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HAZY HISTORY: FACT AND FOLKLORE IN ACCOUNTING

We have, as accounting historians, all been subjected to some form of intellectual affrontery by non-historians who question the value of our pursuits. This is a rather uncomfortable feeling, and places us on the defensive—when indeed non-historians are the ones who may well have tarnished history's name. It is they, being so desperate for clever historical material about accounting, that have promoted and perpetuated apocryphal items in order to provide historical background in support of contemporary illustrations. The time has clearly arrived for us to take the offensive in citing these loose items and at the same time conduct research to develop valid replacements.

For example, the excellent bit of research by our colleague Mr. Albert Newgarden entitled "Goodbye, Mr. Hubbard" (*The Arthur Young Journal*, Spring/Summer 1969) destroys the mythical description of the "typical auditor" attributed to Elbert Hubbard. Haven't we all heard it? ". . .[A] man past middle life, tall, spare . . . with eyes like a codfish . . . as damnably composed as a concrete post. . . ." But as Newgarden shows, it is fiction—or folklore, for Hubbard did not write or say it at all. Indeed the quote refers to "The Buyer" (Volume III, *Selected Writings of Elbert Hubbard*, 1922).

Yet modern comments on the image of accountants ("Young Man Be An Accountant," *Esquire*, Sept. 1961, p. 71) and writings dating back more than a quarter century (Theodore Lang, *N.A.C.A. Bulletin*, Sec. 1, July 15, 1947, p. 1,377) relish the use of this fable.

Even Professor Horngren along with Professors Burns and Hendrickson have been "taken in" during the last decade using Hubbard's "quote." Horngren is victimized twice however, his most recent edition (Chapter 6, p. 174, item 14) as well as a previous edition (Chapter 9, p. 291, item 15) both carry on the tale. While Burns and Hendrickson include the story from *Esquire* in their 1967 edition of *The Accounting Sampler*, (p. 296) they make no reference to it in their 1972 revision. Of one point there should be no question,

this myth needs to be put aside, as Mr. Newgarden suggests, once and for all.

It almost makes one wonder if Henry Ford ever said "History is bunk!" A fanciful use of this old historical barb is used to title a brief piece in *The Accountant* (England) (Jan. 17th, 1974, p. 74). The fact is that H. L. Mencken supplies testimony from Ford that the industrialist never made the statement (*A New Dictionary of Quotations*, p. 539). Ford's testimony was given on the witness stand July 15, 1919. Yet Professor Soltow, writing after Mencken's research was published, perpetuates the story as an opening line "grabber" in his work "Business in History and History in Business," (*MSU Business Topics*, Winter, 1963).

The object of all this review of historical apocrypha is really quite simple—historical statements made by non-historians, in particular, must be challenged by historians. Further, historians should provide contemporary topic writers with the "ammunition" of historical precedent to enable them to evaluate their work from validated premises rather than contrived ones.

Acts of such historical invention are forever appearing. Recently in the new text by Hobbs and Moore (*Financial Accounting, Concepts, Valuation, Analysis*, p. 66) an "adaptation" from Benjamin Franklin's Autobiography is stated as: "Identifying the more important financial statement is no easier than determining the more important blade of a scissors." When I inquired of Professor Hobbs, he referred me to *A Benjamin Franklin Reader*, p. 727—a selection entitled "Early Marriages Are Happy Ones," and a passage which says: "An odd volume of a set of books you know is not worth its proportion of the set, and what think you of the usefulness of an odd half of a pair of scissors?"

It is disturbing to consider the likelihood that future accounting students and teachers exposed to this "extremely free adaptation" will soon find someone wrapping Franklin's pseudo-statement in direct quote marks. So while Mr. Newgarden may have bid "Good-bye" to Mr. Hubbard, it was only in enough time to greet Mr. Franklin.

How frequently do we find this chain of accounting historical fact presented?

1. Many years ago someone said, "It can be imagined that a is x."
2. Later another then said, "It has been supposed that a is x."
3. Then, probably in *good faith*, a third writer says, "As so and so has stated 'a is x.'"

4. Such that another then says, "The truth of the matter is that a is x."

In this somewhat unscientific way we develop the conceptual heritage that "a is x."

Indeed, Henry Rand Hatfield, where are you now that accounting historians need you?

(Vol. 1, No. 2, p. 2, 1974)