

Public Accountancy in the United States

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For this occasion it was suggested that an historical paper on public accountancy in the United States would be an appropriate incident in the program. Now the dictionaries define history as a narrative of events connected with an object, person, or career, and also as a systematic written account of events, particularly of those affecting a nation, institution, science, or art, and usually connected with a philosophical explanation of their causes.

Ostensibly because time will not permit so lengthy a discussion, but actually because your speaker was not equal to such a task, this paper will be limited to the first definition, and will leave to some later accountant-philosopher the privilege of presenting an exposition of the natural unfolding and interdependence of the events in the development of public accountancy in the United States. And also there will here be no attempt to cover the theories of accounting or their application, but our time will be devoted to a recital of some of the events which have transpired in the public practice of accountancy. In other words this has been planned, not as a scientific exposition and discussion of the art, but as a presentation of the human side, by recalling the names of those who have been engaged in practice and, when possible, some of the incidents in which they have participated.

ACCOUNTING HISTORIES

But the preparation of merely a narrative of the events appertaining to this subject has proven to be a task of much difficulty. All or most of the few books on the history of accountancy have begun with Assyria and Egypt, leaped over many centuries to Italy in the days of Pacioli, and hurried across Europe with brief stops in the Low Countries to devote their space—most worthily it is true—to the origin and growth of public accountancy in Great Britain. And when the authors had covered the period from the South Sea Bubble to the most recent British societies, it appears that they had exhausted themselves or the space which their publishers had allotted to them, and consequently they could give but little room to the United States, and still less to South America where Uruguay and Argentina had recognized accountancy by legislation early in the nineteenth century.

SOURCE MATERIAL

Some textbooks on accounting theory and auditing contain brief historical notes. And a few, too few, accountant's memoirs and biographies have been written. But the published source material for a history of public accountancy in the last fifty years is to be found mainly in the accounting magazines, most of which have been ephemeral, and in occasional printed or manuscript accounts of society meetings, while as to the period prior to 1880 and even to a great extent to the years after that, the search for such material is like a hunt for the proverbial needle in the haystack.

BRITISH REFERENCES TO THE UNITED STATES

However, remembering the debt which Americans owe to our British ancestors in accounting as in many other matters, the search was begun by an examination of *A History of Accounting and Accountants*, by Richard Brown, of Edinburgh, published in 1905. Although the chapter captioned "The United States of America" is limited to ten pages, the chapter on "Scotland—before the Charters," contains two paragraphs which are of interest in connection with this subject. They are as follows:

"A great commercial crisis visited Glasgow in 1777 as the result of the revolt in the previous year of the North American colonies, with which part of the world the trade of the city was closely identified.

"Mr. Walter Ewing Maclae of Cathkin, who was designated in the earliest issue of the *Glasgow Directory* as 'Merchant and Accountant' was we are told, from the esteem and confidence in which he was held, employed to wind up some of the largest and most important of the bankruptcies which occurred in that unfortunate year."

That starts the wheels of our imagination. Had the extensive trade of Glasgow and other British cities with the American colonies called for visits to these shores by British accountants? Had the value of their services come to the attention of the merchant princes of Boston and Philadelphia and Charleston, and had they also availed themselves of the experience and abilities and integrity possessed by such visitors? And as James Ewing, the son of this Walter Ewing Maclae, acquired "large West Indian possessions," did some of these Britishers who may have come for specific accountancy engagements, remain here and establish themselves to serve American business? These questions are more easily asked than answered.

Inquiries as to whether Scottish accountants had visited the colonies on behalf of British traders have not developed any facts as to the dates of the earliest visits—and of the later permanent migrations of British accountants to this country.

In 1776 the North American colonies of Great Britain included Canada, but as that colony had been ceded by France only a few years before in the peace following the French and Indian War of 1767, the bulk of the British trade interfered with by our Revolution was presumably with the English-speaking colonies which became the United States.

AMERICAN SOURCE MATERIAL

Evidence of such practice, if it existed, may be looked for in directories, in the news items, editorials and advertisements of early newspapers, in published letters or, less probably, in biographies; or it may exist in the unpublished private files of those days preserved and handed down to the present representatives of colonial families. Here is a wide field for exploration, and with the growth of interest in the antique in the works and history of art and industry, it is to be hoped that public accountancy will develop a similar thirst for a knowledge of its beginnings. Investigations to date have only scratched the surface, but even so some interesting facts have been brought to light.

The result of this approach to the history of public accountancy in this country indicated that some other path must be followed in order to find any way out of the maze. If there were public accounting engagements in America during the eighteenth century, it seemed probable

that they were performed at or out of one or more of the commercial cities of the Atlantic seaboard, and that they were related to some of the principal business men of that time.

FIRST ACCOUNTANCY ENGAGEMENT IN AMERICA

Taking up the search from this second starting point, it appeared that perhaps the individual whose affairs might be most promising of the results which were being sought was Benjamin Franklin, whose life covered the period from 1706 to 1790 and who, beside conducting a printing business in Philadelphia during about twenty years prior to his retirement in 1748, was a partner in perhaps a dozen printing houses in five cities from Newport to Charleston and in two places in the West Indies. In 1748 he sold his interest in the firm of Franklin & Hall at Philadelphia to David Hall for eighteen annual payments of £1,000, each subject to a final accounting for their respective contributions and withdrawals. This period expired in 1766 when Franklin was in London as the representative of some of the colonies. Since 1741 James Parker had been Franklin's partner in New York. Franklin requested Parker to act as his representative in the final settlement with Hall. Parker made an inventory and valuation of the equipment and materials and presented a report which he entitled "State of your accounts with Mr. Hall." The manuscript of that report, formerly in the Typographic Library and Museum of the American Type Founders Company in Jersey City, has been deposited in trust in the library of Columbia University.

Although there is no reason to believe that James Parker was in practice as a public accountant, in this instance he was an independent auditor acting for Franklin upon the accounts of David Hall, and this may have been the first public-accounting engagement in the American colonies of Great Britain.

ACCOUNTANCY INCIDENTS: 1766-1852

Only a few events in the history of public accountancy in the United States during the next hundred years have been found, but those few are sufficient to indicate that there were public accounting engagements and that some persons were in public practice during that period.

On January 11, 1786, announcement was made of the publication on that day of *The New York Directory*. This was the first such volume issued for the city of New York and contained less than 800 names when the population was 23,416. It had been advertised as showing national, state and municipal officers, lawyers, ministers, physicians, bank officers, Columbia College professors, tradesmen, etc. The publisher was Shepard Kollock and the compiler was David Franks, who on one page had an announcement of his own, reading as follows:

"David Franks Conveyancer and Accountant No. 66 Broadway, Begs leave to return his sincere thanks to his friends and the public and hopes the cheapness of the following will continue him their favors."

Here follow the advertiser's charges for drawing a lease and release, a bond, and a power of attorney, but nothing was stated as to his fees for services as an accountant.

On April 21, 1795, in an advertisement in the *New Jersey Journal* at Elizabethtown, now Elizabeth, Benjamin Thomson stated:

"A Conveyancing Office and Office Of Intelligence will be opened by the subscriber on Monday next, in the brick house of William Shute, Esq., formerly occupied by Cortland

Van Arsdalen; where writings of every kind will be done on moderate terms; also farmers' and tradesmen's books posted with accuracy and dispatch, and those who do not understand the method of keeping their books, will be shown the form."

Evidently these were cases where the public practice of accounting was combined with the practice of law, and in the first case also with that of directory compilation. Such combinations were not unusual at that time, especially in the smaller communities. Even in Great Britain where accountancy got started earlier than here, Sir Walter Scott in a letter to his brother dated July 23, 1820, referred to the "line of an accountant" and compared it with "other branches of our legal practice." And it seems that, like the practice of law, that of public accounting was often combined with the practice of some other profession.

Quite naturally, such combinations of the public practice of accountancy seem to have been most common in the cases of men who were teachers of and writers on the subject of bookkeeping. Such men were forward-looking in the past as are the educators and authors of today.

TEACHER-AUTHOR-ACCOUNTANT

James A. Bennett of New York, located first at 48 Fulton street and later in Twelfth avenue, was listed as an accountant, 1818-1822. Thereafter from 1824 to 1829 he was listed as teacher of bookkeeping, while in 1814 he had published *The American System of Practical Bookkeeping*, which work was carried through 41 editions to 1862.

Benjamin F. Foster of Boston was listed as an instructor in 1834, and thereafter during 1835 to 1837 he was listed as an accountant. He also was a writer, at least eight titles being issued during 1830-1840.

Christopher C. Marsh, of 74 Cedar street, New York, published in 1837 a *Lecture on the Study of Bookkeeping with the Balance-Sheet*, the title page of which carried a note reading as follows:

"To Merchants and Others
Complicated accounts adjusted;
Opinions given on disputed points relating to accounts;
Books opened and commenced &c."

George N. Comer of 17 State street, Boston, published in 1842 a *Work on Bookkeeping* which carried his card as accountant, stating:

"Offers his services for the adjustment of Disputed and Complicated Accounts, Insolvent and Other Estates . . . and all business pertaining to that of an Accountant, executed with fidelity and despatch."

It seems clear that these early American teachers and authors of bookkeeping were receptive to and occasionally sought engagements which were in the nature of public accounting.

Following and, perhaps, contemporaneous with these, were many other teachers and proprietors of business colleges who also may have been engaged in the public practice of accountancy, although that has not been definitely ascertained.

The principal occupations of the persons thus far named were those of master printer, lawyer, merchant, teacher and author of bookkeeping. It is probable that persons from other activities, especially from banking and insurance and, quite likely, from other fields of commerce, were from time to time called away from their vocations for public-accounting services. But after these eighty years from 1766, we begin to find mention of men whose principal occupation was that of public practice of accountancy, and of whom a few at least were called upon to turn aside temporarily or permanently to other occupations.

In 1852 there was published *Bookkeeping in Spanish*, the title page and the Spanish and English prefaces of which show that it was the production of C.C. Marsh, as author (already mentioned as a teacher, author and public accountant), and of A.G. Beck, as translator. However, it appears that the rendition into Spanish was not the work of a professional translator, but that Marsh secured the services of Beck for the translation both because of their friendship and of Beck's familiarity with the subject-matter of the book. While very little has been learned as to his occupation prior to this coöperation with Marsh, from 1852 to his death in 1878 Adolphus G. Beck was in public practice as an accountant in Los Angeles, according to a letter dated May 20, 1888, from his son, Francis E. Beck, who was one of the earliest members of the American Association of Public Accountants. This letter also refers to A.G. Beck's having been the translator of Marsh's book, and this appears to have been an early, if not the first, occasion in which a public accountant was called upon for services outside of, even though related to his regular vocation. Whereas earlier there had been numerous instances when writers and teachers accepted or sought engagements as public practitioners of accountancy, this case of Beck is the earliest instance so far noted where a public accountant accepted a temporary engagement in the production of accounting literature.

RANDOM NOTES

For the thirty or forty years following the Civil War the information as to accountants in public practice is much fuller, although even so it surely is far from complete. Data have been obtained from city and telephone directories, from articles and advertisements in early accounting magazines and other periodicals, from memoirs and biographical sketches, and from correspondence with many accountants and others without whose help this paper could not have been prepared.

In 1930 the incomplete researches of another Scottish accountant, David Murray, which were terminated by his death, were posthumously published by his daughter under the title *Chapters in the History of Bookkeeping, Accountancy and Commercial Arithmetic*. However, the facts at present assembled as to public practitioners in the United States hardly warrant a caption more pretentious than "Random notes on public accountants."

But the notes accumulated to date have become surprisingly numerous, and interesting as it would be to call the roll of those early practitioners, time will not permit that pleasure. For the value, if any, which such a list may be to the future historian of accountancy, the names, addresses and dates have been assembled, beginning with New England, following down the Atlantic seaboard and vicinity, and then passing into the interior and westward. This list will be filed in the archives of the Institute, and only those accountants will here be mentioned who were closely associated with some of the accounting activities which should be noted in order to make this historical survey reasonably comprehensive, even though condensed.

ACCOUNTING FIRMS

From practicing as individuals, a natural development was for two or more accountants to associate themselves in a partnership, as in law and other vocations. But the first such instance is hard to determine.

The earliest uses of firm names in accountancy that have been noted were by two firms in Cincinnati. Under the caption "Accountants bureau," the 8176 directory lists Nelson, Shepard & Cooke, but the firm apparently was also a real-estate and collection agency, and perhaps lasted only one year as its name does not appear in later issues. The firm of Candor & Carnes, also in Cincinnati, had a card in the July 9, 1881, issue of *The Bookkeeper*, describing the firm as expert accountants and as composed of C. Candor and A.J. Carnes. Nothing has been learned of Candor, but the directories from 1882 to 1886 carried Carnes' name as "consulting accountant and expert bookkeeper," established in 1880 with an experience in the accounts of joint-stock companies from 1860.

In New York, the firm of Barrow, Wade, Guthrie & Company was formed in October 1883, with John Wylie Barrow as the American partner. After Mr. Barrow's death in 1886, Mr. Guthrie brought from England James T. Anyon who became a partner early in 1887, and was the first secretary of the predecessor of the Institute. In his *Recollections*, Mr. Anyon mentions Veysey & Veysey and James Yalden & Company as firms, and Louis M. Bergtheil as practicing alone. George Wilkinson wrote that he was employed on January 20, 1887, by the first of these firms, whose partners were William H. Veysey and his son Walter H.P. Veysey, and The Mutual Life Insurance Company of New York wrote that the firm had existed for some time prior to 1886, when it was engaged by that company. The father came to this country as a young man and probably received his training in England, perhaps in or near Exeter. He began practice in New York in 1866. He was a charter member of the Institute of Accountants and Bookkeepers, and the son was an incorporator of the American Association of Public Accountants.

As to James Yalden & Company, the names of the partners have not been learned, but James Yalden was listed in the 1883 telephone directory, and in 1891 he was of Yalden, Brooks & Donnelly, in 1895 of Yalden, Brooks & Walker, and in 1900 of Yalden, Walker & Weiss. He was the first president of the American Association, and his employee John M. Green, acted as assistant to the first secretary, Mr. Anyon. Louis M. Bergtheil, in 1891, was of the firm of Bergtheil, Horley & Company. And besides these firms, all or most of which antedated 1890, security offerings in the *New York Times* showed that in 1890 accounts were certified by Deloitte, Dever, Griffiths & Company and Price, Waterhouse & Company.

In Philadelphia, the firm of Heins & Whelen was formed on July 1, 1889, the partners being John Heins and Kingston G. Whelen, the former having been in practice there since 1877.

Quite possible there were other firms prior to 1890, but those mentioned are all which have been noted. After 1890, accountancy practice by firms became more common. It is interesting that the first officers, incorporators and charter members of the American Association of Public Accountants included representatives from all the firms known to have been in practice in 1886 and 1887, except the one in Cincinnati which perhaps was located too far from the headquarters of what then may have seemed to be a local society.

ACCOUNTING FAMILIES

Public accountancy in the United States of course traces its ancestry to the profession in Great Britain, even as we are accustomed to speak of that as the mother country. Tradition has never been as strong with us as with our forebears, but even so, we have families in which juniors have followed in paths in which their elders have succeeded. The names of many accountancy firms indicate that all or some of the members are also allied in kinship as father and son, or as brothers. But this is not a wholly new development.

In Los Angeles there were Adolphus E. Beck and his son, Francis E. Beck, the latter an original member of the American Association.

In New York two of the original members, William H. and Walter H.P. Veysey, were not only partners but also father and son.

The first president of the American Association, James Yalden, was followed in practice by his son, Percy A. Yalden.

Later, New York and Philadelphia were joined in a relationship of this kind, through two brothers, Henry A. and Charles E. Niles, who formed a partnership in 1894 and became certified public accountants of New York in 1896 and 1897, and Mary B. Niles, a sister, who was certified in Pennsylvania in 1900.

But perhaps the most extended example of this sort is that of the Chase family, of which six individuals of three generations have engaged in public practice. R. Stuart Chase, of Haverhill and Boston was in practice from 1873 to 1895, when he retired to give all his time to the affairs of an estate of which he was trustee. His brother, George S. Chase, succeeded to the practice and so continued until 1923. In the second generation, two sons of R. Stuart, the first accountant in the line, engaged in public practice—Harvey S. in 1897 in association with his uncle, and Arthur T. in 1905. And in the third generation Stuart, son of Harvey S., in 1911 began to follow the vocation of his father, grandfather, and great uncle, and Gardner W., a grand nephew of the first two, R. Stuart and George S., began public practice in 1912.

EDUCATION

The history of the development of education for accountancy is interesting. Again referring to a foreign author, we find that in 1912 Arthur H. Woolf, a barrister of London, in a *Short History of Accountants and Accountancy*, said, "America, which is usually the pioneer in education matters, was the first country which recognized the necessity for giving accountancy an established place in the university curriculum." Some individual teachers of bookkeeping and allied subjects have already been mentioned. There were many others.

In time the educational facilities offered by these individuals were expanded into organized schools or business colleges, some conducted as individual units and others as links in chains spread largely over the country. The schools bearing the names of Bryant and Stratton, Spencerian, Packard, and Eastman, to mention only a few, are familiar to all who are acquainted with the development of bookkeeping training in this country. If today we smile that these schools should have assumed the title of business colleges, we should remember that for a time they offered the only facilities for instruction in business, commerce and accountancy, and that they served to supply a very real need.

Somewhat later accountancy instruction by correspondence was made available for those who were located at points where there were no local schools. In some instances these

correspondence courses were conducted as departments in schools which also offered instruction to resident students, while in other cases the instruction was only by mail. They also served American business, and some of them are still doing so.

COLLEGIATE SCHOOLS OF BUSINESS

All these earlier provisions for education for business were almost wholly technical institutions and offered instruction only in business subjects, including accounting, but gave little if any attention to the general education which students should have acquired in high school or elsewhere.

The first American collegiate school of business was established at the University of Pennsylvania in 1881 which, after its name was changed, still prospers at the Wharton School of Commerce and Finance. As Philadelphia was a great commercial center, it was natural that, at the founding of this school, stress was placed upon commercial geography and international trade in basic materials and manufactured merchandise. Seventeen years later, in 1898, the University of Chicago set up a school which is now the School of Commerce and Administration. Here also there was some degree of specialization, and as Chicago was the great railroad center of the country, considerable attention was given to the subject of transportation. Also in 1898 the University of California organized its College of Commerce. Then, with these three schools established, the movement for business education of a college grade acquired momentum, and in 1900 Dartmouth College established the Amos Tuck School of Administration and Finance, the University of Vermont its Department of Economics and Commerce, the University of Wisconsin its School of Commerce, and New York University, with the coöperation of the American Association of Public Accountants and the New York State Society of Certified Public Accountants, its School of Commerce, Accounts and Finance, which perhaps more than its predecessors, specialized in accountancy courses.

With these new schools and the many which have followed since the turn of the century, the courses have become somewhat more standardized and the facilities for instruction in accounting subjects have been increased.

This brief resume of the extent to which collegiate education for business was provided during the last two decades of the nineteenth century, would not be complete without mention of an earlier movement in this direction. In 1869 General Robert E. Lee, then president of Washington University at Lexington—now Washington and Lee—submitted a report to his trustees proposing the establishment of a collegiate school of business. Though this recommendation was approved, it was not made effective, because General Lee died the next year. Whether there was any relationship between this recommendation and Mr. Wharton's foundation of the University of Pennsylvania school has not been ascertained. It is interesting, however, as indicating how early there was recognition of the fact that education for business and for accountancy called for instruction, not merely in the technical tools of business, but in the broader educational foundation which is commonly comprehended in the expression cultural studies.

Generally these collegiate schools of business were organized as undergraduate courses, but the Amos Tuck School of Dartmouth and perhaps others were integrated with other undergraduate courses so as to require, in all, five years of resident attendance, for which a Master's degree was offered. Such courses, therefore, were or at least approached graduate study.

Then in 1908 Harvard University organized its strictly Graduate School of Business Administration, the pioneer in this field, and such schools have since been organized in other institutions.

LITERATURE

Education demanded a literature. As to the elemental or primary subjects, the authors already mentioned and many others supplied this need fairly well and promptly, but as to the more advanced and specialized subjects, for a time America leaned upon Great Britain.

That American authors, both teachers and practitioners, soon recognized and accepted their responsibility for the provision of an accountancy literature adapted to our needs, is evidenced by the many titles by Americans which are listed in the *Accountants' Index* and its four supplements, and in the two volumes of *Works on Accounting by American Authors*. Time will not permit, and with these indexes there is no need for, a calling of the roll of these authors and their publishers, to all of whom American accountancy owes a debt of gratitude.

The subject of this paper, however, makes it appropriate to note that nearly all these books have been technical in nature and the history of accountancy has received scant attention. Books or chapters by Wilmer L. Green, Charles Waldo Haskins, A.C. Littleton, Robert H. Montgomery and Durand W. Springer, memoirs in brochures and magazines by James Thornley Anyon, George Wilkinson and T. Edward Ross, and biographies of Charles Waldo Haskins, Charles Ezra Sprague, and Elijah Watt Sells are about all that has been published, except the brief items in the *Accountant's Directory* and the obituary notices of those who have passed on. Accountancy in the United States needs a Richard Brown and a David Murray, and even more, it needs an accountant-philosopher-historian who will do for accountancy here what Blackstone in his *Commentaries* did for the common law of England. Hints which have come to your speaker suggest that perhaps one or two writers may undertake to supply this gap in our accountancy literature. Such a work should be useful to the student preparing for our profession.

LIBRARIES

Books and pamphlets suggest libraries. The number of such collections in the offices of practicing public accountants and the volume of the accounting literature assembled in such libraries can only be guessed at, but much of the data for this paper has come from those collections. The Library of Congress and the public libraries in many cities have very respectable sections devoted to accounting. Some state societies have coöperated with public libraries by subsidies for purchases, and others have assembled libraries of their own. The library of this Institute is supposed to be the largest and most complete collection of this kind in the world. For the student of the development of accounting theory and practice, there are several notable collections of the works of ancient authors. But because there is such a paucity of material, all libraries are lamentably weak in the subject of accountancy history.

PERIODICALS

On July 20, 1880, there was published in New York the first issue of *The Book-Keeper*, of which Seldon R. Hopkins was the editor and which carried his professional card as "Consulting Expert Accountant." A year later the card was expanded and stated, "20 years

experience as Bookkeeper, Auditor & Adjuster of Accounts.” Later Charles E. Sprague was associate editor. In its issue of April 25, 1882, it carried an announcement that it was the “First and Only Publication of Its Character in the World.” It was continued through six semi-annual volumes to June, 1883, when its name was changed to *The American Counting Room*, which lasted one year to July, 1884. Historically this is an important item of source material. Complete files of it are in the Library of Congress and in the Columbia University library, and partial files in a few other libraries.

The next such magazine was *The Office*, first published in New York in June, 1886. It later became *Business*, perhaps prior to 1898, and still later, *Business World*. It also has a wealth of historical material. As a result of this research, the volumes for 1898 to 1910 have been given to the Institute Library.

From 1888 to 1915 there was published at Detroit a magazine first called *Bookkeeper* and later, *Business Man’s Magazine*, *Business*, and *Accountant-Beach’s Magazine of Business*. Although it appears that it was in some degree the organ of the correspondence course conducted by its publishers, it also carried much matter of historical value.

Accountics, of which seven volumes were published in New York from 1897 to 1900, was apparently the organ of the earliest association of accountants and bookkeepers, and therefore is valuable.

Then from October, 1898, to June, 1900, there was published in Philadelphia *The Public Accountant* which, despite its short life, has the distinction of being the first journal devoted solely to the interests of public accountancy. Only one file has been located, and that is in the Philadelphia library of an accounting firm.

During 1901 to 1905 four magazines were launched in New York, Chicago and Saint Louis. Each lasted only two or three years.

But permanency was reached in November, 1905, with the publication of the first issue of *The Journal of Accountancy*. It has been followed by over a dozen other journals, of which some devoted to special fields still appear regularly. But the only one which has carried much historical matter is *The Certified Public Accountant*, which was begun in 1922. *The Journal of Accountancy* was launched as the organ of the American Association, *The Certified Public Accountant* as that of the American Society, and both are now published on behalf of this Institute.

LEGISLATION AND RECOGNITION

If time permitted, it would be appropriate to refer to the legislative recognition of public accountancy in South America, Great Britain and Canada during some 50 years from 1825 and the greater speed with which it was secured in all our states from 1896 to 1925. Even more interesting would be the pleasure of recalling the names of those who sponsored our legislation, many of whom, including some of the first, are still with us and active. Another phase of accountancy history is its recognition by statute, the courts and other governmental bodies. But recognition and possibly legislation are to be discussed in another paper to be presented at this anniversary, so they can be omitted here.

Perhaps a few notes about publicity for accountancy may be pertinent and interesting.

On January 16, 1877, the *New York Times* carried a story about William E. Warren, recently deceased, headed—“Only an Accountant.”

In 1887 news items relating to the organization of the predecessor of this Institute appeared in ten New York papers and were reprinted by the Association in a pamphlet telling its purposes. Two other contemporaneous notices of that event have recently been discovered.

The previously mentioned accounting magazines have contributed to a better acquaintance between business and public accountancy, and the articles by public accountants in other journals perhaps have done even more. Monographs on accounting subjects have served the same end.

Addresses by business men, lawyers, judges and other government officials before meetings of accountants have called attention to our profession, and the reciprocal invitations to accountants to speak to groups engaged in other activities have widened our acquaintance. Conventions of state societies, of interstate groups, and of national organizations, and the first and third international congresses at Saint Louis in 1904 and New York in 1929 have made public accountancy more widely known.

In recent years individual and firm advertising has been frowned upon, but in earlier years, before professional ethics had been formulated into codes as at present, media for individual publicity embraced directories, advertising in newspapers and magazines, letterheads and business cards. Some of these may be of interest here.

A magazine published in 1880 carried six professional cards, in which one individual styled himself as "consulting accountant and expert bookkeeper," one as "consulting accountant and bookkeeper," one as "professional accountant," one as "expert accountant," and two only as "accountants." Directories for one or two decades preceding 1880 and for one or more thereafter contain many listings with these designations. Other descriptions noted in directories were "examiner of accounts particularly in stated businesses," "account adjuster," "auditor of corporation account," "expert accountant and auditor," and "public accountant and auditor."

Some announcements, instead of describing the accountants, indicated the nature of their work. The business card of a chartered accountant of Edinburgh, who had come over prior to 1887, read: "Partnerships adjusted. Suspected accounts investigated." Another stated: "Adjustment of Disputed and Complicated accounts; Insolvent and Other Estates." A longer statement was: "Services in opening books, arranging the plans for keeping the books of any business, mercantile or manufacturing, adjusting accounts, etc. May be consulted on questions relating to accounts. Consulting fee \$1." Possibly the most condensed and picturesque such description was: "Deranged double-entry books rectified." That announcement did not indicate whether the advertiser could do anything for deranged bookkeepers.

SOCIETIES

The Accountants' Society of New York and the Accountants' Society of Pennsylvania were organized prior to 1824, because on the title page of the 1824 edition of *The American System of Practical Bookkeeping*, the previously mentioned author, James Arlington Bennett, stated that he was professor to these societies and the late president of the New York Society. Probably these societies were study classes, or associations of his students or of those who attended his lectures, which he had begun in 1818 in New York where over 300 men signed resolutions recommending his lecture courses, while there were 159 subscribers in Philadelphia and 142 in Albany. He claimed to have instructed a far greater number of students than any other teacher, including persons from 13 different nations. Whether any of his students were or

became public accountants is not known, but if so, the public accountants in these societies were probably a small minority of the membership.

The Institute of Accountants and Bookkeepers in the City of New York was incorporated July 28, 1882, as the result of a preliminary meeting at the Astor House on April 11, preceding. A matter of interest in this connection is that the formation of this society had been advocated and promoted by editorials in *The Book-Keeper*, which was started two years earlier, whereas in most other cases the magazines were started by societies which wanted such organs. After a short time the society shortened its name to Institute of Accountants. While its membership included accountants who were not in public practice, a considerable number of its charter and later members were so engaged. Unfortunately its records have not been found, but reports of its meetings appeared in *The Book-Keeper*, *Accountics*, *Business World* and *The Journal of Accountancy*. As there indicated and as stated in an undated printed announcement, it was an association of those “interested in the advancement and improvement of the science of accounts and account-keeping.”

Correspondence from three members who are still living shows that the membership was of three classes—associates, members and fellows, and that admission to the two higher classes required the successful passing of searching examinations, those who were accepted as members being given the designation “certified accountants.” In 1897, during one of the numerous periods when competition among accountancy organizations was rife, it undertook to nationalize its organization, but as it appears, with only small success. Many accountants, without relinquishing their membership in it, joined other, perhaps strong, societies. The date and cause of its demise have not been learned, but whatever its mistakes, it has claims upon our grateful memory for three reasons. It first introduced fitness tests for those who sought its membership. It first emphasized the calling of the public accountant as an aid to business. It cooperated heartily and effectively with the American Association of Public Accountants and with accountants not members of either society in proposing and securing the enactment of the first C.P.A. law in history.

Several other national societies have been formed during the last forty years which sought public accountants as members. During their activity, feeling sometimes ran high, especially when it seemed that their success, if not their purpose, would be to lower standards. Looking back, however, public accountancy in the United States can realize that these were only the growing pains of childhood, as annoying at the time as measles and mumps, but no more dangerous. Bas as war is, a result of it always is to increase the knowledge of the neutral world about the belligerent peoples and their countries. It is at least possible that hostilities among accountants have publicized our profession and perhaps have improved the organizations which survived the struggles.

And now, coming to the organization whose anniversary is here being commemorated, its history fortunately is more readily available. The American Association of Public Accountants was incorporated in New York on August 20, 1887. The Federation of Societies of Public Accountants in the United States was organized in Chicago on October 28, 1902, and merged into the older society on January 10, 1905. The American Institute of Accountants was incorporated in Washington, D.C., May 23, 1916, and its succession to the predecessor American Association was approved September 20, 1916. The American Society of Certified Public Accountants was organized December 12, 1921, and was consolidated with the senior organization, the Institute, during the latter part of 1936.

There is an outline for a history of fifty years of organized public accountancy in the United States. It would cover sequentially the story of the Association and Institute, and as to the Federation and Society, it would include their contemporaneous annals for the years 1902 to 1905 and 1921 to 1936, respectively. Fortunately it need not be detailed or even summarized here, for the story of the Association and Institute is very largely preserved in their Year-books and other publications, while many of the Federation's activities are recorded in the Official Record of the Congress of Accountants, 1904, and those of the Society appeared in *The Certified Public Accountant*. As full as are these printed records, they are not quite complete, and some interesting incidents have arisen in connection with the searches made for this paper. The first secretary of the American Association with James T. Anyon, and his surviving partners have presented to the Institute the original minutes and other records covering the period of its formation during 1886 and 1887. No minutes of the Federation have been found, but the executor of the estate of the widow of George Wilkinson has presented to the Institute a mass of papers, not yet inspected and classified, which, however, include a scrap-book of press clippings telling of the activities of that organization during its short but eventual life.

An interesting result of the publication of memoirs and other historical matter and of the reading of papers such as this has often been that some of those who read or heard the stories were moved thereby to tell the authors of events which had been overlooked and of persons who should have been mentioned in connection therewith. The "Recollections of the early days of American accountancy" which James T. Anyon contributed to *The Journal of Accountancy* in 1925 was valuable, not only for the record it made of important events and of the persons who participated in them, but also because it spurred George Wilkinson, T. Edward Ross and others to supplement the "Recollections" with additional facts from their personal knowledge. If this paper should stir memories and evoke similar constructive criticism it will have served a useful purpose.