

Accounting Historians Journal

Volume 3
Issue 1 No. 1/4 Winter-Fall 1976

Article 6

1976

Digging in Boston's accounting dumps

William Holmes

Follow this and additional works at: https://egrove.olemiss.edu/aah_journal



Part of the [Accounting Commons](#), and the [Taxation Commons](#)

Recommended Citation

Holmes, William (1976) "Digging in Boston's accounting dumps," *Accounting Historians Journal*: Vol. 3 : Iss. 1 , Article 6.

Available at: https://egrove.olemiss.edu/aah_journal/vol3/iss1/6

This Article is brought to you for free and open access by the Archival Digital Accounting Collection at eGrove. It has been accepted for inclusion in Accounting Historians Journal by an authorized editor of eGrove. For more information, please contact egrove@olemiss.edu.

William Holmes
PEAT, MARWICK, MITCHELL & CO.

DIGGING IN BOSTON'S ACCOUNTING DUMPS

Snoopy is my favorite cartoon character, and I finally figured out why. It is those crazy fantasies he has about himself as a World War I aviator, constantly foiled by the Red Baron. I can relate to Snoopy in this respect, but not as an aviator. I see myself as an archaeologist. I'm the guy shovelling the dirt when Schliemann uncovered Troy, or trundling the wheelbarrow when Woolley laid bare Ur of the Chaldees. My biggest moment, though, was holding the lamp when Howard Carter opened Tutankhamen's tomb!

However, my ancient Greek is limited to reciting the alphabet, and the nearest I come to Egyptian hieroglyphics is doodling on my pad at accounting seminars. So the usual avenues to digging up the past are probably not suited to my talents. It occurred to me, however, that I have a smattering of accounting and daily walk the hallowed paths of Boston, which has a venerable history—as history in America goes. So, some years ago, I decided to indulge my fantasies and dig in Boston's accounting dumps.

I got off to a good start by discovering in the library of the Massachusetts Society of CPA's an unread copy of the privately subscribed translation of Pacioli's *Suma de Arithmetica* (1494) commissioned by the British Institute of Bookkeepers in 1924. I think fate took a hand in this, because I found the name of Alexander Brown Bell listed in the back of the table of subscribers. "A. B." Bell taught me most of what I know of accounting back in Glasgow in the 1930's, and I could almost hear him urging me on with his favorite Latin tag—"Carpe diem!" which I believe translates loosely into—"Grab each day by the tail, buster!"

Every accountant should read Pacioli—if only to learn how to account for foreign exchange. However, old American textbooks were what I felt I should read, and thanks to Harry Bentley, there is a splendid collection of these, which he donated in the late 1920's, in the Boston Public Library. They are available in the Rare Book Room in the old Library building in Copley Square. I spent many happy lunch-times browsing through the collection about three sum-

mers ago—Mitchell, the two Turners, Bennett, Jones, Hitchcock, Colt, Foster, and the rest.

Harry pointed out and I agree with him, that

our writers of 1800 to 1850 were more experienced and scholarly than those of the following fifty years, and their books were superior in scope and treatment.

He offers no explanation, but I would guess it was due in part to the changing market for such books. The early writers were writing for what at that time constituted the profession; the later writers were chasing dollars by writing elementary texts for the mass market that was opening up in the public schools, as they added bookkeeping to the curriculum.

The older writers also shared a sense of veneration for their subject that is pretty well missing by the end of the second half of the 1800's. J. C. Colt was a no-nonsense exponent of the art in the period 1800-1850, yet we find him writing in his *The Science of Double Entry Bookkeeping*:

The principle of Book-keeping . . . is laid claim to by the Italians, who date the time of its origin in the middle ages. But even the names and place whence glimmered the first principle of the science of Double Entry Book-keeping is unknown; that spot which would be held sacred by the whole commercial world, slumbers beneath the sea dirge, is heedlessly trod upon by the passing wayfarer, and is wept for only by the dew drop of some straggling and unconscious flower.

Every time I read this quotation I feel like bowing my head and intoning a deep "Amen."

One thing puzzled me about the few articles I could find on early accounting in America. They were all negative! I got the feeling there were no accountants in America until about 1890 when the Scottish and English Chartered Accountants sent out missionaries to instruct the natives in the mysteries of modern accounting. But this point of view made no sense at all when I read Samuel Eliot Morison's books on the steady emergence of the Yankee trader and businessman all the way back to the 1650's. Such men must have had decent accountants to run their sometimes complex businesses. I decided to find some of these early accountants.

The obvious place to look was the Boston Directories, first published in 1789, and listing alphabetically all householders and their

occupations. The Bostonian Society has an almost complete set in their library in the rear of the Old State House on Washington Street. I can still remember the thrill when I found three "accomptants" listed in the 1789 Directory. They were:

Burroughs, William	accomptant	Federal street
Lowell, John	accomptant	Cook's court
Winnet, John	accomptant	Bowdoin square

To get some sort of a trend I picked a Directory at about ten year intervals. I think the numbers are interesting.

<i>Year</i>	<i>Number</i>	<i>Year</i>	<i>Number</i>
1789	3	1840	12
1810	3	1846	13
1820	11	1851	2
1830	19		

To counter the decline in "accomptants" or "compting rooms" after 1840 there is a large increase in the listing of "book-keepers."

I am reasonably sure the terms "accomptants" and "compting rooms" referred to early public accountants and that the term "book-keeper" probably did not. So the decline in "accomptants" is an intriguing puzzle.

The next problem was to get back earlier than 1789.

Luckily, I remembered reading some books on the history of education in America which made reference to the "private academies," which existed alongside the public school system. I knew that book-keeping was not taught in the Boston public schools until the late 1820's. But what of these private academies? Mrs. Ropes Cabot, the omniscient curator of the Bostonian Society, was the obvious person to ask. In short order she produced for me Robert Francis Seybolt's "The Private Schools of Colonial Boston" (1935, Harvard University Press). Seybolt searched the old Boston weekly newspapers from the 1700's and extracted advertisements for private schools—dancing, fencing, music, and elocution schools, but included in the list were also twelve "writing schools" dating from 1709 to 1763. All taught reading, writing, arithmetic and some form of bookkeeping, but two are particularly significant.

1718

Mr. Browne Tymms Living at Mr. Edward Oakes, Shopkeeper in Newbury Street, at the South End of Boston, *Keeps Merchants & Shopkeepers Books.*

1752

This is to inform the Publick that the School Lately Kept by Mr. John Leddel, now deceas'd, is still Kept by Richard Green, where may be taught Writing in all its usual Hands. Also Arithmetick, in all its Branches, Algebra, Geometry, Trigonometry apply'd to Navigation, and *Book-keeping after the Italian Method*.

Mr. Tymms was an early Public Accountant and Mr. Green was teaching double entry bookkeeping!

The 1800's and 1700's were all right, but the Golden Fleece, Eldorado, and Sutter's Creek would be to open up some new lode of Colonial accounting in the 1600's. On a hunch one day I went up to the new State House on top of Beacon Hill and asked for the archives room. It was in the basement, well tucked away, but well worth the finding. Mr. Flaherty is the archivist, and has been for twenty years. He studied accounting at Bentley, switched to law, and then took degrees in History. When I told him what I wanted he reached in a drawer, clipped a fat roll of microfilm into a viewer, and I was reading the original manuscript of the Account of Charge and Discharge of the Treasurer of Massachusetts for 1692. It was intriguing stuff, both in form and content, dealing mainly with the raising and spending of money for King William's war against the "French and indian enemy." I mean to do more work on it some day. But two items on the Discharge side simply had to be investigated further. They were:

1692

	£	s.	d.
Aug the 1s Paid Capt Stephen Sewall, Clark of the Special Court of Oyer and Terminar for the Necessary charges of sd Court	0040	"-"	—

1693

Febru. 20th Paid Mary Gedney for the Enter- tainment of Jurors & Witnesses at a special Court Oyer and Terminar held in Salem for the County of Essex	0040	"-"	—
--	------	-----	---

These references had to be related to the Salem witches trials and I wondered what the chances were of any of the detailed accounts submitted to the Treasurer still existing. I discussed the

matter with Mr. Flaherty, who produced another fat roll of microfilm dealing exclusively with the witches trials. The content was mostly photostats from the original manuscripts of the witnesses' testimony, warrants calling the courts, etc., but right in the middle I found two accounts, one detailing the expenses of the Boston jailer who held the witches during 1692, and the other the detail of expenses of the Charlestowne jailer. The Boston jailer's account was for the purchase of locks, chains, irons, and wood to make the jail "witch tight," plus his allowance at 2s 6d per week per witch. The Charlestowne jailer's account was mostly for expenses in guarding the witches in his care while they were shuttled in carts under writs of habeas corpus between Charlestowne and Salem during the trials.

On one of the microfilm frames I found a reference to similar accounts in the "Judicial" files, and once again Mr. Flaherty came through with yet another microfilm. The Boston jailer had still not been paid for his 1692 expenses in 1697 and he petitioned the Great and General Court to do something about it. He also resubmitted his accounts. At that point I found this in the files.

Province of the
Massachusetts Bay

At a Session of the Great and General Court
or Assembly at Boston, by Prorogation
—March 13th 1699/700

In Council

Resolved,

That the Accompts annexed be referred unto an Auditor Committee to Examin the same; And that Elisha Hutchinson, Peter Sergeant and John Walley Esqr be a Committee of this Board, to joyne with John Leverett Esqr, Capn Andrew Belcher and Mr. Samuel Phips named a Committee by the Assembly to Examin and Audit the sd Accompts; and to make Report thereof unto the General Assembly at their next Session.

Isaac Addington

Secry.

Eat your hearts out, Schliemann, Woolley and Howard Carter!
You can keep Troy, Ur of the Chaldees and Tutankhamen's tomb!!!

The 1692 Treasurer's accounts mentioned above seemed to be the earliest on file. There is a reason for that which involves knowledge of the political history of Massachusetts. Briefly, Massachusetts prior to that date really consisted of two private business joint

stock companies—the Plymouth Colony and the Company of the Massachusetts Bay. When King William of Orange assumed the British throne he folded Plymouth into Massachusetts and made them, in effect, into a Colony. The first job the first Treasurer of the new Colony had to do was to take over the asset balances from the separate Treasurers of the Plymouth Colony and the Massachusetts Bay Company. I began to wonder what happened to the earlier accounts of these Treasurers. So far I haven't found them, but I did uncover something else.

The Massachusetts Bay Company received its charter from King Charles I in London in 1628 and the founding "Undertakers" then spent two years raising money—the joint stock—recruiting emigrants, buying provisions, and making arrangements for ships. They appointed a Governor, a Deputy Governor, and a Treasurer to handle their affairs. The Records of the Governor and Company for June 17, 1629 include the following:

Auditors appointed for auditing the accompts, viz Mr Symon Whetcombe, Mr Nathaniel Wright, Mr Noell, Mr Perry, Mr Crane, Mr Clarke, Mr Eaton, and Mr Andrewes: these 8, or any 4 or more of them, to meete at a convenient time & place to audite the accompts.

The meeting of the General Court held in London on July 28, 1629 goes on:

The business treated on at the last meeting was now read; and thereupon the accompts of Mr Gounor, Mr Deputie, and Mr Trer, being now psented to this Court, the Auditors, form'ly appointed for auditing the Comp accompts, were now desired to meete & p use & audite these accompts; Wch they have agreed to doe to morrow in th' afternoone.

Plans were then made to establish the Company in Massachusetts and to transfer the government to New England, including some of the principal merchants involved in the project. Money continued to be collected and spent as the sailing date approached. At a meeting held on October 16, 1629 the following appears:

But for that there is a great debt owing by the joynt stock, it was moved that some course might bee taken for cleering thereof, before the gouvmnt bee transferred; and to this purpose it was first thought fitt that the accompts should bee audited, to see what the debt is; but the business not admitting any such delay, it was desired that Mr Gounor & Mr Trer would meete

tomorrow, & make an estimate of the debts, & ppare the same against a meeting to bee on Monday next, to determine this question.

This business-like beginning to the whole venture appears to have been carried on in New England. The records for March 3, 1636 include the following:

Mr Hutchingson & Mr Willm Spences are deputed to take the accompts of Mr Simkins, & to returne the same into the nexte Court.

This procedure of "taking" the Treasurer's accounts was followed regularly thereafter.

I may say that each of the above items has been enlarged into a full fledged article, and that the series will be included in a *History of Accounting in Massachusetts* which the Massachusetts Society of CPA's will sponsor for publication late in 1976.

New England accounting historians are, of course, lucky. We sit on a whole mess of accounting dumps—state, city, town, local historical societies, museums, and private collections—not to speak of the large college collections. Much of it isn't even indexed. I dropped into the Pilgrim Museum in Plymouth about a year ago and talked with the lady in charge of the Archives room. She greeted me with open arms and started to unwrap brown paper parcels tied up with string. The first parcel yielded Day Books and Journals for a General Trader (coincidentally called William Holmes) for a number of years succeeding 1713. The second bundle contained similar records for a shipbuilder and sea trader from 1750. She had no idea how to index the material properly and asked for help. This is not atypical.

I believe the same conditions probably exist in many of the older Eastern states. We should contact all likely sources and find out what is available. Somewhere along the line the information from each state should be collated into a classified master file.

For those further West, do not despair. I am sure there are worthwhile accounting dumps in every state in the Union. Just think of this. Interest and rents have been accrued for a long time, but other prepaid and deferred debits and credits are of comparatively recent origin. The earliest example I have been able to find in an American textbook is in Mayhew's *Practical Book-keeping*, first published in 1851 out of Michigan. Many of Ira Mayhew's examples in his book are naturally related to farming. In one of his examples he charges the current year with only 1/4 the expense of manuring, "because

Holmes: *Digging in Boston's Accounting Dumps*

39

the land was permanently enriched, and the benefit will probably be realized in the next three crops to as great an extent as in this. It is hence apparent that but one-fourth of the expense of enriching should be debited to this crop."

I find it entirely apropos that perhaps the first account to be thus deferred in America and "spread" from year to year should be "Manure."

If you live in Michigan read Mayhew and be proud of him.

Good digging!—and "*Carpe Diem!*"

(Vol. 3, No. 3, pp. 1, 5, 1976)

If a man doesn't know what port he is headed for no wind is favorable to him.

—Seneca

(Vol. 3, No. 3, p. 5, 1976)