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Interviewee: Jack J. Kempner

Interviewer: Anna Pontrelli

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Annie Pontrelli: This is Annie Pontrelli interviewing Dr. Jack Kempner on July 24, 1991, Jack, why don't you start telling me a little information about yourself.

Jack Kempner: I came to the University [of Montana-Missoula] in 1956 to come part of the Accounting Department as an Associate Professor of Accounting. At the time there were only two of us—Don Emblan (?) and myself in the Accounting Department. One of two people had just resigned for some reason or another. In one respect we were shorthanded, but in another case the two of us were probably a large enough department to handle a whole area. Although in those years, it meant teaching about 12 hours a week with sometimes at least three preparations, sometimes even more because we were spread pretty thin. I had come from Ohio State where I did my graduate work, and I didn't want any part of these large universities.

I think the reason I wanted to come back here, we had lived in California, in San Diego, and that is how I began teaching at a small private school. At the time I only had a bachelor's degree, but I just loved teaching. I guess I'm a ham at heart, I liked the idea. I knew if I wanted to stay in this field, I'd have to get a few graduate degrees. So we went from San Diego to Colorado. I was called back during the Korean War and went to Colorado as a Naval ROTC instructor. While I was there for two years, I got my master's, and when that was finished, I went to Ohio State and got my doctorate. I wanted to come back in the worst way to the West.

AP: Are you from here originally?

JK: No, we are from New Jersey originally, and my wife is from New York so were both transplanted Easterners. We left after World War Two. We left the East Coast, and I wouldn't say I never wanted to see it again but didn't have much desire to ever live there again. I had no family there, and my wife had a mother and father that moved out to California, so that cut most of our ties with the East Coast anyway.

JK: Coming back to the university...I did want a small school. In fact, it was kind of interesting at Ohio State in those years. If they liked you, they would offer their graduate students a position on their faculty. Today most schools won't do that because there is too much in-breeding. Ohio State was very much inbred. There were people there—just to digress—who went through their undergraduate, graduate, and teaching and then retired all at Ohio State University. However, you have to live in Ohio to understand that because if people ask you if you're a native, they don't mean of this country. They don't even mean of Ohio. They usually mean of Columbus, Cleveland, or wherever you happen to be born.

Anyway, they offered me a position there as assistant professor, and I would have had tenure if I'd taken it, but I turned it down and they wouldn't believe me. I'd taken this job here and not until the end of the summer or the end of the spring, when I graduated, did they really believe that I was going to Montana. Well who after been offered a position at "The" Ohio State University, which is what it's called, would ever sacrifice that and go on to the University of Montana which is what I did. They did still speak to me after that. I might mention just as a side, I came out here in an interview in December of 1955, and we didn't land in Missoula. We landed in Spokane instead. That hasn't changed much over the years, and I took the bus back that night from Spokane to Missoula where I had an interview the following morning. So I had to find some way to get to Missoula. I took the bus and stayed up practically all night through snow storms and what have you, and landed at the Florence Hotel where I had reservations. I guess about 6:00 in the morning which was just about enough time to shower and get dressed and have breakfast and come over here for an interview. The two to three days I was here, I never did see Mount Sentinel. It was that socked in. Living here you know how that can happen. When I left, I did fly out of Missoula. We skipped Billings on that trip back to Columbus. People told me they never expected to see me again so that is kind of a quick introduction. (laughs) But we came obviously. Now, did you want me to follow these questions as much as I can?

AP: If you want to, otherwise just if you have enough things that you have on the top of your head go ahead and shoot from the hip. The questions are just for guidelines.

JK: Ok. The university president was Carl McFarland when I first came here. You may have heard this from others was that he interviewed anyone from associate professor up or maybe even assistant professor up, which is unusual for a university president to interview incoming faculty. Maybe a chairman or a dean I can see, but certainly not being a plebian faculty members, but this was his custom. In fact he made the final offer—salary conditions and so on—not the dean. Dean Ted Smith was the head of the Business School at the time. McFarland was a very peculiar person. I don't know whether you heard that before.

I will always equate my first year here with McFarland and Cherry Heering. It's a cordial which is probably not to popular anymore. It's a Dutch cordial—kind of a cherry sweet flavor. This is the only thing that Carl McFarland ever drank as far as I know. He was trying to get rid of Ted Smith my first year here. They had a rather vendetta going which I walked right into, and of course, you would know it. He was trying to get the faculty to bond together to side with him in trying to raise enough fuss to get rid of Ted Smith. Ted had a lot of friends on the Board of Regents, or whatever it was called at that time. I don't remember. But he had enough clout that Carl McFarland couldn't just snap his fingers and say, "You're fired." He was trying to get the faculty on a very secretive basis to undermine Ted Smith. He would invite the faculty over to his home to go over the plans that he had.

Here I am, not even here a year, obviously no tenure, trying to do my job and get a foot hole as a permanent member of the faculty. Here is the president trying to get you to undermine Ted Smith who really was the one that had hired me. He came out to Ohio State to interview me

initially. In fact he was a graduate of Ohio State himself. I liked Ted, and I was caught between a rock and a hard place. I would go over to McFarland's house with some of the other faculty, and we would have our Cherry Heering served. The upshot was Smith did leave at the end of that year. He just saw the handwriting on the wall. About a year after that McFarland was fired by the Board of Reents. So this is my introduction to the politics of the University of Montana. (laughs)

I don't know. I'm sure you've heard. Politics at the University is, I think, typical. People will do a lot of things and infighting and politicking for who knows what reason. It's not money. Even at a bigger university where the salaries are better, the monetary rewards are not that great as they would be in industry, for example. So I can see someone politicking for the executive vice president or the chairman of the board's job where the kind of money is measured in six or seven figures today. You have as much politicking on the part of some people that you would find in industry. My leaning, of course, is half industry and half academics since my field is accounting so I kind of think about what people would do in private industry. Anyway, that's just in aside.

Obviously I weathered the fight with McFarland and Smith. Smith left, McFarland left, and many people were happy to see him go. I will say one thing about him that I wished was able to continue. When he was here, he practically demanded that you attend the faculty meeting. A social gathering at least once a month at what is now the Ark. You know where that is on the campus? Right at the edge of the campus where it's taken over now by the Presbyterian and Lutheran churches.

Anyway this was sort of a half faculty club. We would meet there...I think it was once a week, once a month on a Friday night with wives or whatever. At least that way you got to know the faculty. Those years I knew every faculty member, and they knew me by first name and the wives knew each other. It was a command performance that you took turns at which department would act as host for that particular meeting. We furnished the coffee and donuts or whatever. Everybody griped about it and kind of dragged their feet there, but because it was a command performance. Yet looking back, it was great because as soon as he left that particular custom stopped. Then, of course, the faculty got larger and larger, and as a result, you don't know nearly all the faculty and people that were on the faculty for 20 years. I probably never spoke to them, and if I did, it was a good morning or a good night and that was about it.

Well, that is typical of a university that grows. When I came here, there were only 3,500 students. There had been a surge after World War Two with all the veterans, and that had kind of dropped down by the time I got here in 1956. We were probably one of the lowest as far as vets [veterans] enrollment-wise. Then of course, it gradually went up to 10,000, more or less, which is where it is today. But what I liked about it was the teaching the classes at first were small. You got to know all of the people. By only having two of us to begin with, you are pretty...well, in a year or two you went through all the accounting courses in the curriculum

which meant a lot of work, but it also meant you were able to participate in a student's complete training program in accounting. As a result of that, I think we were able to build a pretty strong department.

Don Emblem was chairman at the time, and I was here a year. I guess I should say he left for two years to go to Pakistan. I was here a year, and he left. Incidentally, part of his reason for leaving was that he didn't get along with Ted Smith, and he got in this bind between Smith and McFarland too. This opportunity to go to Pakistan under the USAID which is the US Agency for International Development—he grabbed that opportunity to get away from things for a couple of years and let things simmer down and see if he wanted to come back. By the time his two years were up, Smith was gone and so was McFarland, so it was probably a wise move on his part. When he left, we got one more person who lasted for a couple of years. I don't know if you want names but Dorsey Wiseman, but he was gone long ago.

AP: What about Heningsen?

JK: When I came, Fred was what he called an "assistant lecturer."

AP: Because he was actually a graduate student that got asked to teach?

JK: He was a graduate student asked to teach and the, by the time I came, he was teaching more insurance than accounting on a part time basis. He also went to Pakistan for about 5 years and when he came back, he was a full time, accounting professor. But that's quite a few years into the future. When Don left, we got this fellow Dorsey Weisman, and I was sort of acting chairman at the time and then the two of us were a couple of part time people handling the Department. It was fun in those years because it was small. You knew every student in the class of may be 15 to 20 people at the most. It made it a rather intimate relationship with the Department. Well I guess one of the things we started early on was to develop a CPA coaching course, but we didn't call it that because it wouldn't sound too good, so we called it the CPA review and then eventually Advanced Problem course but we achieved a rather remarkable record at getting people through the CPA exam. In fact, that's how we made our reputation, I think. We had a very rigorous accounting program, more so than a lot of the bigger schools. The result of that and this capstone review course at the end of their four year, we were getting people through sometimes up to 30 to 40% at the first crack when the national average was 10%.

AP: Wow!

JK: The way that works, people take the CPA exam and if you pass two of the five parts, you have what we call a "leg on the exam" and you don't have to repeat those two parts. And then you take the others and you have, I think, maybe five tries to pass the whole thing. We were getting people through the whole exam the first crack at a pretty large percentage and of course, I might mention they are still doing it now long after I'm gone and Don's gone. It's a

whole new ballgame. But I think we built up a reputation way back in the early 60s that sort of stayed on all these years. As a result of that, we would get the large national accounting firms who came in to recruit, which was unusual because very often they didn't like to take the time and money to come into Missoula, and then they'd have to bring students at their expense to Seattle or San Francisco or wherever. But for a long time they would come in. In fact there were eight large firms in most of the years and we would get all eight of them in here. Some would drop out and then come back. They knew the caliber of our students was good and they wanted to see if they could get some. This we enjoyed and I think in a way it had a disadvantage too because our department became oriented toward the public accounting phase of accounting. There is an equally as important phase that we call "industrial accounting." Our kids were so oriented in getting into one of the national firms that we were criticized in some respects for being so highly specialized in training people for the public accounting profession. You see accounting, the profession is the CPA. I call it the profession because it's very much like law or medicine. A person works for himself. He doesn't go to work for a big firm; he can go to work as an individual practitioner that will come together in partnerships just as a law firm will and the medical profession does the same thing. So this is sort of the professional phase of accounting as contrasted to people who go into private industry, as people could work for a large corporation. So I say our orientation always had been towards the public accounting profession. For that we were maybe criticized sometimes but I think on balance, we enjoyed training these people and seeing some of the achievements they had some of the successes that they made. I think this is probably part of the satisfaction of teaching in a small school. You have this personal contact with students and you maintain it to great extent even after they graduate because they have an affinity for the Department that is fairly small where you don't have 25 different professors. I think there is a certain rapport that you achieve that you don't achieve in a big school. So I'm just kind of rambling on I don't know if this is what you want.

AP: No, it's perfect.

JK: What did I teach? Well I think I mentioned just about everything. Well, in later years I pretty much specialized in auditing and accounting theory and then the CPA review course that I spoke of. Today that has all changed. I taught the entire course for about 20 years, and now people teach it but split it up. They have several different instructors who participate in the same course with sort of a team teaching approach which I think had to come because when we started, we had, as I called it, about 15 to 20 people. That was once a year. Today I think they teach it twice and they probably have 100 to 125 people in the course. I know I mentioned the CPA review. I had inaugurated the policy inviting the students here at the end of the year right after they took their exams. We would have a party here for them and in those years, you had to be very quiet about spiking the punch, and we all kidded about the punch which was just plain fruit juice but they all knew it wasn't. I think we served hamburgers too. I did that for many, many years but finally, and incidentally, we always had the students invite their spouses or girlfriends or boyfriends. I think we had to quit when we hit about 75 people ... it was just getting too much.

AP: And you had those here?

JK: We had it right here, yes right there on the patio. And the weather was generally nice in May, very often May is a quite nice weather month. Most the time we had them out here. Once in a while we would get rained out and have to do it in here. Well in fact we used to start with hamburgers but when you started getting up to 40, 50, 60 people, so my wife used to make lasagna and have it prepared all ahead of time. We would just have to heat it up and serve it. So when it hit about 75 it just got too much. And this is another thing, when it was a smaller group, there was many things you did that you could not do with a larger group like they have today. Looking back on that was very enjoyable and very satisfactory because I would have those people come back later and say, "You kind of helped me get through the CPA exams," and they kind of appreciated that.

Again that's kind of the reason for teaching and the reason people are willing to sacrifice financial gain or teaching profession, which in my field is when I started it wasn't quite a big gap financially between private industry and teaching, but boy that thing just spread out after so many years. In fact what we used to call the "compression" of the senior faculty, who were pretty well stuck or didn't care to mov, making just a little bit more financially than the Assistant Professors coming out of graduate school and that's true and the compression got worse and worse where you would have to hire people at almost the same salary that you were making after the 20-25 years. Now I understand they've changed the nomenclature; they don't call it the "compression" anymore, they call it the "inversion." That's apparently what's happening. Some people coming out of graduate school are making more than the full professors at the University. I think it's worse here than it is at some of the other schools as you know, we are notorious for our pay scale. But you get kids out of school, particularly in business, and I would imagine, the sciences might be the same thin. The remigration in private industry is so great that you got to pay these people a pretty substantial salary to grab them or otherwise they are not going to come. The result is the salary keeps going up and up but the full time professors that have been here and have no intention of going into private industry or can't, after a while because you lose your mobility. They find themselves making just a little more or today as I understand it, less than some of the fresh youngsters coming out of graduate school. Which is to bad but ... rambling again ... but, for many years when Don was chairman yes, when I became head of the graduate division in the School of Business and then when he retired I took over as chairman of the Department. Even before that one of the nastiest chores was the hiring of faculty. We've had a continuous turnover and in accounting you put an ad in and you might get two or three applicants, maybe.

AP: Wow!

JK: When you go over to history or philosophy and they get 200 to 300 applicants for one position. It was always a fight. Salary was bad, location was bad. A couple more reasons you couldn't offer people consulting opportunities here that you could in Seattle or Minneapolis or

some of the bigger cities with so little industry here. So that was always a perennial job, to recruit. I think this has eased up somewhat but for the most part of my tenure, it was an awful job. In fact, I laugh at this recruiting—I don't know when ECO began—you know, the big push for equal opportunity. I forget the gal's name that started the office here. She went on into law school afterwards. She was a real women's liber, and she was going to make this thing work. She wanted everyone to follow the rules that were laid down by the federal government, and she'd be on my back because I could not care less about the rules and could never make her understand we are lucky if we get somebody that's breathing, never mind if we get a woman or a minority. This was true. There were very few women coming out of the pipeline that had doctorates, fewer Blacks and practically no Hispanics. So she would always be complaining that I'm not getting a mix of minority groups or women and they just did not exist in those years. Today there are plenty of women in the pipeline. Still not many Blacks and certainly not many in this part of the country for these groups. In fact, one of my best students was the son of Masby Reinhardt who just died. Very sterling fellow. In fact in the years I've been here, he was the only Black student I ever remember graduating in accounting.

AP: Is that right?

JK: So they didn't come and if they did, they were basketball or football players and they didn't last very long and they were gone. But this fellow was great. No, we don't have problems either way with minorities in Missoula because they just aren't here. Anyway, I was speaking of recruitment and that was just an awful problem for us to get people here. I forget figures now, I don't know they would turn out - the accounting profession was turning out maybe 200 to 300 PhD's a year from the various colleges and there may be 1,200 to 1,500 openings. So, until that gap closed, the salaries were going up and up and you just couldn't get them. They would want to go to the bigger schools.

AP: What were some of the other challenges that you met during your years? You mentioned recruiting, are there things that come to mind?

JK: Well, I think the '60s—the terrible '60s. I would never want to go through that again. That was the Vietnam crisis. This was before your time...

AP: I was born in the 1960.

JK: That was a miserable time even though in the Business School, I don't think we had to bear the brunt of it because most of the kids in the School of Business were more professionally oriented and interested in learning and weren't out there with the flags or placards trying to change the world. So you might say that's too bad they weren't idealistic but at the same time it made for an easier tempo in the School of Business. The rest of the campus was in an uproar and I think Bob Pantzer, who's back in town now. I guess you've interviewed him, well Bob and I had some run-in's over the years for reasons I won't go into this moment. One of things, he was probably the best man at that particular time. I always think of him. You probably heard of

this. When the Kent State killings occurred, to me, I was looking back that was the climax of the student unrest. I think up until then, I think, students thought this was just great fun and games. To protests, to invade the president's office around the country and raise all kind of havoc until these kids were killed at Kent State and then they realized " hey somebody can get hurt." But at that particular point it happened almost simultaneously with the2 invasion of Nixon's invasion or bombing of Cambodia—

[End of Tape 1, Side A]

[Tape 1, Side B]

JK: It's not as bad as they had at Berkeley or Colorado or Madison. But Pantzer got people out there on the Oval and talked to them. Before he was finished, he had everybody—faculty and students alike—holding hands. It's crazy.

AP: Oh my gosh!

JK: And I still choke up thinking about it, so beautifully done, due to and I wonder if Bob even remembers...

AP: He didn't mention that.

JK: We had a terrific fight before that due to a difference of opinion on a dean we had here. I don't want to bring up personalities, but boy after that, there wasn't anything they he could do that was wrong because of what he was able to do there. The kids just walked away. They were almost on the verge of burning down the ROTC building that's how bad it was. There were other things of course he was able to calm down. He kept the faculty calmed down and kept the students calmed down. That was a terrific era. In fact before that really started, I went to Brazil for two years from 1962-1964 on the same USAID program, only I went to San Paulo, Brazil for two years. I was on the Faculty Senate and when I came back two years later, this is 1964, they, I don't know how I got back on the Senate, maybe I didn't fulfill my term or re-elected or something. Anyway, but back to the Senate, my first meeting I looked around and I said what are all these students doing here, and I was looking not so much at the age of people but the dress. When I left, faculty dressed in shirts and ties and coats. When I came back that was pretty hard to find, everybody was in jeans and sport shirts and sweatshirts. I couldn't get over the contrast in two years. This was '62 to '64 and sort of the beginning of that what the greening of the earth or the hair and the Beatles movement. Everything seemed to combine into one the rock and roll, the Beatles, the Vietnam War. There was a terrific revolution in the culture of this country and a lot of the faculty was among the vanguard. Not that the form of attire means that much but the sudden contrast of having been away for two year, and to think that these were kids and what they were doing in the Senate when I realized that these aren't student, they are faculty. I guess by the time I retired, I was one of the faculty who still wore a tie for classes except in the summer than I took it off. I don't know. To me it just didn't seem right to walk around in jeans and an open shirt even though today I hardly wear a tie. But, it was a very trying time to be on a campus in the '60s, even regardless of what you felt about the Vietnam War and I think by the time it was over, everyone was so fed up with it and sorry that we ever went into it. There wasn't any discussion whether who's right or who's wrong, let's just get out of it. But those were some of the most difficult times for a lot of us on the campus. Now let me look through here as I'm just talking away...

AP: Some of these you've already touched on too, Jack, the changes you've observed with the students and stuff and teaching activities...

JK: I think what I liked best about it is the size of the University and what I liked least is not the University so much as it is the lack of state support. I'm sure you've heard that many times before and of course it all hinges on the fact that the state has 800,000 people we have 6 units.

AP: Wasn't it the Mudd reports, that was—

JK: Yes, one of the many. Yes, used to be the Dean of the Law School—Jack Mudd. That was the most recent I guess who was suggesting cutting back the units.

AP: Yes and just really doing a lot of research on the 6 institutions trying to—

JK: We have a faculty retirement or faculty and staff retirement luncheon 3 times a year at the U-Center. Fran Runnell, I don't know whether you have interviewed him yet but he is the ex-dean of education, he was asked to make a few remarks about the struggle well about the six units of the system and how we have managed to support that many units. Well he did a terrific research on that and he went back just about 100 years. Just the time that we started almost, and he pointed out, step by step, how from the very beginning this university and a lot of people in the state tried to avoid this duplication. Every president of the University here that tried to fight it was soon no longer president of the University. So it started 100 years ago and no matter what people said, no matter who objected to it, step by step by step by step we started building up these various units. So to say why we can't get rid of it now is politically impossible to do. I don't even think it's worth discussing anymore. It's just the way it is and it's going to be that way. This paper, in fact I've got a copy if you every feel you want to look at it.

AP: That would be great.

JK: It was well done and he did a thorough job. I think I could dig it out for you if you're interested. But, you know, it's the question everybody asks so why do we have so many units, why do we duplicate, we've done it for 100 years. And you'd be more aware now exactly when we started as compared to Bozeman. It was pretty simultaneous wasn't it?

AP: As a matter of fact they are celebrating a centennial the same year. And yet we were chartered in 1893 but we didn't open our doors until 1895.

JK: So it was very close I knew that. Even then there was no reason for it...for having even two, but then to get into all the others. I remember right after World War Two, seems to me, that Dillon was down to less than 50 students and that would have been time to close the doors. However the political clout that Butte had then and still has today would have made it impossible. And Butte has always sort of taken Dillon under its wing and tried to keep it viable. Today I know they are part of the University of Montana and I think that's a joke, I don't know how much money you save by keeping them supposedly a separate or not separate but part of the whole system. Anyway, that's part of it, I'd say, the thing I'd say I like least about the

University. All of the other criticisms that you can come to, the lack of research support, the lack of travel funds, all of this comes down to the fact that they just don't get the kind of money they need to run a university. The travel funds I gather are still terrible. There was a time when I travelled as a chairman and I probably was the only one in the department who could travel. I made one trip and I ate up more than the annual allotment for travel. Even then, whenever you travelled, you subsidized the University because you never had enough to cover, and I don't mean eating at top restaurants either or staying at the Hilton. Even if you stayed at Motel 6 I don't think you could have met your per diem. All of us had that, and what we had to do and those of us in some fields, like accounting, were a little more fortunate in that we could raise money from the accounting people and industry and use that money to travel with. But with the University...maybe one trip a year for one person.

AP: So as your department, did you have like a...You must have had a close relationship with corporate end of things and they would fund your travels?

JK: Yes, people who recruited here and in accounting, we would get most of our money from the national CPA firms. What we used to call the "Big 8." They are the Big 6 today but they are the huge firms of CPA partnerships today, and they generally, as part of their obligations and all of that, helped to support the universities particularly if they feel some obligation. When they are recruiting people from the university, they feel that they ought to do something to support that school. So we would get not a lot but we would get money from them and this would be used for travel, some research, some entertaining. It was a joke. You'd try to entertain a visiting fireman and you'd be expected to pay for it out of your own pocket, particularly if you bought somebody a drink. Oh, you can't charge a drink to the taxpayers! So you paid for it. So what we would do then, when we started raising money privately, was it would go into a separate fund at the university and we could spend it as we saw fit within reason. I don't mean it was never audited but we were able to say entertainment and nobody was looking over the check to see if you bought somebody a drink or not. But until then you couldn't spend university money or funds or if you had a party, I remember I mentioned the party with the students, all those years, we paid for it personally. We never even thought of charging the university. When we had department parties, official parties of faculty, generally came out of the chairman's own pocket. Now just before I retired we began to get more money from both the university and also the private funds. When we would run an official party, we would have it catered and have a bar and have a bar and it would be paid for by the university or by these private funds. Even today I don't think that they can set up a bar at someone's home and then charge the university. I don't think so. But I know when I go to the dean and, they have a party a couple of times a year, and he always has a bar and I think he has it catered and I know he isn't paying for it out of his own pocket. Years ago that is what we had to do. We kept it a lot simpler, a couple of bartenders, not professional bartenders; you had punch instead of hard liquor and so forth. That's I say what the weaknesses were and they stem from the lack of funding.

Another thing I don't like and still don't like is the union. You are probably finding mixed reactions among faculty. I could never see how a professional person can honestly think they should belong to a union. I could see it when it happened, I was still there. Every year when it came time for budget and salary raises and so on, the administration always fought for the faculty with the Board of Regents. The minute we had a union we had an adversary relationship with the administration and never fought with the faculty. They fought against it or against the union. It was a shame because until that point, not that the administration was able to get exactly what we wanted and never could, still they were on our side as a faculty but not once since we had a union. I cannot understand why the faculty still wants a union, at least the majority of them. Another factor, if you're going to have a union and you're going to bargain for more money you have to bargain with a person or the people who hold the purse strings and that is the legislature. The union, until recently I gathered, never even bothered or were not very adept at dealing with the legislature during its biennial session. Result is they are bargaining with whom? With the Board of Regents or the administration and they don't have the money. Anyway, that's too bad. I hated to see that when I guess it's still a strong union or at least the majority of the faculty want it.

AP: Now were you involved in Faculty Senate?

JK: I was over the years on and off.

AP: But was there an affiliation between the union and the Senate?

JK: No, that was before the union. No, I was never on the Senate by the time the union came. So that was before the union.

AP: And yet they are both in existence today.

JK: Well the Senate is dealing mostly with curriculum and faculty policy and of course, since the union, they've had nothing to do with the faculty salaries anymore. But they still had policy; they appointed committees for faculty tenure and curriculum committees. That still is a function. I don't think it has been taken over by the union. See, the union came about, oh I'd say less than five years before I retired. I've been out ten years now. So I guess maybe 15 years ago the union was here.

AP: Long time. Well, you've told me about the organizations on campus, the faculty meetings that (unintelligible) was used.

JK: Those were not meetings. Those were clandestine meetings the ones I mentioned with McFarland. Umm, the, I notice here some of the organizations on campus while I was on the Senate but within the School of Business, I organized the first of the accounting ... well we started as an Accounting Club and remained as a club for several years and finally were coerced into joining the national fraternity which is Beta Alpha Psi. That is a national accounting

fraternity. Only schools of business that are accredited by the American Collegiate Schools of Business can have a chapter. So I dragged my feet literally for many years, feeling that if we went into that club, we would lose a lot of membership because the standards were higher and the dues were quite expensive for many students. But I was completely wrong. Once we joined our membership kept climbing as much as before. It's been a great organization all through the years. Interestingly when we started, I don't think there were any women in the organization, but even before we retired, most of the officers of the fraternity were women. In fact, that's a whole different area, but years ago you almost never saw a woman in the classes. They were a rarity; frankly there was no future for them in accounting. Little by little they began to come in. One of my favorite students, Pat Douglas, I don't know whether you've interviewed or will interview her, well she's not really an old-timer yet.

AP: Yes, I'm familiar with her.

JK: She was a student of mine back in the days when women were a rarity, and I kind of rescued her literally from the secretarial course. We had a pretty large secretarial course department in the School of Business and Pat was in there. She just reminded me, only a week ago, I had lunch with her, and I had forgotten the incident. I didn't even know her at the time and she was sitting on the stairs at the School of Business, crying. I guess I walked over to find out what was the matter. Well, she was flunking out of secretarial school; she could not take the kind of junk they passed out and literally, how you treat the boss and how you go for coffee and go for errands for him, and she was just not the type. Of course today this would be unheard of but 25 years ago, or 30 years ago, it didn't seem so incongruous, but I guess I had talked her into coming into accounting. Brenda Wilson, who was the Chairperson of the Secretarial, never forgave me for that for pulling her. Because she obviously turned out to be one of the top students and went on to get her doctorate at Berkeley. She will tell you, I can remember this. One of the courses I enjoyed, even though I didn't teach it later on, was the Intermediate course of accounting. It was the second year of Accounting Principles but it was the very rigorous course. A lot of kids would come into the elementary and breeze through it, but when they hit intermediate, they had to work and if they didn't have the aptitude for it, they'd just flunk right out. I remember saying once, probably more than once, but she was in this class the first day and I said, "This is the course that separates the men from the boys." I looked at her—she's the only woman in the class—and I said, "The women from the girls," and she still remembers that!

AP: I bet she does! She probably appreciates that too!

JK: I was known, I don't know if you've heard from others, but it was "Black Jack." First of all, I had black hair at that time, and I had more of it than I do today. I know the guy that gave me the nickname although he'll never admit it. Ashmore, poor fella had a stroke and he is badly crippled today. He was a student of mine and he gave me the nickname. It was sort of a nasty label, but in a way, one that I didn't mind because I was so tough and I was with students. Accounting was the kind of a discipline that you couldn't coddle anybody if they were going to

get through the program. It's a pretty rigorous program and it's going to take a lot of preparation outside. Students if they come to class, they better of been prepared or else and they knew it. I think this is part of the reason that they gave me the name black Jack. That held for years and years and in fact some of the old timers still call me "Black Jack."

AP: Is that right?

JK: But like I say I didn't mind it because it was in a way a sort of compliment. Ashmore, the stinker, he was a student and kind of a C student and did very well until the poor guy had his stroke. He did a lot of work here in town in real estate. He just didn't like the way I bore down on him and I guess a lot of people didn't. Because it is a tough course, so anyway that's "Black Jack". Some of the organizations, well Beta Alpha Psi, that is probably the main one.

What was it like to work under the administration? Well, I already mentioned two of them, McFarland, Pantzer and the old Johns. I'm sure his name has come up. I got along great with him. He had a nickname for what he considered his better faculty, and I got a couple of good merit increases while he was here. I don't know why, but anyway I was one of his shining boys and yet, he was a crude character. I don't know whether he did good for the university or not. It's hard to say. He was a very colorful personality. I still think and a lot of others are convinced that he is the one, not directly but indirectly, had the old Don Blazer Field fired and burned down on the campus. Have you heard that?

AP: Oh, I knew it was on campus but I hadn't heard that he—

JK: I know that he wanted to get rid of it and move it out of the center of the campus because he wanted to put some buildings up, and he couldn't get to first base with the regents or anyone else. Just by chance one bright night or dark night, I should say, it burned down. And I mean burned! It was completely demolished, You just wonder, you know, it isn't like a house or a factory where you have furnaces going or electricity. There is nothing. It's an open field with nothing but benches. How does it suddenly burn down?

AP: Did they do an investigation?

JK: No, they didn't do an investigation, just cleaned away the debris and that was the end of it. I think the people that knew about were just as happy to see the thing burn down. It was an eyesore and as the campus grew, it didn't have a place. You know about where it was is where the UC is now and the Library and we needed that space. The University or the campus or the ball field was a lot better off somewhere away from campus. And of course that is when it got, well it's over that way off of South and Higgins. But no, he was a character. While he was here he was responsible for a lot of the building plans. He didn't stay long enough to witness their completion because, as I recall, without knowing to much of the detail anymore, he was responsible for several of the new buildings that were planned during his tenure. Have you heard that?

AP: Yes, I think, well I think the dorms came later; I'm trying to think were there 3 buildings during his administration?

JK: Probably. Or at least they were started. I think even the U Center might even had been his doing. Well that's been up 20 some years now.

AP: I thought it was 1973.

JK: Ok so that is almost 20 years. I don't remember when he was here. Anyway, I don't remember the details. Well, he was responsible for a lot of the planning. Other than that, I don't know. Like I said, he was crude and projected a bad image for the University; just not the kind of person that you thought of as the president of the university. I don't think that we were too unhappy when he left his particularly short tenure. I guess he left here more or less voluntary. There was some pressure for him to leave. Then he went to California and got into trouble there legally with some kickbacks from a vending machine company or something and he was one step ahead of the sheriff. And then he went up to South Dakota as a president of a little private proprietary business college. That's the last I heard of him. I lose track of these people. I guess of any of them he was probably the worse for the University in terms of presidential image. One of the better ones too was Newburn [Harry Kenneth]. I don't know if his name had come up at all. He was very good. Still, I was in Brazil when he left rather suddenly. When I left, apparently he was doing very well; people liked him but within two years there was a 180 degree reversal, and the faculty was very vehemently opposed to him. By the time I came back he was gone. That was just those two years. I guess that's when Pantzer came in. There was an interim, acting president, Abbot, maybe, Laurie maybe, I would have to look. Then I guess after that is that right?

AP: I'm not sure; I would have to look it up.

JK: I lose track of when and what the sequence was.

AP: Well, there has been so many of them.

JK: There sure have. Well with Newburn, there was an article in *Time Magazine* when he left that U of M was called the graveyard of presidents. Have you heard that one?

AP: I have.

JK: It was when Newburn left as they reported his resignation. Oh and since then we have had many others. In fact that reminds me I'll have to give you this article and I can dig it up. These old time presidents insisted on trying to cut down the number of units in the system. How to make you unpopular is try and cut down on the number of units. I think in Fran Runnell's report, several of these older presidents, people way before my time, one of the reasons they

had to leave was because of their insistence on trying to streamline the system. And of course what bothered us, speaking of that again and rambling, when I came there was U of M, Bozeman are the only two that had schools of business and well interestingly, enough after two or three years, there was another one of these Mudd reports. I forget who the Chairman of that committee who recommended the same thing, cut back some of the units. Parts of their recommendation were that Bozeman ought to cut back on its accounting and business, particularly trying to duplicate what we did. I remember Renne [president of Montana State University-Bozeman], who was their president at the time, promising the regents or commissioner that yes he would comply with their recommendations. Within six months or so, I got an invitation from one of the accounting people that President Renne wanted to talk to me about coming over there and heading up the accounting department.

AP: Wow that is crazy!

JK: Within a few months after promising to get rid of it. I guess it was a compliment, it was certainly. He saw that I was building up this place so he thought he could get me over to Bozeman. But this is typical; you had these two and you had the School of Mines at the time. Montana Tech had a Department of Accounting and then Dillon had one and Havre and of course Billings. So by the time I retired every one of the six units of the system had a school of business or at least a department of business. Talk about duplicating all of those resources. You can imagine some of the schools, like Havre...

[End of Tape 1, Side B]

[Tape 2, Side A]

JK: The fact that so many of these smaller schools, like Havre, don't have a faculty properly qualified to teach so many of the courses in business. They don't have a prayer of getting people because look at the trouble we have here and look at Bozeman to get qualified people and pay them enough. You can imagine what slim possibilities places like Havre have in attracting any qualified people. By qualified people, I mean people with doctorates in their field. So often, we've done it too, so difficult to get qualified people, we've had to be satisfied with graduate assistants or people with masters degrees and in accounting very often we had to go downtown, as we called it, to local practitioners to teach courses, tax course for example, and a lot of times, years ago, we used to get people to teach the elementary accounting courses. Some were good and some were pretty awful. But we had no choice. We couldn't get qualified people so we had to make do with that. I remember once, not in accounting but in insurance, well your father, he's seen this. Tony Cadlack, he died just recently, I think he was almost 90, but he taught insurance for a couple of years until we found out that he was selling insurance to students on an "if you want a grade basis" It was blatant so we finally just had to let him go. Unsure if you're father knew Tony, he was quite a bit older but, like I said, he was at least well in his 80s when he died a few months ago. This is the kind of trouble you get into when you have downtown people. That was the worst; he was selling life insurance to students. We had another case of a fellow, nothing like that, but he was not a CPA, he was not certified, but he was selling insurance and also doing some accounting work which from an ethical standpoint is a no, no in accounting. As a public practitioner you're not allowed to do anything that could be a conflict of interest and of course you can see why. This fellow was selling insurance and also doing accounting work and telling his students that this was perfectly all right, and I'd have kids coming up to me saying the book says you can't do this. Who is right? And of course he was wrong but he didn't know any better. How could he get away with it? Well at the time there were no regulations about what we call "PA's", Public Accountants. There was no way of enforcing the accounting code of ethics on a person who was not certified and that has since changed.

AP: I would hope so.

JK: Oh yes, but well a lot of incidents over the years. I think of one fellow, his name was Osheim, I don't know what happened to him. His wife was a CPA about the first woman to pass the CPA in the state of Montana to become certified. He ran a private business college here; I don't know how long it's been out of business. Two things put him out of business. One was the Vo-Tech schools which were nonexistent when he was running his business college; the other the laws in the state only required CPA's to pass the exam. You didn't need experience and you didn't need any particular degree to qualify for the exam. And we were one of the last states in the country to change the laws to require at least a bachelor's degree and a couple years' experience. Well, I was, of course, very much in favor of getting this new law passed by the legislature, and I was only one of many when I appeared as a witness before the sub-committee and so on to explain why we should require the degree. Well, Osheim was just

vehemently opposed to it and you can see why. Well, he paid me the compliment of probably single handedly carrying that through the legislature which was probably a farce. I had no more pull to do that than the man on the moon. He never talked to me again and one day I went into the old dry cleaners. There used to be a cleaning shop on the corner where the coffee shop is on Higgins and South, Kenmore cleaners, and anyway I went in there one morning to bring in a suit or shirts or whatever it was and, I see Osheim, I forget his first name now. Anyway I see him in there and I just say, "Good morning," and he just started in on me. This is about two years after this thing had happened and it was well over and done with and he still going. Some of the customers are looking around wondering what brought this on (laughter)! My mouth was open; I couldn't even answer him. I mean what could you say? These are some of the things you run into and admittedly I was very much in favor of that legislation. But it took the CPA society, as well as a lot of people in the legislature. to favor it to otherwise we never would have gotten it through, but he blamed me, single handedly. Of course it did put him out of business.

AP: One thing too, Jack, that you might want to comment on you know is what your philosophy or vision or attitude when you started teaching? What did you feel you wanted to pass on to students?

JK: Hmm, that's a tough one.

AP: That may have changed over the years you know but just anything about your approach.

JK: I think initially it was to try to make the subject of accounting as alive as possible. It was worth, the field of accounting was worth something, that we did some good. I wanted to train students who could take part in that profession and in the growth of it. Again, I mentioned that I was always oriented towards the public profession rather than the private industry because the in public profession, these are the people that audit the accounting records of your large publically corporations. These are the people who need to certify the financial statements after examining them and telling the public that yes, these statements are a fairly good representation of the financial position of the company so that you, as an investor, can have confidence or no confidence in investing in that company or as a stockholder can hold onto it. They depend on the investor and the market analysts the professionals. They depend to a great extent on the verification of the financial statements by the accounting profession. So if you're going as a student and go into accounting, you have a certain obligation to society to not only be ethical but to be pretty thorough and honest about your verification of these statements. I don't know if that makes sense without knowing much about accounting but to me, this was important. You had so many, oh Sherlock accounts. You got them in law, accounting and quacks in medicine; you have them in any profession. My hope was, if you want to call it a philosophy, to get these people to have a great deal of respect and pride in their profession. And if they are going to go out and examine financial statements, you better be sure that you have done a thorough job in examining and that you report exactly what you found out, which is not always the case.

I think that was probably the stronger motivation and then of course as the years went on and you had more of these scandals in, not only accounting but also in business, and we began to feel that there ought to be a need to be a higher sense of ethical behavior in business than the initial capitalist way before your time the big fat pot belly capitalist with the cigar chomping you've seen cartoons. That's of course old hat, that is an image that a lot of people had and over the years, I think, business has tried and been able to subdue that kind of image. Every once and a while it crops up. Now, what cropped up in the '80s was after I retired, so I had nothing to do with that, but we had plenty of other incidents in the '60s and '70s before that where unethical behavior was so rampant that business got a black eye and accountants in particular were right in the forefront. Because so many times, the accountant is caught in between, he's hired by his client—the client being the corporation. The client pays him but his responsibility is to the public. So that is a pretty tough position to be in and yet that's part of the profession. One group pays you but your responsibility is to go to the investor or stock holder and they do not pay you. Now if there's a conflict of interest, which side are you going to favor? The people that pay you or the people for whom you have a responsibility. That's a tough 64-dollar question and yet the accountant needs to answer that in the affirmative I would say my responsibility is to the public. That is where the word "public accountant" comes from. People, being who they are, you often don't worry about the public, you worry more about who is going to pay your fee. That is a tough situation to be in. It is, and this has been a problem in accounting and made it more challenging than just the nitty gritty and the mechanics of an accountant, is how to behave in the profession ethically. This does not come up in private industry. If you're working for a corporation as controller or something like that, you're allegiance is to that corporation period. They pay you and you're responsible to them; you don't have this dual responsibility as the public accountant does. I think this is why through my own favoritism, I have oriented myself towards the public profession and I guess inadvertently have oriented the department in that direction while I was there and had enough influence to do something about it. Like I said, that was a shortcoming in a way; it should be from a standpoint of a department. It should have been more of a mixture of public and private. But, you have certain favorites and certain prejudices and you can't help but go in that direction. I don't know if that answers your question.

AP: It does.

JK: That and it's changed a lot, not necessarily the philosophy, but as a result of that, there are dual interests. The accounting profession has been forced to make some pretty radical changes over the years and I'm glad I'm not a part of it anymore. Because, at one time, the accountant who was pretty well left to his own devices and the accounting firms decided which they thought was the best accounting procedure for a particular issue, and that's the way they handled it. More recent years we've had through the national accounting organization the American Institute of CPAs as we referred to as the "Institute" always had a voluntary committee to furnish the profession with certain basic guidelines or principles or standards as we used to call them, just very general and basic guidelines as to how the accountant should

handle certain issues. Oh, I'll give you an example without getting too involved. You put up a building, how should you write off the cost of that building? Should you write it off all the first year? Well that seems silly if it's going to last you 25 years, you should spread it out over the 25 years. Well you could do it 1/25 a year or do it by taking most of your depreciation early in the early years, when the building is most valuable, and then reduce the depreciation later. Or you could do just the opposite. Take a little bit of the depreciation in the early years and a lot more in later years. There are many ways of doing the same thing. How do you know what was right? Well, this was left up to the accountants to decide which was more appropriate for a particular corporation. Well, that is a very simple case. In more recent years with the pressures of the Securities and Exchange Commission because of this dual responsibility, they were on the accounting professions back to get them to be more specific and furnish particular guidelines about everything the accountant does. The result is for many years now we have a standing committee that turns out these accounting principles on a daily basis to the extent that you now have a loose leaf set of books, and I mean loose leaf because things change so fast that you don't dare bind the books. You have to keep them in a loose leaf form because you keep changing the pages. So today before the accountant does anything, he has to look through the various principles that have been published by these committees to find out which way to go and to me that has taken away the initiative of the ingenuity that the accountant had to bring to the front heretofore. Today you look up to see what the rule says and you better follow that rule or else. I'm just as happy that I know longer have to worry about it. This is what's happened to the profession, well more like a tax code where you have a set of books this thick loose leaf tax code. And, as court cases are decided they keep changing interpretations of the code and that's why the loose leaf binding, same thing now as with accounting principles. And, I could see it happening from a voluntary committee 15 some years ago, maybe 20, no 15 or more, they formed a permanent committee and they paid them 100,000 dollars a year with the chairman getting 135,000 dollars. This is 15 years ago. That was a lot of money, 15 years ago. As soon as that happened, I figured well these people are going to have to earn their keep and they are going to start churning out the opinions and they did. And then just talking to Pat Douglas the other day, this was in accounting and now they are doing the same thing in auditing which is one aspect of accounting. They call it the "procedure" examining these financial records—not what the principles are but how you conduct the examination. Well now they got rules for that. I'm happy I'm out of it!

AP: I bet. What do you feel your greatest accomplishment, and that can certainly be plural? What do you think your greatest accomplishments were in your many years at the University?

JK: Well, I think I mentioned that before. Uh, I think training people and putting so many people through the program that was successful in becoming CPAs and then as a result of that becoming successful in their field. But, to me that was great. I think it paid—not a payoff—but it was extremely gratifying in my retirement dinner when I had about 200 some people show up for the dinner, most or a lot of them from around the state and outlying areas. Which was awfully gratifying, but these are all people that had been familiar with the program over the years and had passed the exam and went on into their profession. I think this is coming back

again, like I said at the beginning, the satisfying thing about teaching at a small university in a smaller community. If I had gone to or stayed at Ohio State or gone to say some of the schools in California, you wouldn't have that relationship. You'd have thousands of students and they'd get out of your classes and that would probably be the last you'd ever see of them. Well that isn't so in Montana and I think this is true for a lot of the faculty in a lot of the fields the close ties that I did have with the students which you can't get at a big school. I think that, to me that was my main satisfaction in teaching. You know a lot of times when people hit my age and you look back and say, "Well should I have stayed with teaching or should I have gone and done something else and been better off." Well sure, financially I'm sure I could have been. In retrospect I don't think I'm too unhappy maybe going to a bigger school. I don't know. I guess it's one of these things that you are bound to look back on and wonder whether you should have taken some other course and who knows. It's too late and what's the difference, it's too late to change anyway.

AP: And actually that's pretty much the last question anyway.

JK: Oh what would you do differently?

AP: If you had the chance to go back and do it over?

JK: I'd probably do it again. I was much more interested in teaching and in community work than I was in professional work and in research. And, I think at a school like Montana, you can do that and still have, make a sizable contribution in your classroom and also in the community. I was very active in the Montana Society of CPAs and I was president of the organization years ago and elected CPA of the year one year, so it was a result of being active in the local community. And by community I mean state; it wasn't just in Missoula. But there was some satisfaction there too and the fact that I don't think I would have been as happy at a bigger school where the emphasis was on research primarily with very little emphasis on teaching and/or community or professional involvement. Here we've always had the philosophy that everyone can't be expected to do a lot of research, good teaching and also professional involvement; that if you are good in two of the three, you are probably all right. And, not every school does that but I think a lot of schools are beginning to see that is necessary. Too long now in the schools of business, the accrediting association, which is the American School of Business, has been dominated by the big schools like Stanford, Berkeley, Harvard, so on and have forced the smaller schools like Montana to meet their standards. If you want to stay in our organization and remain accredited you have to have a faculty that predominantly does research. Well, we are accredited. We are one of the few. We were one of the earlier schools to be accredited incidentally, but we darn near lost it here a few years ago because we did not have enough research oriented faculty. Well, strangely enough, the last few years the accrediting association is beginning to recognize the fact that every school can't be a Stanford or a Berkeley. There is room for those schools and room for those like the University of Montana and Wyoming and Colorado and a lot of the others. So it is finally changing. This is where I would fit in. I would be lost at a Stanford or a Berkeley even though the national

recognition is greater I suppose. I was one year in the American Accounting Association elected as teacher of the year or something like that. I got a plaque for that somewhere in my archives. But it was quite an honor, a complete surprise. I went to the meeting not expecting anything but a luncheon and they called me up with a national award. So that was something and those are the things, when you look at it, that the last question you'd ask, "Would you do it over again," I guess on balance I probably would.

AP: Are there any other observations, insights, experiences, and memories, anything else that comes to mind that you want to share and certainly if you think of things later we can have an opportunity to revisit and come back.

JK: Oh, I'm sure I'll think of things later but ... no I don't, just a question. Most of the faculty you've been looking for still lives in Missoula?

AP: Yes.

JK: That's interesting. I guess that tells you something too.

AP: Sure does. The fact that Bob Pantzer came back. There are people that leave and come back.

JK: Well, we never left. We've been tempted and wondered, but we always stay here. We do travel a lot, at least a few times a year. Once overseas at least and once in the country. But, we like it here. Who can beat the summers here?

AP: True. Well thank you.

JK: I think I was asked to take over as acting dean, after (Rudyard Good) resigned as dean and let's say went back to teaching at the University. That was when Bowers was president and, as a matter of fact, it happened, it was quite a day. The same day I received this award at the American Accounting Association in Atlanta, and I got a call from Bowers asking me to take over as acting dean. That was quite a day but I didn't apply for the permanent dean's job. Looking back I probably would have got it, looking at the competition but, I don't know, I guess I was about 5 or so years away from retirement. I was pretty close to sixty then, I guess not very far and I didn't feel I wanted to get away from teaching. In fact even the year I was acting dean, I still kept a class every quarter. I felt at this stage in the game, I didn't want to get away from the contact with the students so I never did apply for it, and maybe I should have. I don't know. Anyway, I didn't so I only served for the year and then went back to teaching, and not even as chairman of the department, which was great. I just figured well I'm going to just teach now and stay away from any administrative work. In maybe a year or so, I was back as chairman because the chairman of the department wasn't able to handle it or didn't want to handle so I was forced to take it over again until I retired. That was interesting to be a dean for a while and see what it was like.

AP: Did you like it?

JK: Yes and no. I did like part of it, like I say I did miss the work in the classroom. I wanted to keep that up and I knew if I was going to try and stay on with that I would probably have to give up teaching. Just not enough time in a day to do both. So, I think I needed to make that choice. Who knows, maybe I just didn't have enough confidence in doing the job. I don't know. You're bound to think of that and I didn't accept the challenge. I don't know. There was a lot of reasons I didn't want to go into. The dean before was not doing a good job and I think I had a lot to do with his resigning. And I guess maybe I didn't want it to feel like my opposing the dean was because I wanted his job. And I didn't and maybe this was to prove I didn't. I never really thought of that. Who knows?

That's about all. I had forgotten to mention that.

[End of Interview]