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FOREWORD TO C. C. MARSH'S 1835 *Lecture on the Study of Book-Keeping, with a Balance Sheet*

Over the past eleven years three books by Philadelphia (briefly) and New York accounting teacher C(hristopher) C(olumbus) Marsh, 1806-84 [Bentley and Leonard, 1934-35, vol. 1, p. 16], have been reprinted [[Brief, 1979], p. 17; and Stone, 1982, vols. 5b, 19b]. Reviewed in this journal in 1985 [Givens], one of them may have been the first U.S. text on bank book-keeping [[Brief, 1979], p. 17], and had in presumably a later edition been used in 1883 in the Wharton School's first accounting course [Previts and Merino, 1979, p. 105].

Another reprinted work is, however, more critical to Marsh's place in the accounting literature. Previts and Sheldahl have suggested [1988, pp. 1-2] that his *Science of Double-Entry Book-Keeping*, originating in 1830, marked an important early step in a long transition from traditional merchants' accounts [Sheldahl, 1985, pp. 13-19] toward an accounting system better suited to an emerging industrial and corporate economy.

The essay that follows (there is no non-title evidence that it was the text for a public address) presents in concise form the bookkeeping analysis of Marsh's *Science* [1830]. The basic thrust is a plea for *simplicity* in accounting exposition, and thence instruction. Negatively, it is directed in particular against the triadic classification of accounts presented by James Bennett (later known as James Arlington Bennet), 1788-1863, whose *American System of Practical Book-Keeping* had originated in 1820 [Bentley and Leonard, 1934-35, vol. 1, p. 10].¹

Acknowledgment is gratefully made to the Special Collections Department at the University of Baltimore Library, which supplied Marsh's essay for reprint from its Herwood Library of Accountancy collection, the (or a) source also of the nineteenth-century texts cited other than the book by Bennett.

¹Bennett's first (official) edition, among forty-one [Bentley and Leonard, 1934-35, vol. 1, pp. 10-11], is bound in 1982 reprints [Stone, vols. 5a, b] with the 1831 second edition of Marsh's double-entry text.

On Bennett's scheme [1842, pp. 18-19], "Real" accounts designate property items in general, and certain obligations against those holdings; "Personal" ones concern common receivables and payables, and commercial relationships such as agency and factorage; and "Imaginary" ones represent proprietary capital and, in generic terms, all forms of loss or gain. After defining each category by way of two or four rules, Bennett [1842, p. 17] reduced the three sets of propositions to the single rules that Marsh [1835, pp. 8-9] condemned as either misleading, useless, or (on what today would be a perverse misreading of the last one as formulated) downright false.

If Bennett had perhaps harmfully oversimplified his own analysis, his critic was scarcely looking for greater complexity. To the contrary, Marsh charged [1835, pp. 4-6] that fellow writers had responded to commercial change through ad hoc addition and revision of "rules" that increasingly were arbitrary, unclear, and contrived. He accordingly [Marsh, 1835, p. 15] replaced account classification with a single principle of transaction analysis, the "infallible rule" promised in his extended 1830 book title:

**WHOEVER OR WHATEVER OWES US IS DEBTOR, AND
WHOEVER OR WHATEVER WE OWE IS CREDITOR.**

Marsh both in the text [1830, pp. 16-23, 26-40 (latter reference imputed from listed contents)] and the essay [1835, pp. 15-19] illustrated the power of his rule through numerous journal entry explanations or "elucidations."

C. C. Marsh was, however, as much a foil for another writer of the day as James Bennett had been for him. In an 1842 essay to be reprinted 135 years later in this journal, New York teacher Thomas Jones [1977, pp. 42-44], 1804-89 [Reigner, 1958], pp. 59-62], implied that Marsh's "elucidations" were basically rationalizations fitting entries identified independently to a bogus source rule. More incisively, Jones later [1857, pp. [iii]-iv] dismissed the "infallible rule" as the tautology that whatever owes us, owes us, (and, by implication, whatever we owe, we owe), adding that in attempting to give content to this triviality Marsh (unnamed) had systematically misinterpreted foreign exchange.

Largely by way of two texts reprinted in the same 1982 series [Stone, vols. 8b, 19a] in which the books by Marsh and Bennett principally aforementioned appear, Thomas Jones is recognized [Chatfield, 1977, p. 222] as an important accounting theorist. His distinction between primary and secondary

[Jones, 1977, pp. 35-42], or (in later terms) real and nominal, accounts, and clear definition of proprietorship, supplied a conceptual base for financial reporting.

C. C. Marsh had himself contributed to these advances by disposing of Bennett's arbitrary account classification, and presenting, as in the attachment to the essay that follows [1835], an account-form "balance-sheet" of two parts roughly comparable to a modern-day balance sheet and income statement. If his level of account simplification seems altogether extreme to readers of 150 years later, who are unlikely to identify accounting with just "the common and daily occurrences of life" [Marsh, 1835, p. 4], they might relate him to contemporary advocates of accounting standards unencumbered with "cookbook" complexity or detail.

Marsh was strongly motivated by perceived *instructional* failings of preceding texts. Their complexity, and particularly their allowance of "exceptions" for nearly every "rule" advanced, could only confuse readers [Marsh, 1835, pp. 4-6], whereas the "infallible rule" would minimize dependence on *memory* in accounting practice [pp. 12, [24], teaching ad].

Marsh asserted [1835, p. 10], most interestingly, that in the years just prior to his lecture a general consensus had emerged that bookkeeping should be learned *before* entry into the mercantile (or industrial) countinghouse. This statement is misleading so far as it suggests that by 1835 there was more than isolated opportunity for meaningful classroom study of accounts. Assuredly there was not. It does, however, underscore the plight of R. Montgomery Bartlett, 1807-91, in being turned away by one eastern merchant house after another for lacking advanced bookkeeping skills that he was willing to work without pay to acquire. With the manifest need for formal instruction in accounts, Bartlett (in Cincinnati) would join several other accountants in forming commercial colleges that institutionalized proprietary teaching [Reigner, [1958], pp. 47-51; and Sheldahl, 1987, pp. 32-33].²

Marsh's *Science of Double-Entry* went through forty recorded editions or printings through 1886, including nine U.S. imprints in Spanish [Bentley and Leonard, 1934-35, vol. 1, pp. 16-17; and *The National Union Catalog, Pre-1956 Imprints*

²When Bartlett's protégé [Reigner, [1958], p. 50] Silas S. Packard was professionally honored at Delmonico's in New York on his seventieth birthday in 1896, guests and/or contributors included Mr. and Mrs. Melville A. and also Adelaide Marsh [*Complimentary Banquet to S. S. Packard*, [1896], pp. [62], 67], not further identified.

(N.U.C.), 1968-81, s.v. "Marsh, Christopher Columbus . . .": "La ciencia de la beneduria de libros"; "The science of double-entry bookkeeping"]. There were also numerous editions, Spanish ones included in one case, of two single-entry texts; the bank bookkeeper went through eight editions; and the essay that follows appeared in an expanded 1837 third edition [Givens, 1985, p. 142; and N.U.C., 1968-81, s.v. "Marsh, Christopher Columbus"]. Marsh's work also was adapted for Japanese texts [Stone, 1982, his pref., vol. 5b, pp. iii].

C. C. Marsh in April 1832 [p. vi] was still in Philadelphia. Front matter of 1835 [Marsh, p. [2]] implies on its face that he was in New York by '33, but the Maryland copyright casts doubt on such dating. The title page citation from Dr. Johnson [Marsh, 1835] had originated in his *Dictionary* of 1755 [Previts and Sheldahl, 1977, pp. 56 (date misprinted), 59].

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