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1989 ACCOUNTING HALL OF FAME INDUCTION: YUJI IJIRI

INTRODUCTION

by

William W. Cooper

Nadya Kozmetsky Scott Centennial Fellow

University of Texas, Austin

Accounting Hall of Fame Board of Nominations

Our Inductee's favorite reading is that of the mathematician, Raymond Smullyan. I quote from one of Smullyan's recent works, entitled "What is There?" as follows:

One dictionary defines *ontology* as the science of being; the branch of metaphysics that investigates the nature of being and of the essence of things . . . [Thus Willard van Orman Quine the American philosopher-logician] starts his famous essay *On What There Is* with the words, 'A curious thing about the ontological problem is its simplicity. It can be put in three Anglo-Saxon monosyllables: 'What is there?' It can be answered, moreover, in a word — "Everything."

A similar philosophy was expressed in Oscar Mandel's delightful book, *Chi Po and the Sorcerer: A Chinese Tale for Children and Philosophers*. In one scene, the boy Chi Po is taking painting lessons from the sorcerer Bu Fu. At one point Bu Fu says 'No, No! You have merely painted what is! Anyone can paint what is; the real secret is to paint what isn't?' Chi Po, quite puzzled, replies "But what is there that isn't?" [Smullyan, 1988, pp. 111-112].

Smullyan quotes the student approvingly but my sympathies are with the sorcerer. Surely the answer to the boy's question is . . . "What can be created!" — And I take Ijiri as my example. How did he create the ideas of triple-entry bookkeeping? I leave you with the mystery as follows: At a Conference on Creative and Innovative Management [Cooper, 1988, p. 60], I asked Ijiri how he came to have these ideas of triple-entry bookkeeping,

after prefacing my questions with the statement that, like many others, I was aware as he of the basic connections between balance sheets and income statements that had been noted by many others since Pacioli first published his book on double-entry bookkeeping nearly 500 years ago. If "it was there," why didn't I, or someone before me, see it? I think that the answer lies in Ijiri's creativity — his ability to bring into existence things that *weren't* there!

This still leaves open the question of why it took nearly 500 years to go from Pacioli to Ijiri despite the attention of many fine minds. Here I think the answer lies in the depth to which Ijiri had previously probed in his studies on the foundations of accounting, which finally led to his demonstration that all of accounting, including its multidimensional extensions, can be derived from three simple axioms which he refers to as the axioms of control, of quantities and of exchanges. Three simple axioms to cover all of private and public sector (e.g. national income) accounting is almost unbelievable, at least to me, when I recall that Eric Kohler and I (working with David Rosenblatt, the logician) succeeded in formulating five axioms, with supplementary propositions, as published in *Kohler's Dictionary for Accountants* [Kohler, 1952; pp. 43-44], but were unable to demonstrate their inclusiveness. With his axiomatization accomplishments we can say that Yuji Ijiri answers the "so what?" of his father-in-law (see citation) by showing the stuff of which accounting's clothes are made. With his triple-entry bookkeeping, Ijiri has answered the "so what?" of his father (see citation) by opening new horizons of use for accounting — new uses that build on the foundations of the past.

In his accomplishments, our gentle inductee, Yuji Ijiri, represents the best traditions of the past while opening new prospects for the future in both accounting research and practice.

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- E. L. Kohler, *A Dictionary for Accountants*, First Edition, New York, NY: Prentice-Hall, 1952, pp. 43-44.

INDUCTION CITATION

by

Thomas J. Burns

Professor and Chairman

Faculty Committee on Accounting Hall of Fame

The Ohio State University

Although non-Western in birth and in citizenship, this newest Hall of Fame member exemplifies the best of the so-called American values namely, the belief in hard work, achievement and education, a continuing willingness to face new challenges, the elusive balance of work and play, and the importance of family life.

His life has been spent in two cultures, the first half in Japan and the second half in America. He was born in Kobe (a port between the mountains and the inland sea — near Osaka), in 1935, the first born of a baker/confectioner who wasn't doing well as sugar was very scarce and under government control. So the father had time to teach his son arithmetic. When he was six, the boy was sent to an abacus school, which the child loved, to give him a head start. When he was nine and the city was under heavy air attack, he and 100 other fourth graders were evacuated to a temple in Okayama where a young man taught him algebra, for over a year until the war ended.

When he was in tenth grade, his father fired his accountant and told his son to take over. Again he enjoyed it and decided to become a CPA. His father regarded college education as a waste of time because he always believed in on-the-job training. If the father were still with us, he would probably say "sounds great, but so what?"

With difficulty the son persuaded the father to let him go to night school starting at a junior college to help him become a CPA. (In Japan, you have to pass a qualifying exam if you are not a college graduate in order to take the CPA exams.) In twelfth grade, he passed the qualifier and shortly after graduating from Ritsumeikan University in Kyoto with a Bachelor's degree in law, he received his certificate at 21 years of age, still the youngest ever recorded in Japan.

At college, he studied under an accounting professor whose academic values were the exact opposite of his father's. This professor taught an accounting seminar where for the entire semester they read Thomas Carlyle's *Sartor Resartus* (which means "Tailor Retailored"). No wonder the student took 20 years to understand the professor's analogy between accounting

and the clothes that society wears. No wonder that the student learned to believe deeply in analogy as an engine of his research, as a frequent cause of his laughter, and as a source of his deepest thinking. He has found further inspiration from the analogies of the giants of mathematics, art and music, namely Gödel, Escher, and Bach.

(This professor had a daughter, Tomo, and when he started to date her, naturally, his classmates began to doubt the seriousness of the student's interest in accounting.)

After college, he was practitioner in Tokyo for three years first with a small firm, then with Price Waterhouse for two busy years, with a few listed companies as clients. He also went to YMCA night classes to learn English and saved his money to come to graduate school in America.

When he was 24, had saved \$1,650, and had not received the professor's permission to marry his daughter, he entered the University of Minnesota. After quickly earning a Master's degree, he went to Carnegie Mellon University (because of his mathematical talent) as a Ford Foundation fellow to earn his Ph.D.

There he was much influenced by three faculty members; Richard Cyert, now Carnegie's President who changed the doctoral language requirements to include Japanese; Herbert Simon, the Nobel Prize Winner, with whom he eventually co-authored a book; and especially his mentor, William W. Cooper, who became his third "father," and who over a cup of coffee influenced him to write a dissertation in accounting (rather than one in economics or in operations research). After he married the Professor's daughter, and completed his degree, he went to Stanford. After four eventful years there, (with three colleagues named Jaedicke, Horngren, and Sprouse)¹ he returned to Carnegie where he has been ever since (with such colleagues and students as Kaplan, Baiman, Itami, and Sunder).²

¹Robert K. Jaedicke, William R. Kimball Professor of Accounting and Dean; Charles T. Horngren, Edmund W. Littlefield Professor of Accounting; both of Stanford University; and Robert T. Sprouse, Distinguished Accounting Research Professor, San Diego State University (formerly of Stanford University).

²Robert S. Kaplan, Professor, Carnegie Mellon University and Arthur Lowes Dickinson, Professor of Accounting, Harvard University; Stanley Baiman, Professor, Carnegie Mellon University; Hiroyuki Itami, Professor, Hitotsubashi University (Japan); and Shyam Sunder, Richard M. Cyert Professor of Management and Economics, Carnegie Mellon University.

This gifted professor with an extraordinary memory has consummate skill with the computer. All his life, he has been fascinated by puzzles, words, and games (for example, Shogi or Japanese chess, which complicates the usual game by allowing the use of pieces captured from the opponent). These and other interests are somewhat comparable to those of the century-old Hall of Fame member, William A. Paton. Like Paton, his large body of work is marked by much originality and subtle reasoning, especially in his triple-entry bookkeeping publications. An interesting illustration of his mathematical strengths are his many abstracts published in *Zentralblatt Für Mathematik* dealing with many articles in the field of mathematical logic. Most receptive to discussing his papers publicly, he has appeared 21 times before the 24-year-old Ohio State Accounting Research Colloquium.

“To know the past, one must first know the future” is quoted in his fourth AAA monograph (just published), a quotation by Raymond Smullyan, a CCNY Mathematics Professor, whose philosophical work is the favorite reading of this prolific researcher. His over 100 articles have been published in the leading academic and professional journals of several disciplines, and his many books are frequently published both in English and Japanese and sometimes in French and Spanish.

Devoted to his family, he used to disagree with his wife about which parent got to bathe the babies. They are now his best critics especially of his speeches.

Much honored, he is a past president, a distinguished international lecturer, and an “outstanding educator” awardee of the American Accounting Association, also a past president of the Accounting Researchers International Association, the AICPA’s literature prize winner four times, and the holder of a professorship named after Hall of Fame member — the late Robert M. Trueblood of Touche Ross — both of which with he has been closely associated. In 1987, he received the highest honor his university bestows on a faculty member, a university professorship.

An accountant who represents the finest traditions of accounting and whose election hopefully foretells a world society, this happiest and this humblest of all accounting researchers who almost — to recall a Disney song — “whistles while he works” and who genuinely believes that all of his achievements are due to others, is inducted as the 49th member of the Accounting Hall of Fame — Yuji Ijiri.

RESPONSE

by

Yuji Ijiri

Robert M. Trueblood University Professor
Carnegie Mellon University
1989 Accounting Hall of Fame Inductee

Induction into the Accounting Hall of Fame is indeed accounting's highest honor. In my case, this great honor has even greater significance because I receive it from the hands of my mentor for more than half my life, William Cooper. In addition, as the Robert M. Trueblood Professor, I take great pleasure in causing Bob, the thirty-fourth Hall member, to be "reinducted" into the Hall of Fame.

There are many people to whom I would like to express my intellectual indebtedness. But I must reluctantly omit these acknowledgements to keep my presentation short, following the advice of the Hall of Fame Committee Chairman, Thomas Burns, who was my boss when I worked as a grader at the University of Minnesota.

Nevertheless, I would at least like to acknowledge the four institutions I have been fortunate enough to be associated with since I came to this country in 1959: the University of Minnesota, Carnegie Mellon University, Stanford University, and the American Accounting Association. Each has played an indispensable role in shaping my career, and I would follow exactly the same path again if the clock were turned back 30 years.

I must in particular acknowledge Carnegie Mellon and its Graduate School of Industrial Administration, where I spent two and a half years as a student and twenty-two years as a faculty member. I have indeed been steeped in the interdisciplinary spirit of Carnegie Mellon.

(The trouble with this spirit is that I now seem to have a disease called "acquired interdisciplinary syndrome." It gives me an illusion from time to time that everything in life is related to accounting and vice versa. However, one of the toughest things that I still cannot quite make the connection with accounting is "love." In fact, my lifetime challenge is to explore what this thing called love has to do with this thing called accounting.)

Yet interdisciplinary work could very easily have been neglected or rejected in accounting. Here, I am convinced that every evaluation says just as much about the evaluator as it does

about the evaluatee. In this sense, this honor signifies the openness of the accounting discipline and the accounting profession — openness toward foreign thoughts.

In addition, this honor also signifies the openness of the United States toward foreigners, especially in academia, without which I would certainly not be here today. I hope that this openness will spread throughout the world, as we are now in the age of globalization, country-wise, discipline-wise, and profession-wise.

“Globalization,” however, does not mean just superficially mixing foreigners or foreign thoughts. They must be amalgamated and integrated. To do so, we must first search for their common roots and rebuild a new structure from there that is big enough, deep enough, and general enough to accommodate them all.

This continual process of reexamining and restructuring from the foundation is what makes a country, a discipline, or a profession strong, creative, and, above all, adaptive to change — change in the environment as well as change in values, which seem to be most imminent today in accounting and in the world.

And for this very reason, I look forward to participating in the process of “globalization.”

THE ACCOUNTING HALL OF FAME

<i>Year</i>	<i>Member</i>
1950	George Oliver May* Robert Hiester Montgomery* William Andrew Paton
1951	Arthur Lowes Dickinson* Henry Rand Hatfield*
1952	Elijah Watt Sells* Victor Hermann Stempf*
1953	Arthur Edward Andersen* Thomas Coleman Andrews* Charles Ezra Sprague* Joseph Edmund Sterrett*
1954	Carman George Blough* Samuel John Broad* Thomas Henry Sanders* Hiram Thompson Scovill*

*Deceased

Continued on next page

THE ACCOUNTING HALL OF FAME — (*Continued*)

<i>Year</i>	<i>Member</i>
1955	Percival Flack Brundage*
1956	Ananias Charles Littleton*
1957	Roy Bernard Kester*
	Hermann Clinton Miller*
1958	Harry Anson Finney*
	Arthur Bevins Foye*
	Donald Putnam Perry*
1959	Marquis George Eaton*
1960	Maurice Hubert Stans
1961	Eric Louis Kohler*
1963	Andrew Barr
	Lloyd Morey*
1964	Paul Franklin Grady*
	Perry Empey Mason*
1965	James Loring Peirce
1968	George Davis Bailey*
	John Lansing Carey*
	William Welling Werntz*
1974	Robert Martin Trueblood*
1975	Leonard Paul Spacek
1976	John William Queenan
1977	Howard Irwin Ross*
1978	Robert Kuhn Mautz
1979	Maurice Moonitz
1980	Marshall Smith Armstrong
1981	Elmer Boyd Staats
1982	Herbert Elmer Miller
1983	Sidney Davidson
1984	Henry Alexander Benson
1985	Oscar Strand Gellein
1986	Robert Newton Anthony
1987	Philip Leroy Defliese
1988	Norton Moore Bedford
1989	Yuji Ijiri

*Deceased