory end and the selling end of the business; methods of financial administration, including the history of investments made by the company, whether for expansion of the business or for the employment of surplus cash; the evolution of general Company policies, past and present. Biographical studies of successful men, depression and boom problems of the past, pricing policy during the war, "old time" competition, the history of royalty agreements, the history of relations between the Company and labor, etc., will be eventually studied.

E. P. Hayes followed Martin. Charlotte Heath took over the job in about 1928 and then, Esther Staples. After these people, it is difficult to tell who, if anyone, the historians were. It must have been a demanding position with a turnover of four people in ten years.

In the archives, in addition to all items listed above, are scrapbooks filled with Dennison memorabilia organized by product, magazine, and newspaper. All Dennison advertising and every appearance of Dennison's name in a newspaper has been retained. The completeness of this collection would prove valuable to anyone interested in advertising history.

There are scrapbooks containing all of Dennison's *Party Magazine*, which started in 1900, (a regular publication sent to subscribers filled with suggestions on how to decorate and entertain with Dennison products) and other craft publications,

how-to-order letters to dealers, letters to subscribers, and renewal notices. There are scrapbooks of the promotional materials which accompanied the travelling salesmen and all of the price catalogues spanning at least 50 years.

The room is filled with samples of Dennison merchandise, but it obviously does not represent a complete collection. The high quality of the goods is abundantly evident. After 50 years of casual storage, the party favors, place settings and decorations could be used today. They were constructed of tough cardboard, and their vivid colors remain—depicting Santa, leprechauns, the Easter Bunny, Uncle Sam, witches, black cats, and pumpkins. Retired art director Art Manguso (telephone interview, 1994) said that he believed that many children's visions of what the modern Santa Claus looks like came from Dennison's fine holiday decorations. The quality of the decorations arose from Dennison's commitment to hire artists for the work. Mr. Manguso said that very few companies used trained artists.

The archive includes thousands of photographs, dating from early in the century through the 1920s. These photographs show the grounds, buildings, offices and machinery, and usually include people. There are pictures of company-sponsored ball games and parties, of the various committees, of people at work. They are well marked. Buildings, rooms, types of machinery, people, and dates are identified.

In the file cabinets there are factory cost reports for at least two decades (1910-1930), company correspondence dating from the turn of the century (all on fragile and deteriorating onion skin paper), and reminiscences (by others) of top executives. There are reports on general competition, business trends, specific competitors, and surveys of retailers to determine why competitor's products were chosen over Dennison's. A substantial amount of information exists here for the student of marketing history. Histories created by or compiled by the current historian are also available. Histories of

crepe, of box making, of tag making, of home work (thousands of people strung the company-produced tags in their home until 1935) (see Vollmers, *Business History Review*, Autumn, 1997), of wages, of advertising, of business cycles, to name but a few. There are hundreds of copies of books published by the company on its own history and its founders. These books were given to employees upon hiring and were mailed to anyone requesting information about the company.

Financial reports, profit and loss reports, and reports of the treasury division are extant, but ledgers are not. Original documents have, for the most part, been destroyed. There are, for example, no records of the weekly pay of individual employees although averages and starting pay for new employees may be found in the yearly personnel reports. Although it is known that much of their factory cost accounting system was not integrated with the financial records, it is impossible to determine how the differences were reconciled at the end of the year.

The company's committee system began in the first decade of the century. Each committee chair wrote a history of each year so there are yearly histories for merchandising, manufacturing, methods, research, cost, personnel, accounting, finance, safety, and quality committees (and others). The company historian compiled a history of the company for each year. Histories for each year were reconstructed back to 1902. Furthermore, the historian created 10-year summary histories from the one-year histories. The summaries and supporting documents from the decades of the 20s, 30s and 40s, are most reliable. The ones before this time are reconstructions, not contemporary creations.

There are files on their Canadian and London companies. All the minutes of the Works Committee have been retained which should be of interest to anyone intrigued by labor history and particularly, company-run unions. About 12 inches of file space is taken up by files on renegotiation of government war contracts from the mid-1940s—

however, these are mostly composed of spreadsheets packed with figures which may be difficult to decode. Finally, there are multiple file drawers filed with Henry Dennison's drafts of speeches and articles spanning 30 years.

In 1952, Henry Dennison died. Undoubtedly related, the archive deteriorates after that. There are many items from later years, but the regularity and organization of the data breaks down. On the positive side, for example, the reports of the research division extend into the 1970s. The archive is best during the twenties and thirties and is good during the forties. Prior to the twenties the collection is erratic because so much was reconstructed based on memory and those materials which had been retained. However, much remains from those early years.

The organization of the filing cabinets demonstrates that at one time much care went into the storage and classification of these materials. Since moving the archive from the History Room to its current storage space, everything else in the room has been carefully, but randomly, placed on whatever surfaces were available—therefore it is difficult, at best, to identify what exists or find what one hopes is there. No one maintains the room, so filth is accumulating at a rapid pace, accelerating the deterioration of much of the paper records.

This archive contains materials of interest to many business historians as a case study of scientific management implementation, of advertising and marketing history, of in-house unions, and of town/business relations. The archive is at its best from 1910 through 1940, a range that includes some of the most interesting periods of twentieth century history. If anyone would like to examine the archives, the author will provide the names of the company personnel who might grant that permission.

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KNOWN CONTRIBUTIONS TO THE
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University of Alabama. Development of duties and responsibilities of the position and relationships with the university. Contract with the University of Alabama regarding matters concerning the administrative coordinator position.

- Gary John Previts, (chair), Case Western Reserve University
Edward N. Coffman, Virginia Commonwealth University
Dale L. Flesher, University of Mississippi
Sarah A. Holmes, Texas A & M University
William D. Samson, University of Alabama

Elliott L. Slocum, Georgia State University

RICHARD G. VANGERMEERSCH
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Christopher Napier, University of Southampton
Thomas N. Tyson, St. John Fisher College

..... CPE WORKSHOP

The Academy of Accounting Historians will sponsor a CPE workshop at the Annual Meeting of the AAA on Sunday, August 16, from 8:00 am to 12:00 noon. A panel consisting of Richard Fleischman, John Carroll University, Barbara Merino, University of North Texas, and Vaughan Radcliffe, Case Western Reserve University, will provide an introduction to accounting history as a discipline and discuss the research process from inception of an idea through publishing of the

manuscript. Research approaches that will be discussed include archival research, critical theory, and new history. Several journal editors or representatives will discuss types of analyses appropriate to their journals. The session is designed for all who have an interest in accounting history and desire to better understand accounting history, to contextualize studies in their own research areas of interest, or to add historical work to their research portfolios.