

Accounting History

Disseminating professionalism: the influence of Selden Hopkins on the USA accounting profession

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Abstract

This article examines the contributions of Selden Hopkins in helping to establish and institutionalize the accounting profession in the USA during the two decades before the passage of the first Certified Public Accountant (CPA) law in 1896. He was the first editor of the first accounting journal in America, The Book-Keeper, and also instrumental in the development of the first professional association, the Institute of Accounts (originally called the Institute of Accountants and Bookkeepers of the City of New York). Through his involvement as the editor of a number of accounting journals and as a key player of the Institute of Accounts, Hopkins imparted professionalism to the bookkeepers and accountants in the USA before the legal recognition of the accounting profession. Hopkins was also one of the contributors in the early establishment of the 'science of accounts' where accounting came to be accepted by accountants and the public as worthy of the same recognition and respect as other fields of science.

Keywords: *Selden Hopkins; Institute of Accounts; The Book-Keeper; Accounting Professionalism*

Introduction

Selden R. Hopkins (SRH) was America's first accounting editor, and he also was instrumental in the development of the first professional accounting organization. His efforts and journals made him an important initiator of professionalism and the accounting profession in the USA. The purpose of this article is to highlight his life contribution to accountancy and to show how he influenced the development of professionalism and the accounting profession in the USA. Though the professionalization of accounting nominally starts in 1896,¹ with the passage of the first Certified Public Accountant (CPA) law in the State of New York, the process of institutionalization actually started decades earlier.

Discussing the contributions of the early pioneers who established the accounting profession is useful since accounting is a human construct, and because it is important to understand the context within which historical events occurred (Carnegie & Napier, 1996). As a result, there have been numerous studies from many countries of key individuals important in raising the profile of the early bookkeepers/accountants.² These early founding fathers were important because they helped establish the boundaries and legitimacy of a new profession with both internal and external parties, and also because they created the values, meanings and practices of their professional field that can vary in many ways according to the social, economic and political environments of those particular times (Lee, 1996c).

This article examines SRH's contributions to the process by which the early accounting profession sought to distinguish itself from what came earlier and to lay claim to becoming a real profession. The early forms of conceptualization and the practices used in establishing the legitimacy of a profession are historically significant in setting a pattern of delineation and separation that is of fundamental importance to understanding the subsequent development of the profession. The parameters of the process by which a profession is conceptualized have been proposed as being specific to the cultural and historical form of occupational control used in legitimizing the claim to professional status and, therefore, can only be understood "by examining the dialectic relationship between the professionalization of an occupation and the social structure and processes in which that occupation is embedded" (Richardson, 1987, p.592).

In the USA, McMillan (1999) suggests that the process of institutionalization of the accounting profession was based upon an appeal for authority resting upon the marketplace of ideas,³ rather than through the power of the state (as in Continental Europe) by the establishment of a "community of the competent".⁴ Institutional transformation requires the deconstruction of the old order and the creation of a new one through the development of new logics of beliefs, values and practices that provide context for the creation of a new set of organizational

routines and institutional arrangements (Lounsbury, 2002).⁵ During the late 1800s, many leaders of the accounting profession sought to distinguish themselves by calling the accounting services they rendered a “science of accounts”. McMillan (1998a) claims that: “The term ‘science of accounts’ became the most defining and formalizing concept for the body of knowledge encompassing bookkeeping and accounting during the latter half of the 19th century in the U.S. ... the idea of the accountant as a scientist dominated the profession’s self-image” (pp.1–2). SRH was important in helping to establish and disseminate the “science of accounts” in America, both as an editor of accounting journals and as a founder and leader of an accounting organization that was its main proponent in the USA.

The remainder of this article is organized as follows. The professionalization process and its adaptation to various countries are first discussed, followed by a section presenting some historical background for the period. Next, Hopkins’s overall background and career are examined, succeeded by three sections describing his contributions to the early development of the accounting profession in the USA, first as an editor, then as an organizer of an organization for accounting professionals, and lastly, as an author of accounting articles and publications. The last section presents concluding comments.

Establishing a profession

The professionalization of accountancy is built upon the contributions of the individuals who were leaders in the profession and important in establishing its jurisdictional boundaries and claims to legitimacy. Carnegie and Napier (1996) state that accounting “cannot be understood without reference to the key personalities who have contributed to accounting development” (p.21). The early founders of a profession are crucial in formulating the ideological basis used in delineating the boundaries,⁶ defining the body of knowledge, establishing the level of competency and contribution of essential services to society in legitimizing and institutionalizing the occupational area, and then persuading the state to pass legislation legally recognizing their right to practice autonomously as a profession.

The process of professionalization starts before the legal recognition of the profession. Edwards (2001) states that “the formation of an occupational collective signifies the fact that an occupational group already displays a tolerable level of maturity in its development and of its knowledge base, a reasonable jurisdiction over that knowledge base, and a fair amount of coherence amongst its practitioners”, and that subsequent development of the profession after legal recognition “remains the continuation of a process already begun” (p.678). Carnegie and Edwards (2001) similarly argue “professionalisation is a dynamic process involving a diversity of ‘signals of movement’ towards occupational ascendancy that arise in periods before as well as after the formation of the occupational associations” (p.301).

In the institutionalization process, these “signals of movement” are those public and private factors that increase the external and internal acceptance of the occupational group as a profession. Walker (1991) indicates four requirements in legitimizing an occupational claim to being a profession and to being worthy of the rewards and privileges that come with it. These four requirements are: “an intellectual basis to practice acquired by specialist training and education; ... a code of ethical behavior; professional autonomy; and altruism as opposed to self-interest” (p.260). In addressing these four requirements by formulating the ideological basis used in delineating the boundaries and qualities of the occupational area occupied by the profession, Walker (1999) suggests that a universal blueprint for the professionalization project does not exist. Rather, success is dependent upon the pioneers and founders within each country adjusting to their time-specific and local conditions.

A number of studies have examined how individuals seeking to professionalize accounting generally sought to raise its profile and establish its legitimacy with external and internal parties. In the UK,⁷ for example, Lee (1996a,b) discusses and provides detailed lists of the men involved in forming The Society of Accountants in Edinburgh, and he also presents detailed accounts of three crucial individuals involved in the establishment of professional accounting bodies.⁸ These professional accounting societies established the entry requirements, developed the knowledge base and regulated the profession within their spheres of influence in the name of public interest. In a somewhat contrarian vein, Edwards (2001) depicts the contributions of a prominent early public accountant, P.H. Abbott, who perpetrated a defalcation to the development of the profession and the bankruptcy laws of England by highlighting accountants’ importance in financial affairs and the need for their adequate regulation. In colonial Australia, Carnegie and Edwards (2001) examined the professionalization of accounting through, among other factors, the establishment of a knowledge base and the creation of the Incorporated Institute of Accountants, Victoria (IIAV), and portrayed the development of the IIAV through an examination of the career paths of its 45 founders. They indicated that there was widespread adoption in Australia of the British model of professionalization in accounting and many other professions. Carnegie and Parker’s (1999) research reveals, though, that while British accountants came over and participated in the professionalization process, that its implementation was largely an Australian matter. They conclude that, “there was little personal involvement by British-qualified accountants ... in the formation of local Australian bodies. Australian accountants were influenced more by the import of the *idea* of professional accountancy than by the impact of qualified accountants from Britain as agents of change” (p.96).⁹ In the USA, another country where the UK model of professionalization was widely influential, Lee (1996c) compares the professionalization process in the UK with that in the USA,

and he suggests that: "A similar pattern emerged in the U.S. in the late 1880s, although the specific rationale for professionalization was different from that of the Scots chartered accountants" (p.179). In seeking their self-interest in the name of public interest, some of the common ways of trying to increase the profile of the profession were through such factors as entry requirements, exclusive professional designations, and legislative recognition and registration. Among the many differences between the USA and UK professionalization projects, a key variation mentioned by Lee (1996c) is that the USA system is based upon state certification and an economic monopoly, while the UK system is founded upon control of professionals by institutionalized bodies (p.181).

In adapting the professionalization project to the unique circumstances of a country, the three main ways of viewing professions and the professionalization process are: functionalism, interactionism, and critical theory (Abbott, 1988). The first approach, the functionalist view, is the most widely accepted and the one most extensively utilized during this formative period and subsequently to justify the legal recognition and the closure of the profession (e.g., Carr-Sanders and Wilson, 1933; Carey, 1969). Professions are viewed as being established by the state and provided special privileges and powers in recognition of their competencies, unique body of knowledge, and their explicit commitment to serve the public interest, i.e., the elements mentioned by Walker (1991).

While still extensively utilized, in more recent years the functionalist approach to the accounting profession has been widely criticized in the accounting literature and its weaknesses made transparent. Robson and Cooper (1990), for example, assert that the functional approach to the development of accounting professionalism is seriously flawed in assuming "that there is a well defined, uncontested and unproblematic set of needs" and so "obscures the essential contested nature of needs by positing the neutral, objective and rational application of scientific knowledge" (p.371). Included among the many critics of the functionalist approach are Willmott (1986) and West (1996).

The self-serving nature of functionalist explanations of the professionalization project was well recognized by state legislatures in the USA, as shown in their resistance to passing recognition and closure legislation establishing the CPA profession in the USA on a state-by-state basis (Previts & Merino, 1979), and as exemplified by the interactionist and critical views of the professionalization of occupational areas (Willmott, 1986). Interactionism views professions as interest groups out to convince others of the legitimacy of their claims to status and power, rather than as growing and developing in response to the needs of society. Conflicts are emphasized instead of altruistic behavior, particularly between professional organizations within an occupational field that are seeking financial rewards and benefits for their organizational members. The critical view of the professionalization process goes a step further.¹⁰ Larson's (1977) definition appears to be the most appropriate for this

approach and defines professionalization as “an attempt to translate one order of scarce resources – special knowledge and skills – into another – social and economic rewards” (p.xvii) in an attempt to gain monopolistic power (that is closure) over the occupational area. Richardson (1997) states that a strength of this approach is that it places the professionalization process within the general framework of competition for social resources and “focuses on the outcomes for an occupation while acknowledging there is no unique path to that outcome” (p.636). Professions are viewed skeptically and, therefore, they are often seen as one of many interest groups competing for status, power and rewards within a larger social, economic and political context (Willmott, 1986; Richardson, 1988; Chua & Poullaos, 1993, 1998), where the purpose of closure “is not to ensure the efficient and competent discharge of professional functions but is a means to the achievement of the collective social mobility of practitioners” (Walker, 1991, pp.260–1).

The approach used in this article in evaluating the contributions of Selden Hopkins to the accounting profession draws on a functionalist understanding of the development of the profession in the USA within a larger critical framework. It is during this period of time that the founders established and helped institutionalize a unique structural framework given the historical and cultural situation, delineating and justifying the professional area and, subsequently, were successful in carrying out a limited closure project by which the state granted it an exclusive legal right to practice within an occupational arena. Some level of internal and external acceptance is necessary within the profession, the state legislature and the public before passage of professional closure legislation is possible. However, as brought out in subsequent sections, the functionalist perspective occurs inside a larger critical structure (Willmott, 1986) that recognizes “the problematical, negotiated meaning of ‘profession’ ... the segmented and interest-conditioned nature of professional associations ... (and) an appreciation of the significance of the underlying structure of power relations in facilitating processes of professionalisation” (p.559).

Historical background

The purpose of this section is to give some historical background to the establishment of the accounting profession in the USA during the last three decades of the nineteenth century, a period when there was a radical transformation of American society. Traditional American society centered in small towns and rooted in agriculture had been little changed since the beginning of the country. As America moved rapidly to industrialization and urbanization, with large waves of immigrants coming into the country, the rural, self-reliant nature of the country with open frontiers changed to a more complex and interdependent society with a different set of problems requiring new and different solutions. Americans were confronted with a fundamental dilemma of how to reorder their society to take advantage of the many

trends that contributed to improvement in material well-being without sacrificing the loss of cherished traditional values that they believed had made their society unique. A more convoluted economic and social structure developed that required a much higher degree of specialized knowledge and coordination. Numerous large-scale, bureaucratic organizations and many new professions developed in response to these conditions (Wiebe, 1967; Galambos, 1970, 1983, 2005).¹¹

One result was an explosion in knowledge as organizations grew larger and larger, resulting in a concomitant need for more and better coordination and control of organizational activities. As numerous professions sought to fill these niches, there was a continual increase in specialized knowledge with new “scientific” ways of thinking yielding greater insight and additional control of the physical and social worlds (Lipartito & Miranti, 1998). Competing organizations within a profession also often brought their own interpretations of professional specialized knowledge and values as conflict is frequently associated with the establishment of a profession (Larson, 1977; Abbott, 1988).

It was during this period that the foundations of the American financial reporting system were established in projecting the power of specialized forms of knowledge to the resolution of pressing social and economic problems. Large amounts of capital were required to grow America’s industries and much of it came from foreign sources, particularly from the British. With the money came UK accountants to audit their investments, some of whom subsequently established accounting firms in the USA and encouraged the development of a professional accounting body. Their model also became the broad pattern used in establishing the accounting profession in America. Competency and independence, critical characteristics of auditors, were established for members by becoming a part of an acknowledged professional body, which was granted significant power to regulate itself in return for a commitment to the public interest and altruism.

In addition to the UK accountants, the number of American accountants also grew in conjunction with the increased demand for accountants in America.¹² Previts and Merino (1998) indicate that, “Although some early writers have stated that American public accounting was not in existence before the 1880s, it would be more appropriate to say that public accounting was viable before 1880 but was not visible until after 1880” (p.149). Starting in the 1880s, accounting organizations were established in various cities. Two of these organizations were important in the establishment of the first CPA law in the State of New York. As will be discussed more extensively later, the Institute of Accounts (IA) was the first professional accounting organization in this country. Organized in New York in 1882, it was open to all qualified and competent accountants and consisted largely of American accountants. McMillan (1999) states that, “during the fourteen years leading up to the passage of the first CPA law in 1896, the IA was the most significant and creative professionalizing accounting organization in the U.S.” (p.26).

The second accounting organization, the American Association of Public Accountants (AAPA), was organized in 1886, in Philadelphia, as an organization exclusively for auditors and was dominated by UK accountants. The AAPA's small number of members before 1900 (less than one hundred), and its UK influence placed it at a disadvantage as compared to the IA until the passage of the first CPA law in the USA, which swung the momentum toward accounting organizations centered upon the CPA and the auditing profession. Eventually, the AAPA evolved into the American Institute of Certified Public Accountants, the leading professional association of accountants in the USA.¹³

There was significant competition and professional conflict between the AAPA and the IA,¹⁴ and their ways of viewing things differed in several respects. Miranti (1990) indicates, "Disagreements over four primary issues proved difficult to resolve: the nature of accounting knowledge; the best methods for training novices; conflicting national and social identities; and agencies and symbols of professional authority" (p.35). For example, with regard to the nature of accounting knowledge, while there was not a consensus among the UK accountants as to whether accounting was an art or a science, the American accountants, particularly the leaders of the IA, for example Haskins, Sprague, Packard, and Hopkins, were strong supporters of the "science of accounts". Haskins, for example, stated "that accountancy should be studied in such a way as to discover the underlying and fixed principles that would be vital to both business and governmental affairs" and that "business affairs must conform to natural and immutable laws" (Miranti, 1990, p.37). These differences in views of the nature of accounting knowledge, economic regulation, education and the use of professional designations, among others, only intensified the rivalry between the IA and the AAPA. Their competition also prevented the legal establishment of the accounting profession from 1892 to 1895, as each organization tried separately to establish one in the state of New York. It was only after they cooperated in 1895 that the AAPA was able to go back in 1896 and get the bill passed by the state legislature establishing the first CPA law in the USA.

Subsequently, the IA and the AAPA did not benefit nearly as much as expected from the passage of the new CPA law establishing the New York State Board of CPA Examiners. After its passage and Selden Hopkins's relocation to Chicago in 1896, the IA began a precipitous decline as a viable professional accounting organization. Loeb and Miranti (2004) indicate that the establishment of the New York State Society of Certified Public Accountants (NYSSCPA) in 1897 (all but one of the incorporation signatories were IA members), encouraged many of the prominent leaders and members of the IA to migrate to the NYSSCPA. Also in 1897, the IA attempted to reorganize itself as a national general accounting organization, and chapters were established in several cities across the country. The strategy of taking a general approach to the accounting profession rather than focusing upon auditing and the CPA, though, was not successful. The first national

convention of the IA was held on June 3, 1897, and the last one in 1901, at which only 17 delegates attended from just three chapters (Romeo & Kyj, 1998). Records indicate only occasional meetings of the IA after 1901, mainly in New York, with the last recorded President of the IA being in 1910. The IA appears to have been dormant after 1910, and in 1940, its two surviving members merged it with the American Institute of Accountants (later renamed the American Institute of Certified Public Accountants). Loeb and Miranti (2004) suggest that the IA failed to adapt to changing conceptions of the nature of accounting. They state that:

The basic quandary stemmed from the differing roles and perspectives that separated public accountants who functioned as independent contractors from bookkeepers and industrial accountants who were corporate functionaries. Moreover, ideas about the science of accounts, which could have conceivably continued to provide an intellectual common denominator for maintaining unity, became much less important to public accounting members who sought to stress the uniqueness of their expertise to win acceptance for their services in a rapidly expanding industrial capital market. (Loeb & Miranti, 2004, p.63)

The AAPA also did not initially benefit to the extent expected from the passage of the CPA law, but rather the New York State Board of CPA Examiners became dominated by NYSSCPA members who were not supportive of granting certificates to foreign accountants (Miranti, 1990). For example, when Dickinson and four prominent English chartered accountants applied in 1900 they were turned down because of not applying for American citizenship during the preceding five years. Miranti (1990) also suggests that the Board was not viewed as being even-handed in administering the CPA examination. The problem was such that many accountants went to other states to get their certification. Dickinson, for example, refused to take the examination in New York. Instead, he went to Chicago where he was influential in getting CPA legislation passed in Illinois. Part of the legislation established a reciprocal clause that recognized experience outside of Illinois and was beneficial to other accountants operating in the state. It was in Illinois that Hopkins eventually received his CPA certificate.

Background and career

We next present some biographical facts about Hopkins's life, which will be followed by three sections discussing his contributions to the early accounting profession as an editor of several journals, as an organizer within the IA, and as an author of an accounting text, other books, and numerous articles.

Hopkins was born in Farmer, Ohio, on 6 July 1843, and died in Brooklyn, New York, on 18 July 1928. He served in the Civil War in the Twenty-fourth Wisconsin Volunteer Infantry for three years – part of the time as a soldier, and the rest in the US Military Telegraph (Fawcett, 1950). He was a bookkeeper before the

war in 1860, and he resumed work as a bookkeeper and accountant after the Civil War, also becoming the principal of a commercial training school and institute (Hafen, 1950).

His services as a public, expert accountant commenced in approximately 1868. In 1873, he moved to Denver, Colorado, and became actively engaged in accounting for large mining corporations. He was listed from 1874 to 1879, in the Denver City Directory as being chief accountant in mercantile, manufacturing and railroad offices. While in Denver, he began lecturing on business practices and accounts and, due to his expertise in the field, he headed the faculty of a school for business training and commercial practice (*The Financial Record*, 1897, p.1).

Hopkins moved to New York in 1879, where he supervised the publication of his first book on the science of accounts, *Manual of Exhibit Bookkeeping*. It was there that he became a major influence on the early development of the accounting profession. In a more complex, interdependent society whose effective functioning increasingly depended on the smooth interaction between the various parties involved in capitalistic endeavors, Hopkins sought to establish a process of professionalization so that accounting knowledge could more extensively be used in ordering economic and social affairs. In a broader context, traditional American social values in insular communities across the country were under attack by economic forces in distant cities during this period and accounting provided a means of bringing these foreign forces into a more understandable and malleable sphere of influence (Wiebe, 1967; Galambos, 1970, 1983, 2005).

As part of this process of using accounting knowledge in attempting to preserve traditional values and improve the transparency and accountability in business transactions as organizations grew larger and more complex, in 1880 Hopkins became the editor of the first accounting journal, *The Book-Keeper*. Two years later, in 1882, he helped found the first professional association of accountants, the Institute of Accounts. In 1883, the scope of *The Book-Keeper* was increased, and the name changed to the *American-Counting Room*. Later, he was also editor of another journal, the *Treasury*. In his writings and publications, Hopkins always championed the broader definition of accounting rather than just public accounting, as he tried to increase professionalism broadly across those working in accounting. Also, the focus of his interest was mainly upon personal capitalism involving local merchant activity.

During his 17 years of practice in New York, Hopkins' clientele included a wide range of businesses, banks, and governmental entities. As a recognized financial expert and auditor, he investigated some of the largest financial institutions in New York City. Changes in banking in the late nineteenth century were creating new demands for accounting information,¹⁵ and SRH was part of that process. Hopkins was especially valued for "systematizing the business routine and devising special forms for financial and statistical accounting" (*The Financial Record*, 1897, p.1).

In an advertisement in *The Book-Keeper*, he offered to audit the accounts of mercantile concerns and joint-stock companies, to adjust complicated cases arising from partnership settlements, and to give advice for improvement in methods for special businesses. In an earlier announcement, he had offered to assist lawyers in the examination of litigated accounts, as well as bookkeepers and businessmen in straightening out intricate and improperly kept books. He indicated his attitude as a professional accountant by stating, "all work entrusted to me will be promptly attended to, and considered in strict confidence" (*The Book-Keeper*, 1881i, p.156). *The Financial Record* (1897, p.1) indicates that it was his "reputation for faithful, legitimate and honest methods" that allowed him to obtain the examination of the Globe Fire Insurance Company. It was the first time the company was audited by an "expert accountant" rather than by state department examiners. During the audit, Hopkins realized that necessary facts for a complete investigation would be found in the general agent or insurance brokers' books kept in the company's offices. Hopkins, however, was refused access to these books. His report to Superintendent Mathews stated that, "... without full and free access to those books a complete examination could not be made". It was obvious from the report that many facts concerning the operations of the company went unnoticed by the state examiners who had, supposedly, made a complete examination a few days before (*The Financial Record*, 1897, p.1). His report serves as an early example of a disclaimer of an opinion.

During the 1890s, the accounting profession was working toward jurisdictional legitimacy by securing the passage of the New York State CPA Law. While several of the members of the Institute of Accounts were driving forces behind the passage of the first CPA law, Hopkins was conspicuously missing as one of the main players in this process. A new group of leaders was starting to emerge in the accounting profession, many exerting influence as members of the IA, for example Charles Haskins.

Hopkins left New York for Illinois in 1896, the year in which the CPA law was passed in New York. We can only speculate on the reason for the move. With his more than 20 years of experience as a public (expert) accountant and with his reputation as one of the early leaders in accounting, SRH should have been successful in receiving a waiver in New York to obtain the CPA certificate. However, nothing is written in the minutes of the Board of Examiners in New York to indicate that he ever applied for a CPA certificate in that state. Hopkins also did not play an active role in the development of the Illinois CPA law. He was not a member of the Illinois Society of CPAs or active in any of the society's affairs (Webster, 1949b), though he did become a CPA in Illinois (No. 124). Professionally, these last years before his death in 1928, were relatively quiet. SRH practiced as a public accountant with various public accounting firms from 1896 to 1903 in the Chicago and Minneapolis areas, and he even practiced for a time with his sons,

Artemas Rice Hopkins (CPA, New Jersey No. 40) and Clarence Mead Hopkins (Webster, 1949a; Fawcett, 1950).

Editor of accounting journals

Hopkins edited three accounting and bookkeeping periodicals. The purpose and essence of these journals will be discussed, as well as the ways and the reasons they developed as they did.

The Book-Keeper

The Book-Keeper (1880d, p.56) began publication fortnightly in 1880, and is the first technical journal devoted to matters of interest and importance in his peculiar calling. Hopkins editorially mentioned in the first issue of *The Book-Keeper* why he had begun the journal:

... we now find almost every department of commerce, trade, industry, profession or calling, with its powerful advocate in the public press. The teacher, minister, doctor, lawyer, artist and musician, each have his special journal devoted to matters of interest and importance in his peculiar calling. So, too, mechanics, engineers, miners and inventors, have their proper representative publications, and these, in many cases, are still further subdivided among the special trades and emplacements forming still more closely defined heralds of special news and instruction. (*The Book-Keeper*, 1880b, p.8)

Hopkins appears to have been the editor and publisher of all 73 issues, though that responsibility was shared on some issues as discussed later. Publishing apparently was a sideline for him because, commencing with the first issue on 20 July 1880, of *The Book-Keeper*, advertisements carried him as a “Consultant and Expert Accountant” (*The Book-Keeper*, 1880a, p.13). Later, other advertisements in the same journal included “(with) twenty years experience as Book keeper, auditor, and Adjuster of Accounts” (1881i, p.156). Additionally, Hopkins mentioned the classes of service he was prepared to render to clients. The importance of his public practice is evident from an item in the 12 April 1881, issue explaining that the omission of the prior issue was due in part to professional appointments:

Owing to the removal of our office and to professional engagements which we could not delegate to others, it has been our misfortune to see *The Book-Keeper* fall behind in regular time of publication until it has given us no small amount of embarrassment in our efforts to again bring it out “on time”. (*The Book-Keeper*, 1881e, pp.88–9)

Beside his strong commitment to advance the profession, the journal may also have been used by him as a vehicle to raise his own profile above the competition in order to attract clients. Hopkins’ other line of work was with the Hopkins Company Publishers and Blank Book Manufacturers located at 76 Chambers Street, which was, incidentally, also his address (*The Book-Keeper*, 1881f, p.120).

During the first 18 months, some interesting and instructive articles were published, sometimes continued in two to 10 issues. Most of the members (or at least the leaders) of the IA were strong believers in the “science of accounts”, and they were very interested in learning new and better ways to use and apply accounting to better understand economic situations and improve decision-making. The term “science of accounts” was mainly focused upon account classification (McMillan, 1998a), though it encompassed all types of possible improvements. Loeb and Miranti (2004) indicate that account classification was a key concern of Sprague and his colleagues at the Institute of Accounts and suggest that, “The central issue involved the definition of concepts and a technical vocabulary useful in structuring accounts so that they accurately reflected the legal and economic realities that affected the enterprise and its stakeholders” (p.33). Before then in the USA, accounting had largely been learned through rote memorization of rules (Previts & Merino, 1998), a method that was rejected as backwards. Instead, accounting was accepted as a science that provided the means by which economic reality could better be perceived and understood, and the knowledge of accounting was evolving as with other sciences as new discoveries were being made daily. For example, a serial article on “The Algebra of Accounts” by Sprague began in the first issue on 3 August 1880, and continued for the next three issues (Sprague, 1880a, pp.2–4, 19–22, 34–5, 51–3). In these articles, the accounting equation is derived, probably for the first time in the English language.¹⁶

From all indications, Hopkins originally began his journal as one for bookkeepers. In an early issue, and thereafter, he published editorials about the Bookkeepers Beneficial Association of Philadelphia (BBAP), which was organized in 1874.¹⁷ The journal’s name, its editorials, articles and correspondence indicate that Hopkins planned it as primarily, and perhaps exclusively, for bookkeepers, but his editorials and the papers he secured from others made it one for accountants also. He probably found that the field was wider than he had foreseen.¹⁸ In its early numbers, there appeared the professional cards of seven public accountants: his own and those of Colonel Charles E. Sprague and William H. Veysey of New York, Robert B. Keys of Philadelphia, James G. Spencer of Chicago, and C. Candor and A.J. Carnes of the firm of Candor & Carnes of Cincinnati. A majority of these names also appeared as contributors or correspondents (Webster, 1940, p.6).

In addition to appearing as an author and advertiser, Charles E. Sprague’s name also appeared as one of the editors of two non-consecutive issues in 1880. Later, on 2 August 1881, an editorial announced that Sprague would become an associate editor:

The undersigned, having controlled, editorially, this paper since its establishment, takes pleasure in announcing to its readers that Mr. Charles E. Sprague will henceforth share the duties and responsibilities of the editorial department of *The Book-Keeper*. (*The Book-Keeper*, 1881k, p.184)

Whether Sprague took an active part in the running of *The Book-Keeper*, beyond that of contributing many articles to it, is not clear. From all indications, Hopkins was in charge of the editorials until 2 August 1881. An editorial in the *London Accountant*, later reprinted in *The Book-Keeper*, indicates that Sprague was going to be more involved:

The valuable little periodical, issued fortnightly in New York, under the editorship of Mr. Selden R. Hopkins, now announces at the close of its second volume, that Mr. Chas. E. Sprague will for the future be associated with Mr. Hopkins in the fulfillment of the editorial responsibilities.

A distinctly educational value would appear to attach to (*The Book-Keeper*), for it not only contains divers practical essays on points of more or less importance to those engaged in keeping accounts, but has been enriched with a long series of articles on Savings Bank Book-keeping from the pen of Mr. Sprague, which are apparently not yet concluded, but which already assume the dimension of a rather ample treatise (*The Book-Keeper*, 1881n, p.41).

In contrast to the first 18 months, the last year and a half of the journal held fewer formal articles than in earlier issues. However, as an indication of the countrywide influence Hopkins had as editor, there was a greater volume of letters coming from as far north as Massachusetts, as far west as South Dakota, and as far south as Georgia.

American Counting-Room

The *American Counting-Room* debuted in July 1883, and in its salutation on the first page stated the reason for the change of name:

Almost ever since *The Book-Keeper* has been published we felt that the field upon which it had entered was larger than its title signified – nor that those who were familiar with it would ever be mistaken, but that the business community outside of its subscribers were likely to misapprehend the work it was doing, and that it was very commonly supposed to be confined to much narrower limits than the actual facts of the case warranted. Our readers have perceived this, and in one form and another, have suggested changes – the equivalent of what we are now undertaking. (Hopkins, 1883b, p.1)

The scope of the magazine was broadened, and its policy was changed from that of its predecessor. *The Book-Keeper* had, at first, addressed itself almost wholly to the problems of the bookkeeper. In this successor, two lines that read, “An illustrated monthly magazine devoted to commercial and business economy, finance and counting-room practice” followed the title of the magazine. The reading matter was departmentalized into 12 groups – general articles, counting-room chats, merchants’ law library, notes and comments, the library, novelties, business reverses, trade reviews, the tickler, US mails to foreign countries, telegraphic cable rates, and markets and exchanges. With these changes, it was a magazine less exclusively for accountants than its predecessor had been.

The general articles in the journal included technical papers for and by accountants. Many of its authors had been contributors to the earlier journal, for example C.E. Cady, E.T. Cockey, Joseph Hardcastle, S.S. Packard and C.E. Sprague. The journal also contained reports of the meetings of accounting societies in New York, Philadelphia and Chicago and suggested that those cities be used as the nucleus for a national association. In addition, the Notes and Comments section often featured newsworthy items.

Ownership of the journal changed in 1884, with Sprague becoming President and Hopkins becoming Secretary-Treasurer. Hopkins resigned after the March 1884 issue, and there was a three-month delay in the publication of the next issue. The publisher of Volume VII was given as Counting-Room Company, New York, but the final issue, that for April–June 1884, Volume VIII, No.4–6, stated the following:

A change in the proprietorship of the *American Counting Room* took place in January 1884. The magazine passed at this time into the hands of the present owners, the Counting-Room Company, Limited, a joint stock corporation, organized under the laws of the State of New York. At the time the Company was formed the following persons were elected officers: Charles E. Sprague, president; George B. Packer, Vice-President; Selden R. Hopkins, Secretary and Treasurer, and Mr. J. M. Abbott was elected to fill the vacancy for the unexpired term. (*The American Counting-Room*, 1884, pp.251–2)

The article also stated that the stockholders in the company had previously been interested in the publication and the business connected with it, except for Mr. Abbott, who, upon his election as Secretary and Treasurer, was to subscribe for about one-fourth of the capital stock, thereby providing sufficient working capital. But, at about that time, there was a series of financial crashes in New York, events that interfered with that arrangement. As a result, only one issue was published during the last three months of Volume VIII. The next issue of the journal was to be for July through September 1884 (*American Counting Room*, 1884, p.252). The plan, though, was never enacted.

Treasury

Unless other issues of the *Treasury*, published by SRH between April 1884 to June 1886, are discovered, it will be difficult to learn about many of Hopkins's activities during those two years. The fact that he did edit the *Treasury* is indicated by an editorial in the second issue of *The Office* issued in July 1886. The editorial reads, in part, as follows:

... this journal is in no sense a continuation of *the Bookkeeper*, *American Counting-Room* or *Treasury*, although in some respects it enters upon the same. (p.18)

... One of the first steps taken in launching this enterprise was to secure Mr. S. R. Hopkins, editor of the several papers above mentioned and widely

known among the bookkeepers, accountants and business men of the country, as a special paid contributor. (pp.18–19)

... In two particulars, namely, sending this journal to the names on the Treasury list, and publishing articles from Mr. Hopkins' pens, we seem to resemble the other papers, but here the similarity ceases. (p.19)

A serial article by Hopkins on USA Treasury accounting was published in several issues of the first volume of the *Treasury*, the last of three magazines edited by SRH. Thereafter, his name appeared as a contributor of various papers, a member and lecturer before the Institute of Accounts, and he was connected with the announcement of some professional engagements (Webster, 1940, p.7).

Obviously, Hopkins was aware of many of the attributes of an accepted professional organization in the nineteenth century. One of the easiest ways of emulating them was to start a periodical for accounting and bookkeeping discourse. For several years (1880–5), Hopkins was the first and only editor of an accounting journal.¹⁹ The establishment of these journals provided various functions, of which probably the most significant was providing the sense of professionalism to accountants across the country. The publication of the journals as well as the latter establishment of the IA, to be discussed in the next section, were important as part of the process creating an institutional environment that initiated, nurtured and helped develop the values and views of a core of American accountants that enabled professionalism and occupational ascendancy to be accepted and institutionalized as part of their essential beliefs and practices.

These values, beliefs and practices became widely shared across the accounting community as other accounting journals,^{20,21} and many accounting organizations were established in the USA during the 1880s and 1890s.²² These journals and professional organizations resulted from the need for accountability of large business organizations and also the need for a professional body to assist and monitor them. The journals were a forum in which lectures, presentations, and organizational notices were disseminated to other bookkeepers and accountants throughout the country. These essential accounting values, beliefs and practices became acknowledged externally, sufficiently enough that, in 1896, legal recognition was given to the accounting profession through CPA legislation in the State of New York. In subsequent decades, every state in the country passed CPA legislation, though often in the face of significant opposition (Previts & Merino, 1979).

Demise of the journals

According to an editorial in the *Office Men's Record* (1891, p.51), "If able editorship could have made an office men's journal successful, 'The Book-Keeper,' published by Selden R. Hopkins in New York, at the beginning of the last decade, would have merited it in abundance". Hopkins, who was an educator, brought to his journals

high ideals and an intellectual discourse that did not exist previously in accounting in the USA, and he established a whole new genre of professional accounting journals. Initially, an intellectual group led by Sprague, Hopkins, Hardcastle, and Kittredge dominated *The Book-Keeper* (as well as the IA). These men and others treated the journal as a marketplace of ideas for applying their theories and treating accounting as a science.

Although the journals were well written and widely recognized by accountants throughout the country, it seems that to undertake the publication of a journal or magazine devoted to bookkeeping or accountancy was to invite financial frustration. Publishing the journals represented pioneering steps to create a new profession and had to overcome significant inertia, indifference, and disagreement with those not viewing accounting as a science of accounts. New patterns and ways of viewing accounting were being established in lifting it to a professional level. Early issues of *The Book-Keeper* indicate that it had a circulation of 3,000. Extra editions of 10,000 copies were also occasionally mentioned (*The Book-Keeper*, 1881c, p.40). Apparently, there was not a sufficient demand by accountants or other businessmen to sustain the journals, or they were not profitable enough for the editors to continue publishing them. After a hard and courageous struggle, and a number of changes in name and appearance for the journal, Hopkins was compelled to discontinue its publication. He could hardly boast of having 5,000 paid subscriptions when he had abandoned his original design and intent of the journal.

Evidence of the problems with low circulation rates can be found in the fact that most of the journals associated with accounting and bookkeeping in the US during the nineteenth and early twentieth centuries had a life of approximately five years or less. The exceptions were: *The Book-keeper* (July 1888–1906), the *Office Men's Record* (1889–1906), *Business* (Oct. 1891–Dec. 1901), and the *Financial Record* (1894–1906) (Webster, 1954, pp.108–19).

The Book-Keeper appears to have had similar problems with circulation. Hopkins tried changing the journal by widening its scope and changing its name to make the periodical more appealing to accountants and to a wider business audience. Evidently, these steps were not sufficient. It was not until 1905 that an accounting periodical specifically for accountants had an unbroken publication record in the USA. It is no coincidence that the *Journal of Accountancy* was associated with the American Association of Public Accountants, the predecessor of the American Institute of Public Accountants.

Organizer of the Institute of Accounts

In this segment a short discussion on the events that led to the creation of the IA is presented. Hopkins was one of the founders of the accounting profession, and one of his most important contributions was the establishment of the first professional

association of American accountants. To stimulate interest, on 17 August 1880, the third issue of *The Book-Keeper* carried an item about the Book-keepers' Beneficial Association of Philadelphia (the BBAP), which began with 20 members in 1874 and had grown since to 180 members (1880c, p.40). Hopkins continued to write favorable notices of this organization in the journal, as well as other organizations, as an attempt to create interest in developing a professional accounting/bookkeeping organization in New York City (*The Book-Keeper*, 1880c, p.40, 1880e, p.149-50, 1880f, p.166, 1881a, p.3, 1881d, p.60, 1881o, p.39, 1882a, p.7).

For example, on 18 January 1881, Hopkins, as editor, stated that "in response to requests for some general information relating to the organization of what have been termed Book-keepers' Association", he was publishing a brief article about the Philadelphia organization with its charter, constitution and by-laws (1881b, p.24). In the next issue, he continued pressing the subject, clarifying that he did not advocate a society that would lead to conflict between employees and employers; he recognized the Book-keepers' Beneficial Association of Philadelphia as a model for the formation of an accounting organization. Hopkins also presented the institutional framework of the Institute of Chartered Accountants of England and Wales (1880e, p.149), as well as that of the Accountants and Adjusters of Canada (1881m, p.39).

The majority of the literature Hopkins provided as examples, though, was on the BBAP, so he appears, initially at least, to be mainly interested in a beneficial association similar to the one in Philadelphia.²³ During this period, however, SRH also expressed interest in developing an accounting organization to uplift the professionalism of bookkeepers and accountants and to this end he even suggested a format. In a letter written by "E" in the 21 December 1880 issue of *The Book-Keeper* (1880g), the writer stated that an "association would tend to concentrate thought, and all the more so if your suggestions as to instructive paper and discussions were acted upon" (pp.186-7). This was the only letter in *The Book-Keeper* at this time though indicating something other than a beneficial organization.

Then, on 7 June 1881, Hopkins asked to hear from readers "who [felt] an interest in seeing organized in New York City a society having for its main object that of promoting the interest and welfare morally, socially and intellectually, of bookkeepers or accountants", and he solicited the names and addresses of interested individuals (*The Book-Keeper*, 1881f, p.120). The extension of focus upon intellectual development was the beginning of the conflict McMillan (1999, p.12) mentions between those wanting a professional organization and those suggesting a non-professional beneficial society. The BBAP required no competency verification of members and their only purpose was to develop benefits for members, versus the way that the IA developed where the competency of their select members were cultivated and emphasized in following instead a professional organization model. This difference resulted in the creation of the first professional accounting organization in the USA.

Several of the succeeding issues published letters, some of which were from public practitioners, approving the suggestion of an association (*The Book-Keeper*, 1881h, p.132, 1881j, pp.153–4, 1881i, pp.24–6, 1881m, pp.37–8). Included was a positive letter from President William Anderson of the Institute of Accountants of Ontario,²⁴ who expressed surprise that a city of New York's magnitude did not have such an organization (*The Book-Keeper*, 1881p, p.58).

Because Hopkins had a vested interest in starting an accounting organization, he may have printed only the letters containing positive feedback. Of the eight letters printed in *The Book-Keeper* from 31 December 1880, to 30 August 1881, all were positive, with five stressing some type of intellectual, professional improvement.

A few of the issues also contained editorial comments about the idea of starting the association (*The Book-Keeper*, 1881g, p.136, 1881j, p.152). The editorials stated that evidently a diversity of opinion had taken root in starting an accounting or bookkeeping organization. Apparently, the strongest arguments for an accounting organization came from those who were seeing accounting as an emerging profession that would allow those practicing accounting to distinguish themselves by intellectual accomplishments and discourse.

Then, on 13 September 1881, a short but significant item appeared: "Preparations are quietly, but steadily, progressing for the organization of a Bookkeepers' Association in New York City. We are promised for publication at an early date – possibly in our next issue – more definite particulars relative to the movement" (*The Book-Keeper*, 1881m, p.40).

On 28 March 1882, Hopkins wrote that preliminary arrangements had been made for an organization of accountants and bookkeepers with high standards. The first meeting with the goal of forming this organization was held 11 April 1882, in New York City, at the Astor House. *The Book-Keeper* printed a complete report regarding the meeting on 9 May 1882. The attendees at the meeting appointed a committee consisting of Thomas B. Conant, Edward T. Cockey and SRH, and charged them with setting forth the prospectus and objectives of the association. The committee presented six objectives for an association. These included elevating the moral and intellectual status of every member of the profession, advocating the proficiency of its members, and serving as a mutual organization providing death and sickness benefits to its members. With these objectives, the committee, as reported in the same issue of *The Book-Keeper*, believed that the institute's name would become "synonymous with professional skill and practical proficiency" (1882b, pp.141–3). The institute considered itself an educational and professional organization guided by its motto: "knowledge, experience, and integrity". The institute was officially incorporated on 28 July 1882, and Hopkins, the editor of *The Book-Keeper* who had so zealously pursued its formation in his journal, was credited for its organization (Kyj & Romeo, 1997; McMillan, 1999).

Although Hopkins initially showed satisfaction with the establishment of a Bookkeepers' Association on the order of the BBAP, sometime between 1880 and 1881 SRH saw that more was possible and extended the focus of the proposed accounting organization to include the intellectual development of both bookkeepers and accountants. That move brought in other professional accountants and started an organization that stressed professional proficiency and education, in other words a professional organization. Hopkins took a broad view of accounting and professionalism. While a diversity of opinions existed among readers of *The Book-Keeper* about whether or not the new organization should focus upon bookkeeping or accounting, SRH's approach with both his journals and the new organization was to try to straddle both worlds and extend professionalism broadly. His intent was to make the IA an umbrella accounting organization that all accountants and bookkeepers would want to join and that would increase professionalism and recognition across the ranks of accountants and bookkeepers. He sought to include both the financial and the audit functions. A degree of compromise also existed. One of the objectives for the new organization was the provision of death and sickness benefits to members, like the BBAP. The IA never formally incorporated this objective. However, from its initial charter, the IA stressed intellectual, professional improvement and information through lectures, reading of essays, and elucidation of theories and principles relating to the profession.

Other groups formed after 1882 imitated the structure and practices of the IA. Through their conversations and lectures, the IA became the medium of accounting professionalism in the USA.²⁵ This led to shared attributes among other organizations, as well as a common conceptual framework in the form of the science of accounts (McMillan, 1998b, p.120). Professional communities emerged in New York and elsewhere. Their discourse supplied collective concepts on accounting and mechanisms for the exclusion of the unqualified. Membership in the IA and similar organizations began to distinguish the better qualified accountants from less qualified individuals, and a privileged status of American accountants began developing. Hopkins had initially urged a society of bookkeepers, but he secured a professional society that included both accountants and bookkeepers, since a considerable number of accountants in public practice were among its early members. A more complete story of the IA, which dominated professional accounting in the USA during the late nineteenth century and factored in securing the CPA Law in New York can be found in Miranti (1990), McMillan (1999), Romeo and Kyj (1998), and Loeb and Miranti (2004).

Articles and publications

Because the dominant mode of rationality during this period of time in establishing an objective basis of conferring competency to a wide variety of disciplines was

scientific thought, many technical fields, not just accounting, emphasized the scientific nature of their disciplines in legitimizing the objective status of their knowledge base (McMillan, 1999). An important purpose of SRH as an author, as well as an editor and institutional organizer, was to establish and develop accounting as a technical field with its own separate scientific body of knowledge worthy of intellectual discourse and undergoing continuous development as new knowledge and insights were being made.

This section discusses books, articles and presentations made by Hopkins during his lifetime. While perhaps not making the same impact on the professionalization process of the American accounting profession as establishing the first accounting journal or the first professional accounting organization, his writings indicate his active involvement in the dissemination of the “science of accounts” to fellow accountants. Though Hopkins had begun as a bookkeeper many years earlier, he developed into an accountant, auditor and consultant to many businesses and governmental entities. He became a pragmatic businessman with a broad vision of America and the world, one who used accounting to address functional problems. Crucial to all his activities were his roles as an educator and disseminator of practical and useful methods. SRH sought to teach and educate other accountants and bookkeepers how accounting knowledge could be used to more extensively coordinate and control economic affairs and how measurement methods could address important social and economic problems during this transitional period.

The *Manual of Exhibit Bookkeeping* is one of the most useful works to understand SRH’s vision and social outlook of how accounting could be used in an American society undergoing rapid economic and social transformation. It also is one of his most important publications and gave him early recognition as a leader and innovator in the establishment of the accounting profession. The textbook was first published in 1879 after Hopkins moved to New York City. SRH believed ardently in the usefulness of accounting and auditing in the ordering of business organizations and governmental entities, as well as in the need to adequately train and develop a professional body of accountants and bookkeepers across the country to meet its changing economic and social challenges. The purpose of his textbook was to provide a:

simplified, accurate and economical plan for keeping and auditing all manner of commercial transactions, so as to present in convenient forms of record, and at any period, the current condition of accounts, and the status of financial affairs, for any industry or commercial enterprise, irrespective of its magnitude or character. It is also perfectly applicable to auditing and recording the monetary concerns of national, state, and municipal governments ... (Hopkins, 1879, pp.i-ii)

The book indicated it could serve as a complete textbook for bookkeepers and accountants and as a guide for those learning accounting. During the formative years

of accounting it gained wide recognition. For example, in 1881 the Wharton School of the University of Pennsylvania undertook the initial offering of what would become a sustained accounting course series at the collegiate level – “The Theory and Practice of Accounting”. According to the recollections of one of the school’s first students, course textbooks included Selden Hopkins’ *Manual of Exhibit Bookkeeping* and C.C. Marsh’s *Bookkeeping and Joint Stock Accounts* (Previts & Merino, 1998, p.151).

Besides accounting and bookkeeping, SRH accumulated an in-depth knowledge of many areas of business such as bankruptcy law and banking, and reflected his knowledge of these specialties in two subsequent books that were written toward the end of his career, that is *A Young Prince of Commerce* (1888) and *Dollars and Sense or How to Get On* (1890). In *A Young Prince of Commerce*, a rags-to-riches novel, Hopkins brought out the qualities that he considered necessary and useful for business success. This story reflects his beliefs about what constitutes the proper ordering of economic affairs. It depicted a young man becoming a successful banker in a small town as a prelude to moving into other areas of business within his community. Among the useful qualities of a successful businessman emphasized by Hopkins were a reputation for absolute integrity, the use of an outside expert accountant and lawyer as needed, and an adequate knowledge of business and banking methods. The book’s title appears to indicate that Hopkins focused more on commerce than either industry or finance as the driver of personal wealth formation, and the storyline emphasizes a preference for a type of personal capitalism involving small, local merchant activity that had become less critical as a driver of the types of emergent giant economic enterprises that were boosting the demand for auditors’ services. A unique feature of this book is the detailed discussion of various business topics interspersed throughout the text, for example power of attorney, inventory, types of investments. Hopkins indicated a deep regard for the ability of business enterprises and entrepreneurs to benefit societies by supplying the innumerable goods and services required by large and growing populations. He made the case for entrepreneurs as the drivers of economic progress and international trade as the most effective and efficient means to order and prosperity. In essence, what he wrote was an introductory primer to the world of business for young men.

In *Dollars and Sense or How to Get On*, Hopkins contributed 10 chapters on “Money: Where It Comes From and Where It Goes To, Being a Concise History of Money, Banks and Banking”.²⁶ Using fictitious people at a debate club, Hopkins presented a sophisticated discussion of 10 business questions. Among the questions debated were the following: What is money? Should silver or gold or both be used as monetary currency? How are banks beneficial? A broadminded approach was taken that brought in examples and illustrations from numerous countries, economic theories of leading economists, and current changes in the law from

specific court cases and their effects on business practices. In presenting different sides of various contemporary economic and business questions, Hopkins often used historical perspective to present an articulate understanding and knowledge of business and economic practices, and how they fit within a global economy.

In addition to his books, Hopkins made a number of presentations and wrote many articles in several accounting journals.²⁷ He maintained an active membership in the IA, especially during the first decade of its existence, and he made at least six presentations from 1882 to 1892.²⁸ His articles dealt with a variety of subjects. Bookkeeping was one of his specialty areas and one for which he gained great recognition. For example, his first articles in *The Book-Keeper* starting with the first volume were a series on bookkeeping called “A Treatise on Book-Keeping” (Hopkins, 1880, pp.6–7). He began with the qualities of a bookkeeper, explains why the day-book was not being used by many businesses, explained in detail the cash-book, sale-book, and purchases-book, and defined and displayed how ledgers, as well as the merchandise account, were used. Much of this series of articles was written expressly for bookkeepers, an indication that his journal originally was intended for bookkeepers (Hopkins, 1880, pp.27–8, 43, 67–9, 85–7, 165, 1881, pp.6–7). In addition, the last time Hopkins was mentioned in an accounting periodical relates to a discussion on “What Qualities Are Essential to Fit a Bookkeeper for a Successful Career?” published in *Accountics* (1897, p.13).

Fraud was another topic covered by Hopkins. For example, to protect against embezzlement he recommended the separation of duties for clerks (Hopkins, 1883a, p.113, 134). In another article, SRH discussed three cases of fraud he had witnessed as an expert accountant.²⁹ One of his recommendations was that:

Audits and examinations should be made by special accountants, not because of suspicion, but as an ordinary business arrangement. These investigations should be expected and should be taken as a matter of course, and they should be accepted as much for the welfare of the employee as for the protection or satisfaction of the proprietor. (Hopkins, 1890, p.481)³⁰

A second recommendation was indicative of Hopkins’s philosophy on professional organizations and his lifelong belief;

All persons who in this country fill positions of fiduciary trust should be members and co-workers in one grand cooperative body. That organization should be as broad as the nation. Its platform of principles should be so comprehensive, its policy so liberal, its benefits so numerous and far reaching, that no one entitled to sit within its councils would desire to could afford to be left outside. (Hopkins, 1890, p.482)

SRH believed very strongly that professionalism should extend broadly across accounting. Hopkins had brought that same broad interpretation of professionalism to the IA, which throughout its existence aspired to and worked at increasing professionalism across all levels and types of accounting.

Other topics Hopkins wrote about included governmental accounting, bad debt, bankruptcy laws, commercial credit and currency and checks. In “Public Monies and Accounts” he delineated all types of government accounting (Hopkins, 1883c, p.261, 326, 1884, p.139), whereas in “Cautionary Account” he recommended a small percentage of sales be set aside for bad debt (Hopkins, 1887b, pp.45–6). In an article entitled “Compulsory Methods”, he compared the very strict bankruptcy laws of Russia with the very lenient or nonexistent bankruptcy laws of the USA. Hopkins suggested that “We need a code of laws that will require merchants and others engaged in trade to keep such records of their business as, in case of failure, will prove of some use to their creditors” (Hopkins, 1887c, pp.83–4). He also wrote articles dealing with the advantages of commercial credit (Hopkins, 1887d, pp.208–9) and information on currency and checks (Hopkins, 1887d, pp.208–9, 1891, pp.33–4, 73–4). Clearly his vision extended beyond accounting to banking and finance.

Through his journals, articles, and books SRH became known and respected nationally and internationally as an early leader and innovator in the American accounting profession. He built his reputation on the same factors that he sought to develop in the accounting field he helped to establish as a profession. In this regard, he emphasized integrity and commitment to the public, coupling these with strong technical skills and an expanding knowledge base. Throughout his career in its many areas, Hopkins extended the mantle of professionalism broadly across the field of accounting in New York City and nationally.

Conclusion

As discussed in the earlier theoretical section of the article, fields of professionalization are always in a state of conflict and flux and constantly change over time (Larson, 1977; Abbott, 1988). The rise and fall of professional boundaries and notions of professionalism are the histories of the individuals and organizations involved in their development, since how a “profession” may be defined is problematic, negotiated, and based upon the segmented and interest-conditioned nature of professional associations (Willmott, 1986). Thus, while functionalism is the basis of any profession, conflict, power and self-interest drive the rise and fall of particular professional organizations and notions of professionalism.

Selden Hopkins and the early accountants and organizations responsible for the founding of the profession were the primary carriers of the institutional logics that established a new, ideological space in the financial arena in the USA, resulting in an accounting profession and new relationships with the state and clients. The institutional values and beliefs of the British economic governance system established a conceptual and symbolic model that would become generally accepted inside and outside of accounting and in many countries across the world, and would legitimize shifts in institutional structures. All history is contingent upon people,

place and time, and certainly that was the case in the creation of the institutional logics of the accounting profession in the USA. The redefinition and recomposition of the accounting field in the USA did not develop easily or quickly, and many individuals and organizations influenced the adaptation of a foreign construct to its unique social, economic and political circumstances. The norms and values of the accounting profession today are a continuation of those established by the early founders of the profession.

This article has delineated a number of the ways in which Selden Hopkins instigated and contributed to the founding pattern of professionalization in the USA, and it shows his importance in the early establishment of the American accounting profession. Many of his actions initiated the transformation and institutionalization of a new configuration of norms and values. He was instrumental in establishing a unique structural framework that would become embedded in the accounting field and generally accepted in government, as well as in a wider environment. A new governance structure based upon limited closure – by which the state granted the profession an exclusive right to practice within the occupational area – was achieved and jurisdictional hegemony established for the accounting profession. By starting the first accounting journal and organizing the first professional society of accountants in the USA, Hopkins helped establish the early professional movement of accountants in the nineteenth century. What followed in the next quarter of a century after the start of *The Book-Keeper* would become a monument to his contributions in the development of occupational ascendancy and the professionalization of the American accountant. The fact that Hopkins was not just an initiator of the founding dynamics of the professional accounting field but also participated in the process of creating the new institutional logics of the accounting field has been indicated. Through his efforts as an editor of accounting journals, as an organizational organizer, and as a participant in the institutionalization process Hopkins significantly and uniquely influenced the establishment of the accounting profession in the USA during the nineteenth century.

In the establishment of a limited closure project in the USA, however, Hopkins and the IA played a contrarian role. His view of the profession and that of the IA was broad, while the view of the profession of the AAPA, who worked with the IA in the establishment of the closure project, and of the NYSSCPA, which was beneficiary of their efforts, was much more narrowly defined. The IA was influential in this process because it included many of the theoretical and practical leaders of the American accounting profession. They contributed their voices and efforts in moving the project forward. However, as the closure project developed, the conflict, power and self-interest of the individuals and organizations involved in establishing professional boundaries and notions of professionalism moved against both Hopkins and his beloved organization, the IA. While Hopkins and the IA were influential in establishing the initial structure of the accounting

profession, eventually that structure evolved in a different direction as other leaders and organizations came into authority.

Hopkins as an author, educator, editor and institutional organizer had worked for decades attempting to establish a broad vision of the profession of accounting, one that was not limited to just public accounting and auditors, but also included the professionalization of all types of accountants. That vision and the IA were both overwhelmed by the tide of the CPA movement that swept across the country after 1896.³¹ SRH very likely felt upon leaving New York City that his efforts had largely been in vain. However, his vision was never completely overpowered, but survived in other organizations and individuals. In recent decades, it has flourished in a proliferation of professional certifications that accountants currently can earn, for example Certified Management Accountant (CMA), Certified in Financial Management (CFM), Certified Internal Auditor (CIA) and a dozen others. It just took many more years of struggle and conflict for the accounting profession to achieve the broad level of professionalization that Selden Hopkins had envisioned and had striven for during his professional career.

Notes

1. Professionalization is defined by Saks (1983) as a strategy to use credentialism to limit and control potential entrants into an occupational area for the purpose of safeguarding or enhancing possible market value. He indicates that a crucial distinction between manual trades seeking occupational exclusion and professions is the creation of legal monopolies through state licensure (p.6).
2. For example, studies have examined pioneers important in the establishing of the accounting profession in the UK (for example Parker, 1983; Lee, 1996a,b; Edwards, 2001), Australia (for example Parker, 1994; Carnegie & Varker, 1995; Scorgie & Joiner, 1995; Edwards *et al.*, 1997; Carnegie *et al.*, 2000; Carnegie & Williams, 2001), and in the United States (for example Webster, 1954; Carey, 1969; Miranti, 1990; Loeb & Miranti, 2004).
3. Institutionalization deals with how rationalized forces shape organizations (DiMaggio & Powell, 1983; Meyer & Rowan, 1977) through isomorphic processes that, over time, create a social definition of reality such that certain values, meanings and practices are accepted as the right way, the only way of viewing or doing things (Berger & Luckmann, 1966; Meyer & Rowan, 1977). Institutional theory emphasizes how organizations establish legitimacy with their external environment and the potential for decoupling between ritualized public faces and internal technical cores.
4. Reference to "community of the competent" derives originally from the *International Encyclopedia of the Social Sciences* cited in Miranti (1990, p.10, n.28).

5. See Dillard *et al.* (2004) for a discussion of the use of institutional theory and structuration theory in developing a framework of the context and the processes associated with creating, adapting and discarding institutional practices.
6. See Baker (2005) for a discussion of the concept of ideology and illustrating some ways that it has been used in the American public accounting profession.
7. See Walker (1995, 2004) for an introduction to the early professionalization literature in the UK.
8. George Jamieson and Richard Brown were influential in the establishment of The Society of Accountants in Edinburgh and Alexander Sloan in the establishment of The Institute of Accountants and Actuaries in Glasgow.
9. Velayutham and Rahman (2000) compares the evolution of the accounting profession in Australia and New Zealand through several stages of developments, and Flanigan *et al.* (1994) makes a comparison between England, the USA, and Australia.
10. The critical theory approach to the socialization of professions is divided by Saks (1983) into two camps, that is the neo-Weberian and the Marxist. We use the neo-Weberian in this article, which focuses upon market closure.
11. We express our appreciation to an anonymous reviewer who brought this perspective to the article.
12. There were only 28 names of accountants listed in the city directories of New York, Chicago, and Philadelphia in 1870. The number of accountants for the directories of these three cities did not reach 100 until 1886. The number continued to increase every year and in 1899 the number of accountants reached 332 (Littleton, 1942, p.11).
13. After a number of abortive attempts at forming a national organization of accountants, the AAPA eventually evolved into the American Institute of Accountants (AIA) in 1917. A major criticism of the profession during these years, and a hurdle that had to be overcome in attempting to pass CPA legislation in various states, was the charge that public accountants were attempting to create a monopoly and unreasonably restricting entrance to the profession, especially in the states of New York and Illinois (Previts & Merino, 1998). In Illinois, for example, "between 1903 and 1908, some 111 persons sat for the CPA examination and only six had passed. Moreover, no less than ninety-eight certificates had been granted by waiver" (Previts & Merino, 1998, p.195). Similarly, in New York the "annual failure rate had always been above 90 percent; in 1916, even that record was broken when 3 of 156 candidates were issued CPA certificates" (Previts & Merino, 1998, p.195). An additional problem was that the AAPA refused to recognize the CPA certificate of some states because they believed entry requirements were not strict enough to provide assurance of the quality of service. To address these problems, the AIA was organized to admit members individually. A difficulty with the reorganization of

- the new Institute, though, was that it no longer required a CPA for membership. This resulted in the creation of the American Society of Certified Public Accountants (ASCPA) in 1921, where the CPA was required for membership. The ASCPA eventually merged with the AIA in 1936, keeping the AIA name, which was changed to the American Institute of Certified Public Accountants in 1957 (Previts & Merino, 1979; Loeb & Miranti, 2004).
14. See Miranti (1988, pp.361–73, 1990, pp.40–68), Previts and Merino (1998, pp.138–41), Webster (1954, pp.166–201).
 15. See N. Lamoreaux (1994) for a discussion of how changes in late nineteenth-century banking were creating new demands for information.
 16. To provide an idea of the type of topics and authors found in *The Book-Keeper*, two of the articles by SRH are “A Treatise on Bookkeeping”, and “Interest and Times Tables”. Other articles by well known and respected accountants of the time include, “Foundry Bookkeeping” by Anson O. Kittredge, “Value of Bookkeeping” by Professor H. Russell, and several articles by Charles E. Sprague, an early member of the Accountant’s Hall of Fame, and one of the premier accounting theorists in the nineteenth and early twentieth centuries. Besides his articles on “The Algebra of Accounts”, Sprague also contributed other papers on “The Cheque Bank” (Sprague, 1880b, pp.81–2), and “The Detection of Errors in Balance-Sheets” (Sprague, 1880c, pp.97–101), “Addition by Subtraction,” (Sprague, 1880d, p.119) “Bank Bookkeeping”, (Sprague, 1880e, 1881a, 1881b) and “Improved Numerals,” (Sprague, 1881c, pp.49–51).
 17. See Romeo and Leuby (2004) for an analysis and discussion of the contributions and effects of the Bookkeepers’ Beneficial Association of Philadelphia.
 18. While both bookkeepers and accountants prepare general ledgers and financial statements, bookkeeping and bookkeepers deal largely with the mechanical process of the financial reporting process while accountants and accounting tend to have a more conceptual knowledge and approach to the financial reporting process. The purpose of the IA in spreading the “science of accounts” by its meetings and journal was to increase the professionalism and the related level of respect and esteem of both accountants and bookkeepers. It was accountants, however, that came early to dominate the IA.
 19. Webster (1954) provides a list of early accounting journals and the dates of their publication (pp.108–19):
 - The Book-Keeper* (1880–3)
 - American Counting Room* (1883–4)
 - Treasury* (1885–?)
 - The Office* (1886–91)
 - The Bookkeeper* (July 1888–1906), published in Detroit
 - Office Men’s Record* (1889–1906), published quarterly in Chicago
 - Business* (Oct. 1891–Dec. 1901), which became *Business World*

Financial Record (1894–1906), published weekly
Accountics (1897–1900)
The Public Accountant (1898–1900)
Commerce Accounts and Finance (1901–3)
New York Accounting and Bookkeepers Journal (1902–4)
Auditor (1904–5)

Commencing with *The Book-Keeper* in June 1880, there was always at least one accounting journal in the USA, with some concern about the dates around the *Treasury*. Since there are only a few copies of the *Treasury* available, there is some doubt as to how long it was published. Thus, there may be a few months after the dissolution of the *American Counting Room* in June 1884, and before the start of the publication of *The Office* in June 1886, in which no accounting or book-keeping journal was published in the USA (Webster, 1954, p.108).

20. A characteristic of journals during this time period is that they were not affiliated with a professional organization. The first journal in the USA associated with a professional organization, *Accountics*, was started in 1897, and was the vehicle of the IA.
21. Other nineteenth-century editors include Anson Kittredge, editor of *The Office, Business, Accountics*, and probably *Commerce, Accounts, and Finance*; Elmer Henry Beach, editor of *The Bookkeeper* of Detroit; Henry Goldman, editor of *Office Men's Record*; Alois Gonzaga Thienel, editor of *The N. Y. Accountants and Bookkeepers Journal*; and Seymour Walton, editor of *The Auditor* (Webster, 1954, pp.109–18).
22. Sixteen bookkeeping and accounting organizations, excluding the AAPA, are listed in the accounting journals, which include 556 references to these societies. Of these 556 references, 304 for the IA (54 per cent), 73 were for the BBAP (13.1 per cent), 76 for the Office Men's Club in St. Louis (13.7 per cent), and 103 for the other 13 organizations (18.5 per cent). The Office Men's Club was an organization similar to the IA in which a meeting each month was devoted to the reading of a paper (Webster, 1954, pp.10, 15).
23. Hopkins' interest in a beneficial association may have been because of location (the BBAP was much closer than the other two organizations) or it may have appeared to him to be the most likely type of organization that would be accepted and supported at the time.
24. During this time period, the Institute of Accountants of Ontario also purchased 100 copies of the journal (*The Book-Keeper*, 1881f, p.121).
25. Other attributes of the IA normally associated with a profession are grades or classes of membership, body of knowledge (development of a science of accounts), issuing of certificates, influence on legislation (CPA Law of 1896 and abolishment of days of grace), avenue for intellectual pursuits, tests of fitness, monthly meetings, and expulsion of a member for unethical behavior (Romeo & Kyj, 1998, pp.34–6).
26. The first part of the book includes thirteen chapters by P.T. Barnum on such qualities and methods useful to success in business as perseverance, concentration,



- and advertising. The second part consists of Henry Hunt's short sketches of how 25 men of the times, including Lincoln, Edison, Vanderbilt, Longfellow, rose to success from humble beginnings.
27. Besides the articles we discuss Hopkins is supposed to have frequently written articles for the *New York Evening Post*. We were not able to identify any. However, we looked page by page for two years, checked the index, and looked up every article on the gold standard, but did not find any bearing his name.
 28. The following is a list of the known presentations Hopkins made to the IA:
 - Apr. 1882 The Organization and Classification of Accounts
 - Feb. 1890 Accounts of a Benevolent Organization
 - Apr. 1890 Embezzlement: Its Causes and its Cures
 - Dec. 1890 Business Paper as Money
 - Feb. 1891 Banks as Collecting Agents
 - Mar. 1892 The Past, Present, and Future of the Institute
 29. This is the only article that he wrote that is also listed in the *Accountants' Index 1920* (p.894).
 30. This was not the first time Hopkins recommended the use of expert accountants; he also recommended their use in the article "Business Safeguards", which was published in *The Office* (Hopkins, 1887a, pp.2-3).
 31. Speculating as to why Hopkins left New York City and moved to Illinois without applying for CPA certification, which he did subsequently get in Illinois, he may have foreseen the eventual demise of the IA, an organization that he had nourished for decades. As shown in note 28, in his last presentation to the IA, Hopkins was planning ahead and thinking about the future of the organization. As the leadership of the IA jumped ship for the NYSSCPA, Hopkins may have felt betrayed by those that he had trusted and worked with for years, but who had a very different vision of the future involving not broad professionalization but very narrow and – some would argue – even selective certification of the chosen few. A rift may have developed between Hopkins and those who moved to the NYSSCPAs that resulted in him leaving New York City.

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