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CRITIQUE ON WASHINGTON SCHOOL OF ACCOUNTANCY

by
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Keeping Things in Perspective

Gary Previts, while president of the Academy, wrote in *The Accounting Historian*, No. 2 of Vol. I, in the article entitled "Fact and Folklore in Accounting."

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."

Activities of individuals, while they contribute to history, should be kept in perspective and not extolled disproportionately. Such is the situation regarding Newlove's Washington School of Accountancy. This author feels that undue emphasis has been given to that school in the article by Johnson in the Spring, 1980 issue of the *Accounting Historians Notebook*.

As historians we should be aware of theories, ideas, experiments, and applications and should seek out and record matters pertaining to the profession of accountancy. There were many, many schools, academies, institutes and colleges which were teaching bookkeeping and accounting decades before the Washington School of Accountancy. This article will endeavor to "touch the tip of the iceberg."

A quote from the first paragraph of the Johnson article states: "a few could be found on the campuses of major metropolitan universities: examples included New York University, the University of Pennsylvania, and Northwestern University." However, the Walton School of Commerce in an advertisement in the *Journal of Accountancy*, December, 1916, stated that "The Walton Accountancy Courses have been adopted and are in use in the following Universities:

University of Chicago
St. Louis University
University of Detroit
Marquette University
South Western University - Los Angeles
University of Washington
University of Utah
University of California
Tulane University
University of Denver

Other school users of the Walton courses were mentioned also.

Literature

During the early decades of this century and last half of the preceding century, there were numerous textbooks written to instruct persons in bookkeeping and accounting. Many of these were designated for use in particular educational institutions. Scanning the listings in part 3 of Volume I of Bentley's *Bibliography*¹, it was noted that seventy-seven (77) books had been authored by at least 61 writers, for use in specific schools. In this special category the period covered was 1858 through 1900 - 43 years. This approximates nine books every five years. The schools were located in fifty (50) cities and towns from New Hampshire to California and Texas to Minnesota. These factors serve to indicate the broad scope of attention to education in the field of accounting in the 19th century in the United States.

In addition to independent authors, many schools, colleges and universities published textbooks during the period related to Newlove and some prior years in the 20th century. In addition to well-known Harvard, Columbia, C.C.N.Y., and the University of Chicago, there were some lesser known schools such as Detroit School of Accounts and Commerce, Western Institute of Accountancy, Commerce and Finance, Universal Business Institute, Tampa Business College, Campbell Commercial School, Baltimore Eaton & Burnett Business College, LaSalle

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Extension University and Bryant & Stratton Business College. These were gleaned from Bentley's *Bibliography*, Volume II, part 1, the period from 1901-1934.

Scholarly Institutions

Further evidence of the existence of educational institutions directed toward accountants was found in a recent survey of a limited sample of issues of the *Journal of Accountancy*. These issues from November, 1916, through July, 1918, were available on the shelves of this author's library. In these twenty issues there were advertisements placed by five to seven institutes or 'schools, including the New York University School of Commerce, Accounts and Finance. It will be noted that the dates of these advertisements coincide with the span of Dr. Newlove's Washington School. Of course, with the passing in 1896 of the New York State law regulating public accountancy, practically all of these "schools" were promoting preparation for CPA examinations; but, there was also the attempt to inspire advancement in employment.

Some readers may feel that these schools were of the correspondence type, which undoubtedly was true to some extent, but the statement "evening classes" and "convenient to the Brooklyn Bridge and subway" would have no significance to correspondence students. Another advertised "has opened a resident school in New York City" and another stated "in Residence and by Extension."

Many schools providing instruction in bookkeeping and keeping accounts existed in the 19th century as well as the early 20th preceding Newlove. One source, Bentley, Vol. II, part 1, lists twelve institutions which offered such services during the years when the Washington School was "in its heyday." Bentley's extracts from title pages (19th century) recorded in his Vol. I, Part 1, display the intent of the authors to reach individuals in schools, public schools, common schools, primary schools, private schools, business schools, higher grades of public and private schools, high schools, normal schools, commercial schools, district schools, graded schools, grammar schools, academy/ies, seminaries, colleges, business colleges, commercial colleges, literary colleges, other colleges, teachers' institutes, state and county teachers' institutes, universities, and business universities.

But many of those authors went outside the schools and offered their wares to private learners, young accountants, teachers, students, bookkeepers, commercial lawyers, expert bookkeepers, businessmen, bookkeeping

instructors, beginners, secretaries, auditors, and graduates.

In the city of Baltimore, the author's little corner of the country, schools advertised in the City Directories of 1900, 1902, 1903, 1904, 1905, and 1906 that they prepared students for bookkeeping, accounting and "expert accountanship." The Associate Institute of the Y.M.C.A. advertised for several years, was succeeded by the School of Commerce and Finance and became known about 1922 as the Baltimore College of Commerce.² There were also in Baltimore during the period 1915-23 Eaton & Burnett, Strayer's Business College, Baltimore Institute of Accounting, Baltimore Pace Institute, International Accountants' Society, Inc. and the University of Maryland (Baltimore). All these advertised in City Directories.

In a paper entitled "Accountants in the Commerce of Baltimore Prior to the Civil War" by James W. Jones,³ it was shown that as early as 1831 there existed a school (Classical and Commercial Academy) for a study of bookkeeping and another in 1835 (Wilkinson's Male and Female Academy), another in 1837 (Robinson's Institute). Two extensive ads appeared in 1855 and 1858 directories by Chamberlin's Commercial College and Baltimore Commercial College. Mercantile and Commercial and Collegiate Institute also appeared in 1858.

Occasional confirmations of schools can be found in biographical sketches accompanying speeches delivered at various gatherings of business associations. As an example, the National Association of Cost Accountants published for decades a series of yearbooks reporting on their annual conferences. In this series there were no biographies prior to 1927, but in that year Gerald Arthur Torrence had "partially completed courses at Denver University School of Commerce, Accounts and Finance (prior to 1917); Frank B. Wolfe was a "member of the faculty of Midwestern School of Commerce, Chicago," "... lectured on Cost Accounting at the Detroit Institute of Technology" and "was a member of the faculty of Walton School of Commerce." J. Thomas Otto "studied accounting at local business colleges (unnamed) and at the University of Cincinnati." At that time Otto had been with Cincinnati for twelve years which would place his schooling about 1915. In 1927, Paul T. Skove, whose "last 18 years (had been) with Perfection" received his "schooling in business college and courses at Y.M.C.A. School of Technology (place not

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GARNER



KOJIMA



NISHIKAWA



STEVELINCK

ACADEMY LIFE MEMBERS

The by-laws of The Academy permit two classes of membership: regular and life. They stipulate that "Scholars of distinction in accounting history may be designated life members. Selection of such members shall be made by a committee of members and Trustees appointed by the President of The Academy and its recommendations shall be subject to approval by the Board of Trustees."

In March 1981, Dick Brief (then President of The Academy) asked Vern Zimmerman and Al Roberts to serve as the committee. They proposed Paul Garner, Osamu Kojima, Kojiro Nishikawa and Ernest Stevelinck as the nominees for life membership. These members would be entitled to full voting rights and other privileges pertaining to The Academy, they would be granted full remission of annual dues, and each would be presented with a suitable plaque. At its August 1981 meeting, the Trustees unanimously approved these four scholars for admission as life members of The Academy of Accounting Historians.

Paul Garner, was born in Yadkinville, North Carolina, August 15, 1910. He holds A.B. and A.M. degrees from Duke University, a Ph.D. from the University of Texas, a D.Ec. (Hon.) from Pusan National University (Korea), and an LL.D. (Hon.) from the University of Alabama. He was Dean, School of Business Administration, University of Alabama from 1954-1971, and is presently Dean Emeritus. During his active and distinguished career he has been President of the American Accounting Association (1951) and President of the American Assembly of Collegiate Schools of Business (1964-65). He has been a distinguished faculty lecturer in colleges and universities throughout the world and has served on committees of numerous national and international accounting and educational organizations. Paul Garner is the author of *Evolution of Cost Accounting to 1925* and has been co-author on nine accounting texts and readings books. In addition, he has been a contributor to numerous journals and proceedings on the subjects

of accounting, international accounting education, and accounting history.

Osamu Kojima, was born in Osaka, Japan, May 20, 1912. He holds a B. Comm. from Kwansai Gakuin University and a D.B.A. from Kobe Daigaku University. He was Professor of Accounting at Kwansai Gakuin University from 1953 to 1981 when he became Professor Emeritus. In April 1982, he was appointed Professor of Accounting at Kinki Daigaku University and teaches undergraduate and graduate courses in accounting history. In addition to two texts on commercial and industrial accounting, Osamu Kojima published five books on accounting history between 1961 and 1978 in Japanese. Their titles in English are: *A Study on the Historical Development of Double-entry Bookkeeping*, 1961; *On the History of Bookkeeping*, 1964; *History of Accounting In England*, 1971; *History of Bookkeeping* 1973; and *Studies in the Historical Materials of Accounting*, 1978. With Basil S. Yamey, he edited and reproduced the very rare Ympyn's *A Noteable and Very Excellent Woorke* (1547) in 1975, and James Peele's *The Pathe waye to perfectnes in th'accomptes of Debitour and Creditour* (1569) in 1980. He was an organizer of the Accounting History Association of Japan and elected its first president in June 1982.

Kojiro Nishikawa was born in Osaka, Japan, September 5, 1896. He graduated from Kobe National University in 1920 and worked for Mitsubishi Trading Company in U.S. Branches. Later he was a director and Comptroller of Mitsubishi Oil Company in Tokyo. During his academic career he lectured at Keio University Graduate School from 1962 to 1969 and was a professor and lecturer at Nihon University from 1964 to 1980. He holds a Doctor of Commerce degree from Nihon University (1973). His excellent collection of Japanese books on bookkeeping from 1870 to 1890 and other rare accounting and

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given).” These mature men in responsible positions, and others in the 1928 yearbook, attest to education in named schools, such as Kentucky Normal School, New York University, University of Georgia, University of Wisconsin, and University of Pennsylvania.

business manuscripts were donated to the Hitotsubashi University Library in 1982. Kojiro Nishikawa has written extensively on the introduction of bookkeeping in Japan. The English titles of some of these writings are: *William C. Whitney and His Influence on The Early Development of Bookkeeping in Japan*, 1959; *Introduction of Double-entry Bookkeeping in Japan by Vincent E. Broga in 1870s*, 1960; “Origin of Shand’s System of Bookkeeping in Japan,” 1956; “The Early History of Double-Entry Bookkeeping in Japan,” 1956; and *A Collection of Annotations and Facsimile Reprints of the Sixteen Earliest Books on Bookkeeping in Japan*, 1982. In addition he has published working papers, articles, and delivered many papers on accounting history.

Ernest Jean Leon Stevelinck, was born in Brussels, Belgium, May 5, 1909. He has been an expert accountant since 1933 and a charter member and administrator of several organizations of expert accountants. Included in his many personal decorations are: the medal of Paris; designation as a *Laureat du travail*; and appointment as a Knight of three National Orders. His involvement in education is best represented by his membership on the Superior Council of the Belgian National College of Expert Accountants from 1962 to 1974. Even though M. Stevelinck retired from practice in 1974, he is still President of the Belgium National Committee of Accounting Historians; Secretary of the International Committee of Accounting Historians, and Editor-in-chief of *La Revue Trimestrielle Belge de la Comptabilite et de L’Informatique*. He has published numerous articles on accounting and accounting history, is the author of *La Comptabilite a Travers Les Ages* (1970), and, with Robert Haulotte, published (in French) the book *Luca Pacioli: His Life and His Work* (1975). He organized and hosted the First Symposium of Accounting Historians, Brussels in 1970.

Webster,⁴ in his “AAPA - Its First Twenty Years” covers its concern with founding the New York School of Accounts. He quoted from the Williams report (p. 168) “. . . the necessity for such a college in this country cannot be too strongly urged, for only by this means will the public accountant acquire dignity and power commensurate with the onerous duties he is called on to perform and the vast responsibilities he incurs.” References are made to a College of Accounts in conjunction with the University of the State of New York and activities thereto appertaining.

In chapter 37, p. 202, Webster recites data on other schools of the period; Theodore Koehler’s New York School of Accounts about 1897; Frederick S. Tipson, National School of Accounts, 1900; The School of Commerce, Accounts and Finance of New York University, 1900; Universal Business Institute, 1904; and Pace Institute of Accountancy, 1906.

Conclusion

Interested readers and historians from other areas of the country may wish to amplify this commentary on the early schools of accounting. Suffice it to say, there were a large number of schools offering programs in accounting both prior to and contemporaneous with the Washington School. This article is not intended to discredit Newlove or the Washington School. However, the Washington School seemingly offered nothing that was original or unique. Almost every large city probably had a similar program.

¹Bentley, *Bibliography of Works on Accounting by American Authors*, 1934.

²The author attended this college in the early twenties.

³“Accountants in the Commerce of Baltimore Prior to the Civil War” - published in *Proceedings of the Thirtieth Annual Meeting, AAA Southeast Regional Meeting*, April 27, 28, 29, 1978.

⁴Norman E. Webster, *The American Association of Public Accountants, Its First Twenty Years* (American Institute of Accountants, 1954).

