THE RISE AND FALL OF COMPREHENSIVE ACCOUNTING THEORIES: R. J. CHAMBERS AND CONTINUOUSLY CONTEMPORARY ACCOUNTING

By

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DECLARATION OF AUTHORSHIP

I, Martin Emanuel Persson, hereby declare that this thesis and the work presented in it is entirely my own. Where I have consulted the work of others, this is always clearly stated.

Signed:

Date: 02-07-13

To Anh and all the things we have yet to do

ACKNOWLEDGEMENTS

A letter from Stephen Zeff to Raymond J. Chambers fell off a boat delivering mail between Fiji and Australia in the 1970s. The letter was never recovered. My experience when I began my doctoral studies was similar to that of this letter, and I surely would not have been recovered had it not been for the people around me.

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Signed: M. Em

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ABSTRACT

The thesis is an exploratory study of the gap between accounting research and financial reporting practices. The fundamental issue is that comprehensive accounting theories (CATs) have been largely disregarded in the formation of financial reporting practices. To understand why this should be so, the thesis studies continuously contemporary accounting (COCOA), the CAT associated with the Australian scholar Raymond John Chambers. The thesis adopts a hyperbolic reading of actor-network theory (ANT), which treats ANT on its own terms rather than diluting it by reference to other interpretive approaches. The thesis uses a single case-study approach that traces how Chambers developed what was to become COCOA throughout his life. Archival data and interviews, as well as primary and secondary literature, inform the empirical narrative. The narrative focuses on six distinct episodes: the publication of Chambers' first academic article in 1955, the debate and events that followed this article, attempts to influence financial reporting practices in the US in the 1960s, the publication of Chambers' most comprehensive statement on COCOA in 1966, further attempts to influence financial reporting practices in the US, UK, and Australia in the 1970s, and three instances where financial statements were prepared in accordance with COCOA in the 1970s. Through the empirical narrative, the thesis contributes to knowledge about the gap between accounting research and financial reporting practices by studying an actual CAT and the attempts of its proponent to change conventional thinking. What emerges is a nuanced narrative about COCOA filled with various actors, not normally associated with accounting research, that nonetheless turn out to be vital to the success of COCOA.

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LIST OF DIAGRAMS

LIST OF ABBREVIATIONS

AAA	American Accounting Association
AAR	*Australian Accounting Review*
AASC	Australian Accounting Standards Committee
AE&EB	*Accounting, Evaluation & Economic Behavior*
AIA	American Institute of Accountants
AICPA	American Institute of Certified Public Accountants
ANT	Actor-Network Theory
APB	Accounting Principles Board
AR	*Accounting Research*
ARD	Accounting Research Division
ARIA	Accounting Researchers International Association
ARS 1	Accounting Research Study One
ARS 3	Accounting Research Study Three
ASA	Australian Society of Accountants
ASSC	Accounting Standards Steering Committee
AUA	*Australian Accountant*
BOAC	British Overseas Airway Corporation
BSC	Balanced Scorecard
CAT	Comprehensive Accounting Theory
CCA	Current Cost Accounting
CCE	Current Cash Equivalent
CIA	Commonwealth Institute of Accountants
COCOA	Continuously Contemporary Accounting
CPA Australia	Certified Public Accountants Australia
CPI	Consumer Price Index
CFO	Chief Financial Officer
CPPA	Current Purchasing Power Accounting
CUP	Cambridge University Press
ED8	Exposure Draft No. 8
EFRAG	European Financial Reporting Advisory Group

FASB	Financial Accounting Standards Board
GDP	Gross Domestic Product
GE	General Electric
IASB	International Accounting Standards Board
ICAA	Institute of Chartered Accountants in Australia
ICAEW	Institute of Chartered Accountants in England and Wales
ICRA	International Centre for Research in Accounting
JAR	*Journal of Accounting Research*
JOA	*Journal of Accountancy*
LSE	London School of Economics
MAPI	Machinery and Allied Products Institute
MATACAP	Maximum Time Adjusted Cash Potential
MIT	Massachusetts Institute of Technology
NYC	New York City
NZ	New Zealand
NZSA	New Zealand Society of Accountants
OPP	Obligatory Passage Point
P&O	Peninsular and Oriental Steam Navigation Company
RHUL	Royal Holloway, University of London
RPI	Retail Price Index
S&M	Sprouse and Moonitz
S&O	*Securities and Obscurities*
S&TS	Science and Technology Studies
SCORP	Special Committee on Research Program
SEC	Securities and Exchange Commission
SIAA	Society of Incorporated Accountants and Auditors
SSAP7	Provisional Statement of Standard Accounting Practice No. 7
SUP	Sydney University Press
TAR	*The Accounting Review*
TIMS	The Institute of Management Sciences
TOS	Trial of Strength
UC	University of California

UK	United Kingdom
UNSW	University of New South Wales
US	United States

DRAMATIS PERSONÆ

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CHAPTER ONE: ACCOUNTING RESEARCH AND FINANCIAL REPORTING

This dissertation examines the lack of impact of the ideas of accounting research on the practices of financial reporting. My particular concern is the lack of impact that comprehensive accounting theories (CATs) have had on financial reporting. I define a CAT as a system of thought that, in its proponents' view, is logically consistent and comprehensively addresses what the proponents believe to be the fundamental flaws in financial reporting practices. I do not make a distinction between the proposed and actual qualities of various CATs or of current financial reporting practices, as my purpose is not the evaluation of either. As such, this dissertation is not a technical examination of specific accounting ideas or practices; rather, it is an investigation of the process by which a particular CAT was developed and the attempts of its proponent to influence financial reporting practice and regulation.

The lack of impact on accounting practices of the various CATs proposed by academics has been on my mind for some time. I made a first pass at trying to come to terms with some of the issues involved during my graduate studies at the London School of Economics (LSE) in 2009. Under Richard Macve's supervision, I wrote my masters dissertation (2009) considering Yuji Ijiri's proposal for triple-entry bookkeeping and momentum accounting (1986; 1987; 1989) as a case study. In this context, I adopted a theoretical lens from the seminal study of value-added accounting in its social context (Burchell, Clubb, & Hopwood, 1985).[1]

Ijiri viewed conventional accounting hitherto as having been concerned with two dimensions: stock (balance sheet) accounts and flow (income statement) accounts. Drawing on Newton's laws of motion, he introduced a third dimension: momentum accounts that measure the rate at which income is earned or expenses incurred. He also introduced corresponding impulse accounts to explain changes in momentum accounts, just like income accounts explain changes in stock accounts. I noted that Ijiri's innovation seems to have had qualities beyond those of conventional

[1] I use the term "theoretical lens", as opposed to "theory", to stress that researchers tend to limit their application to certain parts of a theory. The selective use of research paradigms in accounting research, from Kuhnian (1962) ideas on the growth of scientific knowledge, is one such example (e.g., Cushing, 1989; Mouck, 1993; Wells, 1976)

accounting (e.g., see Melse, 2004; 2008a; 2008b), but that, similarly to other CATs, its impact on financial reporting practices was small or non-existent.

This dissertation is my second pass at studying a CAT and the process by which it tries to influence financial reporting practices. This time, I am considering Raymond John Chambers' proposal of Continuously Contemporary Accounting (COCOA) as a case study and I am adopting a theoretical lens from the actor-network theory (ANT) literature. The dissertation is organised as follows. In the present chapter, I reintroduce my research goals in more detail and review the related literature on various CATs. In chapters two and three, I introduce my theoretical perspective and methods. My empirical narrative is presented in chapters four to nine, with the first chapter beginning in the 1950s and, with each subsequent chapter following chronologically. I present my discussion and conclusion in chapter ten. Each chapter has a corresponding diagram presented at the end of each chapter. An interview consent form and semi-structured interview outline sample as well as an aide memoire can be found in appendix three, four, and five respectively.

Research Objectives

My doctoral dissertation is an explorative study of the gap between accounting research and financial reporting practices and, in particular, the challenges and rebuffs faced by proponents of CATs in attempting to shape practice and regulation. This gap has been laid bare by the indifference in financial reporting practices to the various CATs that have been proposed in the academic literature over the last century. I am not the first researcher to notice this gap; Chambers (1955a, 1963a) drew attention to this in 1955 and, again, with more force, in 1963. Drawing parallels between accounting and similar practical arts such as engineering, law, and medicine, Chambers argued that all practical arts should have at least two things in common: practice *and* research. In each of these fields, the practitioner is bounded by current convention, orthodoxy and knowledge. The researcher, on the other hand, can be free from convention and can therefore explore all possible avenues that might bring improvements to current practice. The medical researcher, for instance, may discover a new medicine that the doctor, pharmacist or nurse can then administer to the patient.

The field of accounting diverges from other practical arts in the relationship between practice and research. Unlike medical, architectural design and legal research, accounting research findings are seldom adopted in financial reporting practices.

Chambers' contemporaries were concerned about this; several proposals were made to change the institutional standard setting environment to rectify the situation (e.g., Briloff, 1964). Drawing inspiration from another practical art, Spacek (1958), a prominent partner of Arthur Andersen & Company in Chicago, proposed the establishment of a federal accounting court. The President of the United States (US) would appoint five judges to serve on the court, with a similar responsibility to that of appointing judges to other federal courts, and the court itself would have jurisdiction over accounting practices and the interpretation of accounting principles. In the process of considering accounting disputes, the court could then consider accounting research that would be brought in as evidence similarly to how legal research is submitted as evidence in other federal courts. However, nothing came of this and other proposals.

Whereas Chambers' contemporaries were concerned about changing the institutional settings to allow the interchange of ideas between accounting research and financial reporting practices, some later accounting researchers did not see this gap as an issue (there is a substantial literature that has considered this transition e.g., Jeanjean & Ramirez, 2009; Marple, 1963; Mouck, 1993). Ball and Brown (1968) were the first to suggest that analytical developments, in the form of new CATs, were important but that it was just as important to conduct further empirical studies based on data from capital markets. Watts and Zimmerman (1986) took this argument further, arguing that, unlike researchers in the fields of other practical arts, the concern of accounting researchers should not be to analytically develop CATs and attempt to improve accounting practices. According to them, the role of accounting researchers should instead be to attempt to explain and predict accounting behaviour. This has boiled down to the observation of the relationship between accounting numbers and share-price data from capital markets, adopting ideas from financial economics and methods from statistical analysis. Other researchers have later latched on to this proposition under the label of positive accounting research (for a review, see Beaver, 1981).

To Chambers and like-minded researchers, the proposition that accounting was somehow different from other practical arts held little merit (e.g., Chambers, 1993; Sterling, 1990; Whittington, 1987). To them, the proposition was unacceptable, just like it would be unacceptable for medical researchers to limit their inquiries to the observation of the patients' symptoms as doctors, pharmacists or nurses randomly administered medicines, for engineers to limit their inquiries to the observation of construction workers as they use their gut-feeling to assemble bridges or for lawyers to limit their inquiries to the observation of their clients in their attempts at representing themselves in court. But, irrespective of those qualms, positive accounting researchers have never offered a comprehensive response to this criticism, even though their proposition has since become a widely held belief among accounting researchers in general and in North America in particular (e.g., see Watts & Zimmerman, 1986; 1990; Whittington, 1987).

The failure of Chambers and his contemporaries to get their CATs used to improve financial reporting practices and the subsequent shift away from such attempts has led to a curious situation. Accounting research activities and financial reporting practices continue to co-exist, but few accounting academics propose new CATs and there is not much interaction between the two fields. This has allowed the persistence of pervasive flaws in accounting thought and practice of the past 150 years, exposed in great detail by Chambers and his contemporaries, which professional and regulatory bodies have made little headway in removing (Chambers, 1998). This is the curious situation that has led me to have a second pass at exploring a particular CAT and the historical gap between accounting research and financial reporting practices.

Using a case study approach and a theoretical lens from ANT, the objective of this research, therefore, is to examine how a particular CAT, Chambers' COCOA, was developed, how Chambers and his supporters attempted to promulgate and publicise COCOA in order to influence accounting regulators and practitioners, and the challenges and barriers, both material and intellectual, that Chambers and his proponents faced. In so doing, this study provides insights into the ways in which accounting ideas emerge and are transmitted, and illuminates why CATs have been so unsuccessful in influencing financial reporting practices.

CATs in the literature

As my concern is to explore a particular CAT and the gap between accounting research and financial reporting practices, I can narrow down the relevant literature for the present discussion. First, allow me to exclude the management accounting literature on improving managerial accounting practices – this does not include the literature on CATs that were envisioned to be able to underpin both managerial and financial accounting practices (e.g., Chambers, 1966a; Mattessich, 1964). The decision to exclude the literature on theories and innovations in management accounting comes from the difference in the process that leads to their adoption in practice. Contrary to the problem under consideration, changes in managerial accounting practices are voluntary; therefore, the impetus to change rests with the individual company and not with various quasi-regulatory institutions, such as the Financial Accounting Standards Board (FASB), International Accounting Standards Board (IASB), and European Financial Reporting Advisory Group (EFRAG). There is also the precedent of various companies adopting managerial accounting theories and innovations from academia, such as the balanced scorecard, activity-based costing and activity-based management (e.g., Askarany, 2009; Kaplan, 1994; Zawawi, 2008).

Secondly, I exclude financial reporting “research” initiatives by governmental, regulatory and professional bodies. These initiatives are also different from those found in accounting research literature. Whereas the CATs I am considering originate with academics thinking unrestrainedly about financial reporting practices for some period of time, professional and governmental initiatives tend to be constrained by politics and specific deadlines. The Sandilands (1975), Mathews (1975), and Richardson Committees (1976) have been the most prominent of these initiatives and, in all three cases, governments commissioned their reports and appointed the committee members. This has tended to result in committees boards dominated by successful businessmen and professional accountants, with some academics sprinkled in for good measure. The exception to this rule was the Mathews Committee, which, although its other members were largely professionals, was chaired by an academic. All three committee reports were deeply unpopular among the accounting profession and none of these reports changed financial reporting practices.

With the exclusion of governmental, regulatory and professional reports and management accounting literature, I have identified 17 proposed CATs in the literature (see diagram one at the end of this chapter for a complete list). This number could be further increased by the inclusion of one-off suggestions and inferences from the collective work of various authors. However, I have chosen not to do so and have instead limited the discussion to those proposals that have received substantial attention in the literature and might therefore be familiar to the reader. My only other criterion for inclusion has been that the CAT must attempt to comprehensively improve financial reporting practices, although the particulars of each proposal vary widely.

The greater proportion of academics who proposed CATs often presented their theories in terms of first principles, such as postulates or axioms, from which they deduced accounting practices using logical arguments. They were primarily concerned with particular measurement methods for financial reporting purposes. The CATs proposed by Paton (1922), Vatter (1947), and Mattessich (1964) are the exceptions to this focus on particular measurements. Instead, Paton was chiefly concerned with making financial reporting more consistent and uniform, and to this end he was the first accounting academic to stipulate a series of accounting postulates to underpin future accounting principles. Vatter was dissatisfied with conventional financial statements and suggested the addition of a "fund" statement. Mattessich was the first accounting academic concerned with the construction of an axiomatic structure of accounting that could integrate national, company, and private accounts – he referred to this as the integration of macro- and micro-accounting.

Those academics who propose CATs concerned with particular measurement methods for financial reporting practice tend to base their measurement method on market prices. The CATs proposed by Canning (1929) and Staubus (1961) are the exceptions. Canning proposed that all accounts should be based on the discounted present value of future cash flows, which made him the first to suggest a CAT based entirely on future expectations. Staubus (1967) favoured the same measurement method, but left space for alternative market price measurements under certain conditions. To choose between these measurements, Staubus is also credited with the introduction of the decision-usefulness criterion in accounting.

The remaining CATs that use market prices to value accounts tend to use either the entry or exit price of assets or a combination of the two. In current financial reporting practices, the most common measurement is that based on dated entry prices – often referred to as the historical cost. Assets are recorded at the price paid for them at the date of purchase. Bray (1951a; 1951b; 1953), Littleton (1933; 1953; Paton & Littleton, 1940), and Ijiri (1967; 1975; 1989) proposed CATs based on dated entry prices. Bray attempted to apply universal concepts of structure, form, and measurement to all economic activities that he believed should be accounted for. Littleton, on the other hand, sought to refine accounting principles and saw the need for greater precision and specialisation rather than uniformity. Ijiri is regarded as *the* serious intellectual on the merits of dated entry prices and, as discussed in the introduction, suggested the extension of conventional accounting in the form of triple-entry bookkeeping and momentum accounting (e.g., see Mattessich, 1995).

Solomons (1961; 1975), Edwards and Bell (1961), and Sprouse and Moonitz (1962) proposed CATs based on current entry prices. At the date of purchase, the current entry price is the equivalent of the dated entry price, but, for subsequent years, the asset is re-valued to the prevailing current entry price in the market. Assets are therefore measured at the cost of replacing them with assets of similar attributes. This is often referred to as replacement cost or replacement value accounting. Solomons was an early proponent of replacement cost and of the concept of "value to the owner", in which replacement cost is one of the potential measurements employed. The CAT of Edwards and Bell is regarded as *the* milestone in the comprehensive application of replacement cost accounting. Sprouse and Moonitz (S&M) favoured replacement costs, which capture specific price changes, and they supplemented this with an index adjustment for general price changes due to inflation.

I have not been able to find anyone that suggested a CAT based on measuring dated exit prices. The dated exit price would theoretically be the price at which an asset could be resold at the date of purchase. As opposed to the dated entry prices, there is no actual transaction and the dated exit price would therefore have to be estimated. This is perhaps the reason why dated entry prices are so prevalent, whereas dated exit prices are not. On the other hand, Chambers (1966a), Sterling (1970; 1979), and Schuetze (2004) proposed CATs based on current exit prices. The current exit price represents what an asset could currently be resold for. The CAT developed by Chambers is widely regarded as the most important CAT on the uniform application of exit prices for all assets. Sterling also favoured exit prices and was regarded as Chambers' counterpart in the US. Schuetze is interesting for his staunch support of exit prices despite his prominence in professional accounting circles – he served as a founding member of the FASB, a chief accountant at the SEC Division of Enforcement and national office partner of KPMG.

MacNeal (1939), Stamp, and Baxter (1975; 2003) proposed CATs based on a mixture of entry and exit prices.[2] MacNeal preferred current exit prices in perfectly

[2] Stamp did not author his own treatise on accounting theory. His CAT appears instead in *The Corporate Report* (Accounting Standards Steering Committee, 1975)

competitive markets but, otherwise, the use of dated and current entry prices as surrogates. Stamp preferred a mixed measurement system based on the particular needs of the user. Baxter favoured what he termed as deprival value. An asset's measure using deprival value would equal the loss the owner of the asset would suffer if he were deprived of it. The deprival value is therefore determined as the lower of current entry price or the recoverable amount. The recoverable amount is the higher of current exit price, minus transaction costs, or the value-in-use of the asset. My decision to include deprival value under the mixed measurement method is a stylistic choice only, as it has not been firmly established whether deprival value is a mixed measure or a single measure that is determined in different ways according to circumstances (similar classification decision can be found in Whittington, 2010).

Out of these 17 proposals, not a single CAT has been fully adopted for financial reporting purposes. There are neither additional momentum or fund statements nor are there any postulates or axioms underpinning new accounting measurement principles. The predominant measurement method in practice is still based on dated entry prices. There are occasions, however, where parts of these 17 CATs have either influenced particular accounting standards or where regulators have reached similar conclusions as those reached in these proposals. One such example is Staubus's decision-usefulness criterion, which has been adopted in FASB's conceptual framework, although he has received little acknowledgement for this (see Staubus, 2005). Another two such examples are the use of current exit prices to measure some securities, under the guise of fair value accounting, and the influence of deprival value thinking in FRS 11 and IAS 36 on impairment accounting.

Literature about CATs

The lack of impact of CATs on financial reporting practices cannot be due to a lack of proposals or of academic interest in them. CATs are well documented in the literature. Besides the publications on the respective CATs, there was considerable contemporary debate (e.g., Chambers, 1966b; 1972; Ijiri, 1972; Mattessich, 1967) around the time that these proposals were published as well as more recent debate (e.g., Gaffikin, 1989; Peasnell & Whittington, 2010; Whittington, 2008) about the merits of individual proposals. The importance of the various CATs resonates with

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and *Corporate Reporting: Its Future Evolution* (Accounting Research Committee, 1980), written for the ICAEW and CICA respectively.

many present-day accounting academics and there have been edited collections of the collective work of Staubus (2000), Littleton (1961), Chambers, Sterling (1997), and Schuetze (2004). The most comprehensive of these have been the six published volumes of Chambers' writings (Chambers & Dean, 1986a; 1986b; 1986c; 1986d; 1986e; 2000).

The authors of the CATs are just as well documented in the literature as their work is. Thirteen of the 19 authors have been inducted into the Accounting Hall of Fame, which was established in 1950 to honour accountants who have made a significant contribution to the field of accounting.[3] There have been memorials, tributes, and festschrifts dedicated to most of the authors (Demski, 1979; Staubus, 2010). The life and careers of Paton (Stabler & Dressel, 1981), Mattessich (1995), Canning (Zeff, 2000), Bray (Forrester, 1982), Littleton (Bedford & Ziegler, 1975), Sprouse (Swieringa, 2011), and Chambers (e.g., Clarke, Dean, & Wells, 2010; Gaffikin, 2012; Moonitz, 1982a) have also been the subjects of a considerable amount of biographical research.

With all this interest in CATs and their authors, it is surprising that there has not been a single systematic inquiry into their non-adoption in financial reporting practices. Zeff's (1982a) edited volume of material pertaining to the controversy surrounding the CAT proposed by Sprouse and Moonitz is the closest thing to such an inquiry. The volume contains the published CAT, articles, conference proceedings and Moonitz' previously unpublished reflections on the events that transpired. This provides comprehensive reading but is a far cry from the sort of systematic inquiry that I have in mind and which this topic deserves.

To find examples of the sort of systematic inquiry that I am referring to, I must relax the parameter that I proposed earlier: to limit my review to CATs proposed in the academic literature which had the purpose of remedying financial reporting practices. There is precedent in the literature of in-depth studies about government, regulatory and professional financial reporting initiatives (e.g., Burchell et al., 1985; Kurunmäki & Miller, 2011; Miller & O'Leary, 1987). Closest to what I have in mind is the research conducted by Robson (1988), who wrote his doctoral dissertation on the role of the State in the development of accounting standard setting, using the

[3] Paton, Vatter, Littleton, Ijiri, Solomons, Edwards, Bell, Sprouse, Moonitz, Chambers, Sterling, Schuetze, and Baxter have been inducted into the Accounting Hall of Fame. Mattessich, Canning, Staubus, Bray, MacNeal, and Stamp have not.

Sandilands Committee and it’s attempt to provide a solution for inflation accounting as a case study. Robson adopted a theoretical lens from Foucauldian studies and analysed in great detail the institutional setting in which the Committee authored its solution to the problem of changing prices. In later research, Robson (1991; 1992; 1994) opted for a theoretical lens grounded in ANT and published parts of his systematic inquiry as separate articles.

There also are examples of current in-depth studies of managerial accounting initiatives. Closest to what I have in mind here is Qu’s doctoral dissertation on the success of the Balanced Scorecard (BSC) proposed by Norton and Kaplan. Adopting a theoretical lens from ANT, she explores in detail the creation, spread and adoption of the BSC and the various mechanisms now put in place by Norton and Kaplan to retain its prominence as a tool in managerial accounting practice. This research project is still on-going and, with her co-authors, this systematic inquiry has led to several presentations and publications on the transfer of academic accounting ideas into managerial accounting practices (e.g., Cooper, Ezzamel, & Qu, 2012; Free & Qu, 2011; Qu & Cooper, 2011).

If I relax the focus on studies that examine the gap between accounting academia and practice, there are further precedents in the literature of studies about changes and trends in ideas in academic accounting research. Many of these studies have examined the shift I described in the introduction: the change in focus from attempting to improve accounting practice to studying market reactions to accounting numbers. Popular among these studies has been the adoption of different Kuhnian viewpoints to explain these changes (e.g., Cushing, 1989; Mouck, 1993; Wells, 1976).

Kuhn (1962) hypothesised that academics always research according to a paradigm. This paradigm dictates the whole research process, from what can be regarded as a proper research question and evidence, and does not evolve through the accumulation of more knowledge. Instead, one paradigm is replaced by another through a paradigm revolution that is characterised by five stages: (1) the recognition of anomalies in the present paradigm, (2) a period of insecurity, (3) the development of a new set of ideas, (4) the identification of new schools of thought based on those ideas, and (5) the domination of some of these new ideas and schools. The recognition of anomalies in stage one initiates a paradigm revolution. Stages two and three are mutually reinforcing, as insecurity leads to the development of new ideas that, in turn, reinforce the insecurity relating to the older ideas. Out of these new ideas, new schools of thought are identified and, eventually, one of these prevails through the mass persuasion of the research community in stage five.

There has been substantial debate about whether Kuhn's hypothesis can be applied to trends in accounting academia (e.g., Danos, 1977; Laughlin, 1995; Peasnell, 1978; Wells, 1977), and much of that debate turns on whether accounting is a pure science, such as physics, chemistry or biology. This is because Kuhn believed that his ideas were only applicable to such sciences. Interestingly, Chambers and his contemporaries were adamant that accounting is a practical art and would therefore most likely reject this proposition. My own caveat with these explanations does not turn on whether accounting is akin to physics, but rather that the narratives that emerge tend to be stylised as simplistic narratives about good and bad accounting ideas that are adopted based on the merits of the results. This is the opposite sort of narrative from that which emerges from detailed systematic inquires, such as those offered by Robson and Qu, where accounting ideas are described as much more fragile and contingent on a range of seemingly mundane factors, such as geographical location and the connections and resources available to the proponents.

Conclusion

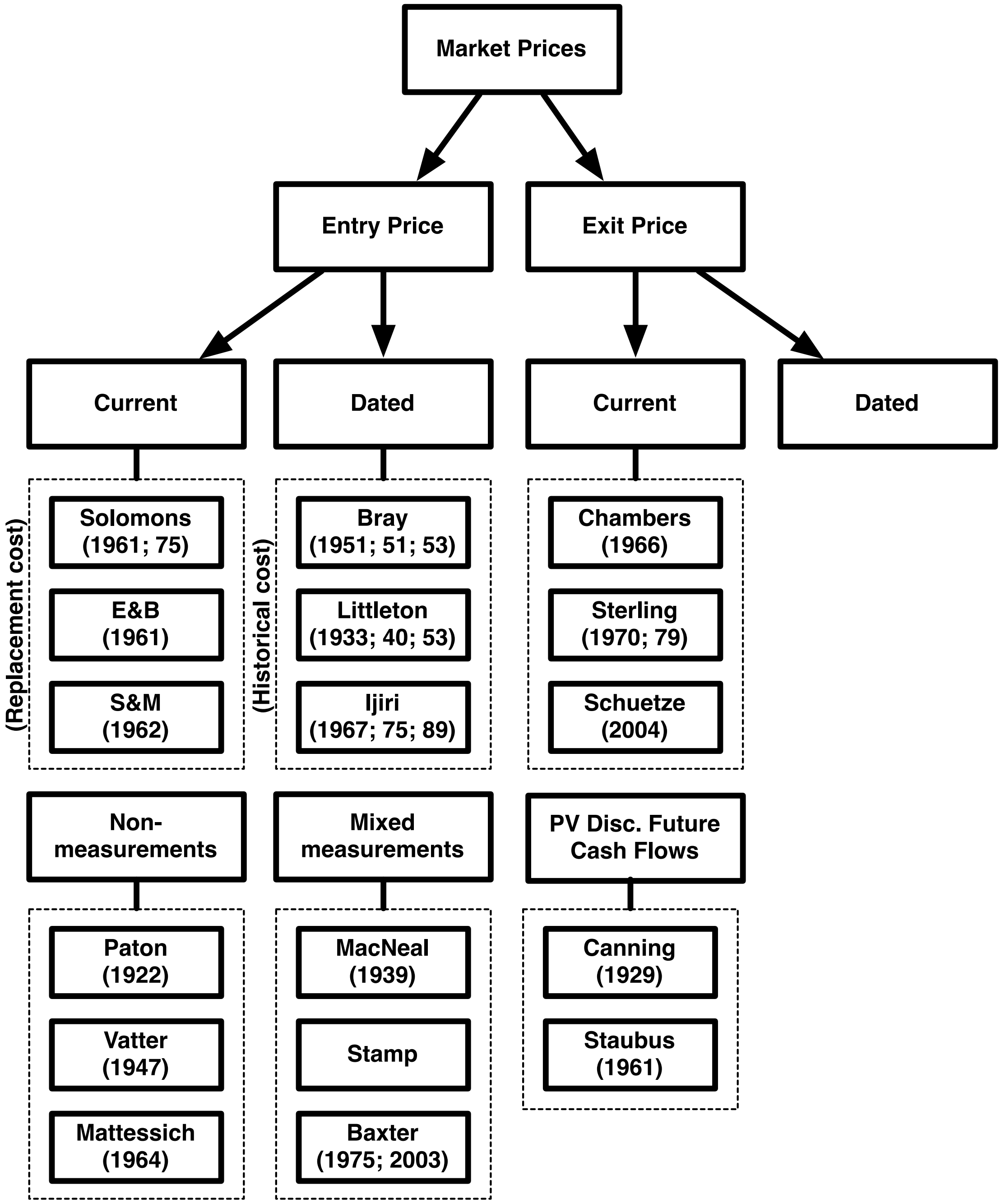
In this chapter, I have introduced the research goals, reviewed the relevant accounting literature and outlined the structure of my dissertation. I have proposed that this research is an explorative study of the gap between accounting research and financial reporting practices. This takes the form of a detailed systematic analysis of one particular CAT, COCOA, and one particular proponent, Chambers, using a theoretical lens from ANT (more on this in chapters two and three).

I reviewed the most prominent CATs that have been proposed in the accounting literature and categorised them according to the measurement method employed. From this review and categorisation, it emerged that none of the proposals have been fully adopted in practice. At best, there appears to be occasions where parts of these CATs have either influenced particular accounting standards or where regulators have reached similar conclusions as those reached in these proposals. This could not have been due to the lack of proposals or variety of ideas. We have had several proposals based on both future expectations and market prices, such as dated and current entry prices, current exit prices, and mixed prices. We have also had proposals that have bypassed the issue of measurement and suggested other improvements to financial reporting practices.

I next reviewed the literature pertaining to these CATs. From this review, it emerged that there has been no lack of academic interest in these CATs and the life and careers of their proponents. The proponents and their ideas have appeared in debates, memorials, tributes, festschrifts, biographies and in volumes of their collective writings. But there is little in terms of systematic inquiry into their attempts to influence financial reporting practices by the merits of their CATs. Instead, to find such studies, I had to look elsewhere, such as at the literature on governmental, regulatory and professional initiatives and innovations in managerial accounting practices.

The result of this literature review is that there appears to be a glaring gap in the accounting literature on CATs. There have been no systematic inquiries into the gap between accounting research and financial reporting practices that look at the actual CATs and the attempts of their proponents to change the current orthodoxy. The closest to such an attempt can instead be found in the literature on the shift in accounting research ideas and trends. However, this literature tends to adopt a stylised and simplistic Kuhnian narrative that might not be appropriate to accounting research and which does not conform to similar studies conducted in literature on governmental, regulatory and professional initiatives and innovations in managerial accounting practices. The present study attempts to remedy this gap in the literature, by studying in depth how one accounting theorist, Raymond John Chambers, tried to change financial reporting practices through his CAT: Continuously Contemporary Accounting.

DIAGRAM ONE: MEASUREMENTS USED IN CATS



CHAPTER TWO: HYPERBOLIC ACTOR-NETWORK THEORY

In the previous chapter, I introduced my research goals, reviewed the accounting literature on comprehensive accounting theories (CATs), and outlined the structure of my dissertation. I presented my research study as an exploration of the gap between accounting research and financial reporting practices, to be based on a theoretical lens from Actor-Network Theory (ANT). In the previous chapter, ANT was mentioned, but its meaning was taken for granted. In this chapter, I continue the literature review by examining other accounting research studies that have likewise used a theoretical lens from ANT. From this literature review, it emerges that there is no consensus on what constitutes ANT. I present a theoretical framework based on a new interpretation of ANT, with an emphasis on explicitly stating all the propositions and rules that constitute this interpretation. I conclude with a point-by-point explanation of how these rules are given effect in the narrative of empirical chapters four to nine.

ANT and Accounting[4]

ANT was developed in the 1980s as a method for the examination of social phenomena, such as the social creation of knowledge and innovation, in the field of Science and Technology Studies (S&TS). Bruno Latour (1987), John Law (1986), and Michel Callon (1986) are considered to be the early ANT evangelists, but they do not share the same views on ANT. The field of S&TS has since grown and there is now even less of a consensus on the specific methods and purposes of ANT. The closest thing to a description offered by most authors is that ANT is a collection of tools that allows the researcher to bring in material-semiotic relations between humans, non-humans (e.g., technologies and objects) and signs (e.g., concepts and ideas) into the same analytical view. A material-semiotic relationship can thus take several different forms, such as the interaction between a typist and her keyboard (a human to non-human relationship), the keyboard and a monitor (a non-human to non-human relationship), and the typist’s observations of the letters that appear on the monitor as she writes (a human to sign relationship).

Since the 1980s, different interpretations of ANT have been propagated in a wide range of different social science research fields, such as geography (e.g., Smith,

[4] This section relies heavily on three literature reviews (Chiapello & Baker, 2011; Justesen & Mouritsen, 2011; O'Connell, Ciccotosto, & De Lange, 2011).

2003), urban studies (e.g., S. Graham & Marvin, 2001), and information systems (e.g., Gao, 2005). In the field of accounting, a particular interpretation of ANT emerged in the 1990s as a response to the traditional functionalist studies (e.g., Littleton, 1933; Sombart, 1924; Yamey, 1959) and the more recent interpretive ones of accounting phenomena (e.g., Hopper & Powell, 1985; Hopper, Storey, & Willmott, 1987; Willmott, 1983) that had emerged in the 1980s. Among the interpretive researchers at the time, there was a consensus that functionalist approaches tended to *undermine* the accounting phenomena under consideration, reducing the explanations downwards to technical details considered as being detached from the larger social context. Sombart's (1924) reliance on double-entry bookkeeping to explain the emergence of capitalism is one such example. Instead of exploring the effects of the various, often contradictory, forms of accounting employed in Western European merchant capitalism in the Middle Ages, Sombart singles out double-entry bookkeeping as an underlying factor that can explain all other variations of accounting and the rise of modern capitalism. As such, his "simple" explanation potentially *undermines* what is actually a more complex phenomenon.

I contend that interpretive approaches, on the other hand, tend to *overmine* the accounting phenomena under consideration, reducing the explanations upwards by referring to hitherto hidden social forces, such as discourses (Foucault), paradigms (Kuhn) and capitalism (Marx). Whereas Sombart singles out a technical detail, double-entry bookkeeping, these approaches instead tend to single out some overriding social factor. The result is that the phenomenon under investigation tends to be *overmined* by discourses, paradigms, and capitalistic forces that potentially reduce accounting to little more than language games, paradigm shifts, and the expropriation of value from labour. ANT can therefore be seen as a counter-reaction to both these tendencies, as an attempt to not reduce the phenomenon in either direction and to reunite both technical factors and social forces in the same analytical view (a similar observation is made by Justesen & Mouritsen, 2011).[5]

Latour has been the most influential of the early ANT evangelists and the second most influential French theorist, surpassed only by Foucault in citations, in the English-language accounting literature (Chiapello & Baker, 2011). Latour has published several books and articles on ANT (e.g., 1996; 1999; 2005a), but

[5] I am drawing on Harman's (2011) analysis of philosophies that *undermine* and *overmine* the metaphysics of objects.

accounting researchers have drawn almost exclusively on his 1987 book *Science in Action* (for a review, see Justesen & Mouritsen, 2011). The first reference to this book appears in an article from 1988 (Hines, 1988); and research studies based on the tools, mechanisms, and terms that he presents began to be published in the early 1990s. Since then, these studies have followed three broad streams: the historical analysis of accounting change (e.g., Miller, 1990; 1991; Robson, 1991), investigations of various accounting information systems (e.g., Briers & Chua, 2001; Jones & Dugdale, 2002; Preston, Cooper, & Coombs, 1992) and, most recently, the examination of emerging markets (e.g., Callon, 2009; MacKenzie, 2009; Miller & O'Leary, 2007).

The first published accounting studies based on ANT were historical analyses of accounting change. These have become the standard setters for the ANT approach and research agenda in the accounting literature. Studies in this research stream tend to focus on how particular historical outcomes emerge from material-semiotic networks of various people, technologies and vocabularies that are brought together under particular circumstances and at specific points in time. These studies therefore tend to bear a resemblance to that which Latour produced himself in *Science in Action* and elsewhere (1996) – incidentally, this means that these studies also tend to resemble the present dissertation.

The exception to the resemblance between traditional ANT accounts and this dissertation and the majority of studies in the stream of historical analyses of accounting change can be traced to the first four such studies. Both Miller (1990; 1991) and Robson (1991; 1992) blended theoretical insights from ANT with the more interpretive approaches to accounting research from the 1980s, especially those drawing on Foucault (e.g., Hoskin & Macve, 1986; Loft, 1986; Miller, 1986) and institutional theory (e.g., Meyer, 1977; Willmott, 1986). Miller (1990) examined how the modern state emerged in the 1600s through the material-semiotic linkage between innovations of accounting techniques and government procedure. Miller (1991) employed a similar analysis to trace the emergence of discounted cash flow techniques in the United Kingdom (UK) in the 1960s. In his two studies, Miller introduced several ANT tools, mechanisms, and terms such as translation, inscription and centres of calculations. But these were presented through a Foucaldian lens that focused on various discourses (Miller referred to them as rationales).

In a similar fashion to Miller (1990; 1991), Robson (1991) traced the emergence of the Accounting Standards Steering Committee in the UK in the late

1960s. Robson's (1992) is a theoretical contribution about the use of numbers in accounting practices and various inscriptions to achieve long-distance control – the creation of networks to act at a distance is a long-running theme in ANT literature. In his two studies, Robson also introduced several ANT tools, mechanisms and terms, such as problematisation, translation and inscription, but through the lens of neo-institutional theory. The result is the inclusion of and focus on various institutional actors to the exclusion of most non-human actors (e.g., technologies).

Miller's and Robson's decisions to blend ANT, as it is presented in *Science in Action*, with theoretical insights from Foucault and neo-institutional theory have led a particular reading of ANT to dominate the accounting literature. This has been predominantly viewed as a natural and positive development, and some researchers even regard it as a major innovation that could have only come about in the aftermath of the interpretive accounting field that emerged in the 1980s (e.g., Chiapello & Baker, 2011; Justesen & Mouritsen, 2011; O'Connell et al., 2011). These authors do have a point regarding the commonalities of these theories. Both Latour and Foucault are anti-essentialists – believing that we cannot categorise entities and events based on one essential attribute – and reject the notion that present-day phenomena can be traced back to a single factor or cause. There is also considerable overlap between Latour's interest in material and quantitative objects and Foucault's interest in devices and apparatuses that associate material and immaterial components.

Despite Latour's and Foucault's shared stance and overlap in interests, some concerns have been raised in the literature. In particular, there is a risk of researchers having become too focused on *Science in Action* and therefore not being exposed to the larger ANT literature (Justesen & Mouritsen, 2011). I fear this to be in part misdirection and in part understatement. I believe that we are in a predicament in which most researchers are not exposed to the literature on ANT at all but rather to the specific interpretation of ANT that I have outlined. If this is the case, there is a risk that accounting researchers are unintentionally falling back to a position of *overmining* the accounting phenomena under investigation, by letting discourses, paradigms and institutional forces slip through the back door. Accounting phenomena are then again reduced upward to some overarching social force at the cost of the human and non-human, as well as of the social and the technical, which were supposed to be brought into the same analytical view (for similar concerns see Lowe, 2001).

Using different terminology, Latour (2004; 2005a; 2005b) expressed this same concern: that ANT studies have increasingly reduced the phenomena under investigation. To reverse this trend, he proposed a new, much more detailed and uncertain empiricism – he interchangeably refers to this process as turning matters of facts into matters of concern. This form of empiricism would not strive to reduce, but rather to add details and complexities to the phenomena under investigation. This renewed attempt at empiricism and the rejection of blending ANT with other theoretical insights, so as to avoid mistakenly *undermining* or *overmining* the accounting phenomena under investigation, underpins my theoretical framework.

Theoretical Framework

The purpose of the literature review is not to suggest that early adopters of ANT were foolish. It appears that it was inescapable to mix ANT with the theoretical insights from the interpretive accounting field that emerged in the 1980s. The early adopters had been at the forefront of this field, and it would therefore have been natural for theories used in interpretive accounting research to penetrate into ANT (e.g., see Gendron & Baker, 2005). This penetration may have been both unintentional, through developed biases, and intentional, through the explicit integration of other theoretical lenses prevalent within the group of forerunners. There are also various perceived shortcomings with ANT as a theoretical lens (e.g., Law & Hassard, 1999), so it is sensible to assume that the early adopters genuinely sought a compromise between ANT and various interpretive lenses to overcome these shortcomings.

An important purpose of the literature review, however, is to suggest that one could do the opposite to these early adopters: accept no compromise whatsoever. I believe that this is the only way to renew Latour's notion of a more detailed and careful empiricism in accounting and to avoid slipping back onto a position of *overmining* or *undermining* the accounting phenomena under investigation. Harman (2009) referred to this approach – to not compromise on theoretical implications – as the hyperbolic method and proposed it as an alternative to the more predominant method of critical analysis. His suggestion was that the critical starting point of picking a theoretical lens apart serves little purpose other than to reinforce the fact that all theoretical lenses suffer from faults. It would therefore be more interesting to set a particular theoretical lens at a position of maximum strength as a starting point. Harman believed that this starting point, involving the un-compromised application of a theoretical lens, would produce studies that would be more rigorous, interesting, and ripe for *post-hoc* critical analysis (e.g., Marx, 2004; Popper, 2005; Simmel, 2005), whereas the blending of various theoretical lenses would tend to produce compromised, inconclusive and mediocre studies.

One immediate result of the adoption of the hyperbolic method and of the decision to not compromise on ANT as a theoretical framework is that much of the theoretical luggage normally associated with ANT studies can be set aside. The reason for this is that the theoretical criticism is only relevant insofar as one is interested in picking ANT apart *a priori* and to mitigate any found shortcomings with other theoretical influences. The goal of such an approach is to adopt a theoretical compromise that will moderate the potential research outcome. Because this is not my goal, however, I can bypass much of the critical discussion initially raised in the S&TS, management and accounting literature and then return to it *post-hoc* in later studies. McLean and Hassard (2004) summarised much of the critical discussion about ANT as a theoretical lens into five broad issues: political, agency/structure, inclusion/exclusion, humans/non-humans and privileging/status.

The concerns regarding politics, agency/structure and inclusion/exclusion issues are based on the proposition that ANT studies tend to fail to address the influence of social structure and politics on the local relations between actors, and that the accounts of these local relations are incomplete because not all relevant local actors are included. This does not bother the hyperbolic researcher, who is comfortable with the notion that there are no relevant social structures, politics or actors unless these enter into relations with the phenomena under investigation, in which case they will become part of the narrative. Likewise, the concerns regarding humans/non-humans and privileging/status issues are based on the proposition that the inclusion of humans, non-humans, and signs into the same analytical view has various unwanted effects on the status and privilege of non-humans. This does not bother the hyperbolic researcher either, who believes that it is a testimony to the strength of the narrative that non-humans enter in relations with humans and therefore receive a higher status and privilege than is usually accorded to them.

The requirement that must be satisfied in order to adopt the hyperbolic method to bypass the critical discussion that I have outlined is that all theoretical influences, propositions, and rules have to be stated upfront. Should this not be the case, there is a risk of the researcher applying the theoretical framework haphazardly, instead of hyperbolically, while wilfully ignoring critical discussions about its application. The goal is not so much to disregard theoretical criticism but rather to save it for later studies that can examine the completed work in full (e.g., Böhm-Bawerk, 1898; Habermas, 1987; Lakatos & Musgrave, 1970). However, the requirement of stating all theoretical influences upfront is particularly difficult to fulfil using ANT as a theoretical lens: there is no consensus in the S&TS, management, or accounting literature about the specific methods and purposes of ANT. The hyperbolic researcher therefore has to pick a particular interpretation out of those presented in the literature.

My interpretation of ANT as a theoretical lens, from the viewpoint of the hyperbolic method, has led me to develop a theoretical framework based on two components. The first component is Harman's (2009) analysis of the metaphysical cornerstones of Latour's particular version of ANT. The second component is Latour's (1987) own six principles on researching in ST&S and seven rules on writing ANT narratives. My empirical chapters four to nine have been written according to these two components. I have also drawn inspiration from Latour's own attempt to follow his own principles and rules in *Aramis, or, The Love of Technology* (1996). A diagram of this theoretical framework can be found at the end of this chapter and the rules of method and ST&S principles can be found in appendix one and two.

According to Harman (2009), ANT rests upon five metaphysical claims. The first is a principle: that the world is utterly concrete and nothing transcends the present. All actors are what they appear to be all the time. The actors and forces that exist are those that enter into relations and can therefore be traced through an empirical narrative. There are no hidden social forces, such as discourses, paradigms and institutions, pulling the strings in the background. This principle leads to four axioms. The first and second axioms: everything in the world is an actor and no actor can be reduced to a set of attributes or a bundle of qualities. These actors come in all shapes and sizes. Some of them are human, material, semiotic or a combination of these. Chambers, financial reporting regulators and CATs are actors, but so are countries, plagues and supernovas. Even the smallest accounting innovation is an actor, as utterly concrete as a scribble on a scrunched up tissue or as a refereed journal article in *The Accounting Review* (*TAR*). The onus is therefore on the researcher to capture these actors and their relations in an empirical narrative, without either *overmining* or *undermining* them.

The third and fourth axioms: all actors begin the same but then become stronger or weaker through a process of translation and alliance with other actors. Chambers, CATs and financial reporting regulators are not powerful or weak because of some inherent attribute. Even the most successful accounting innovation begins as an idea, before it is made more powerful through its publication in a refereed journal article or a book, or implementation into financial reporting or managerial practices. But, in the process of alliance building, the innovation is translated. In the particular instance of an academic accounting innovation, the reviewers, editors and publishers might change the initial draft in various ways and the published product becomes something quite different from the first draft. It is therefore the goal of the researcher to capture this process in an empirical narrative and to be able to explain the transformation and strength of an actor through its alliances.

I operationalise these metaphysical propositions in my empirical chapters by writing a narrative that carefully traces the elements described by Harman (2009). This narrative follows Chambers and COCOA wherever controversies arise, whether in private letters, books, articles, or conferences in the UK, the USA and Australia. The result is a narrative that moves interchangeably between different source materials and is therefore rich with empirical details about Chambers, his allies and their collective attempts to influence financial reporting regulators.

Latour (2005a) compared the task of the ANT researcher, engaged in this type of research and narrative creation, to the task of the serial descriptor. His point is that all the ANT researcher can hope for is to give a detailed and accurate account of the full events, because ANT is not a theory in the conventional sense. Whereas Newton's laws of universal gravitation seek to explain why bodies fall, the ANT narrative does not seek to explain why events unfold. This is the reason why ANT is rich in descriptive terms but not in explanatory ones (Law, 2007).[6] The purpose of the careful and detailed serial description of events is to reveal how these events unfolded. The result is a historical explanation that is true for a particular case, with potential for analytical generalisation, but not a "scientific" explanation such as a general theory of events (for a discussion about this distinction, see Keenan, 1998; Napier, 1998). This

[6] This is similar to the "thick description" approach of anthropologists such as Geertz (1973; 1983; 1988), which has received considerable interest in the accounting literature (e.g., Ahrens & Mollona, 2007; Ansari & Bell, 1999; Mustafa & Gaffikin, 2010)

is what I attempt to do in this dissertation: to offer a particular explanation for the non-adoption of COCOA in financial reporting practices. This narrative may feature elements that can be analytically generalised for other CATs, but does not offer a general theory for the non-adoption of all the other 16 CATs reviewed in chapter one.

Evaluating the Narrative

I have reflexively evaluated whether I have followed my own theoretical framework throughout the writing of the empirical chapters. This evaluation was based on Latour's seven rules for writing ANT narratives and on a comparison between my narrative and his own attempt at following these rules: *Aramis, or, The Love of Technology* (1996). This is a longitudinal ethnography that describes the beginnings and eventual collapse of an electro-magnetic inner city transportation project, Aramis, from the 1960s to the late 1980s. Through the course of the narrative, Latour brings in humans, non-humans and signs under the same analytical framework. The narrative moves from interview transcripts to news articles and technical documents. It includes both complexities from the viewpoints of the people involved as well as the technical details of the project. The result is a narrative that traces the changing nature of Aramis, through translation, and the gathering and falling out of alliances with other actors. Eventually, Aramis fails in the 1980s, not due to one culprit or evildoer but because it fails as a network.

In the remaining part of this section, I reproduce Latour's (1987) seven rules for writing S&TS with a point-by-point comparison on how I believe my own narrative fulfils these criteria. No attempts are made to critically evaluate these rules *a priori*, in accordance with the hyperbolic method and Latour's urge that his rules should be accepted as a package for all S&TS. This process is left for later studies to analyse (again, for what I have in mind, see e.g. Böhm-Bawerk, 1898; Habermas, 1987; Lakatos & Musgrave, 1970). I do however invite readers to remain critical of the fulfilment of these criteria and to make their own comparisons when reading the empirical chapters.

> "*Rule 1* We study science *in action* and not ready made science or technology; to do so, we either arrive before the facts and machines are blackboxed or we follow the controversies that reopen them."

Rule one allows for two possibilities: either I arrive before controversies regarding accounting phenomena are settled or when they are reopened. The narrative presented in empirical chapters four, five, six, and nine starts before the controversies regarding COCOA are settled. In these chapters, the narrative begins as Chambers starts gathering alliances to establish an international presence as an accounting researcher (chapter four), makes fact claims regarding the problems of inflation and the benefits of his CAT (chapter five), and competes with other possible solutions (chapters six and nine). The narrative in empirical chapters seven and eight starts as controversies are reopened. In these two chapters, the narrative begins as controversies regarding the merits of COCOA (chapter seven) and whether it is suitable for financial reporting practices (chapter eight) are renegotiated.

> "*Rule 2* To determine the objectivity or subjectivity of a claim, the efficiency or perfection of a mechanism, we do not look for their *intrinsic* qualities but at all the transformation they undergo *later* in the hands of others."

Rule two is about avoiding *undermining* accounting phenomena. I do not assume that COCOA is endowed with attributes superior to either conventional accounting or competing CATs; instead, I focus the narrative on Chambers' claims regarding COCOA, the claims of the various allies that he gathers towards this end and the claims of his detractors. The process of transformation (translation) is present throughout the chapters as well. In chapter four, COCOA is transformed through the gathering of English-language accounting literature, Chambers' personal experiences with inflation, and his allies in the UK. In chapters five and six, COCOA is transformed through the debate between Chambers and other accounting academics, practitioners and regulators, primarily in the US. This transformation also occurs in renewed debates about the attributes of COCOA in chapters seven and eight. In chapter nine, COCOA is then transformed and operationalised for its adoption by some companies in New Zealand (NZ), a medium-sized road construction company in Michigan and a hypothetical simplified taxi company presented at a conference in Texas.

> “*Rule 3* Since the settlement of a controversy is the cause of Nature’s representation, not its consequence, we can never use its consequence, Nature, to explain how and why a controversy has been settled.”

Rule three is again about avoiding the *undermining* of accounting phenomena. It is a fallacy of historical research to use known ending points to project backwards on events as they have unfolded in the past (Collins, 1998). I attempt to remain uncertain about the eventual outcome of events throughout the empirical chapters. I have therefore not allowed the literature review in chapter one to inform my interpretation of the evidence in the empirical chapters – no argument is made for CATs inevitably having to fail to influence accounting practices just because the 17 CATs I have identified have done so.

I also avoid taking sides in the debates between Chambers and his adversaries. Instead, the controversies are allowed to play out in full from the viewpoint of those actors involved. In chapters four, five, six and eight, the controversies are about the perceived attributes of COCOA and the desirable attributes of an ideal solution to problems with conventional historical cost accounting in periods of inflation. On these issues, Chambers’ arguments are pitched against those of other academics, such as Littleton (chapters four, five and six), Moonitz (chapter six), and Leftwich (chapter eight), as well as those of governmental committees, such as the Sandilands and Mathews Committees (chapter eight). In empirical chapter seven, the controversies surround the reinterpretation of COCOA in Chambers’ famous monograph *Accounting, Evaluation and Economic Behavior* (*AE&EB*) (1966a) and, in chapter nine, the controversies are about the implementation of COCOA in real and hypothetical companies. On these issues, Chambers’ arguments are pitched against those of other academics and practitioners, such as Baxter (chapter seven), Solomons (chapter seven), Staubus (chapter seven), Hendriksen (chapters seven and nine), and Skinner (chapter nine).

> “*Rule 4* Since the settlement of a controversy is the *cause* of Society’s stability, we cannot use Society to explain how and why a controversy has been settled. We should consider symmetrically the efforts to enrol human and non-human resources.”

Rule four is about avoiding *overmining* accounting phenomena through the reference to some social forces, such as discourses, paradigms, and institutions. Instead of determining some overlying structure that can explain all events, I consider Chambers' efforts to build alliances to strengthen COCOA as an alternative to other CATs and conventional financial reporting. These alliances are between Chambers and entities of all types. Some of these are human, such as Bray (chapters four and five), Mattessich (chapters five, six, and nine), and Davidson (chapters five, six and nine). Some are non-humans, such as Avro 961 Lancaster airplanes (chapter four), the SS Arcadia ship (chapter five), and the printing press at Cheshire Publishing (chapter eight). Others are semiotic and combinations of all three, such as the US Accounting Principles Board (chapter six), a medium-sized road construction company (chapter nine), and inflation (chapters four to nine).

> "*Rule 5* We have to be as *undecided* as the various actors we follow as to what technoscience is made of; every time an inside/outside divide is built, we should study the two sides simultaneously and make the list, no matter how long and heterogeneous, of those who do the work."

Rule five is about the manner in which arguments are made. As Chambers corresponds in letters or in published articles, reviews and books on COCOA, he is adding and subtracting what it means to adopt COCOA for financial reporting purposes. As he enrols various entities into alliances with COCOA through his writings, other entities simultaneously enter into alliances against COCOA. This process is evident throughout the empirical chapters, but I pay particular attention to this in chapters four and seven. In chapter four, I trace how Chambers (1955a) differentiates COCOA, in his first academic publication, from other CATs that had been proposed in the 1930s and 1940s. Through the delineation of COCOA as a pure theory based on scientific methods and economics, he simultaneously excludes other CATs, which he labels as pragmatic, unscientific and little more than descriptions of current practice. In chapter seven, I again trace how bits and pieces from earlier delineations come together in Chambers' *AE&EB* (1966a) to differentiate COCOA from other prominent CATs in the 1960s.

> "*Rule 6* Confronted with the accusation of irrationality, we look neither at what rule of logic has been broken, nor at what structure of society could explain the distortion, but at the angle and direction of the observer's *displacement*, and to the *length* of the network thus being built."

Rule six is concerned with avoiding either *undermining* or *overmining* accounting phenomena. To search for the violation of an essential attribute or logical argument would be to *undermine* accounting phenomena, whereas the search for an overarching social force would *overmine* accounting phenomena. I do neither. There is an explicit attempt throughout the empirical chapters to trace the angle and direction of various actors. A considerable amount of space is spent tracing the current situation and the various experiences of the actors that Chambers engages with. I trace the upbringing of various human actors, such as Johnston, Fitzgerald and Bray in chapter four; Littleton, Vatter and Mathews in chapter five; and Moonitz and Sprouse in chapter six. I also trace the source of various material and semiotic actors, such as the Relm Foundation (chapter five), microfilm (chapter four) and post-war inflation (chapter four).

> "*Rule 7* Before attributing any special quality to the mind or the method of people, let us examine first the many ways through which inscriptions are gathered, combined, tied together and sent back. Only if there is something unexplained once the networks have been studied shall we start to speak of cognitive factors."

Rule seven is again about avoiding *undermining* accounting phenomena. In empirical chapters four through nine, there is little discussion about my own views on the various arguments. The focus is instead shifted to tracing how these arguments came to take form. Part of this shift comes through during the considerations on the building of alliances and the tracing of various actors' current positions and past experiences.

Another part of this shift comes through in the detailed analysis of how various actors were physically brought together. In chapter four, I trace how Chambers had to order literature from the US and the UK – sometimes microfilmed and then transported on remodelled warplanes, often via Singapore, before it could reach him in Australia. In chapters five and six, I explore how Chambers overcame issues arising from his taking part in a US debate on CATs from his office in Sydney. In chapters seven and eight, I examine how Chambers struggled in finding a publisher and distributing his writings on COCOA in the US, the UK, and Australia. In chapter nine, I scrutinise and describe the process through which a medium-sized road construction company has to retrieve exit prices, in accordance with COCOA's specifications, for its vehicles and equipment.

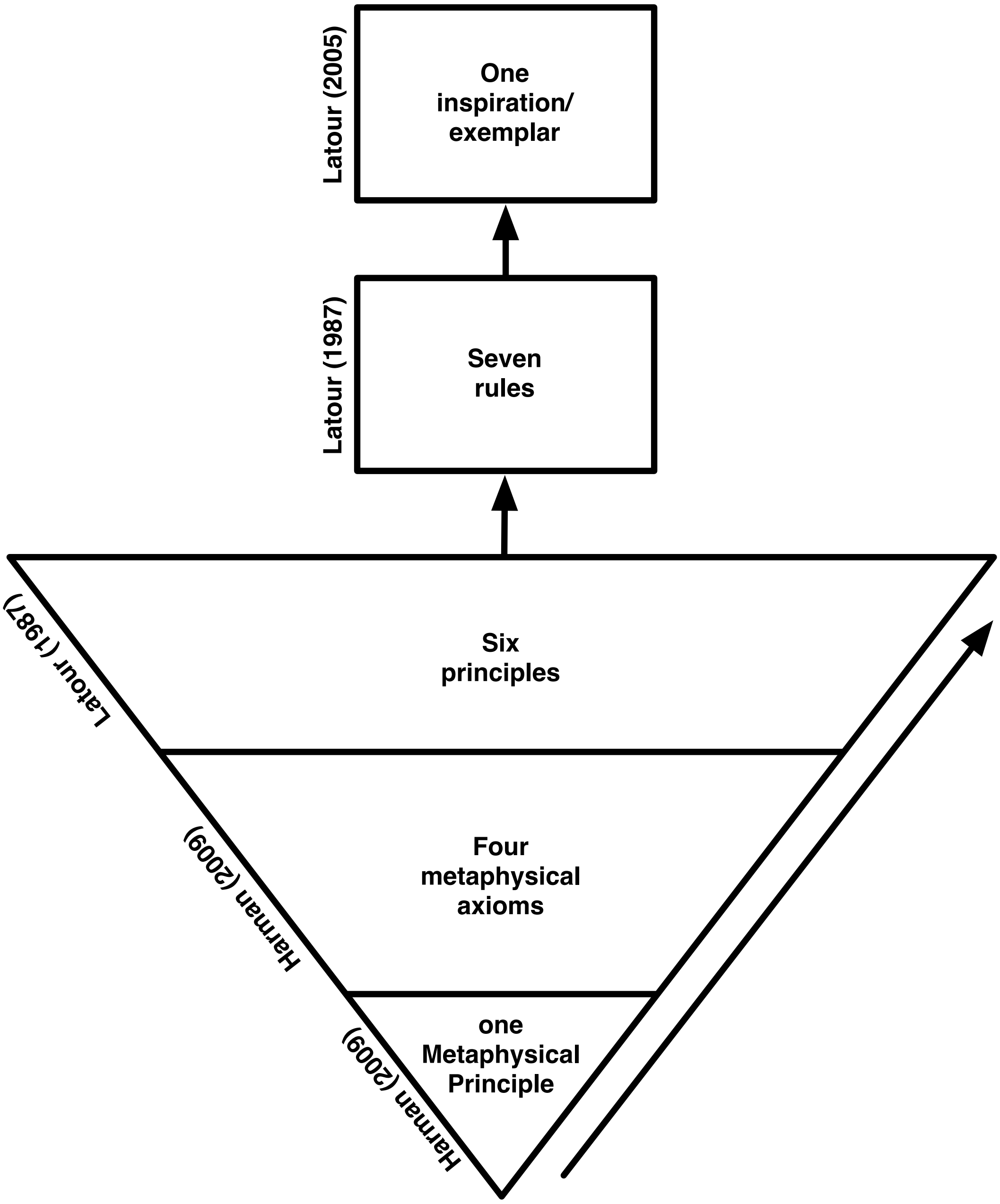
Conclusion

I began this chapter by reviewing a selection of the ANT accounting literature. The relatively small size of this selection came from my aim to capture the origins and some of the overarching trends in that literature, as opposed to the particulars of each accounting study that has adopted ANT as a theoretical lens. From this review, it emerged that accounting researchers have used a particular reading of Latour and mixed that with various interpretive approaches. I argue that this development is understandable but that such a combination of influences risks *undermining* or *overmining* the accounting phenomena under investigation. On one hand, functionalist approaches tend to reduce the accounting phenomena downwards to some essential attribute that can explain the rest, whereas interpretive approaches tend to *overmine* the accounting phenomena under investigation by resorting to various social forces such as discourses, paradigms and institutions.

The solution that I present to the *undermining* and *overmining* dilemma is a theoretical framework based on the hyperbolic method (Harman, 2009). This method places ANT, as a theoretical lens, in a position of absolute strength *a priori*, instead of absolute weakness and scepticism. The benefits of this method are threefold. First, because it applies any theoretical framework to its full extent, it minimises the chances that I will slip back into a position of either *undermining* or *overmining* Chambers and COCOA. Second, as a starting point, it makes for more interesting research studies than those starting from absolute criticism and it allows me to focus on the gap between accounting research and financial reporting practices without being overly worried about the finer theoretical issues still debated in the literature. Third, it leaves the issue of theoretical criticism open for *post-hoc* analysis and discussion in future studies.

In order to use the hyperbolic method, however, I argue that I need to be explicit about the propositions and rules from ANT that I am applying hyperbolically. If this were not so, there would be a risk of my adopting ANT in ignorance rather than with a specific purpose. My theoretical framework is based on Harman's (2009) one metaphysical principle and four metaphysical axioms that are the cornerstones of Latour's (1987) own six principles and seven rules for writing ST&S. It is particularly influenced by Latour's own study, using these principles and rules and the notion of the researcher as a serial descriptor (1996; 2005a). I conclude with a point-by-point comparison between the seven ST&S rules and the empirical narrative that I present in chapters four to nine. This is not a comprehensive review of all the attributes apparent in these chapters, but I do argue that it is evidence that I have produced a narrative in accordance with the hyperbolic method and Latour's version of ANT and that I have therefore avoided the *undermining* or *overmining* of Chambers and COCOA.

DIAGRAM TWO: A HYPERBOLIC ANT FRAMEWORK



CHAPTER THREE: MESSY DATA, METHODS AND HISTORY

In the previous two chapters, I reviewed the 17 most prominent CATs, the literature pertaining to these CATs, and a selection of the literature relevant to the origins of and overarching trends in the use of ANT as a theoretical lens in accounting research. I have proposed a research objective and theoretical framework grounded in this literature review. My research study is an explorative study of the gap between accounting research and financial reporting practices based upon a theoretical lens from ANT. This particular theoretical lens is different from those commonly adopted in the accounting literature. It is underpinned by a hyperbolic approach to ANT and it is explicit in the metaphysical propositions and general rules on which it stands. In this chapter, I build on this work by focusing on the data I have retrieved and the methods that I have adopted to operationalise this theoretical lens and to fulfil the research goals. The first section covers the data and the second section covers the methods used to interpret the data. The third section attempts to locate this approach in the wider accounting history literature. The chapter follows the same hyperbolic credo as chapter two: the need to be explicit in the methods used to produce a narrative according to ANT.

Messy Data

Law (2004) suggested that researchers in the social sciences need to come to terms with the fact that the world is not clear or coherent. It is filled with data that are inherently messy, complex, and diffused and, as a result, are not easily described in a clear and coherent manner. Despite this, researchers in social sciences are usually trained in a stringent set of research methods that are tuned for dealing with data that are uniform, sorted and clear. The result is that contemporary social scientists either leave the messy data unexplored or attempt to shoehorn such data into these stringent research methods, which tends to make the results even messier. Law therefore believes that we need to embrace both messy data and an arsenal of messy research methods that are less stringent and more adaptive to a world that is not clear and coherent.

Law's observation of the messiness of the world is pertinent to the data collected and used in this dissertation. The six empirical chapters have been constructed from data retrieved from three distinct sources: (1) the accounting literature, (2) personal letters, and (3) interviews. The literature has been used as a source for both primary and secondary data. Articles, books and other publications by Chambers and his contemporaries have been used as primary material. Bibliographical research, obituaries and research on the period concerned have been used as secondary material (for further discussion about the use of secondary data, see Heaton, 2004). When primary material was available, that was always used instead of secondary material. For example, I read and analysed all of Chambers' publications on COCOA instead of relying on second-hand accounts that are often layered with biases and *post-hoc* rationalisations that were not made by the actors at the time. I did the same for all other items that had been previously written about in the literature, such as the reports issued by the Sandilands, Mathews and Richardson Committees.

Considerable time and effort was spent retrieving the literature, a task made more difficult as I have pursued my doctoral studies in the UK and Chambers was an academic who worked in Australia for his entire life. While in the UK, articles, books and professional monographs and pronouncements were retrieved from the London School of Economics Library and Archives as well as the Founders and Bedford Libraries at Royal Holloway, University of London (RHUL). Items not available at these libraries were requested through inter-library loans from the library at the University of Bristol – I suspect that David Solomons left these items when he was appointed professor at the Wharton School in 1959. A Chartered Accountant friend, who will remain anonymous, borrowed some twenty items from Chartered Accountants Hall, the London headquarters of the Institute of Chartered Accountants in England and Wales (ICAEW).

Christopher Napier, at RHUL, and Michael Mumford, at Lancaster University, allowed me access to their personal collections of accounting literature. Graeme Dean, at the University of Sydney, provided directions, literature and the permission to reprint the aide memoire which can be found in appendix five. Brian Rutherford, at the University of Kent, provided digital copies of some Australian articles from the 1950s. James McKeown, at Pennsylvania State University, provided a digital copy of his doctoral dissertation, which he had submitted at Michigan State University in 1969. In that dissertation, McKeown applied COCOA to a medium-sized construction company in the Michigan area. Richard Morris, at the University of New South Wales, provided valuable information about his time as a doctoral student at the University of

Queensland as well as insights into the relationship between Chambers and some of his harsher critics: Gynther, Iselin and Leftwich.

Literature that could not be accessed in the UK was retrieved during two trips abroad. During a trip to Australia, I retrieved a full set of copies of the *Australian Accountant* (*AUA*), a professional accounting journal. Chambers and his contemporaries published in this journal in the 1950s, but it is not readily available outside of Australia and its contents have not been indexed online. I also retrieved articles from the R. J. Chambers Archives (hereafter the Chambers Archives) and the Louis Goldberg Manuscript Collection (hereafter the Goldberg Collection). During a trip to Rice University in Houston, Texas, I was allowed access to Stephen Zeff's personal accounting collection. From this collection, I retrieved newsletters, monographs and manuals, and financial statements prepared in accordance with COCOA from an inflation accounting research project at the University of Waikato, New Zealand, in the 1970s.

Personal letters between Chambers and his contemporaries have been my main source of primary data. These were retrieved from two archives. The principal source was the Chambers Archive (for a more in-depth discussion of this archive, see Dean, Wolnizer, & Clarke, 2006). From early in his career, Chambers was somewhat of an archivist and saved carbon copies of his correspondence with other academics. He also kept a large collection of books, manuscripts, articles, conference proceedings and other material related to accounting. This collection was moved several times after Chambers' retirement in 1982 and again after his death in 1999. It was not until Peter Wolnizer (a former student and colleague of Chambers) returned as Dean of the Faculty of Economics at the University of Sydney that urgent steps were taken to retrieve the collection from its several locations, one of which was in a university building scheduled for demolition.

Once Chambers' collection had been retrieved, Dean took over the responsibility for archiving and digitalising it.[7] The Accounting Foundation, CPA

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[7] "Geoffrey Whittington wrote an email to me when Chambers died and he said: 'coming to Sydney without Chambers would be like coming through the Heads and not seeing the Sydney Harbour Bridge.' He also said: 'whatever you do, make sure you retain his correspondence because there will be dozens of PhDs out of that in the future.' Whittington is a really sharp guy and a brilliant academic. Whilst that resonated with me because I wanted to hear it, it also reinforced that I should do something" (interview with G. Dean, 13 September 2012).

Australia, together with the Archive Unit and the Faculty of Economics and Business at the University of Sydney sponsored this process and the creation of the archive in accordance with Chambers' original layout. From 2000 to 2002, approximately 15,000 letters written between 1947 and 1999 between Chambers and his contemporaries were catalogued, boxed and stored in acid-free archival boxes. From 2002 to 2003, 2,500 books, 2,500 articles and newspaper cuttings and some 20,000 card entries were catalogued and recorded. From 2003 to 2004, a research assistant was hired to create an index of this material and, in 2005, a consultant was hired to digitalise the archive for online access.[8] The result of these efforts is an archive the accessibility, provenance – i.e. the extent to which it has retained the same environment from which the material came from – and breadth of material of which is unmatched in the field of accounting academia.

I registered as a normal user online and accessed the digital version of the Chambers Archive for the first time in August 2010. Abstracts of all of Chambers' letters and about 10 per cent of his letters in full were available to me as a normal online user. Dean later granted me full online access to the digital archive during a two-week trip to the University of Sydney in 2012. With full access, I could retrieve photocopies of almost all of Chambers' 15,000 letters online. During this trip, Dean also arranged an office for me in the Merewether Building – the same building that had hosted Chambers' office. Original carbon copies of Chambers' letters are stored in the Fisher Library archive unit, whereas his collection of books, articles, newspaper cuttings and cards are stored in a building slightly off-campus. I was given full access to the off-campus building and I spent most afternoons and nights there. I left Sydney with approximately 2,600 photographs of material from this section of the Chambers Archive.

The Goldberg Collection was my other source for personal letters between Chambers and his contemporaries (for a more in-depth discussion of this archive, see Potter, 2003). Louis Goldberg, together with Chambers, is widely regarded as a founder of accounting academia in Australia; from 1935 to 2001, he published some 200 articles on accounting theory, education and history. Goldberg was also somewhat of an archivist and kept much of his correspondence as well as the books,

[8] For instructions on how to access the archive, please visit: http://mpaarchive.econ.usyd.edu.au/

articles and other material related to accounting that he accumulated throughout his career.

In late 1994, Goldberg arranged a meeting to discuss having his collection archived at the newly built special collections section at Deakin University's Waterfront Campus in Geelong. The meeting was arranged between Goldberg and Garry Carnegie, then Head of the School of Accounting and Finance at Deakin, and Wolnizer, then Dean of the Faculty of Business and Law, and Margaret Cameron, a University Librarian. The decision was made to go ahead with the collection and, upon Goldberg's death on the 18th of October 1997, arrangements were made to have his material moved to the special collections section. Over several weeks, the material was transferred from Goldberg's office of Professor Emeritus at the University of Melbourne and his home study in the Melbourne suburb of Hawthorn, to Geelong. The State Library of Victoria provided expert advice during the archival process, and the cost for the creation of the archive was shared between CPA Australia and Deakin University's Faculty of Business and Law.

The Goldberg Collection formally opened on the 2nd of June 1999. It contains Goldberg's correspondence, personal notes, drafts, and publications. It also contains some 3,400 books and serial titles, some of which date from before 1800 and are very rare. An index is maintained online, listing the general content of the boxes that hold Goldberg's correspondence, personal notes and drafts of speeches, articles and books.[9] Based on this index, I arranged with one of the librarians for seven folders of correspondence between Goldberg and his contemporaries to be retrieved from the archive for a day visit during my trip to Australia (folders 1.78, 2.7, 2.8, 8.56, 8.57, 12.1 and 15.54). A few more folders were then retrieved during the afternoon of my day at the archive. In total, I took over 1,000 photographs of material pertaining to Goldberg's views and dealings with accounting developments in Australia in the 1940-1970s as well as his relationship with Chambers. When I returned to London, I sorted, combined and digitally stored all photographs from the Chambers Archive and the Goldberg Collection.

Interviews served as an auxiliary source of both primary and secondary data. I conducted eleven interviews with senior academics who, in different capacities, knew Chambers and are aware of his writings on COCOA (for more information about the

[9] This index can be accessed at: http://www.deakin.edu.au/alfreddeakin/spc/spcgoldberg.php

people that knew Chambers well, see Clarke et al., 2010). Kenneth Peasnell, Michael Mumford, and Philip Brown were interviewed during two visits to Lancaster University in February 2012. Peasnell and Mumford are familiar with Chambers' work and had been colleagues of Edward Stamp, who corresponded with Chambers from 1964 to 1984. Both Peasnell and Mumford had also met Chambers on several occasions, such as during his visit to Lancaster University in 1976. Brown, also an Australian academic, rose to prominence somewhat later than Chambers, but the two crossed paths on several occasions. Brown has been on the forefront of the capital markets research (e.g., see Ball & Brown, 1968), described in chapter one, which came to replace the efforts of Chambers and his contemporaries to have their CATs adopted in financial reporting practices. Arrangements were also made to interview Richard Mattessich, at the University of British Columbia, in Vancouver and George Staubus, at the University of California (UC) in Berkeley. But these fell through due to lack of funding for such a trip.

Dean, Carnegie, Brian West, Michael Scorgie, Sid Gray, Frank Clarke, Murray Wells, and Michael Gaffikin were interviewed during my trip to Australia. Carnegie, at RMIT University, and Scorgie, at Monash University, were interviewed during a visit to Melbourne. Both Carnegie and Scorgie, who had also been a colleague of Stamp for several years, had met Chambers on several occasions and are familiar with his work. West, at the University of Ballarat, was interviewed during a one-day trip there. Chambers had been involved in the supervision of West's doctoral dissertation and the two had known each other. Gaffikin, at the University of Wollongong, was interviewed during a one-day trip to Wollongong. He had received his doctoral degree under Chambers' supervision. Gray, Clarke, Dean and Wells, at the University of Sydney, were interviewed during my stay there. All four had been Chambers' colleagues for several years and both Clarke and Wells had received their doctoral degrees under his supervision. My last interview was with Wolnizer, whom I met during one of his trips to London in October 2012. Wolnizer is both a former colleague and doctoral student of Chambers. The total material from these interviews is just shy of 15 hours of audio or 125,000 words of transcript.

All interviews were semi-structured and held in person (e.g., see Seidman, 2006). I prepared a consent form and an interview proposal that was reviewed and approved by the Director of the Ph.D. programme at RHUL. By signing the consent form, each interviewee agreed for me to audio-record the interview and to use the material from it in my research. With their consultation, I am also allowed to publish material from the interviews. This may have had an influence on what interviewees were willing to say for the record, but there is little evidence of this in their responses. The interviewees appeared to give candid responses, including those who did not have only nice things to say about Chambers.

Substantial research on each interviewee and separate interview guides were prepared before each interview (for a sample of an interview guide see appendix four). All of these interview guides are made up of four sections: an introduction followed by general, narrative-specific and interviewee-specific questions. The interviewees were informed about the question sections in the introduction, along with my wish to concentrate the discussion on the activities that Chambers engaged in to further COCOA as an alternative for financial reporting practices. To facilitate the discussion, each of the three question sections contained a number of semi-structured questions, between which I moved back and forth depending on where the interviewee took the discussion (for more information about semi-structured interview guides, see Crabtree & Miller, 1999). The exact number of questions varied depending on the interviewee. Each open-ended question was presented with contextual information as well as potential follow-up questions.

The general question section holds about ten questions. These questions focus on three main topics: Chambers' general efforts to get COCOA adopted, the on-going preservation of COCOA, and contemporary traces of COCOA in financial reporting practices and debates. There are about five questions in the section with questions pertaining to the empirical narrative. These questions came from early drafts of chapters four to seven and focus on Chambers' relations with other people who had appeared in the narrative in these four chapters. I did not introduce my theoretical lens, but I was looking for the interviewees' thoughts on Chambers' various alliances. The last section, the interview-specific questions, came from the letters, retrieved from the Chambers Archive, between Chambers and each interviewee. The purpose of these was to add potential substance and nuance that might not be captured in the letters themselves. The number of questions in this section varied from ten to twenty.

In addition to the primary data from the 12 interviews that I conducted, secondary data was retrieved from the interviews and recordings of others. The first such source was a set of interviews with Robert Mautz, Robert Thomas Sprouse, Robert Sterling, Reed Storey, Frank Weston, and Staubus. Pelham Gore, who began as Stamp's doctoral student at Lancaster University, conducted these interviews for his doctoral dissertation (1989) on the FASB conceptual framework. Much of what is said in these interviews is pertinent to this dissertation, as each interviewee was influential in accounting at the time, knew Chambers and was asked questions related to a financial reporting issue. These interviews had been held between the 6th of September and the 7th of October 1998 and had been recorded on European cassette tapes. I contacted Gore regarding these tapes in March 2011 and he subsequently had them retrieved and converted to DVDs, which he sent me. The total running time for these interviews is just under 13 hours.

The second source of secondary data was a video recording of Chambers. The Touche Ross Foundation donated the necessary funds to record hour-long lectures by 14 senior academics in the 1960s. These lectures were held at Michigan State University and Chambers was selected to give a lecture, following in the wake of Paton, Littleton and Vatter.[10] The recordings were made on ¾ inch videocassettes for television stations, but were later donated to the Academy of Accounting Historians and transferred to VHS (Flesher, 1981). Dale Flesher, at the University of Mississippi, was put in charge of this collection and I contacted him in August 2012 to request the recording of Chambers' lecture. Flesher then had the recording converted to both DVD and MP4 and uploaded it online for me to download. The lecture is just under an hour long.

The third source of secondary data was a video-interview conducted with Clarke and Dean at the University of Canterbury, New Zealand, in 2000. Clarke and Dean were Visiting Erskine Fellows at the university at that time, Chambers having passed away the year before. The interview is just over two hours long and covers several aspects of Chambers' life and legacy in accounting. I was given a DVD copy of this interview during my trip to the University of Sydney. The fourth and final source of secondary data was an interview with Chambers conducted by Zeff. This could have been recorded in 1966, when the AAA celebrated its 50th anniversary annual meeting in Miami. It could also have been recorded at the conference for Foundations of Financial Accounting, at UC Berkeley, in 1967.[11] The interview is a

[10] The other lecturers were: Mautz, Trueblood, Blough, Carey, Moonitz, Sprouse, Bevis, Davidson, Charles Horngren, and Leonard Spacek.
[11] From personal correspondence with Zeff in July, 2012.

little over two hours long. In total, there are 16 hours worth of secondary audio and video material.

I transcribed my own 12 interviews and those conducted by others using a USB foot pedal and F5, a program for scientific transcription, on a Mac.[12] My own interviews were transcribed as soon as possible after they had been held, so as to lose as little contextual information as possible. The interviews and recordings of others were transcribed at various times (for a discussion about the problems and implications of transcribing others' research, see Powick & Tilley, 2002). Gore’s interviews were of somewhat poor audio quality, due to the handheld audio-recorder he used to conduct them. I used Adobe Audition to clean up these audio files and to remove various background noise and distortions.[13] Each interview transcript has been time-stamped and all the original audio and video recordings have been kept (for a discussion about transcription standardisation and quality, see Kowal & O'Connell, 1999; Poland, 2001).

All of the retrieved data has been useful in writing this dissertation, although it has not all been directly included. The diversity of the data has helped me address a concern raised in the literature about many accounting studies that have relied too heavily on official data (O'Connell et al., 2011). Miller (1991) and other studies (e.g., Free & Qu, 2011; Jones & Dugdale, 2002; Qu & Cooper, 2011) have relied exclusively on official material, perhaps due to a combination of lack of access to unofficial data and the aversion of social scientists to incorporate messy data. The risk involved is for the studies to fail to capture the all-important relations and the uncertainty inherent in them. In this dissertation, on the other hand, I draw on official literature and unofficial letters, drafts and personal reflections from interviews. As such, a form of data triangulation is achieved (for a discussion about triangulation in social science research, see Denzin, 2009). Chambers, COCOA and financial reporting practices are studied simultaneously from multiple sources and different perspectives. Each of these sources and perspectives complement each other by yielding different evidence that adds different insights into the phenomena under investigation.

[12] For more information about this particular transcription program, see http://www.audiotranskription.de/english/f5
[13] For more information about Adobe Encore, see https://www.adobe.com/uk/products/audition.html

Messy Methods

Law's (2004) observation regarding the messiness of the world is just as pertinent to the research methods as it is to the data. The goal is to adopt a research method that can explore the research question, while incorporating the theoretical framework and utilising all of the messy data that has been gathered from the literature, letters and interviews. To accomplish this, most ANT studies proceed with case-studies (Law, 2007). I proceeded the same way. The use of case studies in ANT research is embedded in the belief that formalist explanations do not capture the messiness of the real world and that we therefore need detailed accounts and descriptions. This is an influence from Kuhn (1962) and the sociologists of scientific knowledge, who use case-studies or "exemplars" to demonstrate how actual scientific research is different from formalist accounts of scientific endeavours. In the research methods literature, there is also a consensus that case studies are suitable for detailed historical accounts and in-depth studies of phenomena, which fits the present study well. As a result of the detail and depth that case studies can provide, there is also a consensus that case studies have been the major source of theoretical innovation (for a discussion of the case study research method, see e.g. Yin, 2008).

My particular case is Chambers and COCOA from the 16th of November 1917 to the 13th September 1999. Two factors determined the choice to examine Chambers and COCOA as opposed to any one of the other 16 proponents, such as Ijiri, Baxter and Canning and their CATs, identified in chapter one.

The available data is the first factor. The Chambers Archive is a unique source of data that is unmatched in the accounting literature in general and among accounting theorists in particular. The Goldberg and Briloff Collections are possibly the only two archives that could potentially hold similar amounts of data as the Chambers Archive, but neither Goldberg nor Briloff presented a CAT on their own.[14]

The prominence of Chambers is the second factor. ANT studies have been criticised for examining the success stories of people, organisations and projects to the exclusion of less successful endeavours and downright failures. Law (1991) concedes

[14] There are references to the Briloff Collection in the literature (e.g., Dean et al., 2006; Potter, 2003), but it does not appear to be accessible to the public. The archive homepage (http://mickhail.com/briloff/SearchArchive.html) is currently not functioning. The person in charge of the online archive, George Mickhail, at the University of Wollongong, informed me in private correspondence in September 2012 that the archive has been put "on hold".

that success stories tend to involve more relations and actors and therefore make for more interesting and richer descriptions of events. But he also cautions against an overemphasis on the powerful, which could overcrowd important stories about victims and failures. Chambers is an interesting case because he meets both Law's criterion and concern. Chambers is, indeed, one of the most prominent accounting academics of all time – his contemporaries and sometimes even his critics have acknowledged him as an intellectual giant in accounting (e.g., Mathews, 1982; Moonitz, 1982a; Staubus, 2003a). At the same time, his career-long research project was also a failure, in the sense that it has not yet been adopted in financial reporting practices. Despite an illustrious career spent championing his CAT, no financial standard setters have adopted COCOA and no companies are currently reporting using COCOA.

To write a case about Chambers and COCOA from the 16th of November 1917 to the 13th of September 1999, I have had to make several choices. These were decisions about what to include and exclude from the narrative, and there is a reoccurring debate in the ANT literature about how to make these decisions and about their implications (e.g., McLean & Hassard, 2004; Miller, 1997; Strathern, 1996). The narrative, or serial description, begins with Chambers' birth and ends with his death. The various actors that Chambers encounters during this period are traced to the extent that I have been able to do so. When available, I present biographical and historical details relevant to these entities and the narrative. But, on occasion, I was unable to locate these details. Martin Black is one such example. Black was a Professor of Accounting at Duke University, President of the American Accounting Association (AAA) in 1958 and had met Chambers in Australia in 1956. Black appears to have been one of Chambers' early contacts in the US and of some importance, but I have been unable to find his biographical details, despite extensive research and even contacting the current holder of the Martin Black Chair in Accounting at Duke University.

There are three additional potential limitations to the narrative. First, the information about Chambers' early childhood is limited because it is based solely on his own recollection of events (i.e. secondary material), so it is possible that there are associations and events from this period that are not traced fully. Second, there is more messy data available than I could possibly fit into the narrative presented in this dissertation. Inasmuch as the empirical chapters proceed in chronological order, there are gaps between these chapters where I decided to omit certain events. I did so by either determining that these events were not instrumental in Chambers' efforts to have COCOA adopted in financial reporting practice or that the events had already been described in detail elsewhere. Chambers' efforts to establish *Abacus* (Wells, 2000), his membership of the Accounting Researchers International Association (ARIA) (Dean, Edwards, Clarke, & Wolnizer, 2011), and his correspondence on accounting measurements with Weinwurm (Dean & Clarke, 2010a) are such examples. Third, no attempt was made to trace and incorporate posthumous material into the narrative. The on-going debate about COCOA (e.g., Dean & Clarke, 2010b), Chambers' views on current accounting research (e.g., Amernic, 2005; Clarke, Dean, & Wolnizer, 2005; Lee, 2005; Mattessich, 2005; Tinker, 2005), and exit prices and fair value accounting (e.g., see G. Dean, 2007) are such examples.

I used a combination of data, document and content analysis to write the case study. The letters from the Chambers Archive were first used to structure each of the six empirical chapters. Other documents that were mentioned in the letters, such as various committee reports, books and articles were then analysed and added to the narrative. From this material, relational diagrams were created for each chapter. These were then used as roadmaps in writing the narrative and retained at the end of each chapter. When necessary, my own views and actions are occasionally written in first-person, to avoid confusing them with the description of the material and the actions of those who appear in the narrative (for a discussion of the use of first person, see e.g. Kirsch, 1994; Raymond, 1993). In addition, in the analysis of the material that appears in the narrative, each document has been considered as an important object in its own right. I have therefore considered in detail each of the three stages of use of documents in social action: (1) production, (2) circulation, and (3) consumption (e.g., see Prior, 2003). The result is an impartial and detailed description of the production of Chambers' publications and letters, efforts to distribute these domestically and abroad and the response from his critics and correspondents.

All documents have been analysed using a content analysis informed by the theoretical framework (for a discussion about content analysis in general, see e.g. Krippendorff, 2012). This means that letters and publications have been analysed and then presented using various ANT terms and mechanisms. The specific ANT terms and mechanisms and their implications are fleshed out in the chapter in which they appear. The same content analysis has been used to analyse interview transcripts. To help build a narrative from the interview transcripts, flexible coding has also been used to group sentences and paragraphs pertaining to the same actors and events (for a discussion about coding and other data analysis issues, see Strauss, 1987). This flexible coding was done, and on several occasions redone, in NVivo (e.g., see Bazeley & Richards, 2000).[15]

The analysis and writing process was done in Scrivener, which combines what is referred to in the literature as computer-assisted document, memo and category systems (Lewins & Silver, 2007).[16] Scrivener stores all documents, such as letters, publications and interview transcripts, in folders according to chapter. Memo files with outlines, analysis and loose ideas, as well as iterations of each chapters – i.e each successive description of the material – are stored the same way. Furthermore, Scrivener allows the coding and classification of all this material. I used this function to create various categories of particular humans, non-humans, documents and events. The result is a self-contained computer-assisted writing project with an audit trail that enables one to go back-and-forth between the original source material, subsequent analysis and iterations of each of the finished chapters. This audit trial gave me more confidence in the robustness of the application of the theoretical framework and the historical accuracy of the case study (e.g., see Rodgers & Cowles, 1993). It also allowed me to be more reflexive. I could, for instance, trace successive changes and consult reviews from my supervisor and advisor, comments from various conference proceedings and notes from reading groups.

Messy History

Law's (2004) observation regarding the messiness of the world is just as relevant to the field of accounting history research as it is to my data collection and methods. Accounting history research has undergone considerable transformation in the past three decades, and academics within this field are actively debating and reflecting on their discipline. Contemporary historiographical research has reconsidered the various

[15] For more information about NVivo, see http://www.qsrinternational.com/products_nvivo.aspx

[16] NVivo was my first attempt at using a composite assisted document, memo and category system. NVivo, however, proved incapable and unstable when dealing with large numbers of documents (i.e. thousands of letters). The project was therefore exported and restructured in Scrivener in mid-2011. More information about Scrivener can be found here: http://literatureandlatte.com/

potential purposes for conducting accounting history research and made attempts to categorise different types of accounting histories and approaches to studying the subject (e.g., Carnegie & Napier, 1996; Previts, Parker, & Coffman, 1990a; 1990b). There has also been considerable debate about the role of traditional and new accounting history (e.g., Keenan, 1998; Miller, Hopper, & Laughlin, 1991; Napier, 1998), which has led to the reconsideration of other historiographical issues such as the legitimacy of claims to progress in historical accounting studies (see Napier, 2001). Although it is not my explicit intention to write accounting history, ANT case studies are necessarily historical and share several characteristics with much research in accounting history. In the following section, I will therefore attempt to relate some of the contemporary historiographical research and current debate to my own case study.

Carnegie and Napier (1996) identify three common purposes for writing accounting history. The first purpose has been to enhance the status of accounting practitioners and academics. Traditional accounting history tends to appeal to the historical origins of accounting in attempts to dispel the conventional view of accounting as a mere technical practice. The second purpose has been for accounting history to serve as a historical resource to solve present problems, and the third purpose has been to serve as a subject for interpretation using various theoretical lenses. Previts, Parker, and Coffman (1990a) segment the potential for accounting history to serve as a historical resource to solve present problems into three areas where it can be of potential relevance. According to them, accounting history has the potential to serve as a resource for teaching accounting, considering contemporary accounting issues and regulation, and for the selection of accounting methods and procedures within companies. Whereas the present dissertation makes no claim to enhance the status of accounting as a practical and academic discipline, there is a case to be made that it serves as a subject for interpretation using a particular theoretical lens from ANT and that it could serve as a historical resource. Furthermore, using Previts *et al.*'s (1990a) three areas of potential use of accounting history, the dissertation would perhaps be most useful as a resource for considering contemporary accounting issues and regulation.

Previts *et al*. (1990a) identify two broad approaches to research in accounting history: narrative and interpretational. Narrative accounting history seeks to establish and describe past events, perhaps limited to a particular issue, topic, or episode.

Interpretational accounting history, on the other hand, seeks to evaluate and explain past events using tools from the social sciences, such as cliometric techniques (i.e. the use of mathematical methods and quantitative analysis to study historical events). They believe that all historical accounting studies can be categorised along these lines. Using these two categories, the present case study and all other accounting studies that have adopted ANT as a theoretical lens, would be categorised as narrative accounting history. Nonetheless, whereas these two categories might provide a useful entry point for considering various different historical studies in accounting, Previts *et al.* (1990a) do well to caution the reader that both approaches adds to our understanding of the phenomena under investigation in different ways. Some historians go further and argue that divisions such as these, between "mere" description and explanation, are artificial and misleading. Megill (1989), for example, argues that all historical studies are to various degrees descriptive, explanatory, interpretive, and argumentative. A particular historical study can therefore not be categorised or evaluated on any other basis than that set by the researcher and the research aims. Megill's position is the more sensible one, to the researcher that has adopted ANT as a theoretical lens, as the explanation provided in such studies will always take the form of a detailed description of events.

Within the two broad approaches to research in accounting history, Previts, Parker, and Coffman (1990b) propose that accounting histories can be divided based on the subject matter under investigation. They identify seven categories: general (e.g., J. D. Edwards, 1960), institutional (e.g., Olson, 1982), and critical history (e.g., Glautier, 1983) as well as biography (e.g., Cooper, 1982; Previts & Taylor, 1978; Roberts, 1975), bibliography (e.g., Wells, 1978), historiography (e.g., Napier, 2008), and studies about the development of accounting thought (e.g., Chatfield, 1977; Deinzer, 1965; Mattessich, 1984). Carnegie and Napier (1996) present slightly different classifications and add to these seven categories: prosopography (e.g., Carnegie, Edwards, & West, 2003; Richardson, 1989; Walker, 1988), public sector accounting history (e.g., Funnell, 1994), and comparative international accounting history (e.g., Zambon, 1996). The present case study does not fit into any one of these categories, but it does present some elements from biography, prosopography, and studies about the development of accounting thought. For instance, throughout the empirical chapters, I present biographical details about Chambers and his contemporaries when such details aid our understanding of the narrative. There is also considerable discussion about Chambers' ideas on COCOA and how those ideas change over time (see in particular chapter six).

In additional to recent historiographical research and attempts to provide structure to the accounting history discipline, there is an on-going debate between traditional and new accounting historians about the representational faithfulness of narratives in accounting history (e.g., see Carnegie & Napier, 1996). On one side, traditional accounting historians argue that historical narratives should be based solely on historical evidence, such as a carefully studied archive, and that any detour away from such evidence distorts their historical accuracy (Keenan, 1998; Tyson, 1995). On the other side, new accounting historians maintain that narratives in accounting history are best understood in their wider historical and social context and, often, through the theoretical lens of some social theory (Miller et al., 1991; Miller & Napier, 1993). As such, whereas new accounting historians are just as much "archivists" as traditional accounting historians, their conception of "the archive" is wider and their theoretical interpretations of the material more varied. The Foucauldian (e.g., Hoskin & Macve, 1986; 1988; Miller & O'Leary, 1987), Marxist (e.g., Armstrong, 1987; Bryer, 2005; Tinker, 1985), and most recently Latourian (e.g., Miller, 1990; 1991; Robson, 1991) traditions have perhaps been the most popular of these theoretical lenses. The disagreement between traditional and new accounting historians has led several authors to examine and try to mend the gap between the two approaches before it becomes too divisive and a potential hindrance to historical and scientific progress (e.g., see Carnegie & Napier, 1996; Fleischman, Mills, & Tyson, 1996; Funnell, 1996), whereas some authors contend that the gap between the two approaches is too wide to bridge (e.g., Gaffikin, 2011).

My solution is to sidestep this debate between traditional and new accounting historians about the representational faithfulness of narratives in accounting history. I attempt to do so by focusing on the prominence of the narrative mode – the telling of a sequence of events that are tied together in a story (for more about narratives, see Herman, Jahn, & Ryan, 2013) – of writing in both traditional and new accounting history (Funnell, 1996; Napier, 2001). Drawing on the historiography literature (e.g., Ankersmit, 1983; Himmelfarb, 1994; Ricoeur, 1980), Funnell (1998) discusses three potential reasons why the narrative has served as the historian's predominant discourse since ancient times. Narratives have traditionally been seen as the most effective instrument to uncover past facts, narratives tend to be the most convenient instrument to tell a story about past events, and historical events have been regarded to naturally unfold as narratives. As such, narratives about our past have come to inform our understanding of our present existence and in so doing the narrative mode of writing has become an integral part of the human condition. This might be the reason why neither the traditional nor the new accounting historians have tended to stray far from their dependence on narratives (this is not necessarily so in the larger historical literature, e.g. see Burke, 2001). To traditional accounting historians, the narrative is regarded as an important instrument to uncover and describe facts through textual accounts. To the new accounting historians, on the other hand, the narrative is regarded both as such an instrument and as an opportunity to introduce historical narratives that run contrary to more widely known narratives and held beliefs.

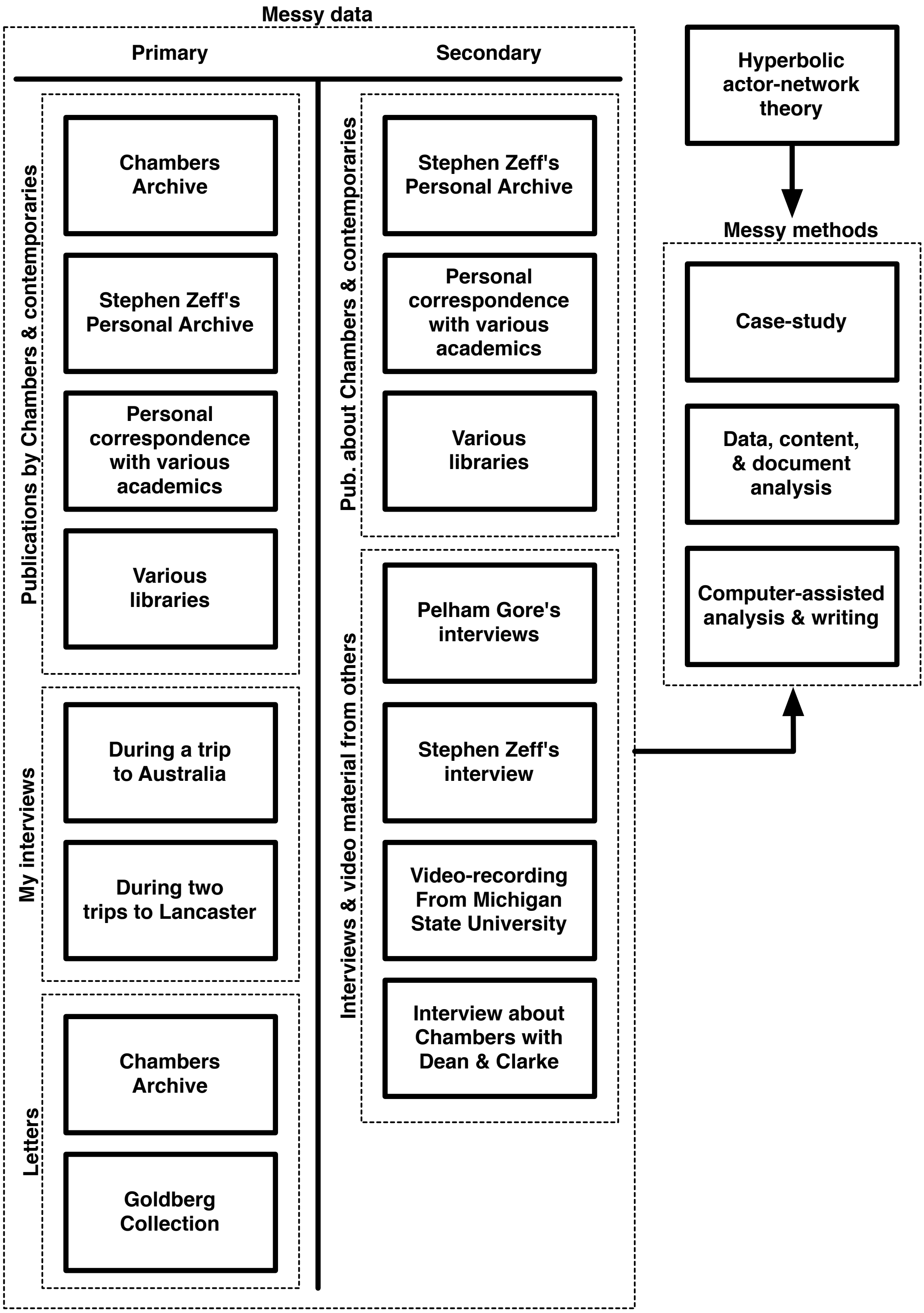
The debate between traditional and new accounting historians about the representational faithfulness of narratives in accounting history has led some authors to reconsider the legitimacy of claims to progress in accounting history. Napier (2001) draws on Graham's (1997) ideas on historical progress to consider how the notion of progress has been used in a range of historical accounting studies. According to Graham, judgment about progress should be localised at the individual level and that localising it as such leads to three different possible notions of progress. There is the notion of uniformed progress, that things get continuously better, evolutionary progress, that there are cyclical fluctuations in progress but that things get better over the long run, and revolutionary progress, that long periods of stasis are followed by periods of rapid progress. Graham prefers his second notion of evolutionary progress. Napier (2001) appears to prefer the same notion and he concludes his review by asserting that notions of progress might be legitimate in narratives on the small scale, such as the consideration of a particular issue, topic, and episode, albeit perhaps not for an overall grand narrative of accounting. This is a welcomed conclusion, as the case study considers a particular small-scale episode and, although Chambers' and COCOA eventually fails to influence accounting practices, there are undertones of progress throughout my empirical chapters.

Conclusion

In this chapter, I began with the idea of messiness in research, both in terms of data and methods. To embrace the messiness of primary and secondary data was a cumbersome process. It meant retrieving data from the literature, personal letters and various video and audio recordings. The literature had to be gathered from various libraries in the UK and abroad as well as from various individuals. The personal correspondence had to be retrieved from two archives: the Chambers Archive in Sydney and the Goldberg Collection in Geelong, Australia. I conducted 12 interviews of my own, whereas nine further recordings were retrieved from various individuals. The accumulation of this material led to a heterogeneous data set of hundreds of articles and pages of transcripts and thousands of letters between Chambers and various academics that helped to triangulate the phenomena under investigation.

Embracing the messiness of research methods implied the adoption of a case-study approach that considers a case which has similar traits to various previous historical accounting studies. This is in line with the most common approach to studying phenomena using ANT, but I had to make several choices regarding the scope of this case study and the methods of analysis. The data, document and content analysis are designed to meet the research goals presented in chapter one and to conform to the theoretical framework presented in chapter two. The writing process was computer-assisted, which allowed for an audit trail and the storage of successive iterations of chapters, memos and source material. The narrative that emerges from this constellation of research goals (chapter one), hyperbolic ANT (chapter two) and the arsenal of messy data and methods (chapter three) is of a particular kind. It is a serial description that traces a particular CAT. It is impartial and symmetrical and includes humans, non-humans and semiotics. It goes on describing Chambers and COCOA wherever controversies arise, be it in letters, publications, conferences or elsewhere. This narrative is set out in the next six chapters.

DIAGRAM THREE: MESSY ACCOUNTING DATA AND METHODS



CHAPTER FOUR: COCOA'S FIRST THREE TRIALS OF STRENGTH

This chapter is made up of three sections. In the first, I outline Chambers' early life, before he entered academia, as well as the origins of the COCOA label. In the second section, I trace Chambers' efforts to formulate and publish his first academic paper in an international accounting journal. These revolved around three issues: debates on alternative methods of accounting for post-war inflation in Australia, the retrieval of English-language accounting literature from the UK and US, and the process to get the journal editors to accept the article for publication. The third and last section considers the presentation of COCOA in this manuscript and how COCOA relates to other CATs and ideas on accounting theories in the English-language accounting literature.

Prologue

Raymond John Chambers.

Chambers was born in Newcastle, New South Wales, Australia, on the 16th of November 1917. Newcastle is located at the mouth of the Hunter River and had first been established as a penal settlement in the 1800s and then by civilians, who came to mine the local coal, in the 1820s. Chambers was the elder son of Joseph and Louisa Chambers, and spent his early childhood with his parents and younger brother, Albert Cyril Chambers, in a house on the banks of the Hunter River. His father worked in the BHP steelworks, which had been established in 1911 about a mile upstream to take advantage of the abundance of coal. The Newcastle port and business district was located several miles downstream (Chambers, 2000).

In the 1920s, the Chambers family relocated to Islington, which developed into a residential suburb in the 1870s, and is located only two miles from the Newcastle harbour and business district. Chambers' father quit his job at the BHP steelworks and bought a milk-vending business upon relocating. He later exchanged this for a newspaper distribution franchise, which, in turn, he later sold to re-enter the milk-vending business in 1930. Chambers was enrolled at a high school for boys the same year. There, he enjoyed various classes in languages, such as Latin and French, as well as classes in the natural sciences, such as physics and chemistry. His grades, however, were unexceptional as he had to spend his afternoons assisting his father and brother in the milk-vending business. When the 1933 term began, Chambers therefore planned to conclude his schooling early and pursue a correspondence course in advertising and commercial art. But Chambers' headmaster, who must have seen some potential in him, intervened and Chambers stayed on and matriculated from high school two years later (Chambers, 2000).

In the 1930s, all Australian high school graduates had to take a state-wide examination. Chambers took the exam and enrolled in a correspondence course, this time in accounting, but, before he could begin the course, the state-wide examination results came back; based on his performance, he had been granted an exhibition scholarship to pursue his undergraduate studies at the University of Sydney. Chambers accepted the scholarship, which covered tuition, and he moved 100 miles from home to attend university. In Sydney, he rented a room in a house that belonged to a cousin. Chambers spent the next five years working part-time during the day and studying at night. He moved around by foot and tram between the university, his rented room and his job, first as a clerk at the office of the Attorney General and later at the Shell Oil Company. His weekdays were spent performing accounting tasks at work and studying accounting, economics, mathematics and statistics at university. On occasion, Chambers would board a steamboat for a weekend visit to his family, which had remained in Newcastle. Chambers graduated with a Bachelor of Economics degree in 1939, resumed his correspondence course in accounting, and became a certified accountant in 1941 (Chambers, 2000).[17]

On the 1st of September 1939, Germany invaded Poland, and Australia subsequently entered the war. On the 8th of June 1942, the Japanese submarine I-21 would shell the steelworks where Chambers father had worked. Meanwhile, Chambers had married Margaret, whom he had met some years earlier, and the couple had moved into a modest house in Greenwich (Sydney) a week before Australia's declaration of war. Greenwich had become a commuter suburb in the 1880s and was, incidentally, known for the number of successful milk-vending businesses in the area, one of which delivered milk along the Lane Cove River. Chambers was still working at the city office of the Shell Oil Company, but was soon relocated to a refinery upriver and the couple therefore moved to Hurstville, a small incorporated municipality with a railway station which had been established in 1876 (Chambers, 2000).

[17] Chambers was admitted as member of the Commonwealth Institute of Accountants in 1941.

Chambers began work at the Prices Commission in 1943 (for the early history of this commission, see E. R. Walker & Linford, 1942). The Australian government had set up the commission to regulate prices between producers, sellers, and consumers during the war effort. Chambers was tasked with regulating prices directly or by means of pre-established profit margins. The often-misleading accounting information produced by firms, each of which applied its own set of accounting rules and conventions, made this exercise a formidable challenge. It is likely that this experience, his university training in economics and the correspondence course in accounting awakened Chambers to the inconsistencies and problems found in the accounting practices of the time (Brown, 1982; Gaffikin, 1989).

Chambers entered academia in late 1943, being appointed part-time correspondence teacher in auditing in the School of Management at Sydney Technical College. The college had been established in 1878 but had recently undergone expansions to train young men and women for the Australian war effort. It now occupied premises on Sydney's Pitt, Sussex and Castlereagh Streets (Cobb, 2000). Two years later, Bruce Brown, the head of the school and a University of Sydney graduate, appointed Chambers as a full-time teacher. In addition to auditing, Chambers began teaching several other subjects, such as accounting, economics and law. Chambers nevertheless still found time to write; his first contribution to the accounting literature, *Financial Management*, was published in 1947 (Gaffikin, 1989). The Australian war effort was, by then, already over and Europe and the US had agreed on and signed the Marshall Plan (Lee, 2000).

The COCOA label.

Chambers would not use the term "Continuously Contemporary Accounting" until later in his career, but I have chosen to use it throughout the empirical chapters. COCOA, the label, did not come about until 1976.[18] In late 1975, the Sandilands Committee, which the UK Government had established to consider inflation accounting methods, issued its report. By then, Chambers had contributed to the literature on inflation accounting since entering academia and had presented his CAT in full in 1966. The committee, however, snubbed much of his writing and his submission. Even worse, the committee labelled their proposal "Current Cost

[18] I have chosen to use COCOA, in all capital letters, but the exact abbreviation is actually CoCoA. This is a stylistic choice and nothing else.

Accounting" (CCA). This had been the label that, for several years, Chambers had used for his own CAT. Furthermore, whereas his CCA was based on current exit prices, the committee's was based on a mixture of measurements with a preference for current entry prices, which further muddied the waters. With the momentum being behind the committee's proposal, Chambers realised that he had to change the name of his own CAT, so he decided upon COCOA.

The new label was launched at a dinner in 1976. Chambers had, by then, been appointed lecturer in 1953, associate professor in 1955 and professor in 1960 in the accounting faculty of the University of Sydney. In 1983, upon his retirement, he would be appointed professor emeritus, a position he held until his death in 1999. The dinner had been arranged between members of the Department of Accounting and Australian accounting professionals. The Sandilands Committee's report was still fresh off the presses, so, for the occasion, the department decided to print "Try CoCoA" on match-folders that were placed at the dinner table as a cryptic joke. A mere 20 match-folders had been ordered from the local hardware store, Nock & Kirby, but, during the dinner, the false impression was gained that Chambers had had thousands of these match-folders printed and distributed. The label has stuck ever since (Clarke et al., 2010).

Using the COCOA label within the context of events prior to its introduction is precarious. To use it in such a way carries the risk of reading too much into the past (e.g., Miller & Napier, 1993). I am careful not to do so. I make no claim that COCOA in the 1950s was the same as it was in 1976. However, I do claim that Chambers had had some early ideas on his CAT in the 1950s and that those ideas became more mature and refined over time. COCOA began as one thing and, through various transformations, became something else. This is the very process that I have set out to trace.

Three Trials of Strength

The application of Harman's (2009) hyperbolic method to ANT leads to a number of interesting conclusions. One such conclusion is that the world is composed solely of a range of material-semiotic actors. There are human actors, such as the Queen of England, Bill Gates, and also Chambers, and material actors, such as journals, lecture theatres and universities. There are also semiotic actors, such as premonitions, hunches and arguments. Commonly, however, the latter are composites of other actors and therefore not as easily classified. For example, universities are composed of the human faculty, administrators and students, but also material buildings, curriculums and a semiotic history and tradition.

Chambers' thoughts on and arguments about COCOA are material-semiotic actors not too dissimilar to others, such as universities. COCOA may have existed in Chambers' mind, but it may also exist in something physically present, such as an article, a presentation outline or even a piece of paper. If COCOA is written down on something physically present, it is inherently different, depending on what that something is. COCOA, as a form of words, written in a journal article in *TAR* is inherently different from the same form of words written on a piece of paper. This is one of the reasons why it was so difficult for researchers such as Chambers to promote and spread their own accounting research in the 1950s, as they were outside the small number of US and UK institutions in which the bulk of accounting research was done.

Another conclusion drawn from Harman's (2009) hyperbolic application of ANT is that, in the metaphysical limit case, the world is composed of material-semiotic actors all the way down. There is no final layer of reality made of the basic materials from which everything is composed, such as Empedocles' four ultimate elements: fire, air, water and earth. Instead, there is an infinite amount of ever smaller actors inside ever smaller actors. Inside universities, we find buildings; inside these buildings, we find students, then atoms, then quarks. The implication, for Chambers, was that COCOA was also composed of smaller actors and he therefore had to engage in a process of accumulating these necessary actors before he could formulate his first iteration of COCOA and publish it in *Accounting Research* (*AR*) in 1955.

In the ANT literature, an actor bringing together disparate objects to form new ones is often referred to as a mediator. The process of bringing two or more objects together is referred to as a trial of strength (TOS) between the mediator and the objects. When a mediator engages with an object, it attempts to retrieve, distort and bend that object for specific purposes. This is different from the notion of "conditions of possibility" that was borrowed from Foucault (who himself took the notion from Immanuel Kant) and used in earlier ANT studies in accounting (e.g., Miller, 1991). Conditions of possibility are constituted by historical circumstances and constellations of events, and the existence of these favourable conditions give rise to opportunities that actors may explore. The TOS between a mediator and an object, on the other hand, never appears in such a manner. It is a constant tug of war. The strength of the mediator is constantly pitched against that of the object. The result is continuously tenuous and unknown. The object might give in only to later resist or recede into the background (Latour, 1987).

Chambers is our mediator; he engaged in TOSs with three different objects. COCOA emerged from these TOSs as an article, "Blueprint for a Theory of Accounting," in an international British accounting journal, *AR*, in 1955. This article was Chambers' first foray into academic publishing and towards the privileged clusters of accounting researchers in institutions in the US and UK. In the 1960s, the arguments presented would bring Chambers international prominence as an accounting academic of some note. The same arguments would also later underpin Chambers' most comprehensive statement on COCOA, *Accounting, Evaluation & Economic Behavior* (*AE&EB*), published in 1966. In this book, Chambers presents a comprehensive and consistent CAT, based on the measurement of all assets at their current exit price and on a method to account for both specific and general price changes (see chapter seven for more information about *AE&EB*).

Inflation.

Chambers had encountered the cause of his first TOS with inflation in the 1940s. The war had led the Australian government to establish the Prices Commission to regulate prices between producers, sellers and consumers. The government had also decreed the expansion of Sydney Technical College to train young men and women for the war effort. Chambers had found employment in both. By the end of the war in 1945, Australia had spent more than A£2 billion, over 50,000 of its men and women had been injured or killed, and a residue of strange objects had been left behind in Australia and around the world (Cobbin, 2011).[19] The empty shells of former prison, concentration and extermination camps were left throughout Europe and the Far East. Arsenals of unused or damaged tanks, aircraft and other war materiel were left all over the world. Entire cities had been levelled and whole peoples had been displaced. The Manhattan Project was still underway in the US.

Inflation was another strange object left behind from the war. Chambers had struggled with issues of general (i.e. inflation) and specific (i.e. related to particular

[19] The Australian pound was introduced in 1910. Its value was pegged to the UK pound until the devaluation in 1931. The Australian dollar replaced it in 1966.

assets) price changes during the war as part of his work with the Prices Commission. This TOS intensified after the war. Trade between a war-torn Europe and Australia rose rapidly. The Australian economy began to expand and inflation rose accordingly throughout the 1940s and 1950s. Whereas Australia had experienced a decade of 2 per cent inflation before the war, that figure doubled and then tripled during the next two decades (Australian Government, 2001). The implications for governments, taxation and conventional historical cost accounting were severe. Historical cost accounting records assets at their date of purchase, but does not adjust these entries for subsequent changes in general price levels. This tends to overstate earnings in periods of rising prices: inventories are purchased at one price and then sold at an inflated price sometime later. This may lead a company to believe that its earnings have increased, but this is misleading because the purchasing power of the inflated exit price may be lower than the purchasing power of the dated entry price. The result is that the business may be led to distribute these perceived earnings without realising that they are, in effect, distributing their real capital (i.e. the capital the business needs to hold to run its day-to-day operations). Chambers and others were later to refer to this phenomenon as "capital erosion".[20]

Chambers recognised how high post-war inflation made the flaws in historical cost accounting all the more apparent. Chambers presented his ideas in five articles published from 1949 to 1952 in the *AUA*. Four of these articles were based on professional refresher-courses delivered to members of the Commonwealth Institute of Accountants (CIA).[21] In these four articles (1949; 1952a; 1952b; 1952c), Chambers made a case for historical cost accounting being illogical, inconsistent and irrelevant. He drew contrasts between how changing circumstances had led to changes in financial strategies and fiscal policies but not in financial reporting practices. He concluded that a CAT was more desirable than temporary makeshift solutions and that the time was ripe to change financial reporting practices. The fifth article (1950a) was a rebuttal to an editorial printed in *Business Week* in favour of historical cost accounting. Chambers believed that the arguments presented in the editorial were

[20] E.g., see DOI:10.USA P202/2/08366

[21] The CIA became the Australian Society of Accountants in 1952. It was subsequently renamed to the Australian Society of Certified Practising Accountants in 1990 and then to CPA Australia in 2000.

both illogical and untrue and he therefore had felt compelled to highlight their lack of substance (for further discussion about these articles, see Gaffikin, 1989).

The lectures and publications were well received, but Chambers was not without his critics on issues of inflation. Claudius (1952), a pen name perhaps adopted from the fourth Roman Emperor Tiberius Claudius Caesar Augustus Germanicus, wrote a rebuttal to one of the articles. Claudius, who appears to have been an accounting practitioner, questioned Chambers' proposition that alternative methods for depreciation were desirable, even during periods of inflation. Upon receipt of the rebuttal, the editor of the *AUA*, Adolf Alexander Fitzgerald,[22] wrote to Chambers and offered him the chance to write a rejoinder to be published in the same May 1952 issue.[23] Chambers (1952d) agreed to do so and gladly noted that he had received word that problems in financial reporting practices caused by inflation had started to make quite a stir in the UK as well.[24]

It is not surprising that Fitzgerald had contacted Chambers and offered to publish a rejoinder in the same issue as the rebuttal. Claudius was in favour of historical cost accounting under all circumstances. Fitzgerald, on the other hand, although he did not take sides on the issue, was prepared to break with current financial reporting conventions if that meant better accounting. He appreciated Chambers' contributions and had consequently accepted all of Chambers' submissions to the *AUA.*

From their communications, it is evident that Fitzgerald and Chambers shared similar general concerns about financial reporting practices under periods of inflation.[25] This could have been because the two shared similar upbringings and work and educational backgrounds. Chambers had grown up in a modest household in Newcastle, and Fitzgerald had grown up as the third child of an ordinary Melbourne family. He had been born on the 26th of October 1890 to a professional hatter and his wife. He had been granted a scholarship to attend a local high school and, upon

[22] Fitzgerald was known among friends and colleagues as Alec; he was later knighted by the Queen
[23] Letters from R. J. Chambers Archive, University of Sydney, Australia. DOI:10.USA P202/2/08327
[24] DOI:10.USA P202/2/08328.
[25] E.g., see DOI:10.USA P202/1/00084; 00085; 00086; 00087; 00088; 08360; 00089; 00090; 00091; 00092; 00093; 00094; 00095; 08384; 00222; 00208; 00209; 00210; 00203; 00205; 00240; 00219; 00220. For Fitzgerald's support of Chambers, see DOI:10.USA P202/1/00359.

matriculation, had begun his undergraduate studies in accounting at the University of Melbourne. He studied at night and worked part-time in a hardware store during the day. He had later accepted a teaching position at the same institution in 1927 and remained there until his retirement in 1958. The exceptions to his tenure were one stint each at the Army Accountancy Advisory Panel and at the Capital Issues Advisory Committee during the Australian war effort (Burrows & Goldberg, 1966). During his time at the panel and at the committee, Fitzgerald would also have become familiar with the practical issues of inflation and specific price changes.

Chambers' TOS with inflation in Australia concluded with his rejoinder to Claudius's rebuttal in May 1952. Chambers had reasons to be pleased with the outcome. In Australia, inflation had brought issues of conventional financial reporting practices under historical cost to the surface. Chambers had been able to both lecture and publish on this issue. In the process, he had accumulated allies among the CIA course attendees as well as the *AUA* readership and editor. Inflation had also caused quite a stir in the UK, but not so much in the US as the upward revaluation of assets had been blamed for the Wall Street Crash of 1929 and suspicion still arose around any proposal for valuation methods alternative to historical cost accounting (Fleming, Graci, & Thompson, 1990; Mumford, 1979; Zeff, 2005). To Chambers, however, the proposition that historical cost accounting was inadequate in periods of inflation was becoming increasingly self-evident and there was a sense that accounting academics and practitioners elsewhere were beginning to catch on.[26] The next question was: what alternative CAT had the best attributes for dealing with this issue of inflation?[27]

English-language accounting literature.

Gaffikin (1989) made the observation that Chambers at first appears to have been unproductive from 1952 through 1954, but that, from detailed examination, it is evident that he was working in private on COCOA and on the ideas that would influence his publications of the mid-1950s. I make the same observation from an

[26] E.g., DOI:10.USA P202/2/08328.

[27] There seems to be a slight consensus among my interviewees that problems caused by inflation was instrumental in creating a platform for Chambers to debate the use of dated entry prices in the 1950s through the 1970s (interviews with K. Peasnell in February and B. West, S. Gray, and M. Wells in September 2012). How exactly inflation affected Chambers' thinking, however, is less certain. Dean reflects that Chambers probably considered inflation to just be one symptom of the general problem of changing prices (interview, 13 September 2012).

examination of Chambers' letters. Chambers had discussed inflation, criticised historical cost accounting and proposed the need for a CAT in his articles in the *AUA*. To produce such a proposal he had to engage in a TOS with the English-language accounting literature. Inflation had been a by-product of the war, the Marshall Plan and the rebuilding of Europe. It had manifested itself in changing price-levels in Australia, the UK and elsewhere. The English-language accounting literature, however, had just not appeared in Australia; it had to be retrieved from journal articles, monographs and books often only distributed in the UK and the US. Nonetheless, without these actors, Chambers would not have been able to relate and contrast COCOA with the CATs already proposed in the literature. He would therefore have to spend the next few years engaged in a TOS to amass these actors.

Chambers managed to gather some journal articles, monographs and books in Australia – this is evident from matching the citations in his 1955 article with his letters from the archive.[28] His first attempt to obtain material from abroad was a letter to the Dean of the LSE dated 7th of June 1951. Chambers requested to have James Bavington Jeffreys' doctoral dissertation (1938), on historical trends in business organisations in Great Britain since 1856, sent to Sydney.[29] He had been unable to locate Jeffreys, who had been quite active after graduation and during the war. Jeffreys had first been arrested in protests against Oswald Mosley and the British Union of Fascists, and later in protests against a gift to the University of London library from Joachim von Ribbentrop, then the German ambassador to Britain.[30]

The correspondence between Chambers and various representatives of the LSE continued until September 1951, when a microfilm of Jeffreys' doctoral dissertation was finally sent.[31] The delay had been caused by the necessity to microfilm the 476-page long document before it could be sent via airmail. The practice of microfilming had been introduced commercially some years earlier in the US. UK libraries had adopted the practice for doctoral dissertations to preserve records and library space. Jeffreys' doctoral dissertation would have been one of the

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[28] For some of these activities see communication with Messrs Ernest L. Davis & Co. and Joseph Palmer & Sons, Sharebrookers (e.g., DOI:10.USA P202/63/11989). Chambers also actively discussed the literature with Fitzgerald during this period (e.g., DOI:10.USA P202/100062).
[29] DOI:10.USA P202/1/00001
[30] Information retrieved from the archive at the British Library of Political and Economic Sciences (http://archiveshub.ac.uk/data/gb097-collmisc0945)
[31] DOI:10.USA P202/1/00002; 00003; 00005; 00004; 00006; 00007; 00485

last doctoral dissertations not to have been microfilmed upon completion. The practice of sending microfilms via airmail had been introduced during the war effort. It had first been intended for espionage and military purposes but, after the war was over, it had become just as useful for civilian purposes, such as the sending of doctoral dissertations (K. D. Metcalf, 1976).

Chambers ordered his first batch of books on accounting, economics and other related subjects from the UK on the 9th of December 1952. Chambers had contacted Blackwell's Booksellers, in Oxford, to open an account. He had informed the bookseller about his position as a lecturer in accounting in Australia and had given the details of his local bank's Hurstville branch. The Dean of the Faculty of Economics at the University of Sydney and a former colleague who had opened his own account earlier had been cited as references. Chambers ordered six books. Some of the references for these books were missing parts of their titles and the names of authors and publishers due to Chambers' lack of access to information from Australia. Four of these books had been written, respectively, by James Meade (1952), Richard Stone (1951a; 1951b), and Frank Sewell Bray (1949).[32] All three authors were prominent academics and the latter two were associated with the Department of Applied Economics at Cambridge University. Meade would join the faculty at Cambridge University from the LSE in 1957 and would also win the Nobel Prize in Economics in 1977; Stone, who was appointed to the P. D. Leake Chair in Finance and Accounting at Cambridge (funded by the ICAEW) in 1955, would win the Nobel Prize in 1984 for his work on national income accounting (Suzuki, 2000).[33] The other two books were also in the applied economics area (Henderson, 1951; Lacey, 1952).

Much later, Chambers would order further batches of books on accounting and related subjects from the Economists' Bookshop, the on-campus bookstore at the LSE. Chambers placed his first order from this bookshop on the 13th of July 1960 and would continue to order books for the next decade (e.g., Brown, 1905; Moon, 1968; Rose, 1960).[34] Among these were English-language translations of Luca Pacioli's

[32] Frank Sewell Bray preferred to be known as Sewell Bray.
[33] In a strange turn of events, ICAEW had come to fund Stone's chair in the Department of Applied Economics at Cambridge University, after the Institute had decided not to offer to fund a chair at the London School of Economics and their offer to fund a chair in accounting at Oxford University had been turned down (Napier, 1996).
[34] DOI:10.USA P202/1/00563; 00564

Treatise on Double-Entry Book-Keeping (1924) and of Eugene Schmalenbach's *Dynamic Accounting* (1959). Because of the amount and frequency of the orders, there was even a mix-up in the 1970s that made Chambers' account appear to be in substantial debt. Richardson, the Economist Bookshops' accountant, became alarmed and wrote a request to Chambers to settle his account.[35] It turned out, however, that Chambers had already arranged to have monies deposited in London and that this deposit, in fact, put his account at a substantial credit.[36] These were the difficulties created from the lack of access to information and the distance between London and Sydney.

Chambers began ordering material on accounting and related subjects from the US in July 1951 and continued until April 1954. This material was sent to Australia by airmail from various locations in the US. The first material he received were three pamphlets on inflation accounting published by the American Institute of Accountants' (AIA) Study Group on Business Income (Alexander, 1950; Dean, 1949; May, 1949).[37] The pamphlets were sent gratis, presumably for teaching purposes, after Chambers had informed them that he was a lecturer in accounting. The study group had been set up in the late 1940s. George Oliver May, a UK accounting practitioner who had emigrated to the US in 1897, led the group and the Rockefeller Foundation financed it. May would pass away some years later, in 1961.

The study group had been tasked with considering the nature and measurement of business income during periods of general price changes (Zeff, 1972). The 50 members were predominantly practitioners in accountancy, business and law, but there were also a few professional economists. May was sympathetic to arguments about improving financial reporting practices, but he was also a staunch pragmatist and a practitioner who looked to historical precedents for guidance; thus, he had no stomach for CATs (Stabler & Dressel, 1981). Therefore, the final report of his study group, *Changing Concepts of Business Income* (1952), did not venture far from traditional financial reporting practices based on historical cost accounting. The report proposed to recognise changing price levels in a supplementary accounting statement, but 15 of the 50 members were opposed to even this modest proposal. These developments and the report must have disappointed Chambers. The US appeared to

[35] DOI:10.USA P202/1/02953
[36] DOI:10.USA P202/1/02954; 02955
[37] DOI:10.USA P202/1/00003; 00004; 00014:

keep dragging its feet on issues of inflation and the proposal was the sort of makeshift solution that he had lectured and published against in the *AUA* during his TOS with inflation.

Chambers later received material from the Machinery and Allied Products Institute (MAPI) in Chicago and the AAA in Sarasota, Florida. MAPI sent Chambers two free copies of their pamphlet on depreciation policies under post-war inflation (1947) and a price-list for similar publications that the institute could ship upon receipt of an advance payment.[38] The AAA sent Chambers the available back issues of their journal, *TAR*, as well as the subscription rates for future ones.[39] The subscription rate included an additional handling fee for shipping outside the continental US. *TAR*, in the US, and *AR*, in the UK, were the only two existing English-language academic accounting journals and would have been of particular interest to Chambers in developing his own ideas and COCOA.

Chambers sought to make arrangements to have books shipped to Australia from the US, just as he had arranged to have books shipped from Blackwell's Booksellers and the Economist's Bookshop in the UK. He was particularly interested in procuring Canning's (1929) CAT and Sweeney's (1936) book *Stabilized Accounting* on using an index to adjust historical cost accounts for changes in general price levels. Regarding these matters, he contacted Mary Elizabeth Murphy, who had graduated from the LSE in 1938, the same year as Jeffreys, before returning to work as an academic in California.[40] She had later become a scholar of some note and had been selected as the first Fulbright Fellow in Accounting to visit Australia in 1953 – a fellowship that had been received with substantial controversy, as the head of the Department of Economics at the University of Queensland, her host institution, would have preferred a man (Hoskins, 1994). The two had been in correspondence because Chambers had been in charge of the arrangements for her visit to the University of Sydney as part of a lecture tour of universities in Australia and New Zealand, and they would have met during her lecture.[41] She suggested that Chambers contact the Prentice-Hall Allyn & Bacon International Corporation in New York City (NYC).

[38] DOI:10.USA P202/1/00010; 00013
[39] DOI:19.USA P202/1/00009
[40] DOI:10.USA P202/1/00015
[41] DOI:10.USA P202/1/00924

Prentice-Hall referred Chambers to the Van Riemsdyck Book Service, a NYC bookseller that shipped US books to Australia and elsewhere.[42]

Once Chambers had located institutions and booksellers that were able to ship accounting related material from the UK and the US, a chain of material-semiotic actors worked in the background to ensure that these dissertations, books, pamphlets, monographs, articles and journals would reach him in Sydney. The process of sending something halfway across the world via airmail was long, cumbersome and difficult. The Postmaster General employed some 86,000 full-time workers stationed in some 17,000 post and telegraph facilities in Australia alone and, before a parcel could reach the shores of Australia, it first had to be shipped with an international cargo carrier.

A parcel from the UK to Australia would first have to be transported by an Avro 961 Lancastrian from England to Singapore. The Lancastrian had been developed from the Avro Lancaster, the heavy bomber built during the war. After the war, the British Overseas Airways Corporation (BOAC) and Qantas had replaced the bomb compartment with an extra fuel tank, and now operated nine Lancastrians as long-distance cargo carriers. The parcel would then have to be shipped from Singapore to Australia by a DC4 Skymaster. The Douglas Aircraft Company had built a thousand of these smaller four-engine aircraft to transport US and British forces during the war, and they had also been remodelled as short-distance cargo carriers (J. W. R. Taylor, 1969). A stop in Singapore and one elsewhere was still necessary, however, as neither remodelled warplane could carry enough fuel to fly directly from the UK to Australia.

Chambers emerged from his TOS with the English-language literature as 1954 was coming to an end. He had then amassed the necessary accounting related material to compare and contrast his own ideas and COCOA with the ideas and alternative CATs presented in the English-language accounting literature in the UK and US. Whereas inflation had spread to Australia and the whole western world, the English-language accounting literature had been more reticent to do so. Inflation issues had become apparent in changing price levels and Chambers had been able to point these out in lectures and publications in Australia. The necessary accounting material, on the other hand, had tended to recede into the background and sourcing it had therefore called for a different set of alliances and actors. First, contacts that were willing and

[42] DOI:10.USA P202/1/00011

able to ship material to Australia had to be established in the UK and the US. Chambers had found these through colleagues and sometimes through fortunate sets of circumstances. Second, these contacts then had to ship this material via airmail, on remodelled warplanes that had to stopover in Singapore. In addition, arrangements often had to be made to pay for the material in advance, through Chambers' local bank's Hurstville branch, and, on occasion, the material had to be microfilmed before it could be shipped.

Accounting Research**.**

Chambers had lectured and published on issues of inflation in Australia and gathered English-language accounting material from the US and UK through the late 1940s and early 1950s. Concurrently to these two TOSs, Chambers was engaged in a third one to have his thoughts on COCOA published where they would be accessible to the US and UK established accounting intelligentsia. So far, Chambers' ideas on COCOA had been restricted to the CIA members attending his refresher-courses and the *AUA* readership. This audience was substantial but did little to spread Chambers' ideas abroad. The *AUA* was a respectable journal, which published contributions from both academics and practitioners, but it was not readily distributed abroad. Chambers' third TOS was therefore to find a vehicle to spread COCOA beyond the borders of Australia.

In the 1950s, to put together an audience of international accounting academics was no small task. There was no academic journal in Australia and only two English-language journals abroad. In the USA, the AAA had established, funded and begun publishing *TAR* in 1926. In the UK, the Research Committee of the Society of Incorporated Accountants and Auditors (SIAA) had established and funded *AR* in 1948. Cambridge University Press (CUP) published four issues per year of this journal, which had Leo Little and Bray as its founding editors. Their editorial policy was to encourage submissions on new and radical ideas, such as CATs, from both national and international academics and practitioners. This policy resulted in an inclusive research journal that soon gathered a substantial following and prestige both in the UK and abroad. It was commonly referred to by US academics as the single foreign accounting journal worth reading.[43] However, *AR* would later fold, when the SIAA amalgamated with the ICAEW in 1957 (Parker, 1980).[44]

Chambers would decide to send his first academic article (1955a) – i.e. the outcome of his first two TOSs – to *AR* in 1955. The article (1955b) would be reprinted in the *AUA* the same year but there is no evidence of Chambers' ever considering sending it to *TAR*. The US environment regarding inflation accounting at the time may have discouraged Chambers. The upward adjustments of assets were still blamed for the Wall Street Crash of 1929 and the material he had received by the Study Group on Business Income suggested little in terms of the radical change that he sought. On the other hand, Bray's editorial policy of encouraging fresh ideas may have encouraged him to send his article to *AR*. Chambers would also have been familiar with Bray's ideas and CAT, as he had ordered one of Bray's books during his second TOS.

The tipping point in *AR*'s favour may have been that Bray had met Chambers during a research lecture he had given at the University of Sydney on the 20th of October 1949. The lecture had been a part of a CIA-sponsored lecture tour to seven Australian universities. Bray was the older of the two, having been born in London on the 12th of October 1906, but their academic careers had begun around the same time and the two had much in common. Bray had qualified as an accountant in 1937 and had been appointed part-time Senior Nuffield Research Fellow at the Department of Applied Economics at Cambridge University in 1946. He would hold this position until 1955. During this period, Bray had worked on his CAT in close contact with Stone, who was then the Director of the department (a position Stone would relinquish when he was appointed to the P. D. Leake Chair in Finance and Accounting in 1955). Bray would later spend a short stint as the Stamp-Martin Professor at the Incorporated Accountants' Hall, which folded together with *AR* in 1957 (Napier, 1996; Parker, 1980).

Both Bray and Chambers looked to economics for insights into accounting. In his research lecture, Bray had dismissed quick and makeshift solutions to accounting and had instead stressed the need for long-term research and radical new ideas. He

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[43] M. Mumford, interview, 27 February 2012.
[44] Four issues of AR were published during its first two years. After that, there would be four issues published per year. The journal folded in 1957, but the last issue was published after that in 1958.

had also encouraged the establishment of Chairs in Accounting throughout Australian universities to promote this sort of long-term research goals in accounting (Parker, 1980). These ideas must have pleased Chambers, who had made the same arguments in lectures and articles about the necessity for fundamental solutions to inflation accounting. On the occasion of Bray's lecture in Sydney, Chambers had also offered a written reflection on it.[45] Chambers' main concern had been with Bray's attempts to find more precise historical cost measurements. One such suggestion from Bray had been to include a statistical margin of error for all accounts. Chambers had not made up his mind about what alternative measurement method should be used in financial reporting practices, but he was already convinced that historical cost accounting would not be. The inclusion of additional information based on historical costs, such as the margin of error, did not make historical cost accounting any more desirable and would mean little to practitioners.

The reason Chambers had been in attendance is curious as he would not be appointed to the University of Sydney until 1953. It turned out, however, that Fitzgerald had arranged for Chambers and Bray to meet during the Australian National Accounting Convention, which was being held the same year (Forrester, 1982). In addition, Chambers' workplace, Sydney Technical College, was located just ten minutes' walk from the university campus. One can speculate that it is also likely that Chambers was still in contact with much of the faculty at the university.[46] He had completed his undergraduate studies in 1939 and had, since then, accepted a contract to deliver a number of lectures on business management for their extension program in 1946.

After Bray's seven-university lecture tour in Australia, Chambers would embark on the first two academic lectures of his own. The Australian Society of Accountants (ASA), which was the successor body to the CIA, sponsored the two events. The first was held at the University of Melbourne on the evening of the 21st of June 1950. The second event was held at the University of Adelaide the following evening. The lecture was published in the *AUA* (1950b). In these two lectures and article, Chambers presented, for the first time, the type of logical, meticulous, and rigorous argument that would later become his hallmark. Each paragraph followed deductively from previous ones. Chambers (1966a) would later use cross-referencing

[45] 10.USA P202/2/08307
[46] G. Dean, interview, 13 September 2012

to demonstrate this relationship. To construct such an argument at this particular point in time, Chambers may have been inspired by Bray's lecture and the prospect of addressing an audience of academics. Either way, Gaffikin (1989) refers to this occasion as the arrival of Chambers as a serious academic.

When Chambers delivered his first two research lectures, Bray had long since returned to London from his seven-university lecture tour. Nonetheless, Chambers kept updated on Bray, Stone, accounting research and the inflation debate in the UK through correspondence with Trevor Robert Johnston.[47] Johnston had been admitted as a doctoral student at Trinity College, Cambridge University, and had begun his studies in August 1951. He had hoped to sail from New Zealand to the UK through the Suez Canal, but the boat's schedule had been so uncertain that he had opted to fly instead. His prior schooling had been as a part-time law student at Auckland University College (later to become the University of Auckland), but he had left before finishing to join the war effort. He had then been captured by Axis forces but, while living in prison camps in Italy and Germany, he still managed to complete his undergraduate and master's degree in commerce and law through an external degree programme. When the war ended, Johnston had returned to New Zealand and had begun work as a lecturer in accounting and law at the University of Auckland (Emanuel & Stewart, 1999).

Stone had been appointed his doctoral dissertation supervisor while Johnston worked across the Faculty of Law and the Department of Applied Economics. His dissertation was on the legal significance of developments in accounting and economics regarding the concept of capital and profit. This put Johnston next to Bray and accounting events in the UK until his return to Auckland in 1954. Chambers corresponded about these matters and was particularly keen on whether Bray still held that historical cost accounting, and the conservative doctrine in particular, was beneficial to business stability.[48] Chambers had now developed the opposite views to his own satisfaction and presented them to Goldberg during a private meeting in Australia. Johnston and Chambers also discussed how capital erosion from inflated

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[47] Chambers would later reflect that Johnston was a good and honest broker with the right attitude, although his work lacked some theoretical substance (M. Gaffikin, interview, 17 September 2012).

[48] Chambers is referring to the idea that, given two alternative measurements, the accountant should choose the measurement that yields the lower potential value.

profits had begun to concern industrialists in the UK and how similar movements were ongoing in Australia.[49]

Chambers' fortunate meeting with Bray during his visit to Australia, the experience he had acquired from his two research lectures and article and the insights he had gained by corresponding with Johnston about accounting matters in the UK set the stage for Chambers' third TOS. Chambers submitted his first academic manuscript, "Blueprint for a Theory of Accounting", to Bray for consideration for publication in *AR* on the 27th of August 1954.[50] Chambers prefaced the letter by writing that he had hoped to set the minimum requirements upon which a CAT could be developed, but that, now that he had done so, he was afraid that he might have left too much unwritten. Bray replied that he had read Chambers' manuscript in great detail, as the subject matter was very much his concern, but that he had found his style a bit rugged and his treatment of post-war accounting theorists, himself included, a bit unfair. Nonetheless, he was recommending the publication of the manuscript and would consult his co-editor Leo Little about it.[51]

The manuscript was published, after at least four galleys, in the January 1955 issue of *AR.*[52] Chambers would later reflect on Bray's decision to accept his first academic article as something instrumental to, perhaps even decisive in, his career (Forrester, 1982). To have accepted the manuscript, despite Chambers' criticism of him, is perhaps a testimony to Bray's integrity. In the 1940s, Bray and Chambers had shared the premise that a new CAT was needed and that it had to be based on insights from economics. However, by the 1950s, the two had reached different conclusions. Chambers was looking to economic literature on individual decision-making (e.g., Canning, 1929), whereas Bray had been influenced by Stone and his work on the macro-economy and the development of macro-accounts. Bray had therefore been content to side with historical cost accounting as the most objective measurement, as it could be verified through a transaction, in preference to alternatives such as accounting prepared using current entry and exit prices.[53]

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[49] DOI:10.USA P202/1/00028; 00019; 00020; 00033; 00049
[50] DOI:10.USA P202/2/08337
[51] DOI:10.USA P202/2/08338
[52] DOI:10.USA P202/2/08339
[53] Chambers would later also reflect on these events with some regret. He felt that he never managed to connect with Bray on an intellectual level and that Bray was rather pompous and difficult to engage with (M. Gaffikin, interview, 17 September 2012)

A COCOA Blueprint

The first iteration of COCOA in the academic literature had taken Chambers several years. He had engaged in three TOSs to develop his thoughts on inflation accounting, learn about the English-language literature and publish the outcome of these activities in *AR*. This process had begun in 1943, with Chambers' work setting prices at the Prices Commission, and had continued through his first academic appointment and the submission of his manuscript for Bray's consideration. Chambers had enrolled an assemblage of material-semiotic actors through this process. Each of these actors had their own properties and relation with Chambers. Jeffreys, Stone and May were connected to Chambers through the academic literature. Fitzgerald, Bray and Johnston were connected to him through correspondence. Brown and Little were connected in stranger ways. There were also non-human actors, such as *AR*, DC4 Skymasters, and Avro 961 Lancastrians, working in the background. Strangest of all these actors was, perhaps, the war, which had dramatically shaped the constellation of actors and how they related to Chambers.

The result of this network of actors now occupied nine single-spaced pages (17 to 25) in the first issue of the sixth volume of *AR*. The article had an introduction, a conclusion and eight subheadings. Chambers referred to various accounting studies throughout the article, but he gave no references in the footnotes or a list of references at the end. Bray and Little had edited the galleys and CUP had printed the article in London and New York City. The journal issue was sold for seven shillings and six pence to those that were located within the journal's distribution area. Chambers had admitted to Bray that the article was short, and it was. As a comparison, Bray had presented his CAT during his seven-university lecture tour in Australia and had had the content published in an 89 page monograph (1951b).

Despite the brevity of the article, Chambers had presented two ideas that would continue to be instrumental in all later publications on COCOA (e.g., see the new preface in the reprint of Chambers, 1974a). The four theoretical premises that, according to Chambers, should have been the cornerstones of all future CATs were the first of these ideas. Absolute statements such as these are referred to as obligatory passage points (OPP) in the ANT literature (e.g., Callon, 1986). The purpose of an OPP is to direct actors down a specific route; in this case, whereas CATs could and have been built on various premises, Chambers had created an OPP that demanded the adoption of his four specific premises. No other premises would have done for the

CAT that he had in mind. The success of his OPP would depend upon the number and attributes of the allies that would subscribe to his claim. Chambers had a modest amount of allies subscribing to these premises in 1955, but the number would later increase. The four premises were:

> (a) Certain organised activities are carried out by entities which exist by the will or with the co-operation of contributing parties;
>
> (b) These entities are managed rationally, that is, with a view to meeting the demands of the contributing parties efficiently;
>
> (c) Statements in monetary terms of the transactions and relationships of the entity are one means of facilitating rational management;
>
> (d) The derivation of such statements is a service function.

Chambers was the first, in the English-language accounting literature, to present a set of premises as the theoretical cornerstones upon which all CATs should be based.[54] The sum of these propositions was a tightly-knit but open-ended statement on core features among all accounting entities. Contributing parties create entities to carry out organised activities on their behalf (a). Entities are managed to meet the demands of these contributors (b). To meet these demands, entities issue statements that contain their transactions in monetary terms (c) – Chambers mentioned elsewhere in the article that one could, in principle, change this premise to allow for statements in non-monetary terms. The last premise (d) is a corollary of the second and third: the statements should inform the contributors about the state of the entities.

In the letter, which accompanied his manuscript, Chambers had informed Bray that these four premises represented his early thoughts on the matter of CATs. They were supposed to represent the most basic elements of all CATs. I suggest, however, that their open-ended nature served a higher purpose. Chambers was well trained in debating methods. He was someone who knew all the tricks in the book and was not

[54] Paton (1922) is the first accounting academic to present accounting postulates (premises) but these were derived from observations of practice and were not meant as cornerstones to build a CAT on.

afraid to use them. One interviewee light-heartedly described him as a school of piranhas wrapped up in one person.[55] The structure of the premises may therefore have been a conscious effort to leave the argument as open as possible so as to lure the reader into an early agreement with Chambers before the full force and direction of his argument was presented. It is not inconceivable to imagine that some of Chambers' harshest critics, such as Littleton, Baxter and Solomons would find themselves in agreement when reading the premises in isolation.

Once the reader had been lured in, Chambers presented the full force and direction of his arguments throughout the rest of the article. Organised activities, contributing parties, rational management and the other terms used in the premises had specific meanings attached to them. Arguments and conclusions from his earlier writings on historical cost accounting under periods of inflation were reproduced throughout. Chambers also introduced a series of group formations between those who accepted his four premises and those who did not. This is a common mechanism in the ANT literature and turns on the proposition that, when we are offering an account about what something is, we are simultaneously offering an account of what it is not. This relates to the idea that all actors are connected in various strange ways. When Chambers describes and groups COCOA together with other entities that share certain features, he also describes and groups together all the entities that do not share those features. The reader is therefore never confronted with the alternative of choosing between COCOA and other CATs. Instead, the reader has to choose between bundles of entities that include CATs, but also academics, practitioners and literature from various accounting related subjects.

Chambers presented three group formations of this kind. The first choice was between pure theory, developed in accordance with scientific methods, or pre-war prescriptive accounting theory, developed in accordance with historical rules and conventions. Chambers had chosen to develop COCOA along the lines of pure theory; his four premises had been developed under ideal conditions without reference to historical practice. Logical discourse had been used to test the internal validity of the premises, whereas their external validity could later be tested empirically against practice – Larrabee (1945) and Cohen and Nagel (1934) seem to have influenced Chambers' views on his approach, logic and scientific methods. COCOA's success

[55] P. Brown, interview, 27 February 2012.

could therefore be evaluated on two grounds: whether its premises were consistent and whether it led to desirable practices. As an alternative to this approach, Chambers sketched a pre-war accounting theory caricature. The reader choosing this approach would have to proceed to develop a CAT based on historical rules and conventions. The validity of such premises would be measured based on their conformity to current practices, as opposed to their logical consistency. The ramification of such an approach, according to Chambers, was that the CAT could never become much more than a synthesis of current accounting practices. Gilman (1939), Paton and Littleton (1940), and Sanders, Hatfield, and Moore's (1938) contributions were included in the group formation as examples of this approach.

The second choice was between an accounting theory influenced by economic theory or by post-war accounting theory. Chambers had chosen economic theory as his influence, as he argued that it held more realistic assumptions than post-war accounting theory, which still drew most of its inspiration from accounting practice, as in Norris (1946), Littleton (1953), and Bray's (1953) contributions. This was, again, a caricature of the situation. Norris was a practitioner and had indeed attempted to synthesise practice. Littleton, on the other hand, believed that he was proposing a CAT, which, admittedly, was based on the continual evolution of accounting practice. Bray had been influenced by Stone, the macroeconomist, and believed that the CAT he was presenting was based on more precise historical cost measurements.

Canning (1929) was chosen as a model for those readers who chose Chambers' path to incorporate economic theory into accounting theory. Chambers had purchased Canning's book during his TOS with the English-language accounting literature. Both Canning and Chambers were interested in individual economic decision making. Canning was a trained economist who had written a CAT based on ideas from his field. Chambers appears to have been considerably influenced by him and by academics in the Austrian school of economics. Hayek (1941; 1945), Lachmann (1956) and von Mises (1934; 1949) are referenced in *AE&EB* (1966a). But Canning and Chambers were also an odd couple and group formation. Canning proposed a CAT based entirely upon present values of future cash flows. Chambers, on the other hand, was more interested in current market prices, either exit or entry ones. Canning's main concern was therefore with measurements of income and the income statement, whereas Chambers' main concern was with the measurement of assets and the balance sheet.

The third choice was between an accounting theory specific for companies and an all-inclusive one. Pre-war prescriptive accounting theories and post-war ones were concerned with the recording of historical transactions and the preparation of financial statements for public companies. Chambers wanted COCOA to be valid and able to account for all entities that used financial statements. This included public companies but also individual practitioners, fiduciaries and governments. Chambers' time with the Prices Commission might have sparked this desire. With the commission, he would have dealt with public companies but also with various other entities that required financial information for their day-to-day operation. These public companies and other entities would also have used different accounting methods, which would have made Chambers' work in setting prices between producers, sellers and consumers so much more difficult.

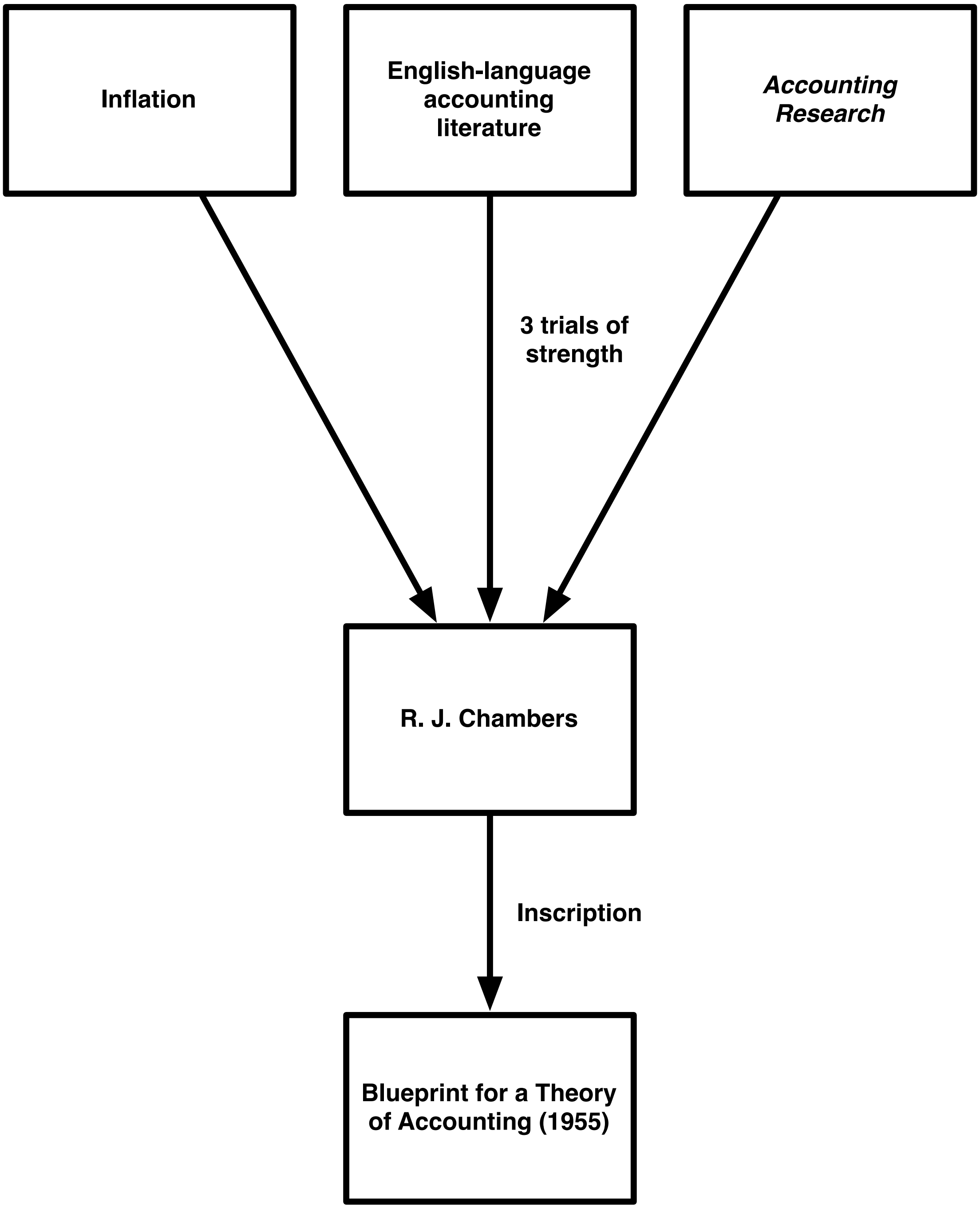
With his four premises and three group formations, Chambers positions COCOA in a particular place. It relates to all other CATs in a specific manner. The four premises are open-ended and, at the same time, restricted. COCOA is a pure accounting theory, based on economics, which can account for all entities that wish to prepare financial statements. It is therefore different from most of the CATs that came before it, which are prescriptive, illogical and restricted to the financial statements of public companies. These are the outlines of Chambers' OPP for improving financial reporting practices; bits and pieces will be added to it throughout the empirical narrative.

Conclusion

I began this chapter by recounting Chambers' childhood and early working life, before he entered academia, as well as the origins of the COCOA label. I then presented a narrative of Chambers' three TOSs with inflation, the English-language literature and *AR*. In the last part, I focused upon Chambers' published manuscript and on how he differentiated COCOA from other CATs. I proposed that this was done through sleight of hand: Chambers first introduced four general premises and then spent the remainder of his manuscript dealing with group formations. There were six of these groups that Chambers used to associate and demarcate various propositions about how researchers should go about formulating a CAT, what fields to draw inspiration from and what entities to account for. I referred to this as Chambers' OPP for the improvement of financial reporting practices. Bits and pieces will be added to and removed from this description through the next five empirical chapters.

Throughout this narrative and the description presented in this chapter, I have been conscious to minimise the consideration of COCOA's merits and Chambers' specific ideas. My aim in doing so has been to switch gears. Whereas much of the accounting literature on CATs and accounting innovations have followed a Kuhnian (1962) analysis of good and bad research, I have written a serial description that follows what, at first, seem to be mundane material-semiotic objects that were, nonetheless, instrumental in Chambers' TORs. The constellation of such actors as the war, the *AUA*, Fitzgerald and Claudius had enabled Chambers to lecture, publish and steer the Australian inflation accounting debate down a specific route. The constellation of actors, such as Blackwell's Booksellers, Murphy and remodelled warplanes had enabled Chambers to retrieve the accounting related literature that he needed from the UK and US. Another constellation of actors, such as Bray, Johnston and Cambridge University had led to the publication of Chambers' manuscript in *AR* in 1955. The overall impression gained from this process is that the medium is just as important (or even more so) as the message (McLuhan & Fiore, 2005).

DIAGRAM FOUR: THREE TRIALS OF STRENGTH



CHAPTER FIVE: ESTABLISHING COCOA (ABROAD)

I traced Chambers' first academic article on COCOA in the previous chapter. In so doing, I used two analytical tools from ANT: "trial of strength" (TOS) and "obligatory passage point" (OPP). Chambers engaged in three TOSs: with inflation, the English-language accounting literature and *Accounting Research* (*AR)*. The outcome of that process was an article published in *AR* in 1955 (hereafter blueprint article). In that article, Chambers outlined the four premises that would become the cornerstones of later publications on COCOA. He also introduced the three group formations that would position COCOA as an OPP for improving financial reporting practices. Chambers' readership was given an alternative between proceeding with a pure, all-inclusive accounting theory, drawn from the economics literature, or a prescriptive accounting theory, drawn from the post-war accounting literature, exclusive to the preparation of financial statements of public companies.

The continuing spread of Chambers' OPP for improving financial reporting practices is traced in this chapter. As the OPP came to include more actors, inflation was increasingly treated as a cataclysm but not as the root cause for problems in financial reporting practices. This began with two more debates in the *AUA*, and continued with a debate in the US literature and elsewhere. The US debate caused some concern to Chambers about how his ideas were being received abroad; thus, he decided to travel to the US and the UK to investigate the reaction and to garner support for COCOA and his ideas. The second section traces this first journey abroad and the process through which he made the necessary arrangements and obtained the necessary material-semiotic actors for such a trip. The third section traces and analyses Chambers' second milestone publication on COCOA in 1961.

With the increase in the number of publications on COCOA, it is useful to introduce another ANT term in this chapter: inscription. Latour (1987) used the term "inscription devices" to focus on laboratory material techniques and procedures. Through various inscription devices, such as telescopes, thermometers and statistical software packages, the scientist is able to transform observations, readings and data into images, tables and scientific arguments that are inscribed into journal articles, books and other textual accounts. Once the inscription is complete, the scientist eventually leaves the scene, the devices are put to other uses and the data disappears or are forgotten. The next generation of scientists is left with the final product:

inscriptions that, over time, come to act as evidence in place for the process that created them but no longer exists. I am not as much interested in the inscription devices as I am in the plurality of final inscriptions. Chambers' goal continued to be to convince practitioners, academics and standard setters that COCOA was an OPP for improving financial reporting practices. To this end, Chambers continued to inscribe COCOA in various articles, books and submissions to financial reporting regulators. But, as Chambers' readership widened in the US, the UK and Australia, his audience was exposed to different inscriptions (versions) of COCOA. This brought about several problems. I explore some of these in this chapter.

Debating COCOA

Australia.

Ashley Forster, an accounting practitioner in Australia, was the first to appraise Chambers' blueprint article. Forster, who did not have access to *AR*, had read the republished version (1955b) in the *AUA* the same year. Forster's (1955) comment was printed in the October 1955 issue. Harry Slater, who had succeeded Fitzgerald as the editor, mailed Chambers the galley proof to allow him to write a reply.[56] Chambers was shocked and dismayed to read Forster's comment. He was dismayed because Forster had not come to grips with the points he had made in the article. He was shocked because it was too late to ask Slater to reconsider publishing the comment. Forster had a habit of trying to impress his readers by inserting brief quotations from all kinds of sources on economics and from abroad, but his article made no points of substance. This had brought out Chambers' wrath, as he felt that he could not allow Forster to get away with a single point in his reply.[57] Slater was a kindred spirit to Chambers and the two were good acquaintances. He half-apologised for accepting Forster's rather ranting comment but assured Chambers that an exchange in the journal would benefit the readers. He was willing to publish Chambers' heated rejoinder as it stood, with the removal of a sentence at the end of the third paragraph that invited another reply from Forster.[58] Chambers agreed and

[56] DOI:10.USA P202/2/08342; 00131
[57] DOI:10.USA P202/2/08343
[58] DOI:10.USA P202/2/08344

informed Slater that his anger had now subsided. The rejoinder (1955c) was published in the November issue.[59]

In a further article, Chambers (1956a) followed his own lead to draw insights from the field of economics. He had used the economic doctrine that states that matching marginal revenue and marginal costs maximises profits to discuss cost accounting systems. The idea implies that a firm should keep producing units until the marginal revenue from another unit of production equals the marginal cost of producing that unit. Chambers had applied this doctrine to cost accounting and had concluded that full costs – i.e. the lumping together of *historical* variable cost and fixed cost – was irrelevant to pricing decisions. Businesspersons should know the marginal (variable) cost and revenue of each product and disregard the fixed cost.

Frederick Kenneth Wright wrote a comment on this article (1956).[60] Wright, who had also read Chambers' blueprint and other articles in the *AUA*, raised three objections to Chambers' argument. In the long-run, machines have to be replaced; it is therefore important to businesspersons to include such things as depreciation and other fixed costs. Also, businesspersons cannot determine the marginal revenue that they may receive for their products (i.e. the precise demand curve is unknowable). The advantage of full cost is that, if the selling price covers the full cost, the businesspersons can be assured that they are covering all their costs from the enterprise. Furthermore, Wright doubted whether marginal revenue and cost, if known, could be measured with sufficient precision.

Slater asked Chambers in May 1956 to write a rejoinder, to be published in the June issue.[61] In his reply, as opposed to his heated and dispersed response to Forster's article, Chambers (1956b) focused his fire on the doctrine of marginal revenue and costs. Chambers was then unaware of who Wright was, but had seen several of his contributions appear in the journal and asked Slater about him.[62] Wright would later rise to some prominence; first with his appointment to Russell Mathew's chair in accounting at the University of Adelaide and later with his appointment to Fitzgerald's chair in accounting at the University of Melbourne in 1977. Chambers and Wright would also continue their exchange after the publication of *AE&EB*

[59] DOI:10.USA P202/2/08345
[60] DOI:10.USA P202/2/08387
[61] DOI:10.USA P202/1/00151; 08386
[62] DOI:10.USA P202/2/08390

(1966a) in the 1960s. Wright (1966; 1967) would then take the side of Baxter, Solomons and Edwards and Bell in favour of a CAT based on current entry prices (see chapter one for an overview of these CATs and chapter six for the debate).[63]

US.

Ananias Charles Littleton wrote a third comment on Chambers' blueprint article. During the 1940s and 1950s, Littleton was, perhaps, the most influential and senior accounting academic in the mid-west US. He had been born on the 4th of December 1886 and had grown up in Bloomington, Illinois. He had graduated from Bloomington High School in 1905 and had gone on to pursue his undergraduate, graduate and doctoral studies at the University of Illinois. He had graduated from their doctoral program in 1931, having previously joined the faculty at the University of Illinois at Urbana-Champaign in 1915. He had spent his most influential years there, before retiring to teach part-time at the University of Denver.

Together with Hiram Thompson Scovill, Littleton had been instrumental in designing the first graduate course and doctoral programme in accountancy in the US. He had supervised over 75 graduate students and 24 of the 26 first doctoral students at the University of Illinois. Some of these students had gone on to become prominent professors in accounting at various institutions in the US. The book authored by Paton and Littleton (1940) was selling over 2,000 copies a year a quarter-century after its publication and was widely used as the set course material in most accounting courses (Bedford & Ziegler, 1975). His second book (1953) on accounting theory was widely used in courses on accounting theory. He had also been inducted into the Accounting Hall of Fame in 1956.

Littleton's comment was first published in the February 1956 issue of the *AUA* (1956a). This was a direct response to claims made in the blueprint article, in which Littleton's (1953; Paton & Littleton, 1940) CAT had been referenced as being based on prescriptive synthesis of current accounting practice with theoretical underpinnings from the post-war accounting literature. Chambers' article had been published in the

[63] Wright was a bristly sort of man with a great intellect and a background in engineering. Chambers and Wright continued to hold diametrically opposed views, but Chambers would later come to have great respect for Wright as a scholar. Their debates were intense but cordial. Clarke recalls one such occasion, when Chambers and Wright argued through dinner and to 11:00PM at night (interview, 13 September 2012).

UK and Australia. Littleton's response was first published in Australia and then, later, in *TAR* (1956b) in the US. His decision to republish the response in the July issue of *TAR* was unusual. Littleton had served as the editor of *TAR*, and it is probable that he still exercised some influence on what the journal published. Either way, Littleton's comment would have served as the first introduction to COCOA and Chambers' ideas for the US accounting academic readership. It resembled a clever pre-emptive strike, a critical introductory inscription before Chambers had had the chance to present his ideas, on his own terms, to those readers.[64]

In his article, Littleton (1956b) first reproduced Chambers' four premises for how all CATs should proceed; and then reproduced Chambers' OPP between a pure all-inclusive accounting theory, based on insights from economics, and a descriptive accounting theory, based on post-war accounting literature, exclusive to the preparation of financial statements for public companies. Littleton left out Chambers' arguments for his own position and, instead, added four propositions of his own about what it meant for the reader to construct a CAT according to Chambers' instructions. The overarching argument was that Chambers' position regarding theory construction was both undesirable and unattainable for COCOA and other CATs.

Littleton argued that Chambers' position was undesirable for two reasons. First, accounting practitioners think of the value of goods in terms of other reciprocal goods, which can be obtained in exchange, and not of the corresponding monetary value. Prices are important with regard to the comparison of the value of goods in terms of other goods but are otherwise meaningless. General price changes (i.e. inflation), however, affect the price level of all goods and are therefore not relevant to these considerations. Second, financial statements should only address those areas that are within the control of the management. To include and hold the management accountable for general price changes from various macroeconomics conditions in the economy would therefore be unethical.

Littleton then argued that Chambers' position was unattainable. Chambers referred to COCOA as an all-inclusive system that could account for sole practitioners, government entities and public companies. To be relevant to all these different entities, such a theory would have to be general in nature; however, each business and

[64] That Littleton responded in *TAR* before Chambers had published anything in the US might also be a testimony to the influence of *AR* both in the UK and the US (G. Dean, interview, 13 September 2012).

circumstance would require specific information, which such a system could not provide. Conventional financial reporting practices are, in fact, not inconsistent but modified according to each of these businesses and circumstances. Intuition and imitation, from best practices and conventions, are better positioned to inform rational decision making than internal logical consistency. The success of the modern business enterprise stands as empirical evidence of this.[65]

Chambers responded to Littleton's pre-emptive comment in personal correspondence and in the accounting literature. Chambers had not written to Forster and Wright after their comments, but he did write to Littleton. Chambers defended his position on inflation in particular, but Littleton offered little in response other than his belief in the usefulness of clashes of opinions.[66] Chambers then discussed his difference of opinion with Littleton in correspondence with Fitzgerald, in Australia, as well as with Ernest Weinwurm and May in the US. The goal of this correspondence was to gather support and to find out more about Littleton's position among academics and practitioners in the US.

Littleton's (1953) most recent book had not been reviewed in the accounting literature; Chambers saw this as an opportunity to highlight their difference of opinion in the literature. He queried Fitzgerald about his impressions of Littleton and of how such a review might be received in the US.[67] Fitzgerald had not met Littleton during his trips to the US, but held him in high regard and informed Chambers that he was viewed as the most scholarly man in the profession in that country. He had heard from Murphy, when she visited Australia for her lecture tour, about Littleton being a bit particular about quoting from his books but that he did not foresee him objecting to a scholarly exchange in the literature and that he believed that the profession would not object to a reasonable criticism of his book.[68] Fitzgerald also forwarded a three-article exchange between Littleton and one of his critics on accounting theory, which had been published in a local Illinois accounting journal.[69]

[65] Littleton's position that intuition and imitation leads to rational decision making seems a bit radical, out-dated, and at odds with current thinking. Current standard setters, and the literature on standard setting, generally hold that the uniformed applications of accounting standards are desirable.
[66] DOI:10.USA P202/2/08270; 08371
[67] DOI:10.USA P202/1/00084
[68] DOI:10.USA P202/1/00085
[69] DOI:10.USA P202/1/00087; 00091

Weinwurm had initiated the correspondence with Chambers after having read the blueprint article in *AR*.[70] The two would continue to correspond for several years (for this correspondence, see Dean & Clarke, 2010a). Weinwurm had been born in Vienna on the 20th of April 1895. He had received his doctoral degree from the University of Vienna in 1920, and he had then arrived in the US as a displaced person after the Second World War.[71] He had found work as an associate professor at the DePaul University in 1954, and he would later be promoted to full professor in 1959. His interest had been in developing a scientific approach to accounting research and a CAT based on insights from the general measurement literature. In his first letter to Chambers, he informed him that it felt good to discover someone with similar interests even if that someone was located on the other side of the planet. Chambers responded in kind and queried Weinwurm about his feelings about Littleton's latest book.[72] Weinwurm was just as disappointed as Chambers, and had been "tickled to death" to respond to Littleton's review article but would leave that to Chambers. This, he argued, would allow Chambers to make the US readers more fully aware of his position.[73]

May had also initiated correspondence with Chambers after having read the blueprint article in *AR*. May had become aware of and had retrieved the *AR* article after having read Littleton's review in *TAR*. May felt that Littleton's review article did much justice in criticism of Chambers' position, but feared that Littleton had left himself vulnerable in the process. May agreed with Littleton that accounting had to be modified to meet particular needs and did not foresee an all-inclusive CAT. In his view, accounting for public companies and accounting for the macro-economy, such as national aggregates of production and consumption, were too different to be unified under one general theory.

In addition to agreeing with Littleton's criticism, May took issue with Chambers' reference to Canning (1929) as someone to emulate. Canning was not a mainstream economist and his economic concepts of income came from Fisher (1906), whose work on income and capital was not (yet) generally accepted in the economics literature. The reference was therefore tenuous and did not represent mainstream

[70] DOI:10.USA P202/1/00173; 08090
[71] Weinwurm had received a Legum Doctor. This is the equivalent of a Doctor of Laws in English.
[72] DOI:10.USA P202/1/08091; 00175
[73] DOI:10.USA P202/1/08093; 00234

economic thinking. He also wondered whether Chambers had seen the monograph on business income from his Study Group of Business Income (1952), as there was no reference to it although it had dealt with similar issues.[74]

Chambers downplayed his reference to Canning as little more than an overture. He also assured May that he had procured and read the study group monograph in detail. Chambers held it in high regard, his own views on inflation coinciding with those expressed in it. These views had been expressed earlier in Chambers' first TOS with inflation in Australia; thus, he gave May the references for his publications (1949; 1950a; 1952a; 1952b; 1952c) on the matter. Chambers had not referenced the report because his blueprint article had been an introduction to the general direction of his argument and he still held that an all-inclusive CAT was possible, whereas the monograph had been interested in business income.[75] May replied that he would make arrangements to retrieve Chambers' Australian publications, which he had not seen. But, until then, he maintained, he was not convinced by Chambers' argument and he still held that the time was not "opportune" for introducing an all-inclusive CAT and substantially restating financial reporting practices.[76]

The mixed responses of Fitzgerald, Weinwurm and May did not discourage Chambers; he soon took his case against Littleton and for COCOA to the US accounting literature, where he published two articles in *TAR*.[77] Chambers sent his first manuscript, a review of Littleton's (1953) latest book, to Frank Smith on the 15th of March 1956. Smith had been educated at Yale University and was, by then, a professor of accounting at the University of Michigan (Zeff, 1966). He was the current editor of *TAR* and had served as the AAA president in 1954. He would later become a principal at Lybrand, Ross Brothers and Montgomery. Chambers admitted that his article was as much a critical reflection on CATs as it was a review article; Smith suggested that he should change the title to reflect that. Chambers duly obliged and made some other typographical amendments. Smith published the article in the October issue.[78]

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[74] DOI:10.USA P202/2/08373
[75] DOI:10.USA P202/2/08374
[76] DOI:10.USA P202/2/08375
[77] On a personal level, Chambers did express disappointment that May would not see the importance of the matters at hand (Interview, G. Dean, 13 September 2012).
[78] DOI:10.USA P202/2/08368

In the review article, Chambers (1956c) raised a number of issues, but his focus was on general price changes. He maintained that these must be accounted for, dismissing Littleton's suggestion of accountants being interested in value in exchange. Accounts were to be taken in monetary terms and both costs and prices were to be seen in monetary values. The prominence of monetary values would not diminish even if accountants were not interested in this and favoured the value-in-exchange. Furthermore, limiting the financial reports to areas within management control would be missing the point. Management could not adapt to changes in financial circumstances without knowing the effects of inflation on general price changes.

Chambers sent his second manuscript, a direct response to Littleton's comment on his blueprint article, to Smith in September 1956. Chambers informed Smith that he had long thought about presenting his views to the US readership and that Littleton's review article had made this unavoidable.[79] Smith had received several responses to Littleton's comment and was glad to publish Chambers' response as soon as he found space in the journal.[80] The article was published in the December issue.

In the article, Chambers introduced the US readers to his original four premises and to some of the content from his original blueprint article. On the group formation between pure and prescriptive accounting theory, Chambers stood his ground. Drawing parallels between accounting and similar practical arts, such as engineering, law and medicine, Chambers argued that all practical arts have at least two things in common: practice *and* research. In each of these fields, the practitioner is bounded by current convention, orthodoxy and knowledge. The researcher, on the other hand, is free from convention and can therefore explore pure theory without recourse to practice. Whatever the researcher discovers in this process can then be applied and tested in practice.

On the group formations between accounting theory from the domain of economics or from the domain of post-war accounting literature, as well as the group formation between inclusive and exclusive accounting systems, Chambers slightly adjusted his position. In terms of the former, he did not cite Canning in particular, but referred to the field of economics in general. In terms of the latter, Chambers maintained that a general and all-inclusive theory was desirable, but that more

[79] DOI:10.USA P202/2/08395
[80] DOI:10.USA P202/2/08396

specific theories could be constructed within the general one. These theories could be constructed to meet the more specific needs of entities too dissimilar from public companies, such as sole practitioners, charities and national accounts. Chambers also constructed a theorem to demonstrate how the logical consistency in COCOA could be used to prove (or disprove) current practices. He used this theorem to derive a proof that the issuance of periodical statements was not a product of convention but a logical necessity.

Weinwurm and May's correspondence had led Chambers to expect Littleton's comment on his blueprint article to be devastating. Reflecting on the events, however, Chambers conceded that it had been a rather dull affair. His only qualm about the exchange was that Littleton's comment had pre-empted a publication on COCOA in the US. This had allowed Littleton to be selective and freely misinterpret his blueprint article.[81] Littleton never responded to Chambers' review article and rejoinder.[82] Fitzgerald and Weinwurm appear to have had sided with Chambers. May had sided with Littleton, but this had not come as a surprise to Chambers and their correspondence had remained cordial.

Chambers received additional encouragement in the debate from Mattessich and William Vatter, who both sided with him. Mattessich contacted Chambers to lend his support after he had read the exchange with Littleton in *TAR*.[83] Richard Mattessich had been born an Italian citizen in 1922, but had lived in Vienna since 1923. The Italians had overlooked his citizenship and Mattessich had never been drafted into the army to serve in the war. He had first studied mechanical engineering as an undergraduate student and later economics as a doctoral student. He had graduated from the Economic University of Vienna and had emigrated to Canada in 1952. He was now a professor in accounting at Mount Allison University, but would later move to the US and become a professor at UC Berkeley (Mattessich, 1995). Because of his background in engineering and economics, he felt that his and Chambers' minds were "wahlverwandtschaft", kindred spirits, in the quest for a CAT based on scientific

[81] DOI:10.USA P202/2/08373; 00235
[82] Chambers and Littleton never reached an agreement on their differences when it came to issues related to CATs. Chambers continued to regard Littleton's theoretical scholarship with some contempt, although he did appreciate Littleton's historical scholarship and his path-breaking role when it came to the advancement of accounting as a discipline in the US (interviews, G. Dean and M. Wells, September 2012).
[83] DOI:10.USA P202/1/00245

methods.[84] This relationship would later turn sour after Chambers (1966b) wrote a harsh review of Mattessich's (1964; 1967) book on his CAT.

In 1956, Vatter had sent Chambers a Christmas card with a little note stating that he was proud to know the man behind the critique of Littleton's (1953) latest book and that he often mentioned Chambers to his colleagues.[85] The two had met when Vatter had visited Australia as a Fulbright Fellow in 1955.[86] William Joseph Vatter was then a professor in accounting at UC Berkeley, but had been born in Cincinnati, Ohio, and had begun his career as a musician in a theatre orchestra. He had returned to university to pursue an undergraduate degree in accounting and then a doctoral degree at the University of Chicago. During the war, he had served two years as director of finance at the Metallurgic Laboratory, which housed parts of the Manhattan project, before re-entering academia (Moonitz, 1991). In Australia, Fitzgerald had contacted Chambers for Vatter to visit the University of Sydney.[87] Two visits had been arranged: one during the semester and one during the holidays. Vatter lectured to both students and staff on these occasions.[88] His main interests were in management accounting, but he had written his doctoral dissertation on his own CAT (1947) and therefore shared some academic interests with Chambers.

COCOA Abroad

In his TOS with Littleton, Chambers felt that he had got the better of the exchange. The support from his colleagues seemed to substantiate this, but he could not know how COCOA had been received by the general *TAR* readership in the US. Littleton had been able to pre-emptively review Chambers' blueprint article in *TAR* and this could have left an impression that Chambers had been unable to reverse. There were also rumours about a pro-Littleton body of academics and practitioners somewhere in the mid-west. This rumour was not unfounded, taking into account the number of

[84] DOI:10.USA P202/1/00246
[85] DOI:10.USA P202/2/08372
[86] During a second visit, the ASA and Institute of Chartered Accountants in Australia would later commission Vatter to undertake a *Survey of Accountancy Education in Australia* (1965). The recommendations from this survey partly underpinned the transformation from a UK to a US educational model in Australia, which led to the requirement of university education in accounting to sit for the professional accounting exams (Evans, 2008; Evans, Burritt, & Guthrie, 2012).
[87] DOI:10.USA P202/1/00092
[88] DOI:10.USA P202/1/00093; 00094; 00097; 00109; 00106

former students that Littleton had supervised in the 1940s.[89] Chambers had written to Weinwurm in Chicago about these concerns. The latter could neither confirm nor deny if this was the case and admitted that Chambers was not yet well known in the country.[90] Arrangements were therefore made to travel to the US and the UK to gauge the general perception of COCOA abroad and shore up support among like-minded academics.

Funding and other arrangements.

For the 1959 academic year, Chambers applied for sabbatical leave, which was granted to faculty members who had served seven years at the university.[91] The intended purpose for his study leave was to examine developments in the studies in accounting, economics and administration at universities in the US and the UK. The university senate approved his application in May 1958.[92] Arrangements were made with a university accountant to have one-third of Chambers' salary and travel allowance disbursed during the current fiscal year and the remainder after the 1st of July 1959.[93] Chambers received a A£250 travel grant, plus an additional A£150 after the total travel grant for faculty had been amended to A£400.[94] Chambers was instructed to contact John Foster, the secretary of the Association of Universities of the British Commonwealth, to register his local address and travel plans upon arrival in London. Foster would then forward Chambers' information to universities and other institutions that might be interested in his visit.[95]

The Institute of Chartered Accountants (ICAA) in Australia was the first external institution to sponsor Chambers' trip to the US and the UK. Chambers had mentioned his upcoming travel plans during a local ICAA chapter meeting in Katoomba, chief town of the City of Blue Mountains.[96] One of the members present had then brought the news to the ICAA general council. Ronald Arthur Irish, the president, had then contacted Chambers on behalf of the general council. Irish was a

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89 DOI:10.USA P202/1/00237 and private conversation with S. Zeff, 14 February 2012, and interview with M. Gaffikin, 17 September 2012.
90 DOI:10.USA P202/1/08096; 08098
91 DOI:10.USA P202/1/00315
92 DOI:10.USA P202/1/00287
93 DOI:10.USA P202/1/00317; 00318
94 DOI:10.USA P202/1/00319; 00320; 00487; 00488
95 DOI:10.USA P202/1/00316
96 DOI:10.USA P202/1/00325

practising accountant at Rothmans of Pall Mall, which would later become British American Tobacco Australia, but also an academic who had published several books on auditing. He would be knighted in 1970 and then be elected as an honorary fellow at Chambers' university in 1986. Standing athwart practice and academia, Irish strived for a closer co-operation between the two and offered Chambers A£100 in exchange for a report on the trends in the university training of the accounting profession in the UK.[97] Chambers gladly accepted this offer and conveyed his best wishes to Irish, the council and the member who had brought his trip to their attention.[98]

The salary, travel allowance and travel grant from the university plus the ICAA sponsorship would not be enough to cover Chambers' travel expenses to the US and the UK. Chambers would therefore have to make applications for more external funding. The first application was submitted to the Carnegie Foundation's fund for British Dominions and Colonies in March.[99] Andrew Carnegie had established the Carnegie Foundation and Senator Henry Pritchett had secured US congressional charter for the foundation in 1906. The British Dominions and Colonies fund had been established a few years later, in 1917. The foundation was funded by the vast wealth that Carnegie had accumulated in the steel industry in the US and was concerned with education policies and standards. The British Dominions and Colonies fund was particularly interested in funding educational matters along these lines in former dominions and colonies such as Canada, Australia, South Africa and New Zealand (White, 1996).

In support for his application to the Carnegie Foundation's fund for British Dominions and Colonies, Chambers retrieved six references. Four of these came from Fitzgerald, Vatter and two economics professors at his university.[100] The Auditor-General for New South Wales, whom Chambers knew through his membership in the ASA, provided the fifth and Robert Livingston Dixon provided the sixth.[101] Dixon was a professor in accounting at the University of Michigan, where he had earned his undergraduate and graduate degree before pursuing a doctoral degree at Yale University (Duderstadt, Wagner, & Burrell, 2010a). He had spent some time at the

[97] DOI:10.USA P202/1/00327
[98] DOI:10.USA P202/1/00324
[99] DOI:10.USA P202/1/00310
[100] DOI:10.USA P202/1/00310; 00314; 00359; 00399; 00401
[101] DOI:10.USA P202/1/00311

University of Chicago from 1938 to 1942 and had probably met Vatter during this time. He had been the president of the AAA in 1949. The Commonwealth Bank of Australia and the ASA had sponsored Dixon's visit to Australia in 1957, when Chambers had met and befriended him during a meeting at the American National Club in Australia and a lecture for the ASA in Sydney.[102] Dixon was interested in accounting and cost accounting issues and Chambers' work had left a deep impression on him.

The Carnegie Foundation notified Chambers that his application had been turned down in a letter in June.[103] Chambers expressed his disappointment to his colleagues and thanked them for their support.[104] The Carnegie Foundation had picked Russell Lloyd Mathews instead.[105] Mathews was the younger of the two Australians, having been born on the 5th of January 1921 in Geelong. He had matriculated from high school in Melbourne, had worked in the private sector and had then joined the Army during the Australian war effort in 1941. As a Captain in the 58th/59th infantry battalion, he had fought the Japanese army in New Guinea and Bougainville, where he had sustained a leg wound that would cause him to limp for the rest of his life. After the war, Mathews had pursued his undergraduate studies at the University of Melbourne. He had graduated in 1949 and had become a research assistant to the vice-chancellor of the newly established Australian National University. This was followed by a period abroad, in London, from 1951 to 1953, to recruit staff and faculty for the new university (Grewal & Barton, 2000).

The Carnegie Foundation's choice could have gone either way. Mathews' work during the war effort might have made him a little better known in Australia, but their respective credentials and interests in CATs were otherwise similar.[106] By the time of their applications, Mathews was a reader in accounting at the University of Adelaide and Chambers was an associate professor in accounting. Mathews' interest was also to improve accounting measurements and he, too, had turned his attention to issues from changes in general price levels after the war. Mathews had also drawn

[102] DOI:10.USA P202/1/00183; 00189
[103] DOI:10.USA P202/1/00313
[104] DOI:10.USA P202/1/00337; 00401; 00292; 00368; 00371; 00359; 00620
[105] The turn of events is not without irony. The Carnegie and Ford Foundations would later produce an education policy document that would become instrumental in bringing about capital market research in preference to efforts such as Chambers and Mathews to improve financial reporting practices (Dyckman & Zeff, 1984).
[106] P. Brown, interview, 27 February 2012.

inspiration from economics to deal with these issues, but he was more interested in macroeconomics and national income accounts than individual economic decision making and financial reporting practices among private entities (Grewal & Barton, 2000).

Chambers made inquiries for a second funding application to the US Educational Foundation in Australia.[107] The Fulbright Fellowship had been established in August 1946, after Senator James William Fulbright had introduced the bill to the US Congress and President Harry S Truman had signed it into law. The bill established a foreign scholarship board to administrate the fellowships, using the proceeds from the post-war sales of surplus US government military property (Woods, 1995). The fellowship's aim was to promote international co-operation through the exchange of students and academics in the fields of education, culture and science. Weinwurm encouraged Chambers to apply as the intentions of the latter's visit complied with the fund's criteria.[108]

Chambers had also been encouraged by several academics whom he had met who had been successful in their own applications to the fund. Mathews, Fitzgerald, Chambers and another colleague had most recently been part of a successful joint sponsorship application to have Smith, the editor of *TAR*, go over to Australia as a Fulbright Fellow in 1957.[109] Chambers had also met Murphy and Vatter during their visits as Fulbright Fellows in 1953 and 1955. The representative at the US Educational Foundation in Australia believed that Chambers matched their criteria as well and sent him an application. However, just as the application arrived, Chambers had managed to secure funding from another institution and therefore withdrew it.[110]

The third and, ultimately, successful funding application had been made to the Earhart Foundation. A successful US oil executive, Harry Boyd Earhart had established the foundation to promote research and scholarship in 1929. The Earhart Foundation worked in close co-operation with the William Volker Fund, which had also been established to promote research and scholarship. Both funds had right-wing leanings and would be instrumental in promoting and spreading the Austrian school of economics in the US. The funds were vital in sponsoring Friedrich von Hayek and

[107] DOI:10.USA P202/1/00358
[108] DOI:10.USA P202/1/00384; 08106
[109] DOI:10.USA P202/1/00208; 00209; 00210
[110] DOI:10.USA P202/1/00361

Ludwig von Mises to come to the University of Chicago and to have their works published in the US.[111]

Having returned from Australia in 1957, Dixon had inquired as to whether Chambers would be interested in going to the University of Michigan to teach for a nine-month period during his 1959 sabbatical leave.[112] Chambers' application to the Carnegie Foundation had not yet been lodged and rejected, so he was not yet willing to commit to a teaching assignment as it would have prevented him from visiting the number of universities and people that he had planned to.[113] Nonetheless, Chambers' funding application eventually proved unsuccessful and the two discussed what such an assignment would look like. The teaching assignment would span either one or two semesters, for up to a nine-month period. Chambers would get three sections of three-hour classes on Mondays, Wednesdays, and Fridays. The stipend would be in the range of $4,500-5,000 for two semesters and there were possibilities to apply for additional funding.[114]

Dixon contacted Chambers again in August 1958, having heard that the Carnegie Corporation had turned down the latter's funding application.[115] He offered Chambers an alternative solution. If Chambers was willing to cut the trip to the UK to three months or less and then spend the rest of the year in the US, the Earhart Foundation might be able to award him a substantial grant. Dixon had had lunch with William Andrew Paton, who was on the board of directors, and the latter had seemed willing to lend his support to such an application.[116] Chambers agreed to Dixon's suggestions and sprung to action, making an application to the Earhart Foundation.

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[111] Incidentally, Chambers was very impressed with Hayek, and there are several references to his and von Mises' work in *AE&EB* (M. Gaffikin, interview, 17 September 2012).

[112] DOI:10.USA P202/1/00332

[113] DOI:10.USA P202/1/00333

[114] DOI:10.USA P202/1/00334

[115] DOI:10.USA P202/1/00338

[116] Paton's scholarship would already have been well known to Chambers. During a honours class in accounting, delivered by Chambers, the students used to go through one book every week. Paton and Littleton's (1940) was one of these books. Clarke remembers Chambers sitting in front of the class, pointing out to the students what parts must have been written by Littleton and what parts must have been written by Paton. Chambers thought that Paton was a wonderful thinker (interview, 13 September 2012).

He used the same material as in the Carnegie Corporation application and forwarded three copies to the president of the foundation, Dixon, and Paton.[117]

The Earhart Foundation trustees were scheduled to meet on September 23rd. Dixon had heard rumours that had led him to be optimistic.[118] Chambers did not hear from the foundation for a month but expressed optimism about his prospects in a letter to Vatter, reasoning that the foundation would have contacted him earlier if he had been rejected.[119] It turned out that two factors had caused the delay; the Earhart Foundation trustees had not been aware of the amount that Chambers had requested, as this had only been communicated in private correspondence with Dixon, and the trustees were unconcerned about the time because it was their understanding that Chambers would not leave until sometime the following year. The application had been then passed over to the Relm Foundation, which had been established in Michigan in 1951, was governed by the same individuals and was in close co-operation with the William Volker Fund.[120] When these issues had been cleared up, the Relm Foundation notified Chambers that he had been awarded a grant for $5,000 on the 28th of October 1958.[121]

The Union Record, a University of Sydney news bulletin, published in its November issue a notice about Chambers having made arrangements for a one year study trip to the US and the UK from December 1958 to December 1959.[122] Chambers contacted Weinwurm, Dixon, Fitzgerald, Vatter and other colleagues to thank them for their support and concern in his quest to obtain an external travel grant.[123] He also thanked the foundation's trustees and informed them that he would open a US bank account in due time for them to deposit the amount of the award.[124]

The American Consulate in Sydney had informed Chambers that the sponsoring institution would have to file a DSP 600 Certificate of Eligibility on his behalf, and he requested the foundation to do so. Chambers would also have to provide duplicate letters stating the purpose and length of his visit as well as give

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117 DOI:10.USA P202/1/00346; 00347 00348; 00339
118 DOI:10.USA P202/1/00340
119 DOI:10.USA P202/1/00406
120 DOI:10.USA P202/1/00341; 00343
121 DOI:10.USA P202/1/00350; 00496
122 DOI:10.USA P202/1/00354
123 DOI:10.USA P202/1/00342; 00387; 00372; 00359; 00373; 00407; 00294
124 DOI:10.USA P202/1/00351

evidence that he had plans to return to Australia upon completion of his studies.[125] The foundation contacted the American Consulate in Windsor, Ontario, upon receiving this request. The consulate General there concluded that Chambers had been misinformed and that he should instead enter the US on a temporary visiting visa, as he was not attached to any one educational institution.[126] The foundation forwarded this conclusion to the consulate in Sydney, which complied. Chambers acted accordingly and filed for a temporary visiting visa and agreed that, on completion of his studies, he would submit an informal report about his experiences in the US.[127]

Transportation.

Having secured funding, the last remaining issue was transportation. COCOA had been inscribed in articles in *AR*, in the UK, and in *TAR*, in the US. Chambers had sent manuscripts to Bray and Smith via airmail, perhaps shipped by DC4 Skymaster to Singapore and then by Avro 961 Lancastrian to the US and the UK. Those two editors had then accepted the manuscripts for publication, on condition of various amendments. Chambers' trip to gauge the reception and garner support for COCOA had already been cumbersome. It had taken more than a year to secure funding and time to make arrangements for transportation was short.

Chambers contacted the Peninsular and Oriental Steam Navigation Company (P&O) to arrange travel to the UK on a ship. Chambers was no stranger to ships, having travelled back and forth between Sydney and Newcastle as an undergraduate student, but he had never been on board a liner travelling to the other side of the world. P&O, the operator, was a UK shipping and logistic company founded in 1837. At its peak, in the 1920s, the company had operated almost 500 ships, but Germany had torpedoed and sunk two hundred of these during the war (for more about P&O during the inter-war years, see Napier, 1991). Arrangements were made for accommodation for Chambers and his family in a 3-berth and a nearby 2-berth tourist class cabin on the SS Arcadia.[128] The date of departure had been initially set for the 29th of November, with stops in Colombo, Aden, Port Said, and Gibraltar.[129] The date was then rescheduled to the 28th of November, with two additional stops in Singapore

[125] DOI:10.USA P202/1/00349
[126] DOI:10.USA P202/1/00352; 00353
[127] DOI:10.USA P202/1/00534; 00542; 00536
[128] DOI:10.USA P202/1/00363; 00364
[129] DOI:10.USA P202/1/00407

and Malta.[130] The date of arrival in London remained set for the 29th of December. When the day of departure came, faculty and staff from the university saw Chambers and his family off as they boarded the Arcadia in Sydney harbour.[131]

The Arcadia had been built by John Brown & Co, which had been founded in 1851 and would later become a preeminent shipbuilder. Construction had begun in Clydebank, Scotland, in June 1951, and was completed in January 1954. The ship had made its maiden voyage the following February. P&O had ordered the ship to be built during the immigration boom from Europe to Australia under the government established assisted passage scheme following the war. The Arcadia had cost almost £7 million and could accommodate up to 670 first class and 735 tourist class passengers in addition to its 716 crew. The ship operated a route between Australia and the UK; travelling at 22 knots and propelled by six-impulse reaction geared steam turbines. The Arcadia's operations, however, had been temporarily stalled during the Suez Crisis of October 1956. Forces from the United Nations had been deployed and resolved the crisis in April 1957, and Arcadia had resumed operations thereafter. The Arcadia would be scrapped two decades and countless cruises later, in Kaohsiung, Taiwan, in April 1979 (D. Howarth, Howarth, & Rabson, 1995).

Chambers' itinerary.

The trip to the UK and the US, from December 1958 to December 1959, has not been covered in detail elsewhere (for some additional details on the trip, see the aide memoire in appendix five). I have attempted to reconstruct as much as possible from Chambers' letters and itineraries. During the stopover in Singapore, Chambers made arrangements through an Australian colleague to have a local professor guide him on a tour of the city. It appears that Chambers visited the University of Malaya (later the National University of Singapore), the oldest English university in the country, and Nanyang University, the country's only Chinese university. He also appears to have visited the Singapore Polytechnic, which was then only a few months old and was the country's first technical college.[132] There are no letters indicating that Chambers made any educational visits during the stopovers in Colombo, Aden, Port Said, Malta and Gibraltar.

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[130] DOI:10.USA P202/1/00362
[131] DOI:10.USA P202/1/00375; 00486
[132] DOI:10.USA P202/1/00374

As planned, Chambers arrived in London on the 29th of December 1958. He stayed in London until the 15th of May 1959 making short visits to cities in the UK and continental Europe during this time. He then left on another ship from Liverpool to Montreal, Canada, where he stayed for a few weeks before travelling to stay in the vicinity of the University of Michigan for three months, as he had agreed with Dixon. During these months, he would cover various areas within a 2-300 mile radius, using Ann Arbor as his base; Chicago, Pittsburgh, Boston and Urbana-Champaign were among them.[133] He then set out south and west to California, where he would spend four to six weeks, before boarding a ship from the west coast to Australia on the 29th of December.[134]

Colleagues in Australia and abroad had provided Chambers with details for potential contacts in the UK and the US. Chambers had also used the October 1958 issue of *TAR* to write down the names, positions and universities of its editorial board and contributors.[135] Fitzgerald provided the details for Basil Smallpeice and Harry Norris, both in London, and Eric Louis Kohler, in Chicago, among others.[136] All three were prominent accounting practitioners and academics (e.g., see W. W. Cooper & Ijiri, 1979; Mumford, 2007a; 2008). Kohler, in particular, was prominent in practice, government and academia in the US. He had been the president of the AAA and the editor of *TAR*. Chambers would also have been familiar with Norris' writings on accounting, as he had retrieved his book (1946) from the UK in the 1950s and had cited him in his blueprint article.

Goldberg provided the details for Maurice Moonitz and Staubus, in California, Samuel Richard Hepworth and Herbert Elmer Miller, in the Michigan area, as well as Harold Edey and Solomons, in the UK, among others.[137] Staubus, Hepworth, Solomons and Edey were primarily prominent in academia, whereas Miller was well known in both academia and practice (e.g., see Bird, 1980; Duderstadt, Wagner, & Burrell, 2010b; Tysiac, 2013; Zeff, 1995). Chambers would encounter these people again later in his career (see chapters six, seven and nine). Weinwurm suggested that Chambers should get in touch with Reginald William Revans, at the University of Manchester, and one of his contacts who was high up at the General Electric

[133] DOI:10.USA P202/1/00549
[134] DOI:10.USA P202/1/00294; 00407; 00445; 08109
[135] DOI:10.USA P202/1/00477
[136] DOI:10.USA P202/1/00360
[137] DOI:10.USA P202/1/00380

Company's London office.[138] A colleague from the university suggested that Chambers should seek out William Wager Cooper, at Carnegie Mellon University, who was interested in applying scientific methods to management research.[139] Because of Chambers' already extensive network of colleagues abroad, he received numerous contact details of people that he already knew, such as Paton, Dixon, Vatter, Bray and others.[140]

In the UK, there are letters that attest that Chambers met with at least Ronald Max Hartwell, Solomons, Bray, and Revans. Hartwell was an economic historian at Nuffield College, Oxford University, and Chambers arranged to meet him to discuss traditional accounting concepts and methods over the previous two centuries.[141] Chambers suspected that there might exist records and summaries of such concepts and that Hartwell might be able to help him find them. Hartwell had been born in Australia, before emigrating to the UK after the war, and the two had been acquaintances from that time (O'Brien & Quinault, 1993). Chambers met Solomons and his colleagues in Bristol in January.[142] Solomons had been at the LSE but was then an accounting professor at the University of Bristol; he would later emigrate to the US in 1959 and become a professor at the Wharton School. Solomons was interested in CATs but favoured measurements based on current entry-prices.

Bray's secretary had arranged for him and Chambers to dine at the Athenaeum Club, in London, in February.[143] Bray's part-time Senior Nuffield Research Fellowship at the Department of Applied Economics, at Cambridge University, had not been renewed in 1955. The Stamp-Martin Chair at the Incorporated Accountants' Hall had also been terminated with the absorption of the Society of Incorporated Accountants by the ICAEW in 1957. Bray had therefore returned to practice full-time, but had kept an interest in CATs. Chambers also met Revans in Manchester in March.[144] Revans was the first professor of industrial management at the university, but he had pursued his doctoral studies in astrophysics at Cambridge University. Ernest Rutherford and Joseph John Thomson, the fathers of nuclear physics, had

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138 DOI:10.USA P202/1/08110; 08113
139 DOI:10.USA P202/1/00492; 00479
140 DOI:10.USA P202/1/00323; 00328; 00438; 00308
141 DOI:10.USA P202/1/00331
142 DOI:10.USA P202/1/00483
143 DOI:10.USA P202/1/00482
144 DOI:10.USA P202/1/00572

supervised his doctoral dissertation. Revans and Chambers discussed the application of scientific methods to administrative problems, an interest they shared (Altounyan, 2003).

On the US east coast, there are letters to attest that Chambers met with at least Charles Noyes, Charles Hagan, and Cooper, in addition to his colleagues at the University of Michigan. Chambers met Noyes in New York City, where the latter was the editor of the *Journal of Accountancy* (*JOA*), the US equivalent of the *AUA*, and would continue in that role until 1966.[145] He had previously worked as the public relations officer of the American Institute of Certified Public Accountants (AICPA) and as the editor of *Washington Quarterly*, a news service in the Washington D.C. area (Shildneck, 2005). The two discussed the integration of studies in accounting, economics and administration.

Cooper met Chambers in Pittsburgh in August. The two discussed means by which appropriate measures could be obtained for incorporation in mathematical procedures to determine optimal behaviour.[146] Cooper would later supervise Yuji Ijiri's doctoral studies from 1960 to 1963. The result of this doctoral dissertation was a CAT that used dated exit-prices (see chapter one). Chambers and Ijiri's relationship would later turn bitter, as the two debated this CAT in the accounting literature (e.g., see Chambers, 1972; Ijiri, 1972).

Hagan had known Chambers and his family before the latter arrived on the east coast, but the letters do not reveal how this came to be. Hagan was a professor in political science at the University of Illinois at Urbana–Champaign, but arranged for Chambers to meet their accounting faculty.[147] Chambers visited sometime in August, after stopping in Pittsburgh. During his last part of the trip on the west coast, Chambers met faculty members at the UC Los Angeles, UC Berkeley and Stanford University. Vatter and Mattessich, both supporters in Chambers' exchange with Littleton, together with Moonitz, Staubus and Sprouse were at Berkeley at the time and would have met Chambers there.[148]

In addition to these meetings and to his teaching assignment at the University of Michigan, there are letters indicating that Chambers gave a number of public

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[145] DOI:10.USA P202/2/08407; 00309
[146] DOI:10.USA P202/1/00505; 00504
[147] DOI:10.USA P202/1/00502; 00503; 00504
[148] DOI:10.USA P202/1/00445; 00533; 00622

presentations while in the US. The first took place during a three-day conference arranged by the Institute of Management Sciences (TIMS) at the Congress Plaza Hotel in Chicago in June. Weinwurm was heavily involved in TIMS's Chicago chapter, the arrangement of this conference and putting Chambers' on the second day's presentation schedule (for more information about TIMS, see Dean & Clarke, 2010a). The presentation dealt with the misinformation provided for management decision-making by conventional financial reporting practices based on dated entry prices. David Hertz, from Arthur Andersen & Company in NYC, chaired the session. The presentation was later published in the TIMS journal (1960a). Weinwurm had also made Chambers a national officer, and during the second day he therefore attended the national officer meeting. Other attendees were Charles West Churchman, from UC, Berkeley, and Donald Henry from General Electric (GE).[149]

Chambers' second and third presentations were given at the GE headquarters in Schenectady, NY, in August, and at the University of Chicago in October.[150] GE had started as a laboratory in 1890 in an old carriage barn in Niskayuna, but had since then moved to modern offices. By the late 1950s, GE had amassed thousands of patents and one of its staff members, Irving Langmuir, had won the 1932 Nobel Prize for Chemistry. A TIMS conference attendee from GE had contacted Chambers. The attendee had sat in on Chambers' presentation and wanted him to visit the GE headquarters to take part in a small departmental colloquium and then to discuss with individual members in very small groups. The topic his group was interested in was the measurement of research progress, both in terms of input (e.g., hours) and output (e.g., number of patents). Chambers agreed to this and was flown first class from Ann Arbor to Schenectady and back. In addition, he was paid a $100 consultation fee and accommodation for two nights.[151]

The fourth presentation had been scheduled for the AAA annual meeting in June, to be hosted by the University of Colorado. Weinwurm had contacted Martin Black, professor at Duke University and current president of the AAA, to have Chambers added to the annual meeting schedule. Weinwurm had envisioned a session with Chambers and another two to three professors on "adjusting accounting principles to the requirements of scientific research" and had earlier contacted

[149] 10.USA P202/1/08113; 08417
[150] DOI:10.USA P202/1/00557; 0557b
[151] DOI:10.USA P202/1/00507; 00509; 00510; 00511; 00512; 00513; 00504; 00508

Moonitz, then chairman of the AAA's theory committee, about this matter, but without any concrete results.[152] The meeting had not yet been finalised but Black wanted to somehow fit Chambers into the schedule.[153] Chambers, on the other hand, appears not to have expected to present, as it was his understanding that another Australian, Mathews, was already scheduled to do so.[154]

Black could not offer Chambers a session along the lines that Weinwurm had proposed, but he did put him up as chairman of a round-table discussion on the "content and objectives of the principles course". The two presenters were Williard Stone, professor at the Wharton School and later at the University of Florida, and Robert van Voorhis, professor at Louisiana State University. Stone and Chambers would later start a regular correspondence, and Stone would be eager for Chambers to move permanently to the US.[155] Each presentation was intended to last about 20 minutes, to leave 35 minutes for discussion. During this time, Chambers could respond to the talk, facilitate discussion and talk about the handling of the principles course in Australian universities. Chambers gladly accepted this offer and made arrangements with the two presenters.[156]

This was not what Weinwurm had wished for, but Black had still done Chambers a favour by putting him on the schedule at such short notice. Weinwurm was also unaware of the fact that Black had looked into ways to get funding for Chambers to travel to the US in 1959 and that the two knew each other, having met in Australia.[157] Black had been granted a Fulbright Fellowship to visit Australia for eight months in 1956. He had arrived there with the intention of sourcing information on the accounts of farmer co-operatives but would eventually be kept busy lecturing and would not manage to retrieve any such information. Canberra University College had been his host institution but he had stayed in Sydney from August to October to conduct four research seminars for the ASA.[158] Black had also given a presentation at the New South Wales University of Technology (what later became the University of

[152] DOI:10.USA P202/1/00391
[153] DOI:10.USA P202/1/00472; 00392
[154] DOI:10.USA P202/1/00369
[155] E.g., see DOI:10.USA P202/1/01871; 01756; 01850; 01852; 02823
[156] DOI:10.USA P202/1/00473; 00475; 00514; 00476; 00518; 00516; 00517; 00521; 00522; 00520
[157] DOI:10.USA P202/1/00190; 00191; 00291; 00292; 00293; 00294
[158] DOI:10.USA P202/1/00146; 00156

New South Wales) in August.[159] Chambers had made arrangements for Black's presence at the University of Sydney through September. Black had given a lecture to members of academia and the profession about the relationship between the profession and the university in the US. This was followed by a discussion, sherry and a dinner. He also gave a research lecture on the relationship between costing and price-fixing and held a number of seminars for Chambers' students.[160]

After having returned to Australia in early January 1960, Chambers reflected on his trip in correspondence with Goldberg, Fitzgerald and some colleagues. He had visited only a few universities in the UK, but several professional officers and executives of business firms. His impression was that UK educational institutions had some terrific professors but that academic standards were otherwise quite low. He mentioned his meetings with Edey, at the LSE, and Solomons, at the University of Bristol, in particular. In the US, he had visited more universities, over 20, and quite a number of partners of the big ten professional firms and institute officials. The size of the business schools at these universities made him shudder, but he had found only a small proportion of critical, analytical and constructive academics. His meeting with Vatter, Dixon and Black had been particularly memorable; all three recalled their time in Australia with great fondness.[161] Nonetheless, it had appeared to Chambers that the setting was such that the advancement of COCOA and his ideas abroad would require substantial amounts of additional work and effort.

Towards COCOA

Upon returning to Australia in January 1961, Mathews invited Chambers to give the annual ASA lecture. Each year, a university was chosen to arrange this lecture, and invitations were sent out to the society's members to attend it for free. In exchange, the ASA then made reprints of the lecture available free of cost for distribution. Fitzgerald, Irish, Bray, Murphy, Black, Dixon and Goldberg had been some of the academics that had delivered the lectures since they had begun in 1945 and Chambers had delivered it once in 1950. The University of Adelaide had been picked to host the 1961 ASA lecture and Mathews had again chosen Chambers to be the speaker. That Mathews chose Chambers is not all that surprising as, although the two differed in

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[159] DOI:10.USA P202/1/00163
[160] DOI:10.USA P202/1/00157; 00158; 00159; 00160; 00161; 08262
[161] DOI:10.USA P202/1/00587; 00591; 00611

opinion, they both were interested in CATs, were at the forefront of accounting research in Australia and had shared the previous year travelling the US.[162]

Chambers gladly accepted Mathews' offer to deliver the lecture. In a letter to Johnston, he confided that his theoretical work on COCOA had made slow progress but that the lecture gave him an opportunity to put down on paper his latest thoughts and reflections from discussions during his trip to the US and the UK.[163] The lecture was held in August and Chambers delivered his manuscript during a 100 minute long lecture, later admitting that it might have been a bit much for the audience to take in at once. Mathews had still found the lecture stimulating and, having read Chambers' manuscript, he had found little to disagree about.[164] He was now keen to see it in print somewhere soon. Arrangements were also made to reimburse Chambers for his travelling expenses, including his airfare and accommodation.[165]

The ASA publication committee had first considered publishing Chambers' lecture as a technical bulletin. His criticism of financial reporting practices based upon historical cost accounting, however, seems to have made them hesitant to do so. Mathews, keen to see it in print, intervened and took steps to have the manuscript published at the University of Adelaide. Five hundred copies of the manuscript were printed and Chambers was given a number of them to distribute, but additional copies had to be purchased at the market price (Mathews, 1982).[166] Chambers then used the network of academics and practitioners that he had gathered abroad during the previous year to distribute the manuscript as widely as possible.[167] The distribution list included most of Chambers' colleagues in Australia and abroad and spanned several pages. There were over 50 recipients in 27 universities in the US and over 15 recipients in 11 universities in the UK, New Zealand and Australia. Eleven institutions, organisations, firms and companies in the US and the UK were also on the list, as were the editors of five accounting journals. There were also academic and

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[162] DOI:10.USA P202/1/00792; 00793; 00795
[163] DOI:10.USA P202/1/00785
[164] Mathews (1982) later reflected that the lecture made him realise that "… Chambers was an intellectual giant, who was in the process of transforming accounting from a technical set of arbitrary rules into a rigorous conceptual framework and measurement system."
[165] DOI:10.USA P202/1/00796; 00797; 00798; 00799
[166] DOI:10.USA P202/1/00809; 00810; 00813
[167] DOI:10.USA P202/1/00881; 00719; 00723; 00867; 00894; 01159; 01158; 09826

professional recipients in Canada, Austria, the Netherlands, France, Finland, Japan and South Africa.

Chambers' (1961) manuscript was published the same year, as the Hyde Park Press had printed it on behalf of the University of Adelaide. The booklet spans 48 single-spaced pages divided into twenty sections, substantially longer than the blueprint article. Chambers proceeded to construct a tight argument in which each paragraph follows deductively from the previous. These paragraphs are numbered and cross-referenced, to enable the reader to go back and forth tracing each successive argument that Chambers advanced. Towards the end of the booklet, there are 40 postulates about the accounting operational environment. Derived from these postulates are twenty principles about the general nature of accounting. These postulates are derived from the arguments presented throughout the booklet, whereas the principles are general insights derived from the postulates. Both the postulates and the principles are numbered and cross-referenced. Chambers compared the exercise to a layer cake. There was still no bibliography and Chambers justified such an omission stating that his arguments had been developed over a number of years and drew on too many sources for him to reference.

Chambers stuck to the group formations and OPP outlined in the blueprint article: the need to proceed with a pure, all-inclusive accounting theory, based on insights from economics, instead of a descriptive accounting theory, based on post-war accounting literature, exclusive to the preparation of financial statements for public companies. Chambers' focus, however, shifted from solutions to the issues caused by the change in general price levels due to inflation, to the need for up-to-date accounting information in all circumstances. Chambers (1960a) had advanced this argument in force in the manuscript he had presented at the 1959 Chicago conference: even in periods of no change in general price levels, dated entry prices cannot measure the economic circumstances of entities because all assets are always subject to specific price changes that are not captured in the historical prices that were paid for those goods. As a result, conventional financial reporting practices produce financial statements that are both misleading and irrelevant to managers and decision-makers.

The proposed solution was to adopt a measurement system based on current entry prices (see chapter one for this classification). Meeting Solomons, Edey and William Threipland Baxter in the UK may have influenced this view, as Chambers would later reach a different conclusion and settle for current exit prices.[168] A measurement system based on current entry prices would not present any change in the measurement of liabilities, but assets would have to be re-valued at their current entry price each year (i.e. the cost of replacing the asset with an equivalent asset). For inventories with no market, a price index could be used to approximate the current entry price. Chambers would later also abandon the use of a price index to approximate these values in favour of the more radical criterion to not value assets without a market at all (i.e., no exit price). The application of such a measurement system, he continued, would result in informative financial statements that would help management and decision-makers form rational decisions. In addition, because current entry prices come from the market, this would reduce management discretion and the potential for tampering with financial reporting that is common under historical cost accounting.

Whereas much that is presented in the manuscript has its origins in the blueprint article, there is evidence that Chambers had refined several of his arguments through his exchange with Littleton. Chambers stood his ground about historical cost being useless, money terms being important, and it being desirable to measure inflation. But he now added to and clarified these arguments further. Littleton, in particular, had argued that the success of capitalism was empirical evidence that conventional financial reporting practices, with their varying methods to cater for the needs of particular businesses, were useful. Chambers had first dismissed this on logical grounds, stating that past practice could not prove the usefulness of such practices. He now elaborated further stating that large amount of informal and supplemental data, such as cost accounts, budgets, and market prices, had sustained conventional practices despite their flaws.

Chambers had also slightly changed his position on other issues. Littleton and May had maintained that it would be unlikely for a CAT to be all-inclusive, accounting for sole practitioners, public entities and the national economy. Chambers had replied that he was constructing a general theory to act as an umbrella for the development of more specific ones; hence the inclusion of the words *general theory* in the manuscript's title. Littleton had also argued that rational management may

[168] Baxter exercised considerable influence on accounting academia in the UK, but it appears that neither Baxter nor Chambers came to have much time for each other (interviews, M. Gaffikin and M. Wells, September 2012).

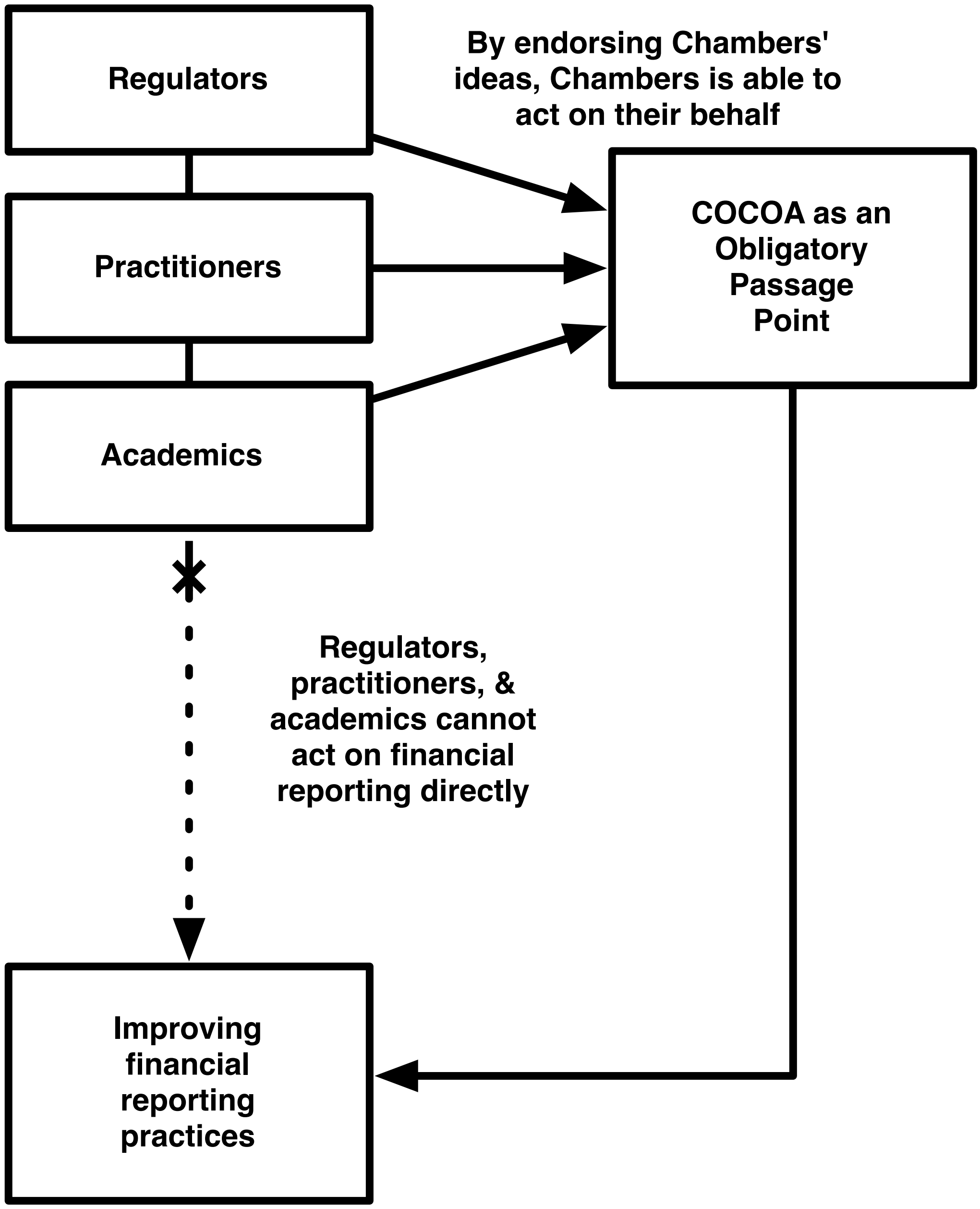
come from experience, intuition and intimation, such as best practices, as opposed to internal and external logical validity. Chambers had disagreed but had still decided to forego the term rational management. Whereas this had appeared in two of the four postulates set out in the blueprint article, it did not in either the 40 postulates or the 20 principles included in the present manuscript. As such, even though Chambers might not have openly admitted it in the literature or in private correspondence, Chambers' manuscript (1961) carried signs not only from the blueprint article and his experience abroad but also from his debate with Littleton.

Conclusion

I began this chapter with the notion of inscription and then introduced this term to emphasise COCOA's different existence in various places. Forster and Wright debated Chambers over a particular inscription of COCOA in Australia. Littleton, on the other hand, pre-emptively responded and commented on Chambers blueprint article in *AR* and in *TAR*. This critical comment served as a first introduction to COCOA to the US readership, as Chambers had not yet published in the country, which allowed Littleton to dissect Chambers' arguments on his own terms. Chambers was therefore drawn into an exchange with Littleton, traced in the first part of this chapter. This exchange was communicated in correspondence with Littleton, Fitzgerald, Weinwurm and May as well as in the accounting literature.

The outcome of the exchange with Littleton appeared favourable to Chambers, but he was still in Australia and could not be aware of the general reaction abroad. The second part of this chapter covered what Chambers' did to find out. Arrangements were made for funding, transportation and contacts in the UK and the US. Once these material-semiotic actors had been gathered over a one-year period, Chambers travelled abroad to meet academics and practitioners and to visit universities in the UK and the US. The trip was a success, but the state of accounting academia and practice abroad was not as favourable to COCOA and his ideas as he had hoped. Nonetheless, he used the contacts that he had gathered abroad to distribute free copies of his latest inscription of COCOA, an ASA lecture monograph, as widely as possible. This monograph did much to expand on the postulate structure presented in the blueprint article and restate COCOA as an OPP to fix financial reporting practices that were now described as flawed under both general *and* specific price changes.

DIAGRAM FIVE: OPP FOR FINANCIAL REPORTING PRACTICES



CHAPTER SIX: VICARIOUS NEGOTIATIONS WITH REGULATIONS

In the previous chapter, I traced Chambers' efforts to broaden the obligatory passage point (OPP) that he had first presented in the blueprint article. Chambers engaged in a trial of strength (TOS) with Littleton and later, in 1959, he travelled to the US and the UK to gather support for COCOA and his ideas. The trip had been a success, but Chambers had found like-minded academics in short supply. The present chapter recounts a second TOS with accounting academics, practitioners and regulators in the US. Chambers had used his network of colleagues abroad to distribute his latest inscription of COCOA in the ASA annual lecture monograph (hereafter, ASA monograph) in 1961. I have structured this story into two sections. In the first, I trace the monograph and two competing publications from the AICPA (Moonitz, 1961; Sprouse & Moonitz, 1962). Then, I trace Chambers' efforts to *vicariously* influence the financial reporting standard setting process at the AICPA. Chambers does so through correspondence, two manuscripts, and his 1962 visit to the US.

By the term "vicarious influence", I mean something specific. Harman (2009) suggests that ANT addresses two classical philosophical problems: substance and relations. I will deal with substance in chapter seven and relations in this chapter. Relations present a metaphysical paradox that stems from Harman's (2009) first principle; namely, that all actors are what they appear to be all the time. The actors and forces that exist are those that enter into relations and can therefore be traced by means of an empirical narrative. There are no hidden social forces – such as discourses, paradigms and institutions – pulling strings in the background. This principle explains how actors relate, but does not explain why actors come to relate in the first instance. Stated differently, the paradox is that, if all actors are concrete and there is nothing that makes them act outside their relations, there is nothing to explain why actors come to relate to begin with.

The metaphysical implications of relations are not fully understood in the ANT literature, but the term "acting at a distance" has been used to trace and describe how actors form initial relations (e.g., Law, 1986; Robson, 1992; 1994). I prefer Harman's (2009) alternative term, vicarious causation, but the meaning is much the same. All actors relate to each other vicariously. In chapter four, Chambers interacted vicariously, as opposed to directly, with inflation, English-language accounting literature and *AR*. English-language accounting literature, for instance, did not enter into relations with Chambers directly but vicariously through other actors, such as planes, microfilms and booksellers. In chapter five, Chambers also interacted vicariously with Littleton and the *TAR* readership in the US. COCOA is inscribed into articles, comments and monographs that are then distributed and read. My focus, in this chapter, is a third vicarious process, involving Chambers' attempts to influence the financial reporting standard setting process in the US.

Competing OPPs for Financial Reporting Practices

COCOA.

As explained in chapter five, Chambers had used his extensive network to arrange a wide distribution of his ASA annual lecture monograph. Despite this, the monograph received less attention than the blueprint article, which had been debated in the literature by Forster, Wright and Littleton, and had led to several discussions and publications.

TAR was the only journal to carry a review of the ASA monograph. Hepworth, the editor of *TAR,* had appointed Stephen A. Zeff as the book editor after the two had met in 1962. Zeff had then been a doctoral student at the University of Michigan, having completed his undergraduate and graduate studies at the University of Colorado. Chambers had sent Hepworth the ASA monograph, which had then been passed on to the book editor. Zeff believed that he had as good a feel of the quality-distribution of accounting educators in the US as anyone, but he preferred independent reviewers, which made it difficult to find suitable individuals. He had managed to get Solomons (1964) to review Mathews' latest book (1962), but had not been as successful with Chambers' ASA monograph. In this case, the first reviewer had withdrawn because he knew Chambers too well to be candid. The second reviewer had withdrawn for personal reasons.[169]

A review was eventually published in the 1963 October issue of *TAR*, written by Patrick Kemp (1963), an associate professor at the University of Richmond, who had been the third choice for a reviewer.[170] Zeff felt that Kemp was someone who could think deeply and was not afraid to stick his neck out, but that, on this occasion,

[169] DOI:10.USA P202/1/01137; 01139; 08448

[170] Little is known about Kemp. From private correspondence with S. Zeff dated February 28th 2012, I believe that Kemp later moved from the University of Richmond to Oregon State University, from which he retired in 1991.

had done a superficial job.[171] This may have been because he was from the more conventional Illinois School, which was headed by Littleton and favoured dated entry prices and current financial reporting practices, and because he had been limited to 650 words. Kemp used most of them to reiterate the claims that Chambers had made in the ASA monograph, but the switch in focus from changes in general price levels due to inflation to general and specific price changes went unnoticed. It is therefore probable that Kemp was not familiar with Chambers' earlier writings, such as the blueprint article (1955a). Kemp's main critique was that Chambers had used too much space establishing the environment in which accounting operates, and too little on presenting new ideas on measurements or otherwise.

Chambers wrote to Zeff in response to Kemp's (1963) review.[172] The review had not stirred him much because it had missed the point and he regarded it as little more than chitchat. Kemp had spent the entire review referring to current accounting theory, whereas Chambers had been interested in developing a new CAT. Kemp had made nothing of the exercise of carefully constructing postulates and principles, but it had been Chambers' aim to establish these as a foundation for a new CAT. Kemp's comment that too much space had been spent establishing the environment in which accounting operates was therefore misdirected. Chambers had not wished to present something new but to construct a comprehensive and internally consistent CAT from this environment. For this to be done rigorously, he had to spend considerable space outlining the properties of this environment before proceeding further. Incidentally, there were some new ideas, on measurements and otherwise, but more of these would not come about until the postulates and principles had been established. In his letter to Zeff, Chambers also offered some thoughts on reviewers in general. Ideally, reviewers should have some experience in the subject under consideration. Kemp, as third choice reviewer, was unfit to review COCOA because he had not attempted to construct a CAT on his own and therefore could not be familiar with the process involved. Zeff did not disagree with Chambers' comments, but noted that independent reviewers that are familiar with composing CATs were hard to find in accounting academia and that practice was not receptive to new ideas.[173]

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[171] DOI:10.USA P202/1/01139
[172] DOI:10.USA P202/1/01141
[173] DOI:10.USA P202/1/01142

AICPA's postulates and principles.

At the same time as Chambers was struggling to generate interest in accounting circles in his ASA monograph (1961), an alternative OPP for improving financial reporting practices had been formed in the US. Even conservative practitioners had become dissatisfied with the piecemeal approach of the American Institute of Certified Public Accountants (AICPA) in the late 1950s. The AICPA's Committee on Accounting Procedures (CAP) had been issuing technical bulletins with specific accounting terminology, principles, and rules for almost 20 years, but these had made little progress in comprehensively dealing with the challenges facing financial reporting practices, such as accounting for changes in general price levels, deferred taxes and pensions. The Special Committee on Research Program (SCORP) was therefore established in 1957 to examine how more comprehensive accounting solutions could be effectively promulgated, issued and enforced going forward (Zeff, 1971; 2001).

The committee's report recommended that the AICPA establish an Accounting Principles Board (APB) and to enlarge the Accounting Research Division (ARD). The ARD was tasked with researching fundamental accounting problems and with publishing those efforts in monographs for circulation and discussion. The APB was tasked with promulgating accounting principles based on this research and the ensuing monographs. The big eight accounting firms pledged almost one million dollars to support the ARD and APB, and the national partner of each firm served on the APB board together with members from the institute. Weldon Powell was selected as the chairman of the board and served together with 17 members, which later increased to 20 (for a complete list of members, see Zeff, 2007).

The ARD's first effort was to research into accounting postulates and principles. The CAP had recommended that the ARD should first publish a monograph on basic accounting postulates and then a second one on accounting principles derived from those postulates. This had been the same approach adopted by Chambers in his blueprint article (1955a) and ASA monograph (1961). Those principles would then serve as the foundation for the APB to promulgate and issue specific accounting rules.

Maurice Moonitz was appointed as the first director of the ARD, to research and publish these two monographs. During his trip to the US in 1959, Chambers had met Moonitz who had then been a full professor at UC Berkeley, in spite of his modest upbringing. He had been born in 1910 to an American mother and an immigrant father from the Baltic coast of Russia. He had begun his undergraduate studies but had dropped out due to financial reasons. Having saved money working as a bookkeeper, he had then returned to pursue his undergraduate studies at UC Berkeley. He had graduated in 1933, but his Jewish heritage had made it difficult finding a suitable public accounting job. Moonitz had instead returned to the same university to pursue his graduate and doctoral studies under the supervision of Henry Rand Hatfield. He had then spent the next few years in academia with a short spell in practice, having been hired by Arthur Andersen & Company because of the wartime labour shortage, before returning to UC Berkeley in 1947 (Staubus, 2010).

The first Accounting Research Study (ARS 1) was published in September 1961. The committee believed accounting postulates to be the few basic assumptions found in the environment in which accounting operates. ARS 1 followed this brief and dedicated three chapters to these basic assumptions. Derived from the discussion in these three chapters, five postulates from the environment, four from current accounting practice and five imperatives based on the central features of accounting were presented at the end of the monograph. The research study was made up of six chapters in total and was similar in length to Chambers' ASA monograph (1961).

For the second monograph, Moonitz had a younger co-author, Robert Sprouse, who had been born the fourth of five children in San Diego County, California, in 1922. He had begun his undergraduate studies but had dropped out to serve in the war effort. Returning from Germany in 1949, Sprouse had re-enrolled at the San Diego State College under the G.I. Bill. Graduate and doctoral studies followed at the University of Minnesota, where Carl Nelson had persuaded Sprouse to stay in academia. He had done so and had been appointed professor at UC Berkeley in 1957, where he became a colleague of Moonitz, Vatter and Mattessich (Swieringa, 2011).

The third Accounting Research Study (ARS 3) was published in April 1962 (Sprouse & Moonitz).[174] The fourteen postulates and imperatives from ARS 1 were reprinted in the first chapter. The following five chapters presented the discussion from which accounting principles were derived, which were then summarised in the seventh chapter, at the end of the monograph. S&M drew heavily on Canning's (1929) notion of assets as representations of expected future economic benefits, as

[174] The second Accounting Research Study (Mason, 1961) focused on the cash flow statement and had been published in 1961.

opposed to the traditional view of assets as a record of past transactions based on dated entry prices. Moonitz would also draw on Canning in a book he would co-author in the following year (Moonitz & Jordan, 1963). This led S&M to focus on the value-in-exchange of assets and liabilities and suggest a mixed measurement approach. The present value of future cash flows was to be used for contractual claims and obligations. Current exit prices were to be used for uncertain assets and marketable securities. Net realisable values were to be used for marketable inventories (i.e. the current exit prices minus the cost of disposal). Current entry prices were to be used for unmarketable inventories and plant assets. Holding gains and losses due to general and specific price level changes were to be separated from gains and losses from normal operations (see chapter one for a comparison between S&M's CAT and others).

Vicarious Negotiations

Correspondence.

Chambers would first attempt to act vicariously upon financial reporting practices in the US through correspondence with Moonitz. The latter had contacted Chambers and other colleagues in April 1960 to inform them that he had accepted a two-year appointment, effective July the same year, as Director of the ARD, responsible for overseeing the ARS 1 and ARS 3 research projects.[175] Moonitz now sought the untrammelled views of these correspondents. These could be presented in personal correspondence or with references to published articles and books. To facilitate this, Moonitz was willing to send drafts of the two monographs, when they would become available, and each correspondent was allowed to remain anonymous. The correspondents had been picked based upon their contributions on accounting postulates and principles and in a way as to not overlook attitudes prevalent outside the US.

Chambers congratulated Moonitz on his appointment and informed him that he would be glad to comment on ARS 1 and ARS 3.[176] Noyes had told Chambers about the planned research programme when the two had met in NYC in 1959. Noyes had invited him to publish an article on the subject in the *JOA* at an early date, but Chambers had not got further than six and a quarter pages and the article (1963a)

[175] DOI:10.USA P202/1/07687
[176] DOI:10.USA P202/1/07688

would not be sent for publication in the journal until 1963. The ASA monograph (1961) had not yet been published and Chambers felt that his other articles had been no more than piecemeal approaches to postulates and principles. He therefore vowed to comment in correspondence and hoped to offer some comments before the first draft of ARS 1 was ready. The committee's desire to establish postulates that were few in number already concerned him. There were general matters of basic theory and operation of accounting that were quite complex and had to be stated before even the simplest accounting operation could be established.

Chambers received a memorandum with a draft of ARS 1 in December 1960, having therefore missed the chance to provide comments before the first draft. His first reading had been quick, as there had been indications of deadlines and he had wanted to give some general impressions before it was too late.[177] The study proved to be most interesting as a whole, but Chambers believed that there were at least three general problems with it. First, there were numerous references to rational decision-making, but the term "rational" was not defined. This difficulty in establishing what rational meant in relation to accounting would lead Chambers to forego the term in his ASA monograph. Second, Canning (1929) and the current academic accounting discussion had influenced Moonitz to focus on income measurements, but Chambers doubted whether these were any more important than the measurement of assets and liabilities. Third, during his visit to UC Berkeley in 1959, Chambers had expressed his opinion that a CAT should use the same measurement to measure the same properties. The postulates, however, seemed to indicate that Moonitz was considering using multiple measurements to measure slightly different properties.

Moonitz thanked Chambers for his prompt comments and agreed on the need to define rational decision making in the context of accounting.[178] He referenced in agreement one of Chambers' recent articles (1960b) on how to proceed with the research project in general. His views on specific measurement issues, however, would have to wait until ARS 3. As noted earlier, Sprouse had joined to assist for this second part of the project and was much interested in the advantages and disadvantages of particular measurements. Moonitz concluded that he would be glad if Chambers would elaborate further if he had time.

[177] DOI:10.USA P202/1/07689
[178] DOI:10.USA P202/1/07690

Chambers sent his second batch of comments on ARS 1 in April 1961. He expressed a new fundamental uneasiness with the study.[179] The emphasis on income measurements had led Chambers to suspect that accepted dogma, rather than the accounting environment, had unduly influenced the research project. The SCORP had envisioned a set linkage between postulates and principles, developed at the ARD, and the rules based on them, developed at the APB, which had made the situation worse. A CAT might, indeed, conform to such an arrangement but it also might not. The end goal of establishing accounting rules might also influence the establishment of accounting postulates. These postulates might be unintentionally developed with currently accepted accounting rules in mind. Chambers saw evidence of this in ARS 1. The five postulates from the environment of accounting were unduly broad and too few in number, another influence of the committee's desire to establish few basic assumptions for the principles and rules. Chambers criticised these postulates in turn. He was now working on the ASA monograph (1961), which he promised to send Moonitz to demonstrate what he had in mind.

Chambers sent his final comments on ARS 1 in June.[180] He had by then received the second draft of it. Moonitz had taken issue with Chambers' concern that too much attention had been given to current accounting practices and dogma, as these issues had to be researched and solved at some point. Chambers reiterated that he was not opposed to come to grips with current problems, but that several of these problems were of the accounting academics' and practitioners' own making. Moonitz had also taken issue with Chambers' allusion to the research project being a scientific inquiry like any other. Moonitz did not believe that accounting research was mature enough to have reached the stage of scientific inquiry, whereas Chambers believed it to be always at such a stage. Chambers argued that the existence of current financial reporting practices does not prevent us from discovering internal and external inconsistencies, flaws and hypotheses inconsistent with realities.

Chambers offered a list of typographical errors and a number of comments on the second draft. He continued to take issue with measuring the value-in-exchange of assets and liabilities by using several measurements and with rational-decision making. The fact that these measurements had a common denominator, such as current dollar units, did not solve the measurement problem. The measurements

[179] DOI:10.USA P202/1/07692
[180] DOI:10.USA P202/1/07693; 07698

should use the same symbol *and* measure the same properties. The different measurements could, at best, approximate the values-in-exchange of assets and liabilities. Moonitz had spelled out rational decision-making in the context of accounting, but Chambers still felt that the characteristics of the decision-makers and their choices needed to be expanded further. He concluded that he hoped his comments would not give the impression that he was unduly trying to influence Moonitz's thinking as the two had worked on the same area and there was a risk of his having read too much into ARS 1. Some of the things he had mentioned might prove to be more sensible in his own analysis and this, he warned, made him even less competent a critic; however, he was still looking forward to comment on a third draft.

Moonitz sent his third and final draft of ARS 1 to Chambers and the advisory committee for their final review in July. In letters to Chambers, he assured him that he had paid careful attention to his comments and that he was most grateful for his interest in the project. Arrangements were then made for Chambers to spend some time at the AICPA in 1962, and Moonitz suggested that this would be a good opportunity for Chambers to begin work on an independent research project. This project would not be a detailed critique of ARS 1, but rather an expansion of two or three major issues that he felt were not dealt with sufficiently in the monograph due to various constraints, such as the consideration of current financial reporting practices, the imposed requirement to have few postulates and the pre-determined structure of postulates, principles and rules. Chambers' comments on value-in-exchange had been particularly pertinent. Moonitz assured him that these would be used in ARS 3 and sent him Edwards and Bell's new book (1961) on this issue (see chapter one for more on this CAT).

The review committee approved ARS 1 for publication and it was duly published in September 1961. Chambers had been eagerly waiting for publication, which he saw as an important milestone in the regulation of financial reporting practices, and had wondered whether he should hold off sending his ASA monograph until ARS 1 had been distributed. He wanted critical comments from his acquaintances in the US, but his concern was that he might prejudice the reception of ARS 1.[181] Moonitz saw no reason for Chambers to hold back the distribution; he, too,

[181] DOI:10.USA P202/1/07700

was interested in receiving a copy.[182] Chambers sent duplicate copies by second-class airmail to Moonitz in August. He sent copies to others by surface mail to ensure that they would not arrive before the publication of ARS 1. He acknowledged that the monograph marked the beginning, rather than the end, of his project and that he hoped that Moonitz would be as free with critical comments as he himself had been.[183]

Moonitz was tremendously impressed with the ASA monograph and held the entire project in the highest regard. It was a first-rate piece of work that clarified several points which he and Chambers had discussed in correspondence. Moonitz raised a number of minor points, referencing particular paragraphs and sentences, and also a few general points. One such point seemed to fall back on the same arguments made by Littleton and May. Even if one could accept Chambers' proposition that a CAT had to be created independently of current financial reporting practices, where had previous academics and practitioners gone astray? Why not use current entry or exit values and adjust for changes in general price levels? Chambers' analysis had led Moonitz to anticipate a villain, some factor that had prevented financial reporting practices from improving, and a broad insistent demand for better accounting, but instead the latter had found no such villain and those few that had raised concerns had been specialist accountants and economists, such as themselves.[184]

Chambers replied and dealt with the minor comments in order. He admitted that Moonitz' general point did pose a problem that could well seem to be a knockout. He had been aware for some time that COCOA was about halfway towards a full deductive CAT. Such a CAT would have to be able to provide an ideal solution *and* explain why such a solution had not been found in the past. Supplemental data, such as cost accounts, budgets and market prices that had sustained conventional accounting practices, despite their flaws, were part of this explanation but he was not yet satisfied. He concluded that he hoped that this interchange would go on for a long time and that he was awaiting with interest the response that ARS 1 would provoke in the accounting literature and elsewhere.[185]

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[182] DOI:10.USA P202/1/07701
[183] DOI:10.USA P202/1/07702
[184] DOI:10.USA P202/1/07703
[185] DOI:10.USA P202/1/07704

Chambers received an official copy of ARS 1 in October 1961. He was informed that ARS 1 was supposed to be treated as an exposure draft with the aim of eliciting comments and criticisms for the consideration of the APB. The deadline for submitting such comments was the 15th of December.[186] These comments were separate from those made in private correspondence, and Chambers forwarded a three-page memorandum with his comments to Moonitz. Chambers felt rather "diffident" about making a submission, because he had already been allowed to offer input during the research project and because of his remoteness from the AICPA. To offer too much in terms of comments could make him appear as if he were poking his nose into other people's business. It was therefore up to Moonitz's discretion to do as he pleased with the memorandum.[187] Moonitz considered these reservations but passed the memorandum on to the APB board for consideration.[188]

There was a gap between the publication of ARS 1 and the writing of ARS 3, as considerable time had to be spent preparing the second phase of the research project. Chambers received a draft of ARS 3 in February 1962. He was not sure whether Moonitz wanted comments but, after an initial reading, he felt compelled to offer some. The principles presented in ARS 3 were aimed exclusively at businesses and would not suit an all-inclusive general theory. The relationship between the postulates in ARS 1 and the principles in ARS 3 also appeared to be non-existent, other than the reproduction of those postulates in the introduction of the latter paper. The principles should have referenced the postulates and should have been a direct consequence of deriving the implications of the postulates. These issues had been anticipated after reading ARS 1, and Chambers felt that they lay at the heart of the problem of designing a CAT.[189]

Moonitz thanked Chambers for the comments, noting that there would be a new draft in two or three months, with several amendments. The title would be changed to indicate that the monograph was concerned only with business enterprises. There would also be a somewhat more systematic attempt to relate the principles to the postulates, although Moonitz admitted that it lacked the necessary rigour for a truly co-ordinated CAT. He felt that he had been trapped in his own argument,

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[186] DOI:10.USA P202/1/07707
[187] DOI:10.USA P202/1/07709
[188] DOI:10.USA P202/1/07710
[189] DOI:10.USA P202/1/07714

because he had held from the start that the names of the postulates and principles were less important than their order of representation and relationship. But he had still insisted to the APB board, along the lines of Chambers' recommendations, that the postulates were not basic enough to actually be called postulates and should instead be called principles. The board had then forced him to change their name back to postulates at the last minute. This meant that the problem had cascaded and both the postulates and principles in ARS 1 and ARS 3 were less basic than he had desired. In essence, the principles in ARS 3 had been reduced to little more than accounting rules, similar to those he expected the APB to issue in the future.[190]

ARS 3 was published in April 1962. It was treated as an exposure draft, to elicit comments and critique, similar to ARS 1. Moonitz had manoeuvred significant resources in undertaking the research project that had led to the two monographs. Many of these resources had not been available to Chambers. The SCORP had granted the ARD the power to issue official research studies for the AICPA. The APB was then supposed to base their rules, concerning financial reporting practices in the US, on these research studies. The project had been well funded through the AICPA and donations from the big eight accounting firms. The ARD had employed a large research staff, and the AICPA had their own printing press and distribution channels. Practitioners and academics, in turn, were pre-disposed to read ARS 1 and ARS 3 with great care, as it was acknowledged that the monographs could point to the direction of future accounting rules (Zeff, 2001).

Chambers had eagerly awaited the publication of ARS 1 and ARS 3. Despite their flaws, Chambers thought that the studies were a step in the right direction towards a CAT and that the constellation between the ARD and the APB made it possible for them to be enacted in US financial reporting practices. The reaction from academics, practitioners and regulators, however, was overwhelmingly negative. Even before S&M had published ARS 3, some members of the APB advisory committee had raised concerns about the study being too divergent from current accounting practices. In response, Moonitz had advanced a similar argument to the one that Chambers had put forth in several publications since the 1950s (e.g., Chambers, 1955a); namely, that accounting research should be kept separate from practice. The ARD staff should be free to explore all possible alternatives and their

[190] DOI:10.USA P202/1/07717

consequences in the first instance. It would then be up to the APB to decide which of these alternatives and consequences were desirable and practical in the second instance.

The disagreement over the roles of the ARD and the APB came to a head during an advisory committee held on the 13th of April 1962. The meeting had been called to consider whether ARS 3 should be published at all. Carman George Blough, the first and former chief accountant at the Securities and Exchange Commission (SEC) and William Welling Werntz, the second and also former chief accountant at the SEC, opposed its publication. Paul Grady, a partner at Price Waterhouse, thought that its publication would be premature. Leonard Spacek, the second managing partner at Arthur Andersen & Company, did not agree with the principles, derived from the postulates, in ARS 3, but he did not oppose its publication as long as it would be attributed to S&M. Moonitz had feared the worst and, in a pre-emptive move, sent ARS 3 to the printers before the meeting took place. The AICPA's by-laws gave him the right to publish the research efforts of the ARD, so he had technically not broken any rules (Moonitz, 1982b).

Moonitz had been forced to agree to two material-semiotic compromises with the APB advisory committee to distribute ARS 3. It had been decided at the April meeting that a separate statement was to be inserted under the front cover of each monograph. The statement was from the APB and read that ARS 1 and ARS 3 were valuable contributions to accounting research but that the ideas presented within were too divergent from current financial reporting practices to be acceptable at that time. To emphasise the division of labour between the APB, as a policymaking group, and the ARD, as a research study group, the statement was printed on a paper of different colour, weight, and texture from the actual study. This irrevocably altered the relationship between the APB and the ARD. Should future ARD studies prove to be too divergent from current financial reporting practices, the APB could choose not to endorse them (Moonitz, 1982b).

It had been decided at an earlier meeting that each advisory committee member, of which there were 12, should be allowed to have his comments on ARS 1 and ARS 3 printed at the back of the monographs. Spacek had chosen to comment on ARS 1. Nine members chose to comment on ARS 3. Arthur Cannon, a former professor at the University of Washington in Seattle, commented that the adoption of the two studies was likely to improve financial reporting practice. His comment, however, was the only positive one. Spacek proposed the use of a single postulate, fairness, in place of the multiple postulates that had been presented in ARS 1. He had advanced the same argument in his comment on ARS 1. Blough, Miller and another member commented that the studies would not improve financial reporting practices. Another member joined Blough and Werntz and commented that the monographs should not have been published at all. A third member joined Grady and commented that the monographs had been published prematurely.

Through his first attempt to act vicariously upon financial reporting practices in the US, Chambers had been largely dependent on Moonitz to persuade the AICPA and its committees. Much of the correspondence had been behind the scenes. Before the publication of ARS 1, Chambers had submitted three sets of comments directly to Moonitz. It was not until after the publication of ARS 1, which was to be treated as an exposure draft, that Chambers submitted his first and only formal comments for the consideration of the APB. Chambers subsequently sent one set of informal comments on ARS 3 and his own ASA monograph to Moonitz. Notwithstanding Chambers' efforts to vicariously influence the standard setting process through correspondence, Moonitz implemented relatively few of Chambers' recommendations and had, in the end, been unable to persuade the APB about the merits of ARS 1 and ARS 3.

Literature.

Chambers' second attempt to act vicariously upon financial reporting practices in the US was through the accounting literature. Chambers published and distributed two manuscripts (1963b; 1963a) on his own, on the subject, after ARS 1 and ARS 3 had been published. The first manuscript had been written for the annual ASA lecture of 1962. Chambers had been selected as the speaker for a third time, with the lecture to be held at the University of Tasmania, Hobart, in April. Arrangements were made for accommodation, flights and for someone to pick up Chambers on his arrival at Hobart International Airport.[191] Because the 1961 lecture at the University of Adelaide had been too long for the audience to digest in one sitting, Chambers arranged to have copies of his manuscript distributed to the audience for them to refer to during and after the lecture.[192] Chambers made similar arrangements when he

[191] DOI:10.USA P202/1/01020; 01021; 01022; 01024; 01025; 01026; 01027; 01029; 01030; 01032; 01034; 01035; 01037; 01038; 01039; 01028; 01031; 01035; /2/08454
[192] DOI:10.USA P202/1/01033

presented the manuscript during a local ASA meeting held at the University of Malaya, in Singapore, and a seminar held at the University of British Columbia in Vancouver, Canada, in July and November 1962 respectively.[193]

The ASA did not print Chambers' third annual lecture. The reasons were perhaps similar to those behind the decision not to print the first ASA monograph in 1961.[194] The University of British Columbia printed the manuscript instead, after Chambers' presentation there in November. There is no information in the letters as to the number of copies that were printed, but it is probable that it was similar, 500 copies, to that of the earlier ASA monograph. Chambers' network of colleagues in Australia and abroad had, at least, grown since he had distributed the first ASA monograph (for a comparison see chapter five).[195]

Chambers' distribution list now included nine members of the APB advisory committee: Blough, Werntz, Grady, Spacek, Cannon, Miller and three practitioners from the big eight accounting firms. There were over 69 recipients in 28 universities in the US as well as 17 academics in 12 universities in the UK, New Zealand and Australia. There were 14 institutions, organisations, firms and companies in the US and the UK on the list as well as the editors of six accounting journals. In addition to the earlier recipients in Canada, South Africa, the Netherlands, Finland, France, Japan and Australia, there were also new recipients in Denmark, Germany, Switzerland, Italy, Argentina, Malaysia and Thailand.[196]

Chambers (1963b) set out to do two things in the first manuscript. The first was to revisit the group formations first introduced in the blueprint article and then in the ASA monograph of 1961. Chambers now presented his list of academics, practitioners and institutions that held a view on CATs that differed from his own. He then posed six paradoxes from current financial reporting practices: when is a service function not a service; when is information not information; when is a going concern not a going concern; when is a going concern value not a going concern value; when is a value not a value; and when is a principle not a principle? Citing the postulates and principles from the 1961 ASA monograph, Chambers then demonstrated how he could resolve these paradoxes, whereas his opponents could either not resolve them or,

[193] DOI:10.USA P202/1/00913; 00914; 01001; 01002; /2/08453; 08453; 08452
[194] DOI:10.USA P202/1/00907; 01051; /2/08444; /3/09824
[195] DOI:10.USA P202/2/08446
[196] DOI:10.USA P202/1/00990; 00995; 01046; 01057; 08133; 08193; /2/08442; 08609; 08445

worse, were complicit in creating them. The overarching goal was to demonstrate how the views of his opponents were untenable and incompatible with the environment in which accounting operates.

The second thing that he set out to do was to defend the postulates and principles from the ASA monograph and to indirectly critique ARS 1 and ARS 3. It was a clarification of Chambers' position on CATs vis-à-vis the ARD, APB, Kemp and other pundits in the accounting literature. Chambers argued that critical accounting academics and practitioners did not understand the postulate mode of research and therefore had discarded it prematurely. The understanding was low even among proponents and those who engaged in postulate research. For example, following the instructions of the SCORP, there were only 14 postulates in ARS 1. This had led to a loose coupling between those and the principles in ARS 3, leaving open the possibility of deriving contradictory principles from the same postulates. Chambers, on the other hand, had known better and, to avoid this situation, had presented forty postulates in his ASA monograph. The high number of postulates had then ensured that only a set of twenty principles could follow deductively.

Chambers' (1963a) second manuscript had been written for the *JOA*, but would not be published until later, in the inaugural issue of the *Journal of Accounting Research* (*JAR*).[197] This delayed the publication from August 1962 to November 1963 and likely hurt Chambers, who wanted to strike while the iron was hot. Chambers still distributed the manuscript to his colleagues and presented it at a professional workshop at the University of Chicago in 1962. He would later present the published article in a faculty seminar at the University of Alabama, Tuscaloosa, in 1966.

Chambers set out to accomplish two further things in the second manuscript. The first was to reiterate his defence of the postulate mode of research more broadly. Whereas the practitioner is limited to current financial reporting practice and orthodoxy, the researcher is free to explore all possible alternatives and to evaluate their consequences. To question the long-held beliefs of practitioners and academics alike can lead to new and important discoveries in other fields. Postulates also underpin the actions of all practitioners, academics and reasonable men, regardless of whether they are known to them. The opposition to postulates therefore comes from misunderstanding more than anything else. Postulates are not *just* theory but the hard

[197] DOI:10.USA P202/1/01551; /2/08477

core upon which all actions rest, and improving them is the most effective and simplest method to improve financial reporting practices.

The second thing he set out to do was to elaborate two possible alternative methods to derive new accounting postulates. This probably came from Chambers' own reasoning when writing the ASA monograph in 1961 and his correspondence with Moonitz. The first method would involve making two or more measurements found in financial reporting practices and evaluating whether they would lead to two or more contradictory or nonsensical postulates. A mixed measurement system was used as an example. Weinwurm appears to have influenced Chambers' thinking on measurements here (see Dean & Clarke, 2010a). The second method would involve picking relevant postulates from the environment in which accounting operates and proceeding deductively from there to work out the implications of those postulates. The resulting conclusions or theorem would be valid as long as the postulates could be accepted as true and there was no error in logic. The postulates, in turn, would be evaluated based on whether the principles and rules derived from them led to desirable outcomes in financial reporting practices. This latter method had been the one adopted in the ASA monograph, ARS 1 and ARS 3.

Chambers' two manuscripts appear to have been well received in the literature, which was otherwise not too keen on postulates and principles. However, Harvard University's Robert Anthony took issue with the second manuscript. Chambers had met Anthony in Boston in 1959, during his trip to the US. Gene Brown, a faculty member and editorial committee member at the *JOA*, had seen Chambers' submission to the journal. He thought the article excellent but, as the journal had a backlog of articles, he feared that it might not be published for several months. He contacted Chambers and Noyes and, having received their permission, he distributed the unpublished manuscript to interested parties at the university in September 1962.[198] Anthony and Sprouse, who had arrived at Harvard from UC Berkeley, had been among those who had received a copy.

Anthony thought that the postulate mode of research was important but that Chambers' analysis was lacking in several places. Chambers had argued that a mixed measurement system could not yield an informative total. The addition of such things as cash, held at current prices, and land bought twenty years ago, held at dated entry

[198] DOI:10.USA P202/2/08478

prices, created a total that had no real meaning. Anthony, on the other hand, believed that a common denominator, such as dollar values, was sufficient to allow the addition of different assets. Falling back on the same arguments that Littleton and May had presented, Anthony argued that differently dated entry prices would therefore be valid and that their historical use in financial reporting practices was evidence of their usefulness. Anthony's solution was essentially pragmatic. He wanted to find a balance between current and dated prices.[199]

Chambers maintained his position, stating that a mixed measurement system could not give informative totals and that dated entry prices could not, under any circumstances, inform future decision-making. To demonstrate his position on the usefulness of evaluating present financial reporting practices based on past experience, Chambers cited three examples drawn from mathematics, economics and medicine. All three examples reinforced his proposition that past practices proved nothing except that they were used by people in a specific time and place. Obstetricians, one example ran, did not wash their hands when they delivered babies in the 1800s; as a result, when giving birth, women contracted bacterial infections which caused childbirth fever that often-proved fatal, killing countless new mothers. Could these mothers-to-be not have demanded that obstetricians follow the advice of Ignaz Semmelweis, a Hungarian physician who insisted that the washing of hands lowered the risk of these bacterial infections? Chambers argued that it appeared that they could not; because they were trapped in the hands of medical "experts", just like financial reporting was then trapped in the hands of accounting "experts".[200]

There were several contributors to the debate, other than Chambers, in the accounting literature. On the whole, the reception of ARS 1 and ARS 3 had been negative, but was still more optimistic than the comments made by the committee members. Seven academic and several professional articles (e.g., Cannon, 1962; Kohler, 1963; Queenan, 1962) had been published on the subject (for most of the articles in the professional literature, see Zeff, 1982a). Briloff (1964) published the only positive academic article in *TAR*. Briloff thought that the economic environment in which accounting operates had developed rapidly, causing problems for both practitioners and academics, such as how to account for changes in general price levels, deferred taxes and pensions. The research efforts at the AICPA were a

[199] DOI;10.USA P202/2/08478; 08480; 08482
[200] DOI:10.USA P202/2/08479; 08481

necessary revolution to bring about a CAT that could meet these new challenges. ARS 1 and ARS 3 were a good start, but Briloff remained concerned that the profession was still too close to the research and standard setting process. This concern was not unfounded, considering the heated opposition the advisory committee had put up towards the publication and distribution of the two monographs.

Three reviewers (Gordon, 1964; Metcalf, 1964; Philips, 1963) appreciated the fact that research into postulates and principles could be useful, but raised various concerns regarding the logical reasoning presented in ARS 1 and ARS 3. These echoed some of Chambers' main concerns. The principles were not derived tightly enough from the postulates, so that differing interpretations could lead to several different and contradictory principles. The reviewers suggested that criteria of various kinds should be established to guide the choice between these alternative accounting principles. A fourth reviewer preferred Spacek's single postulate of fairness (Givens, 1966).

Littleton also commented on ARS 1 and ARS 3. His review (1962) of ARS 1 had been surprisingly optimistic. He compared the monograph to a grapefruit with many seeds from which many trees would grow, but he still made observations similar to those he had in his exchange with Chambers. Because accountants should exercise professional judgment when preparing financial statements, some of the postulates, the imperatives, should be viewed as advice rather than rules. He was also concerned about the language and the focus on the values-in-exchange of assets and liabilities. He suspected that this might lead, in ARS 3, to principles for measurement alternative to dated entry prices and to the adjustment of accounts for changes in general price levels.

Littleton's review (1963) of ARS 3 reflected his disappointment with the outcome that he had suspected all along would result. S&M had indeed introduced principles that would lead to several measurements based on current and future prices as well as an adjustment to account for changes in general price levels. Littleton spent much of his review criticising and elaborating further on the need for professional judgment and best practices in the preparation of accounts. He also believed that it was a stretch to insist that accountants measured at all. Transactions and prices came to accountants ready-made and did not require measurements. If this was not so, even the simplest form of bookkeeping would become an exercise in measurement.

Through his second attempt to act vicariously upon financial reporting practices in the US, Chambers had been largely dependent on the accounting literature as a medium to expose his position on postulates and principles. Chambers had presented, published and distributed two manuscripts after the publication of ARS 1 and ARS 3. The reception of Chambers' manuscripts in the literature had been cautiously positive, but the reception of ARS 1 and ARS 3 had been overwhelmingly negative. The contradictory writings of others in the professional and academic accounting literature drowned out Chambers' contributions and allowed the APB advisory committee to at worst ignore and at best cherry-pick among the arguments presented by Chambers and others. Because the APB members were predisposed against ARS 1 and ARS 3, it is therefore no surprise that they listened to the arguments by contributors such as Gordon (1964), Kohler (1963) and Littleton (1962; 1963) rather than Chambers (1963a; 1963b), Cannon (1962) and Briloff (1964).

Visit to the US.

Chambers' third attempt to act vicariously upon financial reporting practices was his visit to the US in 1962. In just three years since his first visit in 1959, it had now become more convenient for Chambers to travel by flight rather than boat to the US. This allowed for a faster travelling time and the opportunity to make additional stops along the way. Qantas prepared an itinerary for this visit, which Chambers stored among the letters in his archive. It reveals that Chambers spent July 1962 travelling from Australia to Europe before heading for the US. Before arriving in NYC in early August, he made stops in Singapore, Bangkok, New Delhi, Beirut, Athens, Vienna, Zurich, Frankfurt, Copenhagen, Amsterdam, Eindhoven, Paris and London. The two to three day layover at each location probably means that Chambers had made some arrangements in these cities, but I have been unable to locate correspondence as to what these arrangements might have been. Chambers then left for Chicago towards the end of September and returned to Australia in December via San Francisco, Honolulu, Tokyo, Hong Kong and Manila.[201]

Chambers spent the first part of this trip, in August and September, with the ARD at the AICPA headquarters in New York. Chambers had offered his services in

[201] DOI:10.USA P202/1/01015

correspondence with Moonitz about ARS 1 and ARS 3.[202] Moonitz welcomed a visit from Chambers and offered him a small stipend to cover his expenses while in New York.[203] It was the same amount he had offered Hepworth, who had joined him from the University of Michigan to work on two of their research projects. Chambers gladly agreed and spent his time at the AICPA discussing CATs with the research staff, pursuing the research project he had discussed with Moonitz and commenting on two of the division's current research projects. One was about the cash-flow statement (Mason, 1961) and the other about accounting for business combinations (Wyatt, 1963).[204] Chambers also attended the International Congress on Accountants, which the AICPA had hosted in September (for more information about Chambers visit to the AICPA, see Moonitz, 1982a).

Chambers spent the second part of his trip, from October to November, working as a visiting professor at the University of Chicago. He taught two courses, "Asset Accounting" and "Modern Accounting Thought", and held seminars on accounting theory. Sidney Davidson, at the University of Chicago, had approached Chambers about a visit in September 1961.[205] Davidson, who had earned his undergraduate and graduate degrees at the University of Michigan, was familiar with Chambers' research (Wells, 2000). Davidson offered him a visiting professor's position and stipend.[206] Chambers accepted his offer, preferring it over similar offers from Dixon, at the University of Michigan, and the Dean of the business school at Columbia University.[207] Arrangements were then made for a visa, employment and accommodation as well as seminar, research and teaching materials.[208] Chambers submitted the exam scores after he had returned to Australia.[209]

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[202] DOI:10.USA P202/1/07691
[203] DOI:10.USA P202/1/07694; 07696
[204] Moonitz suggested that Chambers should apply for the George Oliver May Accounting Chair at Columbia University (DOI:10.USA P202/1/07705). Chambers declined to do so, determined to remain in Australia indefinitely. Nonetheless, given the difference of opinion between Chambers and May, this is not devoid of irony (DOI:10.USA P202/1/07695; 07706; 07708).
[205] DOI:10.USA P202/1/00929
[206] DOI:10.USA P202/1/00930; 00931; 00932; 00933
[207] DOI:10.USA P202/1/00544; 00545; 00711; 00731; 00732; 00892; 00893;
[208] DOI:10.USA P202/1/00903; 00934; 00935; 00936; 00937; 00938; 00939; 00940; 00942; 00943; 00944; 00949; 00952; 00953; 00957; 00958; 00959
[209] DOI:10.USA P202/1/00960; 00962; 00967; 00968; 00969; 00970; 01013; 01014

Chambers presented his ideas on CATs in general, and the postulates and principles in particular, at eight different venues during the second part of his trip to the University of Chicago. The first presentation was made at the AAA northeast regional meeting hosted at Harvard University.[210] Chambers met both Anthony and Noyes there.[211] His second presentation was an address to students and staff at the University of Illinois, where Chambers presented his 1961 ASA monograph.[212] This was Littleton's old institution and, during his visit, Chambers clashed with Norton Bedford, one of Littleton's disciples there.[213] The third presentation was made during a conference for accounting teachers at De Paul University. Weinwurm had invited Chambers and the two met after the presentation.[214] The fourth conference was held at the University of Chicago, where Chambers presented his second manuscript (1963a) on postulates. The fifth, sixth, seventh and eight presentations were made at Tulane University, Northwestern University, the University of Washington and the University of British Columbia.[215] Zeff would have been at Tulane University at the time (see the aide memoire in appendix five for more information about these presentations).

Chambers attended one meeting, which had been arranged to discuss ARS 1 and ARS 3, in Michigan. During the time of his correspondence with Moonitz in 1961, Chambers had expressed to Weinwurm his dissatisfaction with ARS 1 and ARS 3. His complaints had been similar to those he had raised in his correspondence with Moonitz: the postulates in ARS 1 being too few in number and not basic enough to be postulates and the principles in ARS 3 not being linked tightly enough to the postulates.[216] Chambers had solved this by cross-referencing, but there was no such thing in the monographs. There was additional evidence of current financial reporting dogma seeping into the reasoning as the comments at the end of ARS 3 had also given Chambers the impression that the old guard was firmly entrenched and that he might be kicking up dust in vain.[217]

[210] DOI:10.USA P202/1/00925; 00928; /2/08457;
[211] DOI:10.USA P202/2/08455; 08456; 08607
[212] DOI:10.USA P202/1/00906; 00975; 00977; 00978; 00979; 00980; 00982
[213] DOI:10.USA P202/1/00983; 01065
[214] DOI:10.USA P202/1/00997; 01058; 01059; /2/08458;
[215] DOI:10.USA P202/1/00950; 00999; 01000; 01001; 01002; 01132; 01133; 01135;
[216] DOI:10.USA P202/1/00740
[217] DOI:10.USA P202/1/08129; 00985; 00990

Weinwurm had shared Chambers' disappointment with ARS 1 and ARS 3 and wanted to vent their concerns at a public venue. As a member of the TIMS executive council, he had made arrangements to hold a chapter meeting to that effect at the University of Michigan in September 1962. Chambers would then be in the US and thus able to attend, but had at first held some reservations about doing so. He felt that it could have been seen as a political move and also discourteous, given his scheduled visit to the AICPA during the same visit.[218] Weinwurm felt otherwise and, during a shared research session with Moonitz, had brought his proposal of a meeting to him. Moonitz shared their unhappiness with ARS 1 and ARS 3, but had been forced into compromises to get them passed by the APB advisory board. He therefore welcomed the idea of a meeting and was glad for Chambers to participate.[219]

The meeting was held on the 11th of September. Chambers had submitted his comments on ARS 1 and ARS 3 and Weinwurm had compiled them, together with those from seven other participants, into a conference booklet, which had been sent to Moonitz, who was now in attendance, before the conference.[220] Chambers wanted to facilitate a discussion but, for political reasons, had expressed some reservations about setting down his comments in formal writing. These reservations may have been shared with others, as Weinwurm had arranged to keep all comments anonymous.[221]

To keep commentators anonymous, however, turned out to be little more than a token gesture. Moonitz knew that Chambers and Weinwurm were commenting and had also learnt the identities of four other commentators before the start of the conference: Solomons, Vatter, Andrew Stedry and Harvey Justin Davidson. Both Stedry and Davidson were graduates from Carnegie Mellon University. Stedry was an academic, whereas Davidson was an educator and administrator and, in 1968, would be appointed Dean of the Johnson Graduate School of Management at Cornell University (Schmotter, 1992).

Zeff (1982a) has since then identified Robert Jaedicke and Willis Leonhardi as the remaining two commentators. Jaedicke was a professor at Stanford University and Leonhardi was a practitioner with Arthur Andersen & Company (Associated Press,

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[218] DOI:10.USA P202/1/00985
[219] DOI:10.USA P202/1/08128
[220] DOI:10.USA P202/1/00987; 00989; 00990; 00993; 08130; 08131; 08133; 08134; 08136
[221] DOI:10.USA P202/1/00994; 00995; 08137; 08138

2003; Stanford University, 2013). Moonitz, Kohler, Myron Gordon and another colleague from practice sat on the discussion panel. Gordon was an economist at the Massachusetts Institute of Technology (MIT) and was involved in the administration of TIMS. In 1959, he had developed a model for valuing a stock or a business which would later be known as the Gordon growth model or the dividend discount model (University of Toronto, 2010).

Hertz, the convenor, began the conference with an opening statement. The purpose of the meeting was to bring in viewpoints on accounting measurements from outside the established accounting profession and its institutions. The attendees, he stated, believed that the way forward was to criticise and then modify ARS 1 and ARS 3 so they could become generally accepted in the future. Comments by three of the panellists followed the opening statement. Gordon (1964) brought up much the same concerns he would later publish in *TAR*: that postulates could lead to one or more contradictory principles and that what was needed was a criterion for choosing between these. Kohler and another colleague raised the same concerns about measurements as Littleton had in his first review article (1962) and would later raise again in his second (1963); namely, that accounting was about transactions and not measurements, so the attempt to measure the value-in-exchange of assets was misdirected. Matters such as the values-in-exchange and future use of assets was the concern of managers and not of accountants (Zeff, 1982b).

The commentators were, on the whole, cautious and negative, and most took issue with the definition of postulates in ARS 1. The two non-academics, Davidson and Leonhardi, offered the most negative comments. Leonhardi shared the opinion of most of the APB advisory committee members and thought that the postulates presented could not be of use in current financial reporting practices. Stedry thought that the postulates should have been drawn from a wider range of fields outside the environment in which accounting operates. Weinwurm and Solomons proposed their own postulates. Vatter offered his own understanding of postulates and their role in CATs. Jaedicke took issue with the mixed measurement system presented in ARS 3. His concern was the same as Chambers': different measurements cannot yield an informative total. Chambers also reiterated his concerns about the number of postulates presented in ARS 1, and the loose relationship between them and the principles laid out in ARS 3 (Zeff, 1982b).

Moonitz was the fourth panellist and was tasked with responding to the other three and to the commentators. He shrugged off the complaints about his particular treatment of postulates. His definition of postulates was accepted in the field of geometry and the discussion should be about what he had done rather than about what he could have accomplished with a different treatment and definition. He felt that Leonhardi's, Davidson's and Stedry's comments were so besides the point that they must have either misread him or he must have miswritten. On the other hand, he felt that Weinwurm's, Solomons' and Vatter's comments and their own CATs were interesting but he was only prepared to address the ideas presented in ARS 1 and ARS 3 and had little to offer them. Moonitz was more favourable towards Jeadicke's and Chambers' comments. He judged Chambers' comments fair, having also been presented to him in correspondence during the research project; he wished that Jaedicke's comments had also been forwarded at an earlier stage (Zeff, 1982b).

Chambers' third attempt to act vicariously upon financial reporting practices in the US came through a visit in 1962. The first part of the trip was spent at the AICPA headquarters in New York. The second part of the trip was spent at the University of Chicago, during which time Chambers presented his position on postulates and principles at eight different venues and a TIMS meeting in Michigan. During the latter meeting, several attendees presented criticism similar to the concerns raised in the negative reviews of ARS 1 and ARS 3 in the literature. Moonitz, who was in attendance, seems to have been either unable or reluctant to respond to individual critiques in detail. As such, Chambers' arrival in the US seems to have accomplished little to reverse the position of most professional and academic accountants, who did not want ARS 1 and ARS 3 to influence future accounting standard setting practices in the country.

Back in Australia.

Chambers' fourth and final attempt to act vicariously upon financial reporting practices came after he had returned from the US to Australia. Moonitz had visited Australia and had presented his postulates during a Pacioli Society meeting with accounting academics and practitioners from the Sydney area at the University of Sydney in 1963 (for more information about the Pacioli Society, see Clarke et al., 2010).[222] Chambers had presented his critique after the presentation and had then left the matter to rest. He had felt uneasy to pursue it further, because he felt that much of the criticism from accounting academics and practitioners either placed a childish faith in established financial reporting practices or came from those who claimed some insights but had never attempted to construct something of their own. Moonitz might have been able to brush this aside, but it must have left traces of annoyance, frustration and disappointment to which Chambers did not want to add.[223]

The decision had then been taken out of Chambers' hands in late 1963. He had been tasked with preparing a presentation on ARS 1 and ARS 3 for a conference in Australia and had done so. Chambers (1964) presented his critique in January 1964 and forwarded it to Moonitz for comments. Edward Stamp and another colleague in New Zealand were forwarded copies as well.[224] Chambers prefaced the letter to Moonitz stating that he had tried to be as critical of his own work as of that of others. He had felt considerable agony preparing the critique and acknowledged that his own ASA monograph also suffered from several flaws.[225]

Chambers (1964) final critique of ARS 1 and ARS 3 was an accumulation of the comments he had made in correspondence, two manuscripts and during his visit to the US in 1962. The first part dealt with the postulates. Similar to the arguments in his second manuscript (Chambers, 1963a) on postulates, Chambers argued that postulates suffered from several problems. The five postulates from the environment were too few and broad to be useful. Some of the postulates from the environment and accounting practice and the imperatives were not basic enough to be classified as postulates. Several of the environmental postulates and imperatives contained the word "must", which indicated a conclusion and not a postulate. The postulates from accounting practice did not relate to the environment in which accounting operates and could therefore not be the type of postulates they sought either. The final flaw was the separation between the postulates in ARS 1 and the principles in ARS 3. The postulates could not be fully evaluated without the corresponding principles, as it was not possible to discern whether the postulates were basic enough to only lead to one

[222] DOI:10.USA P202/1/01081; /2/08528; /7/10617; 10619
[223] DOI:10.USA P202/1/07738
[224] DOI:10.USA P202/1/01209; 07984
[225] DOI:10.USA P202/1/07738

set of principles. This decision, to publish the studies separately, had contributed to the loose coupling between the postulates and principles.

The second part dealt with the principles. Chambers presented a detailed criticism of each principle along three broad themes. ARS 3 had focused on accounting for business enterprises, whereas Chambers wanted an all-inclusive CAT that could account for all entities. Even so, ARS 3 did not establish what the information needs of these businesses were and, as a result, one could not evaluate whether these were fulfilled by the principles. The second theme came back to the loose fit between postulates and principles, which could enable the derivation of contradictory principles from the same postulates. The third theme concerned the mixed measurement system. Chambers and Jaedicke had raised this issue before, pointing at the fact that adding current and dated entry prices could not yield an informative total, any more than adding one's weight, height and shoe-size could.

Moonitz took several months before replying to Chambers' comments. Chambers even contacted Moonitz to ensure that his manuscript had not gone astray. Moonitz replied that the teaching term had got in the way but that he expected to attend to it soon. He sent his response (1982c) in June 1964. The response had been written as an article, to ensure that he had addressed all the points raised, but he informed Chambers that he had no intention of publishing it.[226] He also admitted that, after reading Chambers', Gordon's and Vatter's comments on ARS 1 and ARS 3 during the Michigan meeting, he was of the opinion that Chambers' approach to develop COCOA was the right way forward.[227]

Moonitz thought that Chambers' critique was excellent and that all could learn a lot from it. Nonetheless, he shrugged off most of Chambers' comments. The criticism of postulates and principles came from the continued disagreement and misunderstanding about their definition. The postulates had not been intended as basic propositions upon which to deductively derive a CAT; they had been based on the historical conception of financial reporting practices. The principles, in turn, were higher-order propositions built upon these postulates. S&M had therefore assumed that the readers would be familiar with their historical conception. Thus, what Chambers had believed to be gaps were, in fact, bridged by common sense knowledge that had not been reiterated in the monographs. Regarding the third theme, Moonitz

[226] DOI:10.USA P202/1/07739; 07740; /2/08548
[227] DOI:10.USA P202/1/07741

admitted that, in an ideal world, it would be preferable to use a single measurement but that, in the real world, where the necessary market prices for a single measurement system could not be obtained, a multiple measurement system would have to do.

Chambers (1982) sent a further rejoinder to Moonitz. He thought that he had been careful not to misinterpret ARS 1 and ARS 3 and stated that the points that Moonitz had raised in his reply were new to him. He believed that an author had the right to point out when there had been a misinterpretation, but he also believed that Moonitz had changed his position. As such, Chambers felt that Moonitz should, at least, recognise that he had made his comments on firm grounds, based on the previously stated aims of the studies.[228] He maintained that the SCORP had outlined a deductive approach to develop a CAT, and so had S&M in ARS 1 and ARS 3. This deductive approach – with basic postulates from the environment in which accounting operates and principles derived thereof – was nowhere to be found in either study. If one advanced deductively, Chambers continued, then one would have to be explicit about which statements had a bearing on the argument and how one statement deductively followed from another. S&M's assumption about the readers being aware of the historical conception of financial reporting practices was a moot point, it being undesirable to start out from such a position in any case.

Moonitz thanked Chambers for his frank rejoinder. He credited that Chambers was, indeed, on firm ground and probably more right than he was willing to concede at the moment.[229] This exchange, however, had run its course. Chambers agreed and was happy to abandon the cross-talk.[230] He was also pleased to have been able to put down all of his observations in one place.[231]

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While Chambers and Moonitz had been engaged in their last exchange on ARS 1 and ARS 3, changes were afoot at the APB and at the ARD. The postulate and principle approach for the establishment of a CAT had lost support. Grady – an ARD advisory

[228] DOI:10.USA P202/1/07743
[229] DOI:10.USA P202/1/07744
[230] DOI:10.USA P202/1/07745; /2/08550
[231] Chambers' critique seems to have scarred Moonitz, and Chambers would later reflect that it hurt him that Moonitz had taken his criticism so harshly (interview, M. Wells, 14 September 2012).

committee member who had thought that the publication of ARS 3 had been premature – had succeeded Moonitz as director of the ARD. Grady was an accounting practitioner and the publications issued during his reign were increasingly conservative. ARS 7 (Grady, 1965), for instance, was little more than a list of rules and methods found in current financial reporting practices. Chambers (1966c) wrote a scathing review of ARS 7 and expressed his concern about these developments in communications with Goldberg, Dixon and Weinwurm.[232]

The AICPA commissioned two study groups in 1971. Francis Wheat, a corporate securities lawyer, chaired one of them and Robert Trueblood, a big eight partner, chaired the other (Bryson, 1976; Editor, 2000). The reports from these study groups would reflect the change in direction and thinking about the way forward in establishing a CAT. The Wheat Study Group (1972) was tasked with deciding on the way forward for setting accounting principles. The Trueblood Study Group (1973) was tasked with determining the objectives of financial reporting. The recommendations from Wheat led to the abolition of the APB and the transfer of standard setting powers from the AICPA to the newly established FASB. The recommendations from Trueblood led to the decision-usefulness approach to standard setting that is still in use today (e.g., see Zeff, 2005).

Conclusion

I began this chapter by tracing Chambers' ASA monograph, the establishment of the APB and the expansion of the ARD at the AICPA, and the subsequent publication of ARS 1 and ARS 3. I then traced Chambers' attempts to vicariously influence the financial reporting standard setting process in the US. This was done through four means. First, Chambers corresponded with Moonitz during both research projects. He offered comments, reviewed drafts and sent his own ASA monograph for Moonitz to review. Second, Chambers published two manuscripts (1963a; 1963b) on the postulate mode of research. These were presented in Hobart, Singapore, Vancouver, Chicago and Tuscaloosa and sent to Chambers' colleagues around the world. Third, Chambers visited the US in 1962. He spent some time as a researcher at the AICPA headquarters in New York City and as a visiting professor at the University of

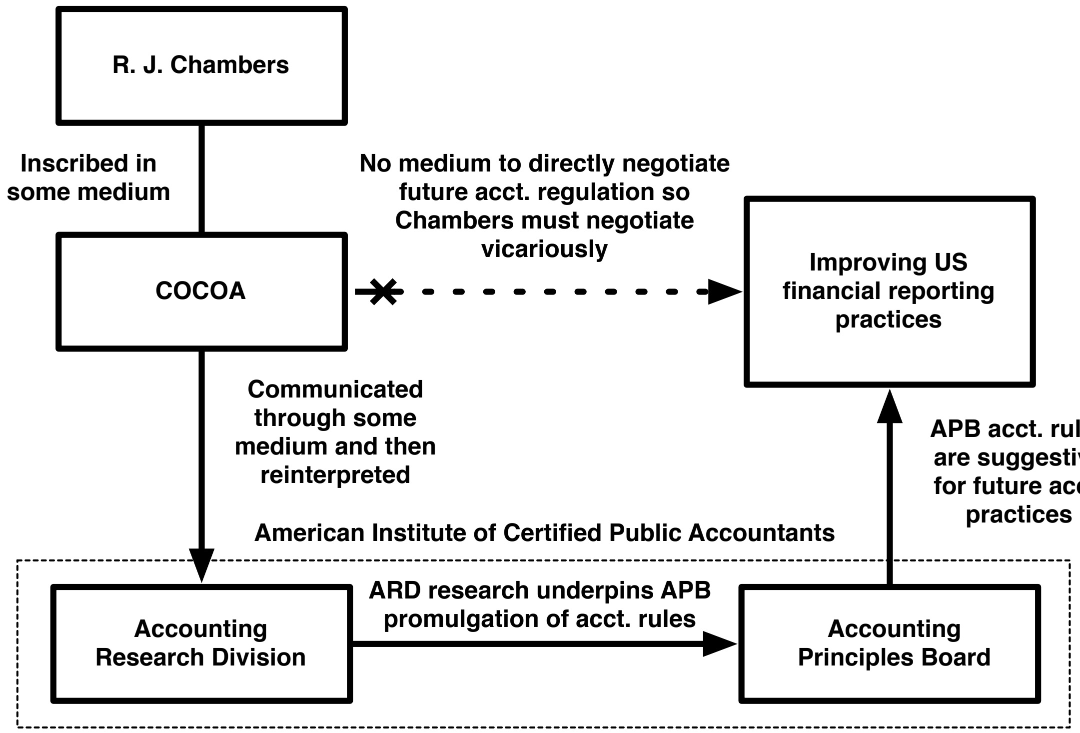
[232] DOI:10.USA P202/1/01086; 01152; 01153; 01172; 01177; 07737; 08142; 08143

Chicago. He also presented his views on the postulate mode of research in various presentations to faculty, staff and practitioners during this time.

Fourth, Chambers began a correspondence with Moonitz on ARS 1 and ARS 3 when he returned to Australia. This exchange on the monographs would prove to be their last. Moonitz conceded that Chambers might be more right about the way forward than he wanted to admit at the time, but changes were already about at the APB and at the ARD. Chambers had not generated as much interest in his ASA monograph as he had wanted. He had also not been able to vicariously influence the writing of ARS 1 and ARS 3 or the financial reporting standard setting process in the US in any substantial way. The APB advisory committee, on the other hand, had forced Moonitz into two compromises that, from the start, prevented the monographs from having any realistic chance to dictate future financial reporting regulation in the US. The first compromise was the printing of dissenting comments at the end of each of the two monographs, and the second one had been the slip inserted under the front cover of each copy of ARS 3, which distanced the APB from its conclusions. Moonitz (1982b) would later reflect on this betrayal of the ARD. The recommendations from the Wheat and Trueblood Study Groups would later reflect the change in direction and thinking when it came to establishing a CAT in the US.

Throughout the chapter, I have emphasised the need for Chambers to act vicariously to influence financial reporting practices in the US. This came from Harman's (2009) notion of vicarious causation: actors interact with other actors vicariously through yet more actors. The narrative, however, reveals that vicarious causation does not guarantee the achievement of an actor's objectives. Chambers was vicariously influencing the events surrounding ARS 1 and ARS 3 in the 1960s, but he was still unable to steer the public debate in the professional and academic literature and the internal politics at the AICPA in his direction. In correspondence, Chambers was unable to persuade Moonitz and the APB about the merits of his ideas. In the accounting literature, Chambers' views were drowned out in the flood of critical articles following the publication of ARS 1 and ARS 3. Chambers' visit to the US did little to change the sentiment about postulates and principles, and once Chambers returned to Australia there was little he could do to further influence events at the AICPA. As a result of this situation, Chambers' ability to vicariously influence the AICPA's decision to base future financial reporting standards on postulates and principles, which had been tenuous from the beginning, ultimately proved unsuccessful.

DIAGRAM SIX: VICARIOUS ACTION THROUGH THE ARD AND APB



CHAPTER SEVEN: REASSEMBLING COCOA

In the previous chapter, I focused on the relationships between actors and on the process of vicarious causation; i.e., the insight that actors interact vicariously through a series of other actors. I traced the reception of Chambers' ASA monograph (1961), the establishment of the APB, the expansion of the ARD at the AICPA and the subsequent publication of ARS 1 and ARS 3. I then traced how Chambers interacted with these entities in an attempt to influence the financial reporting standard setting process in the US. These attempts were carried out in correspondence, via the accounting literature (1963a; 1963b) and during his visit to the US in 1962.

In this chapter, my focus shifts to the substance of COCOA. I use the notion of reassembling inscriptions in the first two sections of the chapter and the notion of black boxes in the latter two. Latour (1987) introduced the process of reassembling inscriptions as a direct consequence of Harman's (2009) first and second axiom: the world is populated with nothing but actors. There is no fundamental substance – such as Aristotle's classical elements of air, fire, earth, and water – but just ever-smaller actors inside actors. The implication for scientific endeavours is that scientists' findings and data spread through the reassembling of inscriptions into second, third, and n^{th} order inscriptions. A scientific finding might first be inscribed into a data point on a graph, then into an article and, eventually, into an undergraduate textbook. I will use this notion to trace and describe how Chambers re-used previous publications on COCOA, which had dealt with the various aspects of a CAT on a piecemeal basis, to formulate what amounted to something close to his final statement on COCOA. This compilation of old and new insights was published in book form, *Accounting, Evaluation & Economic Behavior* (*AE&EB*), in 1966.

In the third section, I trace how *AE&EB* was received among Chambers' colleagues and critics. A black box examination process is used to describe these events. Latour (1987) borrowed the term black-box from engineering. Rockets are flown, satellites put into orbit and cars driven but, to most people, these objects are akin to black boxes. These vehicles do their jobs but their interior workings are a mystery to all but the rocket engineer, the satellite scientist or the car mechanic. It is this knowledge barrier that causes the common person to overlook the fact that rockets, satellites and cars are nothing more than bundles of ever smaller actors inside actors. It was not until the Space Shuttle Challenger burst into flames and broke up in mid-air, killing all seven crew members, that we became conscious of all its components, such as the O-ring seal in the right solid rocket booster that failed during lift-off (Vaughan, 2009). Chambers' *AE&EB* was a black box to most observers, not unlike a Space Shuttle. Colleagues and critics, even those who had started to peek inside it, came to vastly different conclusions about its airworthiness; i.e., its desirability for financial reporting practice purposes. In the fourth section, I trace Chambers' various responses to his critics.

Manuscript on Accounting Measurements

Gaffikin (1989) suggested that Chambers developed most of the content in *AE&EB* in three earlier publications: the ASA monograph (1961), one of the two postulate manuscripts (1963b) from the previous chapter, and an article dedicated to discussing measurements in accounting (1965). From my analysis and from the examination of Chambers' letters, I would add to these the blueprint article (1955a) and the second postulate manuscript from the previous chapter.[233] I have traced all but one of these five publications in chapters three, four, five and six.

Chambers began writing his manuscript on accounting measurements upon his return from the US in November 1962 and completed it in early 1963, then distributing copies to colleagues both in Australia and the US. Chambers sent copies to Slater, the *AUA* editor, and Noyes, the *JOA* editor.[234] Chambers also sent copies to Weinwurm and Gordon, at TIMS, as well as to Moonitz, Paton and another colleague at the University of Alabama.[235] Gordon made arrangements to circulate the manuscript privately among TIMS members and other interested parties.[236]

Arrangements were then made to publish the manuscript in 1965. In January, Chambers sent the manuscript to *JAR* for consideration, noting that he had now been sitting on it for two years.[237] David Green, the editor, expressed his willingness to publish the manuscript but conveyed his concerns about a potential overlap between it and the pending publication of *AE&EB* and the use of numbered paragraphs for cross-

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[233] See, for example, Chambers letter to Stone after *AE&EB* had been published (DOI:10.USA P202/3/09836).
[234] DOI:10.USA P202/1/01106; /2/08609
[235] DOI:10.USA P202/1/01151; 01154; 01168; 07734; /2/08530;
[236] DOI:10.USA P202/1/01184
[237] DOI:10.USA P202/1/01542

referencing.[238] Chambers assured Green that, although his book was based on the manuscript, the latter was not reproduced within the former; at most, there may have been a few overlapping sentences and Chambers communicated his willingness to write a footnote to the article to clarify this.[239] He also reluctantly removed the numbered paragraphs. The manuscript (1965) was published in the spring issue of *JAR*.[240]

In the manuscript, Chambers set out his views on measurements in accounting. Whereas his earlier articles have been concerned with setting down an internally and externally consistent CAT, Chambers then focused on the measurement process in particular. The manuscript stretched to 30 pages and contained a full bibliography. Chambers drew on his ASA monograph as well as on the literature on economics, scientific methods and measurement theory, such as Canning (1929), Churchman (1961), Hempel (1952), Dewey (1939), Cohen and Nagel (1934), and von Mises (1949). Chambers had become familiar with Churchman's writings on measurements and decision-making through their association with TIMS (see chapter five).[241] Several of the other articles and books had been retrieved in the 1950s, while Chambers was writing the blueprint article (see chapter four).

Chambers (1965) changed and refined his position on the most appropriate accounting measurements. In the ASA monograph, he had settled for current entry prices (i.e. current replacement prices or costs). At the time, he had believed that these could be used to approximate the current market value of assets. In his manuscript (1965), Chambers distinguished between retrospective, contemporary and anticipatory calculations. If accounting is strictly defined as a measurement system, it can only include retrospective and contemporary calculations based on past and present market prices that can be verified against an external market. Anticipatory calculations, however, are not measurements but are based on predictions and valuations of potential future market prices. Whereas past and present market prices are objective, insofar as they can be verified in the market, future market prices are subjective and based on private knowledge. This led Chambers to discard current entry prices, which

[238] DOI:10.USA P202/1/01543
[239] DOI:10.USA P202/1/01544
[240] DOI:10.USA P202/1/01545; /2/08608;
[241] Both Chambers and Churchman were on the executive council of TIMS.

depended on predictions, insofar as they required the future action of replacing assets with equivalent ones to be found in a future market.

Considering the implications deriving from the distinction between retrospective or contemporary calculations and anticipatory ones, Chambers opted for current exit prices. The concept of current cash equivalent (CCE) was introduced to represent the attribute to be measured. The CCE of an asset is the amount that asset can be exchanged for in the current market, during the course of an enterprise's normal operations.[242] An enterprise's total capacity of adapting to changing economic circumstances is represented by the total sum of the CCEs of all its assets. If an enterprise wants to change its composition of assets, for instance, the CCE of its current assets represents the degree to which that is possible. The net variation of the total amount of CCE between the start and the end of a period represents the net income for that period. Net income therefore includes the changes in the current exit prices of assets as well as the income from operating activities.

Operationalising the measurement of CCE has several implications. Monetary balances are stated at their CCE. Accounts receivable and payable should be discounted, using the bank or contract interest rate. Current exit prices should be assigned to those assets that can be sold on markets. For assets without markets, such as unfinished inventory, the CCE can be approximated by using current entry prices. Accounts that depend on anticipatory calculations, such as conventional depreciation and provisions for doubtful accounts, become untenable. Depreciation is recognised indirectly, as assets are continuously measured using their current exit prices. Impairments and markdowns are recognised continuously as events unfold.

Chambers received several comments on his manuscript and his new position on accounting measurements. The responses from Gordon, Paton and his colleague at the University of Alabama were favourable. The responses from Slater and Moonitz were favourable but more cautious. Slater took issue with Chambers' proposition that measurements from a mixed measurement system could not yield an informative total.[243] He argued that the total might be informative in those cases in which counting is used as opposed to measuring. Cash flow statements, for instance, count cash with a

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[242] Chambers' distinction between the current exit and entry price appears rather odd, as it could be argued that both prices depends on a future action in the market (i.e. the action of either selling or purchasing an asset).
[243] DOI:10.USA P202/1/01106

different purchasing power and can still inform the user about the liquidity of the enterprise. On the same note, Slater thought that the CCE of assets might be a poor indicator of the potential cash proceeds from the sale of assets; as such proceeds depend on both the current exit price *and* the cost of disposal.

Chambers responded that he believed that, in fact, all counting was measuring and that the measurement theory literature agreed with him on this point. Slater's cash flow example was only valid because he had set out to count the numerosity of current dollars. Had he set out to count a combination of assets, purchased at different points in time, the numerosity of dated and current dollars would not have yielded an informative total. Regarding current exit prices versus the net proceeds from disposal, Chambers clarified his position by introducing a distinction between liquidation during the normal course of business and spot liquidation, in which an enterprise is forced to sell all assets immediately (e.g., in cases of bankruptcy) and which may lead to net proceeds significantly lower than the current exit price of assets. Chambers explained that he was referring to the orderly selling of assets in the market, in which an enterprise could expect to receive the prevailing market price for its assets and there would therefore be no need to distinguish between proceeds and current exit prices.[244] Chambers' two clarifications seem to have satisfied Slater.[245]

Moonitz took issue with Chambers' distinction between retrospective, contemporary and anticipatory calculations and with how it had led him to abandon current entry prices.[246] Firstly, Moonitz was not convinced that all anticipatory calculations were necessarily subjective. Forecasts for the selling price of cigarettes the following month, a country's population, the demand for automobiles and the calculation of the US gross domestic product (GDP) the following year are all in the future. All of those forecasts depend on some anticipatory calculations, but surely they are not totally subjective. Each of these forecasts can be verified against experience and their reliability be established. Secondly, Moonitz was of the opinion that current entry and exit prices were proxies for the same ideal value. Did Chambers agree with him and, if so, what was the point of discarding one for the other?

Chambers responded by admitting that he had discovered several other shortcomings in his manuscript but that he would restrict his answer to those raised by

[244] DOI:10.USA P202/1/01107
[245] DOI10.USA P202/1/01108; 01110; 01109
[246] DOI:10.USA P202/1/07734

Moonitz.[247] Firstly, he stood by his distinction between retrospective, contemporary and anticipatory calculations, but admitted that he could have done more to better define these terms, which he proceeded to do. All estimates or expectations come from individuals; they are the result of personal assessments, evaluations or interpretations of the facts and of the relationships between them. The only objective factors of this process are the observable facts on which it is based and, as we cannot observe the future, these have to come from the past or the present. Forecasts such as those mentioned by Moonitz may be produced based on this past and present experience. To say that these estimates can be verified against experience overstates the case; one can only verify something once it has happened. Otherwise, there would be no need for estimates, which would actually be facts. Secondly, Chambers admitted that current entry and exit prices could be seen as proxies for ideal values. In a perfect market, the current entry and exit prices would, indeed, be the same but, because no one operates in a perfect market, a distinction had to be made between the two. He wanted to avoid a situation in which there would be two valuation options, such as the lower cost or the market price found in conventional financial reporting practices, and was therefore left with the need of choosing between the two. He had chosen to disregard current entry prices because, with these, the decision of whether to replace would be inherently based upon an anticipatory calculation, as one could never make such a decision until the present state of affairs were known.

Their correspondence continued but Chambers and Moonitz did not reach an agreement on these two points.[248] Moonitz had favoured current entry prices and anticipatory calculations in ARS 3 and his thinking had not changed much. His conclusion to their debate was that knowledge about this world comes through various forms, not just observations as Chambers' distinction implied. Retrospective, contemporary and anticipatory calculations are, in a sense, merely labels for a continuous experience of the world and should not be used to privilege one domain of knowledge over another. He could therefore not conceive these labels as something on which to base the measurement function in a CAT.

[247] DOI:10.USA P202/1/07735
[248] DOI:10.USA P202/1/07736

COCOA in *AE&EB*

Chambers began writing *AE&EB* in early 1963. He had hoped to finish the manuscript by June 1964, but this deadline had slipped. In a letter to Zeff in September, Chambers informed him that he had written some 300 pages but still had two chapters to go and was now hoping to complete it by November. The writing process had slowed down because what he was writing was so much at odds with current financial reporting practices and teachings. As Chambers was nearing completion, he wondered what others would make of his manuscript. He felt satisfaction and uneasiness at the same time and believed that the manuscript would either be consigned to limbo or raise a "helluva" storm.[249] The November target was eventually also missed and the manuscript was not completed until December.

Chambers then passed the manuscript on to his publisher, Prentice-Hall, for publication. Chambers had signed a contract with Frederick Le Easter, the Editor of the Business Books Division, during a meeting in East Lansing, Michigan, in 1962.[250] Included in the contract was the option for Chambers to publish two additional items with Prentice-Hall. The book was to be marketed by their College Division as a university text. The expectation was to publish *AE&EB* in 1965, but that deadline was missed and the book was not published until February 1966 (see preface in Chambers, 1974a).[251]

Robert Walters, Senior Editor at Prentice-Hall, forwarded Chambers an advance copy of *AE&EB* in January 1966. The first shipment of copies had then just arrived from their printers. Chambers was thrilled with the quality of the production and to see his book in print. He thanked both Walters and Easter for their help in preparing the final manuscript. With the publication date set for February, the book would be available in time for the academic year in Australia. This would allow university bookstores to stock it for the coming academic year. Optimistically, Chambers felt that there was a good chance that sales numbers might come to match the production quality.[252]

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[249] DOI:10.USA P202/1/08198
[250] DOI:10.USA P202/3/09836
[251] DOI:10.USA P202/1/01567; /3/09827; 09828; 09829
[252] DOI:10.USA P202/3/09836. The reason this letter is cited several times is because it is actually a collection of letters between Chambers and various people at Prentice-Hall.

Arrangements were made to distribute complimentary copies of *AE&EB* as widely as possible. Someone from sales at the College Division helped Chambers with this. The decision was made to target journal editors and various other individuals of influence in accounting regulation and academia and distribution lists were compiled to this effect. Copies were sent to the editors of 47 economics, business, management, operations, finance and accounting journals as well as of business newspapers. The journals were concentrated in the US and the UK, but also included some in Germany, Canada, France and Italy. Both practitioner journals, such as the *JOA*, *AUA* and the *Harvard Business Review*, as well as academic journals, such as *TAR*, *JAR* and the *American Economic Review*, were included in the list. The *Wall Street Journal*, *Business Week* and the *Canadian Business Journal* were among the business newspapers included.[253]

Complimentary copies of *AE&EB* were also sent to 24 individuals – the actual number of recipients is likely to be much higher but the archive does not reveal this with any degree of certainty. There were three recipients each in the US, the UK, Canada and Japan, two each in France, Germany and the Philippines and one each in Australia, Thailand, Denmark, Finland, the Netherlands and Switzerland. Chambers had informed Prentice-Hall that he had selected a number of financial reporting regulators in an attempt to influence financial reporting practices and increase sales. Andrew Barr, the current chief accountant at the SEC, was the most prominent of these. Chambers had also informed Prentice-Hall that he had selected a number of academics because their approval would increase the chances of having the book adopted as required reading material in accounting courses, similarly to Paton and Littleton's (1940) book.[254]

There is little doubt that Chambers was sincere in his desire for his book to be adopted as required accounting course reading material but, contrary to his intentions, the list of recipients does not appear to have been compiled with the aim of increasing university sales. It included such academics as Paton and Littleton, both now retired, and Richard Stone. None of these were in a position to adopt *AE&EB* as course-work material in any accounting course. Chambers had been familiar with Stone's writings since the 1950s, but the two had never communicated directly. Stone, still the head of

[253] DOI:10.USA P202/3/09836

[254] For recipients that were not included on the Prentice Hall distribution list but still sent a complimentary copy of *AE&EB*, see DOI:10.USA P202/1/05805; 3/09836

the Department of Applied Economics at Cambridge University, had little interest in accounting outside national accounts. A letter sent separately to Stone reveals that Chambers was looking for learned opinions on *AE&EB* and on the possibility of using his publication to earn a doctoral degree. Chambers ran through some of his earlier publications that had led to the book and proposed that the two meet when he was passing through the UK. Stone's secretary replied that she would bring the letter and the book to Stone's notice when he returned from a trip to Geneva, but there are no letters in the archive to suggest that she did or that the two ever met.[255]

Chambers had assured Green that his manuscript on accounting measurements (1965) had not been lifted from the *AE&EB*. This is true, but it is just as true that all the elements from this manuscript and from his four other publications (Chambers, 1955a; 1961; 1963a; 1963b) that I have traced in previous chapters are found throughout the book. Chambers had pursued one particular CAT for his entire career so there is much consistency in his thought in addition to all that is new. The book is almost 400 pages long; its table of content lists the headings and subheadings of all chapters, of which there are 14, in addition to an introduction, an epilogue and an index of names and subjects.

Each chapter concludes with a diagram of the main argument and a numbered and cross-referenced list of all the arguments presented in that chapter. Each successive argument is deductively built on the previous one so that the reader may follow them to their conclusions.[256] Chambers used the same approach in his ASA monograph and in one of his postulate manuscripts (1963b). There are about 40 of these arguments. This is also consistent with his argument in the same postulate manuscript and with his critique of ARS 1 and ARS 3: a CAT has been built upon a high number of tightly knitted postulates and principles. Curiously, though, Chambers no longer refers to these arguments as postulates and principles; this may have been an attempt to distance *AE&EB* from the postulates and principles studies that had stirred up so much controversy and had had so little success.

COCOA's OPP is constructed as a solution for all the woes linked to traditional financial reporting practices and as a pathway to more useful financial statements for the use of accountants, businessmen, investors, administrators and

[255] DOI:10.USA P202/3/09836

[256] Wells and Dean view this tightly knit structure as AE&EB's key contribution and one of Chambers' lasting legacies (interviews, 13-14 September 2012).

regulators. Chambers cannot understate the importance of taking this path. In the epilogue, he immodestly compares the introduction of COCOA – and of the changes in financial reporting practices that would follow – to the Copernican Revolution and to the changes in astronomy that resulted from the switch from the Ptolemaic view to the heliocentric one, an example that came from Kuhn's (1957; 1962) writings on scientific knowledge and paradigm shifts, which Chambers would have been exposed to during his visit to the US in 1962. This expanded OPP is consistent with Chambers' shift in focus from the general price changes during periods of inflation to the terminal shortcomings of financial reporting practices due to both general and specific price changes. There are, however, traces of COCOA's first OPP from the blueprint article, which originated from his previous approach. In chapter ten, for example, Chambers deals specifically with the problems arising from general price changes and with how COCOA adjusts for those.

The book is organised in two parts: the characteristics of human behaviour and of the environment, which requires human action, are set out in the first chapters. COCOA is then constructed, over the remaining chapters, based on these characteristics of human behaviour and of the environment. This follows one of the two approaches prescribed in the second postulate manuscript (1963a). Chambers begins from basic ideas relevant to accounting found in human action and the environment – this is the first part. In the second part, he moves forward deductively to work out the implications for accounting of these basic ideas. The result is a CAT that is valid as long as the underlying basic ideas are accepted as being true and no logic error has been made in developing their implications.

In the first part of this book on the characteristics of human behaviour and of the environment, we find traces of the four postulates laid out in the blueprint article and of the 40 postulates in the ASA monograph; these appear as numbered and cross-referenced arguments in the first six chapters. Some of them are identical to the originals, whereas others have been cautiously modified and honed. The idea of rational actors, introduced in the blueprint article, has been developed into a complete model of human behaviour and action that Chambers applies to describe firm behaviour. This model is based on a behavioural homeostasis one, frequently referred to as the "growth through gratification" model and taken from developmental psychology. According to this model, humans direct their actions towards achieving goals and maximising their wellbeing. Limited capabilities, scarce means, a dependence on others and uncertainties about the future impede their efforts. Faced with these environmental variables and uncertainties, humans therefore find themselves in a constant struggle to optimally adapt to their surroundings.

In the second part of this publication on COCOA, we find traces of the 20 principles from the ASA monograph that are now derived from the postulates found in the first part. These principles also appear as numbered and cross-references arguments at the back of the chapters. Like the postulates, some of these principles have been modified from their original form. The measurement system follows the one proposed in Chambers' measurement manuscript, as opposed to that alluded to in the ASA monograph. Current exit prices are therefore preferred instead of current entry prices. When there are no exit prices available to measure the CCE of assets, as might be the case with unfinished inventory, Chambers makes use of current entry prices as an approximation. The distinction between retrospective, contemporary and anticipatory calculations is used again throughout. The net income is still the residual CCE from a period and, as such, includes both changes in the current exit price of assets and the income from operations.

Sales, Comments and Reviews

Chambers' high hopes for *AE&EB* sales figures would not be met. Complimentary copies of the book had been distributed to 47 journals and 24 individuals with the aim of increasing exposure and having it adopted as course-work material in accounting courses. Chambers may have contacted Prentice-Hall to discuss sales in 1966 but the first letter to that effect is from July 1967. From the context, it appears that sales figures had so far been lower than expected and Chambers admitted that it might have been a bit premature to expect universities to have had a chance to already consider the book. He speculated that the book might not have been to their immediate taste either, as financial reporting practices had not yet been reformed. Easter informed Chambers that 437 copies of *AE&EB* had been sold for the year. This was not a great number, but the university adoption season in the UK was coming up and that might bring in some more sales from university bookstores.[257]

Chambers contacted Prentice-Hall to discuss sales figures again in April 1969. He noted that it had been a while since Easter and he had last corresponded,

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[257] DOI:10.USA P202/3/09836

speculating whether this had been due to his own embarrassment or Easter's disappointment in the sales. Regular sales reports had been sent to Chambers during all this time, but these only reported the purchases made by university bookstores, rather than total sales. However, if these were an indication of the overall performance, then sales had been poor; Chambers was now curious to find out just how poor. Given the situation, he was now also willing to lift Easter's obligation to publish two further books. This option for two additional items had been stipulated in the contract that Chambers had signed when the two had met in East Lansing, Michigan, in 1962; Chambers, however, did not feel that he could in good conscience hold Easter to it.[258]

Easter replied that Chambers should not be too harsh on *AE&EB*. Easter and Chambers had not outdone Samuelson – this is a reference to Samuelson's 1948 book that had become the best-selling economics textbook of all time in the US – but they had at least managed to stir up things in accounting education, as there was more debate going on in that field than there had been in the previous 50 years. Their sales had been modest but not terrible: over 2,500 copies of *AE&EB* had been sold to date, 1,298 of these being regular sales from normal bookstores. The last reprint was issued in the spring of 1967, leaving about a year-and-a-half worth of supplies remaining. There might be a further reprint in 1970, but that was going to depend on improving sales. As long as sales figures would remain in excess of 500 copies per year, Easter vowed to keep *AE&EB* in print for as long as possible. He also appreciated Chambers' stance on the contractually remaining two books and agreed that the decision to press on with additional publications would be a question of investment and time, rather than one of financial success.[259]

AE&EB remained in print for a few more years, until someone from Prentice-Hall contacted Chambers about sales figures one last time in April 1972. A recent inventory review had shown that there were 265 copies of *AE&EB* remaining. Yearly sales had by then dropped considerably below the 500-copy threshold and there would be no further reprints. At the current rate of sales, the stock would be exhausted some time the following summer. Chambers was sent five further complimentary copies and was offered the opportunity to purchase the remaining stock at a 60 per cent discount. Chambers thanked the spokesperson from Prentice-Hall, saying that he

[258] DOI:10.USA P202/3/09836
[259] DOI:10.USA P202/3/09836

was happy that they had published his book to begin with. He also made arrangements to have the copyright transferred from the publisher to himself. This – and a termination agreement – was finalised the same year.[260] There is no record to show whether he purchased the remaining stock; Chambers would later arrange with Sterling to have the Scholars Book Company republish *AE&EB* in 1974.

Despite selling below expectations in university bookstores and within the mainstream academic social science field, *AE&EB* attracted considerable comments, reviews and general attention within accounting academia. Some 20 to 30 individuals sent comments directly to Chambers.[261] Several of these came from Chambers' colleagues; reading them, it appears that *AE&EB* had made quite an impression. Ijiri, Dixon and Staubus thought the book excellent.[262] Ijiri added that it should be included in the required reading for accounting doctoral programmes.[263] Moonitz, notwithstanding their disagreements, also thought most highly of the book and expressed his intention to do his utmost to make sure that it was distributed and widely read.[264] He had seen Sidney Davidson and other colleagues holding copies, although several of them had informed him that they had not had the chance to read it in detail yet. Sterling thought that Chambers' logic was flawless and his conclusions irrefutable, while another colleague thought that *AE&EB* would make Chambers one of the immortals of accounting.[265] Fitzgerald had been captivated by the book and informed Chambers that he had never seen anything like it in the field of accounting. The philosophical spirit, rigour of thought, ease and distinction in expression were unmatched in the literature. He concluded that it had turned him into a believer.[266]

Some twenty reviews and articles had been written about *AE&EB,* the more thoughtful and interesting of which had appeared in academic journals. Dein (1966), Wright (1966), and Plantz's (1966) reviews in practitioner journals being the exceptions.[267] Baxter (1967), Solomons (1966), and Cruse (1967) reviewed *AE&EB*

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[260] DOI:10.USA P202/3/09836
[261] E.g., see DOI:10.USA P202/1/01202; 01765; 01797; 02204; 02205; 02294; 02589; 02613; /3/09836
[262] DOI:10.USA P202/1/01763; 01736; 01919
[263] DOI:10.USA P202/3/09836
[264] DOI:10.USA P202/1/01712
[265] DOI:10.USA P202/1/01975; 02205
[266] DOI:10.USA P202/3/09836
[267] Other reviews in practitioner journals appeared in the *Certified Accountants' Journal*, the *Federal Accountant*, and the *Canadian Chartered Accountant*. Two more

in academic accounting journals. Sheehan (1967) and Benston (1967) reviewed the book in academic economics journals. Hendriksen (1967) reviewed the book in an academic business journal. Wright (1967), Staubus (1967), Iselin (1968), Vickrey (1975), and Larson and Schattke (1966; 1975) published articles on certain aspects of *AE&EB*. Iselin (1971) and Leftwich (1969) also wrote research monographs on certain aspects of *AE&EB*. Reginald Gynther, an influential Australian academic in his own right, had supervised both of these monographs.[268] Nelson and Zlakovich also wrote two comments on AE&EB, which were presented at a symposium on accounting theory at UC Berkeley in 1967 (School of Business Administration, 1967).

Six reviewers took issue with Chambers' writing style as well as the organisation and length of *AE&EB*. Dein stated that the book was so comprehensive and unconventional that it was hard to work out what to make of it all. Baxter and Solomons felt that that *AE&EB* was too lengthy and took too long to get started. Baxter and Benston felt that the choice of obscure words made the book needlessly hard to read. Cruse and Sheehan also found the word choice and writing style irritating, dogmatic, and potentially detrimental to the book's content. Cruse found the cross-referenced arguments at the end of each chapter helpful, whereas Sheehan thought that this highlighted the fact that the deductive linkage between the arguments was tenuous at best. Benston, on the other hand, held more sinister speculations than either Cruse or Sheehan; his review implied that the cross-referenced arguments and flow-charts were no more than unsuccessful ploys to hide the myriad of assertive statements that underscored COCOA.

Four reviewers found themselves, to various degrees, unconvinced that COCOA was an OPP for the improvement of conventional financial reporting practices. Dein believed that the arguments presented in *AE&EB* could just as well support the conventional (and his preferred) use of dated entry prices as opposed to current exit prices and to the measurement of CCE. Baxter and Benston did not foresee a Copernican Revolution in conventional financial reporting practices either,

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obscure reviews appeared in an Italian and a French journal. Several review comments were sent to Prentice-Hall as part of their efforts to have *AE&EB* adopted as accounting course-work material (DOI:10.USA P202/3/09836).

[268] Gynther had a background in practice and was instrumental in establishing the School of Accountancy at Queensland University. Although he did not publish widely, several influential accounting academics, such as Ray Ball, Leftwich, and Iselin, came through the university during his tenure (interviews, M. Scorgie, M. Wells, and G. Dean, 5-14 September 2012).

and Sheehan found it of unbecoming immodesty for Chambers to suggest that such a revolution was pending. Benston added that it was his opinion that *AE&EB* could serve, at best, as a platform upon which additional research into CATs and alternative accounting measurements could proceed.

Human behaviour and the environment.

Seven reviewers commented on the first of the two parts dedicated to the characteristics of human behaviour and the environment. Most reviewers found this discussion to be of little use. Solomons opined that it was superfluous and bore little meaning for the CAT presented in the remaining chapters. Plantz, having found those chapters useful, was the exception. Cruse, Hendriksen and Nelson held that most readers would disagree with and interpret differently the arguments presented in the first of the two parts and therefore would arrive at a different CAT in the second. Nelson, on the other hand, did not just disagree with the arguments, but also questioned whether Chambers' form of inquiry was still relevant. He and Hendriksen suggested that it might be more fruitful to abandon attempts to construct a CAT in favour of the examination of the use of financial statements and their effects on users (i.e. modern capital market research).

Dein, Cruse and Leftwich took issue with additional items present in the first of the two parts. Dein did not believe that borrowing insights from developmental psychology and economics had put COCOA on any firmer ground. There were still practical issues concerning measurements and operationalisation. Cruse and Leftwich took issue with the homeostasis model of human behaviour in particular. This model was used in developmental psychology to explain the behaviour of infants. It had never been used to explain the behaviour of economic decision-makers. The latter face different conditions and engage in different decisions than those linked to infants. One implication is that these decision-makers are therefore not as flexible as the model suggests. There are occasions when they are prevented from adapting to changing (economic) circumstances, when they make irrational decisions and suffer such things as nervous breakdowns.

Leftwich raised a final concern about the general description of the environment in which the human behaviour takes place. Chambers had described an ideal scenario in which rational actors would be able to consider all the options available to them and then make their decisions by weighting all those options. In such a situation, actors would constantly be adapting to their surroundings, making the best possible decisions available to them. This was a far cry from the actual environment in which decision-makers found themselves. Actors operate on incomplete information and simplified models of the environment. As a result, their actions are based on a small subset of choices out of a whole spectrum of unknown but otherwise possible choices. These choices, in turn, are not independent of such things as their emotional state and their aim is often not to maximise their utility.

CCE and alternative measurements.

The second of the two parts, on the accounting and measurement rules found in COCOA, was just as criticised as the first. This criticism focused on Chambers' stipulation that the only property to be measured in his CAT was the CCE of assets. This meant that all assets should be measured using their current exit price; that is, the price at which the assets could be sold in the market during the normal business operations. Dein raised the same issue that Slater had in his private correspondence with Chambers. He did not think that the measurement of asset CCE could be useful during the normal business operations, unless the business itself was undergoing financial stress or bankruptcy proceedings. Chambers had also touted this measurement as being more in line with current economics thinking. This may have been so, but Benston, a trained economist, noted that most economists favoured measuring the current market price using discounted future prices. Chambers had, in his opinion, prematurely disregarded this because he considered discounted future prices as an anticipatory calculation.

Benston, Baxter, Wright, Hendriksen and Iselin felt that the measurement of CCE suffered from several inconsistencies. Hendriksen expressed his concerns with two of these. First, Chambers had suggested that bonds held as assets should be adjusted for changes in interest rates, whereas bonds held as liabilities should be kept at their contractual amount. If Chambers was attempting to measure the CCE of these bonds, there was no excuse for assigning a different value to them based on whether the business owned or owed them. Second, specific price changes in assets were to be included in the net income, regardless of whether those assets were sold, whereas the realisation rule was used for operating income. This led to the use of current entry prices, as opposed to current exit prices, to prevent unsold inventories from being included in the net income when measuring inventories. The reason for this is understandable, but it still represents a weakness and logical inconsistency of the system.

Benston, Dein and Nelson doubted whether it was possible to even measure the CCE of all assets. They claimed that, although it might be theoretically neat to measure all assets at their exit prices, these were not readily available to operationalise such a scheme. Dein suggested that the recent accounting literature on pension plans, leases and deferred income taxes demonstrated how difficult it was to measure these things using their current exit prices. Nelson was not convinced that there was a market for accounts receivable, work-in-progress and special purpose plant and equipment. There was also an asymmetry in information among different businesses. Businesses on the buying side, for instance, would have a hard time obtaining the exit prices for raw materials. Chambers' emphasis on assets being severable to be measured also meant that some intangibles, such as trademarks, would be accounted for whereas others, such as goodwill, would not.

Nelson and Dein raised concerns about the objectivity of CCE and some of the consequences that might follow from its adoption. Nelson felt that dated entry prices were more objective than current exit prices, as the dated entry price represents an actual transaction in the past and the amounts involved can therefore be verified. Dein agreed and foresaw arguments between accountants, managers and others involved in the business when determining and debating the exit price assets. These arguments would be further fuelled by the unwanted consequences that particular exit prices might bring. The exit prices used could skew various accounting ratios and force the business to break debt covenants and other arrangements. For example, for some companies, a low CCE could push the debt-equity ratio so high that creditors would be scared away. For other companies with a low amount of equity, the rate of return could appear to increase dramatically without a corresponding increase in operating performance.

Dein was comfortable with the distinction between retrospective, contemporary and anticipatory calculations, as he preferred dated entry prices. Wright and Iselin were not and brought up arguments along the same lines as those Slater had in his private correspondence with Chambers about normal and spot liquidation. The CCE was measured by obtaining the current exit price in the short run, but there were no indications about what amount of time constituted a short-run. This was an impossible position, they argued, because the exit price would be different depending on how long this period actually was. An asset sold within days, for instance, would fetch a lower price than one sold over months. The decision to sell within this period would also be in the future and would therefore involve a hypothetical future market price on the same grounds as the current entry price.

Larson, Schattke and Vickrey questioned whether the CCE fulfilled the criterion for being an additive property. Chambers had claimed that the CCE was the scale of numerosity for a set of homogeneous monetary units obtained from assets severable and available in the market; i.e., CCE was the amount of money that could be obtained in exchange for severable assets sold in a resale market. The problem was that, according to the measurement literature, all scales of numerosity have to measure additive properties to be valid. That meant that, for the CCE to be valid, it, too, had to be an additive property. To be an additive property, two or more assets should, when sold in combination or separately in the market, yield the same total CCE. This is what one would expect when adding up, for instance, different combinations of dollar amounts. Stated in the negative, if the CCE of a basket of assets fluctuated with any combination of these assets, then CCE could not be an additive property.

Chambers had relied on Hempel (1952) and other scholars in the measurement literature in stipulating how the CCE fulfilled this additive criterion. Larson and Schattke relied on the same but argued that the CCE failed this very same criterion. The combination of two or more assets would not necessarily yield the same CCE as the same assets sold separately in the market. A specific machine and plant would represent such an example. Sold separately, the two assets may yield a low CCE but, sold in combination, they may yield a much greater one. This led Larson, Schattke and Vickrey to conclude that there appeared to be a non-severable goodwill that became embedded in a combination of assets. Vickrey went even further and suggested that it was more likely that the CCE was a measure of the purchasing power of assets (i.e., assets measured in current dollar values), rather than the numerosity of a set of homogeneous monetary units. The implication from failing this criterion was that there were several possible CCE values for assets and that such a property therefore could not provide the business with an indication about its capability to adapt to changing economic circumstances.

Several commentators seized on the chance to juxtapose COCOA, and the use of current exit prices to measure CCE, with their own preferred CAT and measurement method. Staubus preferred a CAT based on the use of the present value of (i.e. discounted) future cash flows to value assets at their current market prices. He coined the term Maximum Time-Adjusted Cash Potential (MATACAP) as an alternative property to CCE. The MATACAP of a particular asset represents the net contribution that it is expected to make to the business in the future. The measurement method used to measure this depends on which measurement method comes closest to this ideal value, given the constraints in reliable and available evidence. These measurements can include retrospective, contemporary and anticipatory calculations. Using his own metric to evaluate different measurement methods, Staubus found that, most of the time, the best measurement would be the discounted future price or the current entry price. The current exit price, on the other hand, was deemed often to be a second-best option.

Solomons, Baxter, Zlatkovich and Wright did not agree with CCE because they did not believe that the purpose of preparing financial statements was to measure the ability of a business to adapt to changing economic circumstances in the environment. They preferred the concept of value to the owner instead. Bonbright (1937) had introduced the term in a book for lawyers and finance academics on different property evaluation measurements and methods. Baxter had brought the term to accounting, where it would later be known as deprival value accounting. This concept has various facets but is most easily understood by posing the question: what difference would it make if a business were to be deprived of an asset? The answer depends on the asset. If the business wanted to retain the asset, then it should be valued at the cost of replacing it (current entry price). This is most often the case but, when it is not, a range of possible measurements is possible. An abandoned factory, for instance, would not be replaced but sold (i.e., it would be valued by using current exit prices). To Wright, Solomons and Baxter, the current entry price therefore represented the upper boundary (ceiling) and the current exit price represented the lower one (floor) for most assets.

In a perfect market, the current entry and exit prices would be the same: a business should, in theory, be able to purchase an asset and then immediately resell it for the same price. In actual markets, this is not the case. The current entry and exit prices are often far apart and Baxter, Benston, Nelson, Wright, Solomons and Zlatkovich therefore felt that relying solely on current exit prices could lead to disastrous results. There were several examples in the literature to demonstrate this general point. Baxter introduced several, but one will do here: the acquisition of an industrial size blast furnace. A blast furnace of this type is fired once and then has to be kept going. If it is ever extinguished and allowed to cool down, it tends to implode. This means that, after acquisition, the replacement cost (current entry price) would be close to the original purchase price (now the dated entry price), but the resale price (current exit price) would not exceed the scrap value of an imploded furnace. As a result, a business acquiring such a blast furnace would have to recognise an immediate loss under COCOA. This went against common sense and experience, as the business would not have purchased the blast furnace unless it believed that it could operate it to turn a profit in the first place.

With variations on this example (e.g., the acquisition of other specific assets, such as a refinery in the desert), Baxter, Solomons and Wright held that, more often than not, the current entry price was preferable to the current exit price. When a business is doing well, assets are more commonly replaced, rather than sold in the market. The exception could be a situation in which a business was under financial stress, such as bankruptcy, and expected to be forced to liquidate its assets. The current exit price would then more accurately reflect the value of the assets to the owner than current entry prices would.

Solomons believed that Chambers had not reached the same conclusion they had because of his disdain for the "value to the owner" concept and his distinction between retrospective, contemporary and anticipatory calculations. Chambers had refused to consider current entry prices because he believed that these depended on the anticipatory calculation of estimating the cost of replacing assets in the future. Solomons did not deny that the current entry price depended on a future decision to replace, but he raised the same point as earlier reviewers had: that the current exit price was affected by the same flaw since it, too, depended on a future decision to liquidate. Wright muddied the waters further. He believed that Chambers should have considered a business's trajectory in making the choice between current entry and exit prices. A business that was doing well would be more inclined to replace current assets, whereas one that was not doing so well would be more inclined to liquidate them; hence, the current entry price would be more suited to be adopted in the former instance and the current exit price in the latter.

Renegotiation

The reviewers and commentators had faulted *AE&EB* for its layout and writing style. Several of them had judged COCOA to be an unlikely contender as an OPP for improving current financial reporting practices. Both halves of the two part structure – i.e., the model of human behaviour, the description of the environment and the derived CAT – had been severely criticised. The CCE had been picked apart and some commentators had spared no effort in promoting their own CAT. Nonetheless, there is surprisingly little bitterness in Chambers' letters for the unprecedented harshness of his critics (the exception is perhaps Chambers' reply to Leftwich's monograph). Perhaps, this was because, by the time *AE&EB* was published, in February 1966, Chambers had already become a seasoned debater. Just as he had in his debate with Littleton in the 1950s and in his attempts to vicariously influence financial reporting practices in the US in the 1960s, Chambers responded to his critics by using all the tools available to him. The response came during a conference at UC Berkeley in 1967, in published replies to the reviews and comment articles and in private correspondence.

The conference at UC Berkeley was held in January 1967.[269] Its purpose was to try to reach some consensus on a CAT for the improvement of financial reporting practices.[270] Forty-six of the more prominent accounting academics and regulators attended the conference.[271] Plans had been made well in advance for Chambers to be able to attend and he was now spending time as a visiting professor at the university; nevertheless, there had been considerable controversy leading up the conference and the arrangements had been delayed several times. It had, at first, been difficult to decide on the participants and, later, to source the necessary funding. Attempts had first been made to hold the conference jointly with the University of Chicago, but the representatives from the latter did not agree with the stated objectives of the conference. Whereas the representatives from UC Berkeley wanted to address the

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[269] The letters reveal an interesting story about this conference and its surrounding circumstances, but it is beyond the scope of this chapter to explore that (DOI: 10.USA P202/1/1684; 1685; 1686; 1692; 1693; 1694; 1695; 1696; 1698; 1700; 1701; 1702; 1703; 1704; 1705; 1706; 1707; 1708; 1710; 1711; 1712; 1714; 1715; 1724; 1725; 1726; 1727; 1728; 1729; 1732; 1733; 1742; 1744; 1745; 1748; 1780; 1863; 2301; /2/08697).

[270] DOI:10.USA P202/1/01703

[271] Among these attendees were Blough, Nelson, Storey, Zeff, Vatter, Sprouse, Gordon, Moonitz, Green, Ijiri, Jaedicke, Miller, and Mautz.

"broad philosophical base" of accounting, the representatives from the University of Chicago wanted to restrict the conference to empirical (quantitative market-based) research and therefore had decided to go their own way.[272] UC Berkeley had therefore been left to fund the conference on its own, with the help of a grant from the Ford Foundation. In addition, an on-campus incident between police and students protesting against the Vietnam War had led the Dean of the School of Business Administration at UC Berkeley to resign in the middle of these negotiations and arrangements.[273]

Chambers' (1967) response to Larson and Schattke's article was published in *TAR* in October 1967.[274] Chambers' (1968) response to Staubus and Iselin was delayed and not published until the following year. Staubus had congratulated Chambers on the publication of *AE&EB*, which he thought splendid, in 1966; nonetheless, he had also stated that he did not agree with Chambers' insistence on the use of current exit values and that he was preparing a manuscript on that issue.[275] Chambers replied that he was thrilled about the prospect of receiving observations from someone who had worked seriously within his field.[276] Staubus sent the finished manuscript to Chambers and the editor of *TAR* for consideration for publication in March 1967.[277] Chambers wrote and sent his reply to Staubus in April.[278]

Before submitting his reply to *TAR,* Chambers had decided to wait until Staubus' comments had been accepted for publication. There was little value in publishing his article alone, and his desire was for the two to be published in the same issue, to allow the readership to compare and judge the merits of both positions. This proved to be a mistake. The outgoing editor of *TAR* had sent Staubus' manuscript to the printers, for publication in the October issue, before Chambers' rejoinder had had a chance to reach him in June.[279] The reply therefore ended up in the hands of Charles Griffin, the incoming editor, who was reluctant to make a decision as he had not yet found the time to read Staubus' manuscript.[280] Griffin promised that the manuscript

[272] DOI:10.USA P202/1/01706
[273] DOI:10.USA P202/1/01714
[274] DOI:10.USA P202/3/09838; 08675; 08676
[275] DOI:10.USA P202/1/01736
[276] DOI:10.USA P202/1/01737
[277] DOI:10.USA P202/2/08737
[278] DOI:10.USA P202/2/08738
[279] DOI:10.USA P202/2/08739; 08740; 08749
[280] DOI:10.USA P202/2/08741

would receive careful consideration for publication in due time, but Chambers' response to Larson and Schattke had already been scheduled for publication in the October 1967 issue and Griffin had also received an additional article from Iselin. He therefore suggested that Chambers wait and write a single article to answer all his critics.[281]

Chambers opposed this solution for several reasons.[282] There were precedents in *TAR* for authors to be allowed to answer each of their critics individually. These critics had written separate articles, each debating separate points made in *AE&EB*. Chambers felt that he should be allowed equal terms and the chance to address these points in separate articles as well. Furthermore, neither of them could know whether, at any point in time, further critiques might crop up. Griffin's suggestion to hold back from responding therefore amounted to little more than an indefinite deferral of any comment or reply. As things stood, if Griffin were unable to accept this position, Chambers would look elsewhere to publish his replies. Referring to his debate with Littleton in the 1950s, Chambers concluded that this would not be an ideal solution, as he had experienced having criticism of his ideas published in a separate journal from the original work once before. This had confused the reader, who was not familiar with the original work, and had allowed his critic to misconstrue his argument without recourse. He did not want this process to repeat itself. Griffin agreed to Chambers' request, but the response to Iselin's article was to be either published as an addendum or incorporated into the main text of the reply to Staubus. Chambers opted for the former option. A backlog of articles, however, meant that the reply was not published until the October issue in 1968.[283]

Chambers sent Leftwich his response to the latter's critique (Leftwich, 1969) in September 1969. He was inclined to publish the manuscript somewhere, but wanted to give Leftwich the opportunity to respond before doing so.[284] Leftwich noted that he could not "…offer any criticisms which would be of interest to you."[285] The manuscript was never published during the debate and there is no evidence of

[281] DOI:10.USA P202/2/08742
[282] DOI:10.USA P202/2/08743
[283] DOI:10.USA P202/1/02168; 02169 /2/08744; 08747; 08751
[284] DOI:10.USA P202/2/08801; 09843; /3/09840; /3/09841
[285] DOI:10.USA P202/2/09844

Chambers submitting it to any journal.[286] In a turn of events, a faculty member at the University of Washington wrote a review (Rhode, 1970) of Leftwich's criticism that was published in *TAR*. Chambers would have known this faculty member from a visiting appointment at the University of Washington as Walker Ames Professor in 1964. The review sided with Chambers but was much more tempered than the manuscript that had been sent to Leftwich.

Chambers' final response (1970) to his critics was published in September 1970. The manuscript had been presented at the North Texas State University in the previous February, as Dixon had then been a visiting professor at that university and had invited Chambers to speak to graduate students and staff, and it had also been presented at Pennsylvania State College in May.[287] The paper addressed all the criticism that had been levelled against *AE&EB* over the past four years. Chambers' decision to write such a manuscript is rather odd, given his initial reluctance to this solution in his communication with Griffin, but his position on some key points had changed substantially and he now felt that it was time to disclose those in one comprehensive manuscript.

Presentation, human behaviour and the environment.

In response to the six commentators who had taken issue with his writing style as well as with the organisation and length of *AE&EB*, Chambers (1968) retorted that he had not claimed perfection in exposition or argument. Compared to the presentation of alternative CATs in the accounting literature, he had attempted to make COCOA logically consistent but not so consistent that it could not be adopted in financial reporting regulation and practice. He had therefore set off from basic propositions (arguments or postulates) and then relaxed some of them to create a CAT that would work in practice. The result was thus a compromise. The cross-referenced arguments and flow-charts at the end of each chapter were part of his attempt to rid the system of logical inconsistencies. *AE&EB*'s lengthiness was the consequence of this careful approach and, notwithstanding the preferences of his reviewers against this approach, it matched those of engineers, chemists and other researchers in practical arts.

[286] The manuscript was eventually published in one of the collections of Chambers' writings (c.f., Chambers & Dean, 1986f).
[287] DOI:10.USA P202/1/02813; 02816; /2/08911; 08912; 09767;

In response to the many commentators who had raised concerns regarding the first section of the two part structure on human behaviour and the environment in which accounting operates, Chambers defended his choice of model for human behaviour and his basic arguments about the environment in which accounting operates. He argued that the content of that section was based upon actual first-hand experience and then, later, on insights borrowed from other disciplines, such as developmental psychology, measurement theory and economics. COCOA was therefore not the end result of some arm-chair theorising, as his critics had implied, but based on empirical evidence and deliberate and serious reflection (Chambers, 1970).

Addressing Cruse's and Leftwich's specific concerns regarding the fact that the model that Chambers had adopted for describing human behaviour had been developed to address the behaviour of infants and not that of rational economic decision-makers in markets, Chambers contended that the original purpose of the model or whether it was accepted in mainstream developmental psychology was irrelevant. His critics seemed to quibble over the specific meaning of words and whether the goal was to adapt to changing economic circumstances or something else entirely. Otherwise, they seemed to be in agreement with Chambers and the model, which, in turn, had been used only to describe observations that he had already made in real life. Until someone could demonstrate that its description did not accurately portray real life, the model remained valid and he would continue to use it (Chambers & Dean, 1986f).

Addressing Leftwich's second concern about the description of the environment in which human behaviour takes place, Chambers suggested that his notion of rational actors and of their capability to adapt had been misinterpreted. Leftwich had interpreted it to mean that Chambers thought that all actions *were*, in fact, rational. But Chambers had made the same observation that von Mises had several years earlier (1949): rational action is a tautology. All choices can *appear* rational to those making the decisions, whereas our own values prevent us from determining whether the decisions were, in fact, rational. Because of this predisposition, we can only evaluate the outcome of these decisions. As a result, the fact that some choices fail to help the persons who make them to adapt to the environment or to maximise their wellbeing does not mean that those were not their aims. On the contrary, there is plenty of room for persistent, habitual and non-deliberate action in such a model (Chambers & Dean, 1986f).

CCE and alternative measurements.

The second section of the two part structure on COCOA had been the most contested part of *AE&EB*. The concept of CCE had received much attention and was surrounded by controversy. Chambers had known from his experience in the 1940s that businesses sought up-to-date financial information, but he had not settled for this particular attribute and for measurement using current exit prices until his manuscript (1965) on accounting measurements. Before reaching this conclusion, he had advocated for current entry prices among several other measurement methods (Chambers, 1970). The debate that ensued, however, did not change Chambers' position on this again.

Benston, Baxter, Wright, Hendriksen and Iselin felt that the measurement of CCE presented several inconsistencies. Chambers defended some of his positions but admitted failures in others. Hendriksen had raised concerns about the fact that bonds held as assets and bonds held as liabilities were to be measured differently. Chambers did not see a problem with this. The value of a bond held as an asset is a function of the coupon rate and the current market interest rate; when these change, the value of the bond changes. The value of a bond held as a liability, on the other hand, does not change in this way; the contractual amount is owed independently of the coupon rate and of the current market interest rate. The position might be logically inconsistent, but is analogous to the treatment of shares in current financial reporting practices. The value to a stockholder changes as the share price fluctuates with demand and supply on capital markets. A business, on the other hand, does not adjust its outstanding capital for these fluctuations. This treatment is also congruent with the goal of measuring a business's capability to adapt to changing circumstances in the environment (Chambers, 1970).

Hendriksen and other commentators had objected to mixing income from operations with that from gains derived from the revaluation of all assets at their current exit price each successive year. Chambers did not mind this or its implications, such as the instantaneous recognition of losses from specific assets or of gains from completed but unsold inventories, either. The logical inconsistencies arising from the insistence on using current exit prices for all assets and current entry prices for the work-in-progress came about for different reasons. Chambers had been intimidated by the novelty of measuring assets by using their current exit prices, and had wanted to assign a monetary dimension to all items on the balance sheet. This intimidation had now worn off and he was thus prepared to change his position. All assets and work-in-progress could be measured using their current exit prices. This meant that all assets and work-in-progress that did not have a resale market should be valued at zero, congruently with the idea that they could not contribute to the potential of a business to adapt to changing circumstances in the environment. Chambers suggested that, to ease the transition, the dated entry price figure could be shown in parenthesis next to the current exit price one (Chambers, 1970).

Benston, Dein and Nelson had doubted whether most assets had current exit prices and, even if they did, whether these could be obtained. Similarly to the conclusion reached on work-in-progress, Chambers no longer considered it a theoretical problem if some assets did not have a resale market and a current exit price. Nonetheless, he dismissed the notion of this being a widespread issue. Chambers had been less certain about this point when he had been writing *AE&EB* but, even then, he had managed to find periodicals with resale prices for such things as equipment and vehicles. Since publication, there had been further developments that had convinced him that most assets actually had a resale market and could therefore be assigned a current exit price. A colleague in his department, who had arrived from the UK a few years earlier, had showed him extensive UK catalogues containing used machinery prices. A former undergraduate student, now pursuing his doctoral studies in California, had showed him catalogues with resale prices of partly and fully processed minerals that were used in the US mining sector (Chambers, 1970).[288] Catalogues of used construction vehicles and equipment had also been used in a doctoral dissertation (McKeown, 1969) that Chambers had recently reviewed (see chapter nine for a discussion of this).

Iselin and Wright had not agreed with Chambers' distinction between retrospective, contemporary and anticipatory calculations. This had led Chambers to exclude anticipatory calculations, such as expectations, as a possible measurement of

[288] The colleague was Ronald Brooker (known as Ron among his colleagues), who had arrived from the LSE but would later die an untimely death. The doctoral student was George Foster, who had gone on to pursue his doctoral studies at Stanford University. Foster is now the Konosuke Matsushita Professor of Management at Stanford University.

the CCE of assets. Iselin and Wright, nonetheless, maintained that, since it would have to be retrieved within some period of time, the current exit price was a future price. Chambers conceded that he might have inadvertently introduced some ambiguity into his argument as he tried to weave different ideas together, but that his position had otherwise been misinterpreted. He had not used the term *short-run* but a *point in time* to avoid the ambiguity that the two now raised. CCE was not the cash that a business expected to receive but the current market price. Wright's extension about the measurement of CCE depending on future expectations was therefore in error. The current exit price was different from the current entry price in this way (Chambers, 1968; 1970).

Vickrey, Larson and Schattke had argued that CCE was not an additive property. This point had been demonstrated with recourse to Hempel's (1952) criterion for additivity, with two or more assets sold separately and in combination. Chambers did not disagree with the fact that the sale of a combination of assets might yield a different total than that resulting from their separate sale. His point was that the combination of assets that might be sold in the future could not be predicted and the CCE was not an attempt to make such a prediction. CCE was not a combination of assets but a combination of their monetary measures, and this, he argued, fulfilled Hempel's criterion for additivity. The additivity issue was not about whether certain assets could be legitimately added, subtracted and related, but whether dollar amounts could be legitimately added, subtracted and related. In their own article, Larson and Schattke had demonstrated that this was the case. It was also the case that the total CCE corresponded to the purchasing power of the business but that did not make it a separate measurable property, as Vickrey's had concluded (Chambers, 1967; 1970; see also 1976a).

Staubus had preferred a CAT based on the use of the present value of discounted future cash flows to value assets. As such, he had sought to measure the MATACAP instead of the CCE of assets. Chambers objected to this on the grounds that MATACAP involved anticipatory calculations, whereas a measurement, by definition, can only involve retrospective and contemporary calculations. The current exit price, on the other hand, was a contemporary calculation and information on the CCE of assets was always necessary, which did not imply, however, that this information was always sufficient. Chambers conceded that there might be room for present value calculations and for the MATACAP attribute in forecasts and budget plans, but that it was not appropriate to include them in financial reporting practices and financial statements.

Solomons, Baxter, Zlatkovich and Wright had favoured the use of current entry prices to measure the value to the owner. Chambers had never attempted to measure the value to the owner, but had once advocated the use of current entry prices to measure the ability of a business to adapt to changing environmental circumstances. He had now settled for current exit prices and the CCE attribute, and reiterated that he had rejected current entry prices because they were ephemeral and did not provide information that could help a business adapt to changes in the environment. Chambers also found the notion of value to the owner obscure. If value to the owner meant the net proceeds from an asset (i.e., the current exit price minus the cost of disposal), as it appeared to be the case for Benston and Staubus, then there were only some assets that fit this bill. The net proceeds, in turn, did not have additive properties and depended on the combination of assets. To calculate the net proceeds of a particular asset, we would have to counterfactually assume that the other assets did not exist. This would prevent us from making any unequivocal statements about any assets (Chambers, 1970).

When the value to the owner appeared to mean the current entry price, arguments had been made that this was more relevant than the current exit price because there were non-vendible durable assets with no resale market. Baxter had used the example of the industrial size blast furnace. Arguments such as these were taken seriously in the accounting literature, but Chambers found the implications to be logically consistent and desirable. If a blast furnace had no resale market, it should have been recognised as an instantaneous loss upon purchase. This would be no different from any other asset without a resale market and therefore with a zero current exit price. The price would accurately reflect the financial realities and the possibility of the asset to be sold to aid adaptation. The effects that this could have on the business' ratios would be desirable as well. The lower asset balance would give a higher rate of return, but it would also inform the investor that the business had less additional capacity to secure additional income, should the asset become obsolete or exhausted, had less collateral assets to borrow more funds and that some cash flow was locked in the asset. This position, concluded Chambers, would not be absurd. What was absurd were current financial reporting practices, in which this information was not disclosed together with other material facts pertaining to the firm (Chambers, 1970).

Chambers concluded his response with a comparison exercise between different CATs. Chambers presented a manuscript, during the conference at UC Berkeley, in which he compared the use of current exit prices to measure the CCE of assets with the alternative measurements that had been presented by his critics. Accounting measurement systems based on dated entry prices, dated entry prices adjusted for general price levels, current entry prices and discounted future cash flows were all considered. All CATs were scored based upon an eighteen-point metric that Chambers had designed. The metric involved such criteria as whether the information produced was up-to-date, was useful in comparison with other business and informed decision-makers about the assets available to them. The use of current entry prices to measure the CCE of assets was unsurprisingly the only system that scored full points. This was followed by the use of current entry prices, Chambers' earlier preference (School of Business Administration, 1967).

Conclusion

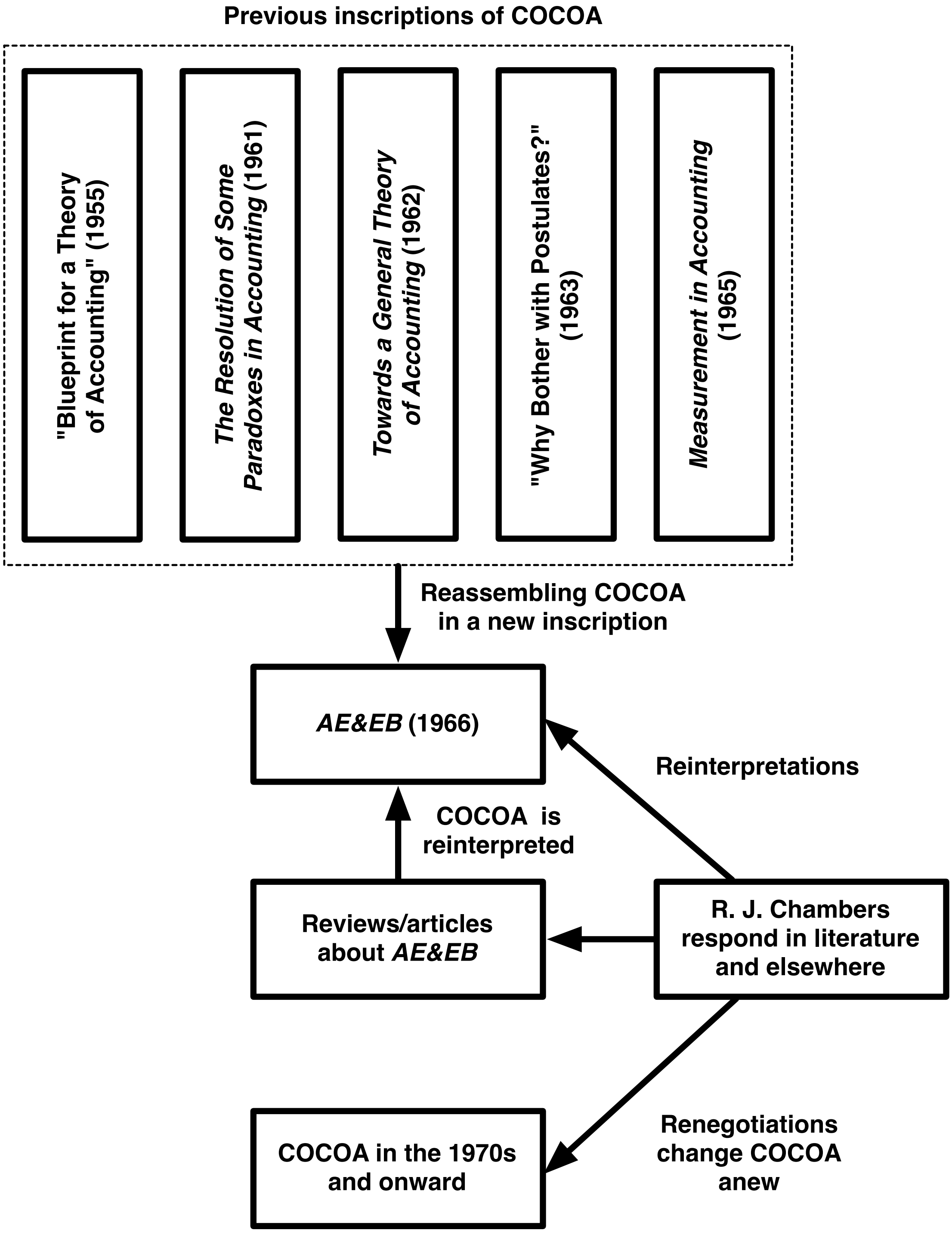
I began this chapter by tracing Chambers' manuscript on accounting measurements. I then traced how Chambers reassembled this and his previous publications, which had dealt with COCOA on a piecemeal basis, into a comprehensive and, in several respects, final statement on COCOA. After several delays, this manuscript was published as a book, *AE&EB*, in February 1966. I analysed this book, paying particular attention to presentation, OPP, and the two part structure pertaining to human behaviour and the environment, on one side, and the CAT derived thereof, on the other side. My focus, throughout, was on the process of reassembling previous inscriptions. The purpose of this description was to demonstrate how COCOA began, in the 1950s, as something particular, and had then been modified and transformed into something different that presented several old ideas, but also several new ones, in the 1960s.

I followed my description of *AE&EB* by tracing Chambers' attempts to increase sales and circulation as well as the comments and reviews that the book received. I mentioned the idea of *AE&EB* as a black box, to emphasise how different reviewers and commentators read the same manuscript but came to drastically different conclusions on its merits but also on what Chambers was attempting to accomplish. The response Chambers had received in private correspondence to this had been very positive. The response from reviewers and commentators was less so, with all of them focusing on specific parts of COCOA that they had found wanting. Taken together, this critique touched upon the entire major components of Chambers' CAT, including the presentation, OPP and the two part structure.

I then concluded by tracing Chambers' attempt to renegotiate his position on COCOA in the 1960s. As with his other debates in the 1950s and 1960s, he did so with all the means at his disposal. In this case, that meant a presentation at a special conference on financial reporting practices at UC Berkeley in January 1967, corresponding privately with critics and supporters, and publishing replies to his critics in the accounting literature. The debate did not lead Chambers to substantially change his position from the one expressed in *AE&EB*, but it did present him with an opportunity to refine his arguments. On the occasions that Chambers did change his position from that taken in *AE&EB*, it was not necessarily in the direction that his critics would have liked. The use of current exit prices for work-in-progress and other assets without a resale market are notable examples of this. One overarching insight from this analysis is how important Chambers' critics were to COCOA's foundation. Each objection and response became part of the arguments upon which Chambers had built his OPP for financial reporting practices. In this vicarious way, both those who agreed with him and those who disagreed had contributed to the refinement of his arguments and to what COCOA had become in the 1960s.

Another overarching insight from the analysis is the constant deferring of the "final word" on COCOA, through a process of constant re-inscription, with uncooperative journal editors deferring Chambers' responses to his critics in the accounting literature even further. The process of responding became even more complicated, as each reviewer understood *AE&EB* in a drastically different way. As such, Chambers' views of this situation fit well with the ANT notion of a black box. Chambers believed that the reviewers were at best unwillingly misunderstanding or at worst willingly misrepresenting *AE&EB*. In either case, the range of issues raised by these reviewers, Chambers' powerlessness to respond in a timely manner, and the below expectation sales of *AE&EB*, created a situation that certainly impeded the spread of COCOA. As a result, even with a final statement on the properties of COCOA widely available, it is likely that Chambers' CAT remained either unknown or a black box to most professional and academic accountants through the mid-1960s and early 1970s.

DIAGRAM SEVEN: REASSEMBLING COCOA IN *AE&EB*



CHAPTER EIGHT: VICARIOUS RENEGOTIATIONS WITH REGULATIONS

In the previous chapter, I focused on substance; on how old and new ideas from Chambers' past publications were reassembled as *AE&EB* in 1966. I then traced how Chambers' critics reviewed, commented and debated various aspects of *AE&EB*. Most of this debate concerned Chambers' presentation and writing style, his arguments for COCOA as an OPP for financial reporting purposes and the two-part structure involving human behaviour and the environment, on one side, and COCOA on the other. I concluded with an analysis of Chambers' response to this debate.

In this chapter, my focus goes back to relations. I return to Harman's (2009) notion of vicarious causation, which I introduced in chapter six. The idea is that Chambers – like all actors – was limited to interacting with other actors vicariously. That meant that Chambers had to go through the ARD and the APB and, indeed, actors such as Moonitz as well as these entities collectively in his attempts to influence financial reporting practices in the US in the 1960s. In the 1970s, with COCOA fully developed, Chambers once more turned his attention to financial reporting practices. This culminated in the publication of *Securities and Obscurities* (*S&O*) in March 1973. The empirical evidence presented in *S&O* had been compiled over several years and favoured a CAT based on current exit prices, in general, and COCOA, in particular. In the first section, I trace the work that went into writing and publishing this manuscript. Then, in the second section, I trace Chambers' attempt to increase the circulation and sales of this manuscript in the UK, the US and Australia. In describing these events, I pay particular attention to competing OPPs for improving financial reporting practices, as well as to the reception of COCOA.

Vicarious *Securities and Obscurities*

AE&EB had generated much criticism and debate within accounting academia, but sales to universities and others had been modest. The book had yet to provide the impetus for the Copernican Revolution in financial reporting practices that Chambers had hoped for. With inflation on the rise again in the first half of the 1970s, the debate on the reform of financial reporting to account for changes in general price levels was heating up in academic, professional and regulatory circles. Chambers had been at the forefront of this debate in Australia in the 1950s; thus, he saw the opportunity to be at the forefront of this renewed debate both in Australia and abroad. From such a position, he saw good opportunities for reforming financial reporting practices. In early 1971, he therefore began writing a manuscript filled with empirical evidence in favour of the use of current exit prices and the adoption of COCOA.[289]

Chambers had completed two-thirds of this manuscript by March and began looking for publishers. He first asked Penguin Books whether they would be interested. At the time, Penguin Books was investing in accounting books (e.g., Carsberg & Edey, 1969; Parker, 1972) and had shown an initial interest but, for some reason, the project faltered.[290] Cheshire Publishing, a Melbourne publishing house and a subsidiary of Xerox Education Group, approached Chambers instead. At the time, they were investing in paperback publishing; this suited Chambers, as he wanted to produce an affordable book that could circulate as largely and widely as possible. The publishing rights were signed to Cheshire Publishing and the distribution rights were signed to Gower Press, one of their subsidiaries in London.[291]

Shortly after the contract had been signed, Chambers sent his finished manuscript to Cheshire Publishing. Jackie Yowell, the editor, returned the proofs in October 1972. The manuscript had already been delayed while Chambers had been looking for an alternative publisher to Penguin Books, and Yowell now urged him to attend to the proofs as soon as possible to minimise further delays. She had no background in accounting, but was delighted to have found the manuscript cogent, interesting and well presented. She offered some suggestions on stylistic issues and potential titles. Chambers had proposed the title "A Case for Reform in the Law of Company Accounts", but Yowell was convinced that they should go with something a bit more imaginative and punchy. She proposed "Guilt-edged", "The Gross Net", "Securities and Obscurities", "A True and Fair View" and "The Figure Benders". Chambers' initial title was to be kept as an explanatory subtitle.[292]

Chambers replied the same month enclosing the first half of the manuscript and promised to send the second half as soon as he had had time to attend to it. He had used Kwikasair, a general freight company that operated trucks for direct delivery between Sydney, Melbourne and other Australian cities, to speed up the delivery

[289] DOI:10.USA P202/2/09216
[290] DOI:10.USA P202/2/09216
[291] DOI:10.USA P202/2/09217; 92218
[292] DOI:10.USA P202/2/09219; /3/09836. The letter contains multiple letters.

process. Regarding Yowell's suggestions, Chambers had agreed with some of her suggested changes, but insisted on leaving most of the original manuscript untouched. One exception was Chambers' references and bibliography, which Yowell had found to be incomplete and inconsistent. At first, Chambers had not wanted to clutter the book with citations of material that was known to his audience, but Yowell insisted until Chambers eventually relented and produced a full bibliography. Regarding Yowell's title suggestions, Chambers noted that they both had had trouble linking directors, investors, lawyers, accountants and regulators in one title without making it unnecessarily long and obscure. The readers' first impression of the book was important, so it was paramount to get the title right. Chambers felt that "Guilt-edged" might raise too many hackles and that "The Gross Net" was too subtle. "A True and Fair View" was too English and "The Figure Benders" might prove to be a little offensive. "Securities and Obscurities", conversely, had a ring that was not too much to his taste, but was otherwise not too bad.[293]

Yowell and Chambers continued to correspond from October to December, and Chambers sent the second half of the manuscript. The two continued to discuss corrections, typesetting, biographical details and potential titles. Chambers also spent considerable time following up on citations and contacting various publishers for permission to use abstracts from their books as cases in *S&O*. Yowell had urged Chambers to seek these permissions on his own, as she felt that copyright holders tended to treat individuals better than rival publishers.[294] This proved to be a successful but time-consuming endeavour. A librarian at the ICAEW sent Chambers the missing bibliographical details of four books that he had referenced and studied during one of his visits at the Chartered Accountants' Hall in London.[295] Various publishers in London and New York sent Chambers most of the copyright permissions that he needed to use quotes and abstract from books that they had published. Some of these permissions came with conditions, such as being restricted to Commonwealth countries and the publisher having to be mentioned in a footnote.[296] This process further delayed the publication date and pushed them past their tentative September deadline.

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[293] DOI:10.USA P202/2/09219
[294] DOI:10.USA P202/2/09219
[295] DOI:10.USA P202/2/09220
[296] DOI:10.USA P202/2/09221

The final galleys were not sent to Chambers until the Christmas break. Chambers and Yowell continued to work on the manuscript in January and February 1973. Two outstanding matters were settled during this time. The first was the title; Chambers had had some initial reservations about *S&O*, but Yowell insisted that this title was what they had been looking for and he eventually conceded as much. It linked ideas from finance, information and law while being short, punchy and easily remembered. The second matter was the creation of a blurb for the cover and an index. Chambers had scheduled surgery to his right hand in March, so he had to finish writing these before he left. He managed to do so, but there then had been a scare that the parcel with the material had gone astray either in one the Kwikasair trucks or in Yowell's office at Cheshire Publishing.[297]

After a delay of several months making corrections, settling on the title and following up on references, *S&O* was finally published in March. Some copyright permissions appear to still have been outstanding when the book was sent to the printers. Chambers was disappointed, as he had been bent on publishing his manuscript quickly so as to not miss the inflation accounting debate that was now raging in the UK, the US, and Australia. The delay also meant that he would not be able to use *S&O* for that academic year, although he had made arrangements to do so at his own university and at the University of Tasmania. Yowell acknowledged this and consoled Chambers by telling him that, even though the delay had been undesirable, it had given the marketing team at Gower Press extra time to devise an appropriate marketing plan for the book.[298]

After the book had been published and he had received a publication copy, Chambers raised additional concerns about *S&O*'s typesetting and format. Despite the repeated exchanges that had occurred since October the previous year, Chambers had never been sent a publication sample and had therefore not seen the typeset until the book had been published. Chambers had invested considerable time into designing chapter headings, such as "The Loose Rein of the Law", "Higgledy Piggledy Disclosure" and "Shifty Prices and Funny Money". He had envisioned these titles as running headers on each page, to grab the attention of the casual reader that might skim through the book, but the typesetters at Cheshire Publishing had decided against them without his knowledge. Chambers had also envisioned *S&O* as a small

[297] DOI:10.USA P202/2/09219
[298] DOI:10.USA P202/2/09207; 09219

paperback book. This would have ensured that the book would not feel as turgid as most legal publications and that it could have been sold cheaply, perhaps in the A$2-3 range, to get as wide a circulation as possible. This had been one of the reasons why he had chosen Cheshire Publishing, who had considerable experience in paperbacks. The typesetters, however, had also decided against this. *S&O* was eventually published as a large page-size hardback, indistinguishable from other legal publications, and given a hefty A$10.50 price tag.[299]

In correspondence with Penguin Books, Chambers had estimated that *S&O* would be between 200 and 300 pages in length. The final manuscript was 243 pages long and contained 16 chapters, in addition to an acknowledgement, preface, references and general and company indexes. In *S&O*, Chambers first set out the current state of the law and financial reporting practices. He then went through various anomalies and the impact these had on accountants, auditors, managers, directors and investors. He quoted security analysts and similar experts' views on this impact and on financial reporting reform throughout. Then, based on the current state of things and those comments, he presented a programme for financial reporting reform along the lines of COCOA. That the empirical evidence eventually pointed to a proposal for reform in favour of COCOA is not surprising, but what is interesting is that this was not something Chambers had mentioned when he had pitched his book to Penguin Books or Cheshire Publishing.

S&O has at least three interesting components that tie into the sort of ANT processes that I have analysed so far. The first component came from a last-minute decision, made in the last few months of back-and-forth editing with Yowell, to include an acknowledgement section before the first chapter in the manuscript. In the acknowledgement section, Chambers assured the reader that the empirical evidence presented in *S&O* had been collected much earlier and over several years. This meant that the evidence presented had been at Chambers' disposal much earlier and had led him to the conclusions he had reached in both *AE&EB* and in his final response to that book's critics (1970).

These claims may have been true, especially given our present understanding of Chambers as an archivist of sorts (e.g., see Dean et al., 2006). This notwithstanding, it was still precarious to argue that the evidence he had just published had been used

[299] DOI:10.USA P202/2/09207; 09219

as the empirical basis for his opinion some seven and three years earlier, respectively, without having been referenced to at those times. Either way, the result was that Chambers managed to retrospectively add empirical substance to his earlier claims and justify his position vis-à-vis his earlier critics who claimed that his research had been the product of armchair theorising as opposed to empirical observation and investigation. Chambers had also used the acknowledgement section to thank the various actors that had made his manuscript possible, such as the editors who had published his earlier work, the companies that had supplied their annual reports and his friends, colleagues and the financial press that had brought relevant cases to his attention.

The second component of *S&O* which ties into the ANT processes was a group formation and OPP similar to that which had been introduced in the blueprint article (1955a) and the ASA manuscript. The main thrust of the argument, presented in *S&O*, was that conventional financial reporting practices failed to show a true and fair view of a company's affairs and that, out of all the CATs presented in the literature, COCOA was the only one to accomplish this. Quotes from numerous jurists, accounting practitioners and accounting academics on their interpretation of a "true and fair view" were used to substantiate Chambers' claims. Reid Murray, Pergamon Press, Yale Express and other corporate scandals were used to demonstrate how the particular use of dated entry prices tended to lead to financial disasters, earnings management and other undesirable outcomes. Most of the argument therefore centres on how current financial reporting practices were inadequate and how it would be desirable, for financial reporting purposes, to use current exit prices instead of dated entry ones.

Chambers' argument is interesting for two reasons. Firstly, most of the jurists, accounting practitioners and accounting academics that he quoted were not familiar with COCOA. Their quotes, presumably, reflected their position on the "true and fair view" of a company's affairs, but it was Chambers who equated this with the use of current exit prices and assembled these quotes in favour of COCOA in a particular manner. In fact, most of the quotes predated even the earliest development of COCOA. Secondly, the corporate scandal cases were used as counterfactual examples. Chambers demonstrated on logical grounds how the use of current exit prices could have prevented various undesirable outcomes, but these were counterfactual claims that could not be tested empirically. With the exception of those actors who had been contacted for their permission to publish quotes from their writings, there is no indication that they were aware that Chambers was using them to promote COCOA. Furthermore, even in these cases, Chambers would often have contacted the publisher, who held the copyright, rather than the person quoted. The result was that *S&O* ended up being full of empirical evidence from various actors who were unaware of being used as such.

The third component is presented in the last chapter of *S&O*. Chambers concluded with a drafted amendment to the Eighth Schedule of the UK Companies Act from 1948. These amendments could then be adopted in similar regulation in the US and Australia, such as Australia's Uniform Companies Act which was based on its UK counterpart (Anderson, 1998). The Eighth Schedule of the Act underpinned UK financial reporting practices and focused on the goal of financial statements showing a true and fair view of company affairs.[300] Chambers argued that his amendments were based on the empirical evidence that he had presented in *S&O*, and that they made the Companies Act consistent with its intended goal. In other words, he argued that the adoption of these amendments would ensure that financial statements were in accordance with COCOA and that the accounting inconsistencies and guesswork that had prevented, up to that point, the reporting of a true and fair view of company affairs would be removed. Chambers urged regulators and others in positions of authority to hasten to action and adopt these amendments.

Chambers' decision to present amendments to the Eighth Schedule of the Companies Act was probably the outcome of his experience with financial reporting practices and regulators, besides careful deliberation. I can envisage three reasons to suggest such amendments in lieu of more conventional recommendations.

Firstly, Chambers had been arguing for substantial and sweeping accounting reform since his first encounter with Bray in the 1950s (see chapter four). To address company law, as opposed to financial reporting promulgations, was an attempt to strike at the root of the problem.

Secondly, Chambers had already attempted to vicariously affect financial reporting practices through the AICPA, the ARD and the APB in the 1960s (see chapter five) without much success. He had felt that his views, on that occasion, had

[300] The Ninth Schedule of Australia's Uniform Companies Act in was based on the UK Eighth Schedule and stressed the same goal of financial statements showing a true and fair view of company affairs.

been considered but otherwise distorted or ignored. Conversely, the redrafted amendments, as Chambers pointed out, could not be similarly distorted and had the advantage of already being in the form in which they eventually would be introduced as legislation.

Thirdly, Chambers had not introduced new principles about particular income and expense items or assets and equities to be included in financial statements. Instead, he presented a series of auxiliaries to the principles that were already present in the Eighth Schedule of the Companies Act. These were subtle and almost exclusively related to the introduction of small modifications to change the measurement method from dated entry prices to current exit prices. To readers unfamiliar with the Companies Act and financial reporting practices, these changes would appear to be so minor that, together with the empirical evidence presented in *S&O*, they would be given the impression that current exit prices were, in fact, intended in the initial Eighth Schedule but that these intentions had been, inexplicably, lost in the first draft. The overall effect is a testimony to Chambers' skill as a debater, as much as it is a testimony to his tenacity in collecting the empirical evidence and the work he had put into developing COCOA.

Renegotiating with Regulation

Chambers had decided to publish the sum of all his empirical evidence in *S&O*, as opposed to spreading it out over a number of manuscripts. He had believed that such a concentration would ensure that the material would be readily accessible and would reach regulators while their attention was still focused on inflation and the problems arising from changes in general price levels. Unfortunately, the publication deadline had been missed several times and decisions had been made regarding both the typeset and price that had made these goals increasingly difficult to achieve.[301]

The matter had been taken out of Chambers' hands, as the manuscript had been published in March 1973, and it was now up to Cheshire Publishing and Gower Press, their subsidiary, to distribute *S&O* as quickly and widely as possible. Chambers was mostly concerned about reaching practitioners, academics and regulators in the Australian, UK and US markets. To accomplish this task, Gower Press relied on their unique distribution method. In addition to traditional sales to booksellers, Gower

[301] DOI:10.USA P202/3/09856. This letter contains multiple letters.

Press utilised an extensive mailing list containing thousands of potential customers in practice and academia. These were sent flyers with promotional abstracts of available books and information on how to order copies directly from Cheshire Publishing. These mailshots, in turn, could then drive up demand in local bookstores. This method brought clear financial benefits, as traditional booksellers demanded big discounts from publishers, and delivery ones, as the intended audience could be reached quicker with mailshots sent directly to them.[302]

Gower Press's unique distribution method had been one of the reasons why Chambers had signed the publishing rights to Cheshire Publishing. Chambers had even saved a newspaper clipping about this method with an article published in the *National Times* (Associated Press, 1973).[303] After *S&O* had been published, however, Chambers became increasingly concerned about this method. This is evident in a letter sent to Trevor Barr, the Manager at Cheshire Publishing, in June. Chambers had then been inquiring with colleagues in the UK, the US and Australia to see whether they had seen or heard of *S&O*. Most of them had not and the absence of information on the manuscript had led some of them to believe that *S&O* was an Australian monograph that was not meant for distribution abroad.[304] Chambers therefore enclosed a letter listing those who should receive free copies of *S&O*, and a separate list of people who should be included in the mailer and sent either review copies or the promotional flyer.

The letter included several recipients who were in a position to sway public opinion and regulatory efforts, such as John Burton, Christopher Marley and Louis Loss. Burton was then Chief Accountant at the SEC. Marley was the Financial Editor at *The Times* in London and Loss was a legal scholar at Harvard University, and would later be considered as the intellectual father of modern securities law. At that time, Loss was visiting the Attorney General's Office, in Canberra, to advise on new securities laws in Australia.[305] The list included one Australian, six US and nine UK journals that should be sent review copies. The list also included some 400 academics who should be sent promotional flyers. These academics were located in some 140 different universities from 43 different US states and two Canadian territories.

[302] C. J. Napier, private discussion, 21 October 2012, and DOI:10.USA P202/3/09856.
[303] DOI:10.USA P202/3/09856
[304] DOI:10.USA P202/2/09191
[305] DOI:10.USA P202/2/09191; 09193

Chambers had entered the address of each department and university and had added a column with each academic's research field. Most of these academics were working in accounting, but there were also academics from finance, law or a combination of the three disciplines. The selection of recipients was consistent with Chambers' ambition to stir up general academic support for S&O, but it is still curious that the list did not contain a single economist.[306]

Chambers made additional requests to Barr the same month. He wanted to have copies of *S&O* sent to the AAA and the ASA for consideration for their respective accounting literature awards. The AAA deadline for the 1973 award had already passed, so they had ample time to prepare a submission for the 1974 award, and it was never too early to start planning. Chambers would also have to arrange for someone on the AAA nomination committee to nominate *S&O*. He contacted a colleague, at the University of Tasmania, about this matter, who informed him that he would be glad to nominate the manuscript if he was selected to the nomination committee again in 1974.[307] The ASA deadline, however, had not passed and Chambers wanted to ensure that Barr would immediately send them a copy for their consideration for the award.[308]

Barr responded to Chambers' requests in July. He had arranged for Cheshire Publishing to follow Chambers' instructions. Free copies had been sent to the people listed in the letter, review copies had been sent to the 16 journals on the list and promotional flyers had been sent to the 400 academics on the list. He had also arranged for a review copy to be sent to the ASA for their consideration for the literature award. Roger Searle, the Marketing Manager at Cheshire Publishing, had also been notified and had undertaken a series of promotional efforts. The result, at that point, had been modest. Gower Press had sold 100 copies in the UK, 85 in New Zealand and an average of five copies each in Hong Kong, Singapore, British Columbia and Connecticut. Updated sales figures were sent the following October. These were better: *S&O* had by then sold 1,173 copies in Australia and abroad and several university bookstores had indicated that they had plans to purchase multiple copies.[309]

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[306] DOI:10.USA P202/3/09856
[307] DOI:10.USA P202/2/09195; 09196
[308] DOI:10.USA P202/2/09191; 09193
[309] DOI:10.USA P202/2/09194; 09203; 09204; 9205a

Barney Rivers, the Managing Director at Cheshire Publishing, sent Chambers a royalties statement in March 1974 which covered the period from July to October 1973.[310] Chambers had by then appeared on Australian television and radio and in local business journals, but sales still appeared to remain remarkably low. Therefore Chambers, who had for some time been suspicious about the efforts to promote and distribute *S&O*, contacted another colleague in the US to verify whether he had received the promotional flyer for *S&O*. The colleague replied that he had not heard nor seen any advertisement for the book and, after further investigation, had found that the book was not available in bookstores in the US. He concluded that the advertisement must have been rather weak, had there been any at all.[311]

Chambers contacted Rivers with his new findings in May. He recalled how he had become concerned about the efforts to promote and distribute the book in 1973 and had sent a letter and a list with important people and potential customers to increase circulation. Barr had responded that he had followed Chambers instructions regarding free and review copies as well as promotional flyers, and Searle had also contacted him about various promotional efforts that had been undertaken to promote *S&O*. This had temporarily eased Chambers' mind, but he had since found out that his instructions did not appear to have been carried out after all. *S&O* had not been reviewed in a single one of the 16 journals that he had included in the list and none of the colleagues on his list, who were supposed to be sent promotional flyers, had heard of or seen his book. It also appeared that the book was not available in any conventional bookstore.[312]

Chambers felt that he had missed his opportunity to contribute to the inflation accounting debate. *S&O* was topical, perhaps polemic, and addressed a current controversy in financial reporting practices and in the field of accounting. It was paramount for such a book to hit the market at the right time. Chambers believed that, had the book been promptly and widely distributed, it could have done something to change financial reporting practices for the better and resolved the controversy. Cheshire Publishing and Gower Press, however, had handled things so poorly that he felt that the book's chances were by then "irrevocably" damaged. The publication deadline had been pushed back several months and the efforts to promote and

[310] DOI:10.USA P202/2/09206
[311] DOI:10.USA P202/1/04304; 04337
[312] DOI:10.USA P202/2/09207

distribute *S&O* had been almost non-existent. The result had been so poor that he regretted not having gone with a different publisher or not having spread his empirical evidence over several articles instead of concentrating it in a single manuscript.[313]

To remedy the distribution problem and salvage what could be salvaged, Chambers reiterated his initial desire to have *S&O* republished as a paperback with running headers on each page. Such a version could be sold at the A$2-3 price he had originally envisioned and would draw readers in with its ingenious chapter headers.[314] The book had by then also won the ASA literature award; the announcement was to be published in the June issue of *AUA*. This would provide the perfect scenario to advertise a cheaper paperback reprint in the journal.[315]

A tertiary manager responded to Chambers' request and informed him that Rivers had returned sick from a trip to the US and the UK and that he would need two to three weeks to recover.[316] Chambers was later informed that Rivers would be returning to his office in September.[317] After a visit to Melbourne and a call to Rivers' office at Cheshire Publishing in the same month, Chambers finally received a response. Rivers apologised for his lack of response and admitted that he, too, was disappointed with the sales. Their distribution method tended to generate sales of around 1,500 copies for similar manuscripts. *S&O* had fallen a bit short of these targets but there was still a chance for demand to build up over time.

As for Chambers' letter and distribution list, Rivers was convinced that Chambers' initial instructions had been followed. Free and review copies had been sent to specific people and journals and promotional flyers had been sent to some 400 recipients. All the promotional activities that had been agreed to in the initial contract had also been carried out. Searle, however, who had been in charge of these activities, was no longer with Cheshire Publishing. Rivers therefore needed some time to investigate the matter further and to dig out the specific details, but was not interested in Chambers' request to republish *S&O* as a cheaper paperback with running headers. A minority of academics had admitted to him that the price had been an obstacle for adopting *S&O* as part of their course-work material, whereas a majority had informed him that they saw the book as reference material and would not prescribe it for

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[313] DOI:10.USA P202/2/09207; 09210
[314] DOI:10.USA P202/2/09207
[315] DOI:10.USA P202/2/09208
[316] DOI:10.USA P202/2/09209
[317] DOI:10.USA P202/2/09210; 09211

teaching regardless of the price. Rivers therefore made a counter-offer to lower the selling price of the hardback version to A$5.95 and to insert an advertisement to that effect next to the citation award announcement in the *AUA* – being seemingly unaware that it was by then September and that the June announcement had already passed.[318]

Chambers responded to Barr in September. He informed him that he had not waited for demand to build up. It was still his understanding that the promotional flyers had not been sent to his contacts abroad despite the fact that they had been included in the distribution list. These flyers could also have been done better if they had addressed the problem of inflation and changing price levels instead of giving a caricature of the content of the chapters. There had also not been a single review in any of the 16 journals that were supposed to have been sent review copies. Therefore, unless Rivers could show notice of receipt from editors and other evidence, Chambers remained unconvinced that Searle had carried out any of the promotional activities that had been agreed.[319]

Chambers felt that Rivers' decision not to republish *S&O* in paperback format was disappointing and that the price reduction to A$5.95 would be undesirable for the Australian market, as it would have appeared as a cheap attempt to milk the market for all that it was worth, unless the book was to be republished as a paperback. Undoubtedly, Barr's idea had come from his desire to do precisely this and flog the remaining inventory. The people that had purchased the book for A$10.50 would have felt cheated, which mattered in academic circles, and a price reduction in conjunction with the ASA award would have given the impression that, despite the award, the book was not worth the money. For the US and UK markets, on the other hand, a small price reduction could be desirable, through a generous currency conversion, as the 1972 Australian dollar revaluation had made most domestic publications too expensive abroad.[320]

Chambers response and subsequent correspondence went unanswered for several months, until January 1975. Rivers' secretary then got in touch with Chambers and informed him that Rivers would contact him later that month. However, Rivers did not until February. He apologised again for his lack of response. The

[318] DOI:10.USA P202/2/09212
[319] DOI:10.USA P202/2/09213
[320] DOI:10.USA P202/2/09213

investigation had been carried out from September to October, the previous year, and was now nearing its conclusion.[321]

A meeting in Rivers' office at Cheshire Publishing was arranged for the same month. The action points from the meeting reveal that Rivers had been tasked with calling the chairman of Gower Press in the UK to investigate whether Chambers' nine journals had been sent review copies, which recipients had been sent promotional flyers, what the current sales figures were and whether he could offer any comments on the overall market reaction to *S&O*. Bruce Allardice, the Australian Sales Manager, had also joined the meeting and had been tasked with asking the US distributor the same questions. He would also contact Searle about the promotional efforts he had undertaken while he was at Cheshire Publishing, and do some market research among university bookstores to verify whether there was demand for a cheaper paperback edition of *S&O*.[322]

Allardice followed up with Chambers in March. He had by then been in contact with the US distributor and the UK chairman. The US distributor had received an initial shipment of 25 copies in July 1973 and an additional 55 copies since then. Five of these had been sent as review copies to journals, such as the *Wall Street Journal* and the *American Economic Review*. There were now 15 copies left in their inventory. The UK chairman had received the same amount, but sales had exceeded his inventory. There was an outstanding order for 32 more copies from the Gower Press, but these were several months overdue and he had therefore assumed that *S&O* was out of print. Review copies had been sent out to various journals, but he could not specify a single one and, unfortunately, none of them had chosen to review the book. Allardice insisted that he had not received the purchase order for 32 more copies from the Gower Press, but that he had since gone ahead and processed such an order.[323]

Chambers had sent Allardice a new copy of the distribution list which he had sent Barr in May 1973, and a new and improved promotional flyer that centred on the problems of inflation and changing price levels.[324] Allardice had managed to hunt down Searle, who had insisted that he had sent out the free and review copies together with the flyers in 1973. Allardice had found these claims just as dubious as Chambers

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[321] DOI:10.USA P202/3/09856
[322] DOI:10.USA P202/3/09856
[323] DOI:10.USA P202/3/09856
[324] DOI:10.USA P202/3/09856

had, given that the review copies that had been sent out in the UK had not been sent to all the nine journals on the distribution list. Sales abroad had also been too dismal to support the belief that promotional flyers had been sent to the 400 academics on the list. Allardice therefore began a second round of promotion, sending out the free and review copies as well as the promotional flyers to the journals and people that Chambers had previously specified.[325]

The matter of promotional activities and distribution was put to rest until July 1976, when Chambers received a circular from Bill Kerr, the new Managing Director. The circular was intended for all authors with Cheshire Publishing and announced that, after four months of negotiation, Longman Australia had acquired the shareholdings of Cheshire Publishing. Longman Australia was a subsidiary of Longman Penguin, which was the oldest extant publishing house in the world (dating back to 1724) and, at the time, perhaps the most successful. The new entity was named Longman Cheshire and it had been arranged for half of the former staff to transfer to this entity and to new offices next to the former Cheshire Publishing offices in Melbourne. The other half, on the other hand, had been made redundant; these included Rivers and Allardice.[326]

Chambers saw an opportunity to salvage the remaining copies of *S&O* with the change in management. He contacted Kerr, explaining the problems he had faced over the years with the publication deadline, distribution and promotions, and how he had also had a difficult time communicating with those in charge at Cheshire Publishing, including Rivers, Searle and Allardice, who were now all gone. Chambers felt that his book had fallen victim of an experiment with a particular distribution model that had not provided the sort of distribution and sales that he had imagined. His decision to sign with Cheshire Publishing and subsequent events had prevented *S&O* from having the impact on accounting regulators that he had intended and, because these had not had access to contrary empirical evidence, their opinions on inflation and changes in general price levels had now solidified. As a result, Chambers now demanded to be allowed to purchase the remaining stock of *S&O* at a nominal price of A$1 per book plus shipping. This would allow him to send the book

[325] DOI:10.USA P202/3/09856
[326] DOI:10.USA P202/3/09856

to the people on his distribution list for free, instead of attempting to flog a three-year-old book for additional royalties.[327]

Kerr replied to Chambers in August. He apologised for the events that had afflicted *S&O* and for his late response. He was happy to agree to Chambers' demands but it had taken him some time to investigate whether the remaining stock of books belonged to Cheshire Publishing or Gower Press. He had been informed that it belonged to Cheshire Publishing and was ready to offer the remaining balance, 1,065 copies, at the nominal price that Chambers had stipulated. Chambers was pleased with this turn of events and informed Kerr that his gesture had eased his disappointment with what had occurred. Arrangements were then made to ship the books to the university and Chambers settled the bill, which included an additional A$104 in shipping costs. Chambers then began distributing free copies to the 400 academics on his list and to other regulators and practitioners of influence.[328]

UK.

S&O had been published in March 1973, following several months of delays. An initial shipment of 25 copies had been sent to the UK, and 55 further copies had been sent thereafter. When Allardice had sent 32 more copies to fill an outstanding order in March 1975, the book had already been on sale for some two years without making much of an impact on the UK market. The result was that Chambers' contribution to the debate on accounting for inflation in the UK had gone almost unnoticed. In the meantime, the ICAEW and the profession had established the Accounting Standards Steering Committee (ASSC) to consider such issues as accounting for inflation in 1970 (Day, 2000). The ASSC had been able to issue an exposure draft and a provisional standard on accounting for inflation and changes in general price levels. The exposure draft, ED8, had been published for public comments in January 1973. The ASSC had accepted public comments until July, and then had begun preparing a provisional standard. This provisional standard, PSSAP7, had been published in May 1974. The ICAEW had also published a two-volume working guide (1974) on how to prepare accounts in accordance with the methods proposed in the exposure draft and the provisional standard.

[327] DOI:10.USA P202/3/09856
[328] DOI:10.USA P202/3/09856

ED8 and PSSAP7 had been printed in London and distributed throughout the UK. Copies quickly reached the hands of UK academics, practitioners and regulators, who where keen to consider the proposals in detail. ED8 had advocated the use of a general price index, such as the GDP implicit deflator or the retail price index (RPI), to adjust dated entry prices for changes in general price levels (i.e. what is often referred to as purchasing power accounting). Accounts prepared in this manner would be shown in supplementary financial statements. PSSAP7 advocated the same use of a general price index and the issuance of supplementary financial statements. There was also some discussion on the use of current entry prices for some items. The ASSC urged the immediate adoption of these proposals.

In the introduction to PSSAP7, the ASSC acknowledged that they had received several comments in favour of current entry prices during the ED8 comment period. There is no mention of whether the ASSC considered the empirical evidence, compiled in *S&O*, in favour of current exit prices, nor is there any evidence of Chambers having made a submission during the comment period. Chambers would instead respond to these events in other ways, perhaps fearing that developments in the UK would come to influence the inflation accounting debate in Australia. He wrote a critical review of ED8 (1973b) and prepared a refresher-course on inflation accounting, based on his critique of PSSAP7, for the ASA.[329] In the review article, Chambers argued that the issue of inflation was more complex than the ASSC had let on and that the use of adjusted dated entry prices in supplementary statements would likely add to the confusion, those ideas having already been considered and discarded in discussions at the AICPA in the 1960s. Chambers concluded with references to his own solution: COCOA.[330] He used a mailing list of ASA members to advertise the refresher-course.[331]

In addition to the ICAEW, the ASSC and the profession, the UK Government had taken an interest in the debate on inflation accounting (for an in-depth analysis of these events, see Robson, 1988). In January 1974, before PSSAP7 had been issued, the UK Government had established an independent inflation accounting committee (hereafter the Sandilands Committee) to investigate how to change financial reporting

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[329] It is a testimony to the interesting way in which accounting ideas travel that Chambers' article received a favourable review in an Indian management accounting journal (DOI:10.USA P202/2/09167).

[330] DOI:10.USA P202/2/09166

[331] DOI:10.USA P202/2/09277

practices to deal with issues from changes in general *and* specific price levels. Francis Sandilands, a successful industrialist and the chairman of Delta Metal Company, chaired the committee and was joined by another ten practitioners and people in industry. An economist from the London Graduate School of Business (later the London Business School) was also appointed to this committee. It is noteworthy that none of the members had any previous experience in the issues involved and methods to account for inflation (Sandilands Committee, 1975).

The Sandilands Committee held its first meeting the day it was established, and its last in June 1975. Several of these meetings were all-day sessions and the committee members drew on numerous sources in collecting their material. The Committee advertised for contributions in local journals and wrote to over 60 organisations and individuals for submissions. Twenty-three sessions were held, in which oral evidence was presented, and members visited the SEC and FASB in the US. Coopers and Lybrand carried out surveys on the committee's behalf. These surveys were sent to 242 companies in the UK, their purpose being to solicit information about what inflation accounting methods these companies used and their experience and opinions on various alternatives. During this comment period, the committee received over 300 submissions, ranging in length from articles to books (Sandilands Committee, 1975).

Chambers had not seen the advertisements for contributions, but had read about the establishment of the Sandilands Committee in *The Accountant's Magazine*, a Scottish accounting journal. He contacted the committee in February 1974 and informed them that he was preparing a comment for their consideration and, wary of Cheshire Publishing's failure to distribute his book in the UK, he enclosed a copy of *S&O* for their consideration.[332] A secretary replied that the committee was looking forward to his comment and that the deadline was set for April. The secretary also included a copy of one of their advertisements that had been published in a local journal. Chambers was spurred into action and submitted a 60-page comment on the 23rd of April. The comment summarised COCOA and included one section based solely on the empirical evidence presented in *S&O*.[333]

A secretary from the Sandilands Committee contacted Chambers in June 1975. The committee was now preparing its report and sought Chambers' permission to

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[332] DOI:10.USA P202/2/09265. This letter contains multiple letters.
[333] DOI:10.USA P202/2/09265

quote from his submission, which Chambers gave. The Sandilands Report (1975) was issued in September and Chambers was forwarded a copy and a note that apologised for the committee not being able to devote more space to his comments.[334] Their treatment amounted to little more than a snub. The report was 364 pages long, but the committee had reduced *S&O* and the 60-page comment to a three-page summary on pages 153 to 155. In comparison, four chapters had been spent discussing current entry prices and the proposals put forward in ED8 and PSSAP7. The committee dismissed the notion of adaptation, as it did not believe that companies saw their assets as means of adapting and were therefore not interested in their current exit prices. The committee also branded COCOA as an academic exercise that had not, to their knowledge, been adopted by a single company in the world. The committee's recommendations were instead for a CAT based on the concept of value to the owner and a mixed measurement system based upon current entry prices. This was not very different from the CAT proposed in ARS 1 and ARS 3 in the 1960s (see chapter five).

Edward Stamp contacted Chambers in March 1977. He wanted Chambers to write a critique of the Sandilands Report and of the committee's snub of *S&O* and of his comment. Stamp was then a professor at Lancaster University and the head of the International Centre for Research in Accounting (ICRA), which he had established some years earlier. Stamp proposed that the critique should be published as a monograph in the ICRA occasional paper series, in exchange for £750 in compensation and the distribution rights. Chambers was glad to write the proposed critique and was happy with the arrangements. The two continued to correspond, discussing typesetting issues and the printing process. The two settled on using a photo-reduction process to print the monograph. This process would reduce the printing costs, which was vital to distribute the critique as widely as possible, but required some additional preparation. Chambers would have to use a larger paper size, that would then be photo-reduced into a smaller one, and a grid that had to be placed behind the typewriter to outline the margins.[335]

Chambers sent his final manuscript to Stamp in June 1976. It was published, as ICRA's 11th occasional series paper (1976b), the same month. The critique was 79 pages long and the photo-reduction printing process had ensured that it could be sold for £2 within the UK and for £3 abroad, via mail order from ICRA. In order to reach

[334] DOI:10.USA P202/2/09265
[335] DOI:10.USA P202/2/09427. This letter contains multiple letters.

as many decision-makers as quickly as possible, Stamp had allowed Chambers to send out several free pre-distribution copies with a disclaimer that ICRA was about to publish the monograph and that the recipient was therefore only allowed to reproduce parts of it but not the full report. Stamp also arranged to announce the publication in journals and to send additional free copies to various decision-makers on publication. Chambers had compiled a list with some 20 academics, practitioners and regulators in Australia, Canada, the US and New Zealand. This list included such people as the chairman of the FASB and Burton, who was still the chief accountant at the SEC.[336]

Australia.

Chambers had done his best to promote *S&O* in Australia from 1973 onwards. He had been interviewed about his book on the radio and television and he had presented it to academics and practitioners at a Pacioli Society meeting.[337] There had been two reviews in the general press and Chambers had published an article (1973c) in *Abacus* on his experience writing *S&O* and on the empirical evidence presented within.[338] The ASA had then awarded *S&O* its literature award in June.[339] Cheshire Publishing and Gower Press, on the other hand, had not done much to help these efforts. The book had not been widely available outside some local bookstores in Melbourne and the publishers had not agreed to issue a paperback reprint following the ASA literature award. Perhaps partly for this reason, *S&O* had not had the desired effect on the Australian regulators, who were now looking towards developments in the UK, or on financial reporting practices in Australia.

The Australian government had become concerned about financial reporting practices in 1974. They had two broad concerns at the time. The first was that inflation (i.e. increases in general price levels) would swell the reported profits of private individuals and companies, who would then be taxed based on those profits. The increased taxation on inflated profits would, in time, erode the savings of the private individuals and the capital of the companies. Mathews, who had turned his attention from CATs to national accounts and economic policy, was therefore appointed as chairman of a four-man governmental committee (hereafter the Mathews

336 DOI:10.USA P202/2/09427
337 DOI:10.USA P202/3/09851; 09852
338 DOI:10.USA P202/2/09207; 09191
339 DOI:10.USA P202/1/03936; 03937; 03995; 04226; 04264

Committee) in November. The Mathews Committee was tasked with considering various financial reporting alternatives to deal with these issues, and various governmental departments and staff were placed at its disposal (Mathews Committee, 1975).

The Mathews Committee solicited for submissions in newspapers. The committee held three public meetings and corresponded with various individuals from industry associations, businesses and trade unions. Information about tax arrangements elsewhere was also sought from several foreign governments, companies and Australian ambassadors. As a result of these activities, the committee received formal submissions from 64 individuals, 32 companies, 32 professional organisations and six governmental departments, such as the Australian Treasury (Mathews Committee, 1975).

Chambers had been one of the 85 individuals who had been asked for their personal opinions and expertise. Mathews had contacted him in this regard in January 1975. The Mathews Committee had by then been instructed to submit its report by the 22nd of May and had set a deadline for submissions for the 28th of February.[340] Chambers had been glad to contribute, but he had missed the deadline by two weeks; his comments had not been submitted until the 14th of March.[341] Chambers, Wright and Gynther had also attended one of the three public hearings, held in Sydney, during which Chambers had spoken in favour of COCOA and had later submitted a memorandum of their discussion to Mathews in April.[342]

The Mathews Report was released in May 1975. It was 741 pages long and divided into two sections: one on individual taxation and the second on business taxation. It was printed on light red paper matching that of the accounting pronouncements issued by the ASA and by ICAA. The committee had settled for two valuation adjustments to deal with issues arising from inflation and changes in general price levels. The first was an adjustment to the cost of goods sold. The committee advocated valuing opening stock at current entry prices, at both the start and end of the period, and then deducting (adding) the difference between the two values to the income. The second was an adjustment to depreciation. The committee proposed to calculate two depreciations: one based on dated entry prices and a second based on

[340] DOI:10.USA P202/1/09326
[341] DOI:10.USA P202/2/09330
[342] DOI:10.USA P202/1/09332

current entry prices. The difference between the two depreciations was then to be treated as a permanent deferment on tax. The committee believed that these two adjustments would compensate for the increase in taxes due to changing price levels arising from inflation (Mathews Committee, 1975).

In his submission to the Mathews Committee, Chambers had argued for COCOA and for the use of current exit prices and, in so doing, had rejected the use of current entry prices and index-adjusted accounts. The committee had considered these arguments, despite their late submission, but had not found them convincing. It felt that current exit prices were too radically different from what was currently used in financial reporting practices, and that it would have been unacceptable for businesses to pay taxes on unrealised gains from the change in the current exit price of their assets. The committee had instead settled for a pragmatic solution: two valuation adjustments to the cost of goods sold and depreciation (Mathews Committee, 1975). This solution presented the advantage of being easy to implement, but it was also the sort of ad-hoc solution that Chambers had opposed since the 1950s and that afforded no chance of ushering in a new CAT.

The Australian government's second broad concern related to the effects of inflation on financial statements. This had been the same concern that had occupied the ICAEW, the ASSC and the Sandilands Committee in the UK. The ASA and the ICAA had then begun cooperating to solve these issues. They had done so under the auspices of the Australian Accounting Standards Committee (AASC). Their Committee on Concepts issued an exposure draft in December 1974 and a provisional standard in June 1975. The content of the exposure draft and of the provisional standard was, word-for-word, identical to the ED8 and PSSAP7 issued by the ASSC. The only differences were a few omitted paragraphs, which were not relevant to the Australian context, that had, however, even been replaced with placeholders to keep the paragraph numbering identical to its UK counterpart's. The exposure draft and provisional standard therefore mirrored the ASSC's conclusion in favour of a general price index and of the issuance of supplementary financial statements.

The exposure draft and provisional standard from the ASA and the ICAA confirmed that the Australian profession was looking towards the UK for directions on inflation accounting. Chambers now found himself in the familiar situation of having to respond to an audience that was not keen to receive him. He had contacted the presidents of the ASA and the ICAA in June 1975 to offer them his own exposure draft on inflation accounting to be distributed alongside their own exposure draft and provisional standard. The correspondence regarding this matter went on for some three months, with the eventual outcome that neither president was willing to publish Chambers' exposure draft. It appears that the drawn out negotiations may have been a deliberate attempt on the presidents' behalf to prevent Chambers from publishing his own exposure draft within their exposure draft's comment period, ending on the 31st of December (for more information about these events, see Clarke et al., 2010). Chambers therefore decided to self-publish his exposure draft; the Sydney University Press (SUP) printed it and 3,000 copies were sent out to professionals, academics and regulators in Australia.

Chambers' exposure draft (1975) was published in September 1975. It was a rogue exposure draft, in the sense that it had been published against both ASA's and ICAA's wishes, and Chambers went out of his way to disguise this fact. His exposure draft was bound and printed in a small paper size, matching that of the official exposure draft and provisional standard. The two exposure drafts were also of similar length and Chambers had numbered each paragraph in a similar manner to the official one. In his exposure draft, Chambers made the case for COCOA under conditions of increasing (i.e., inflation), decreasing (i.e., deflation) and stable general price levels. This differed from the official exposure draft's and provisional standard's sole focus on increasing general price levels and was consistent with Chambers' concern with all price changes. Chambers' exposure draft was also devastatingly critical of the official pronouncements, just as he had been with their UK counterparts.

US.

S&O had received little attention in the US, in no small way due to the poor distribution and promotional efforts. Chambers was most likely right in assuming that Searle had not used his distribution list, which included six journals and some 400 academics in the US, and, when Allardice had come around to do so, *S&O* had already been out for some two years. By then, the book had missed its chance to be awarded the AAA literature award, and the inflation accounting debate had been underway in the US for some time. The FASB had considered the issues involved for financial reporting practices and had favoured the use of a price index to adjust dated entry prices (e.g., FASB, 1974; 1977).

The first and only review (Anderson & Leftwich, 1974) of *S&O* in the US academic accounting literature had not appeared until the autumn 1974 issue of *JAR*. Leftwich, who had previously written a critical monograph on *AE&EB* (1969), had written the review together with one of his colleagues.[343] Chambers had received a draft of the review before it was published in May and had contacted the current editor, Nicholas Dopuch, directly.[344] Chambers informed Dopuch that he considered the review as a nothing and a piece of trash disguised as a scholarly article, and that he felt that there were parts of the review that should be edited out. If this could not be done, he requested to be given at least the same amount of space as the initial review to publish a reply.[345]

Dopuch responded to Chambers the same month. Chambers had suspected that *JAR* had solicited the review, but Dopuch assured him that this was not the case. The authors had contacted him, asking whether he would be interested in such a review, which he had been. The review was then sent to external reviewers for a more independent assessment of its merits and Dopuch also suggested that Chambers contact the authors directly to discuss the details in the review, rather than publish an endless stream of debate articles in *JAR*. There is no evidence of Chambers having followed his advice, but the language in the review was subsequently toned down in its final published version.[346]

The review had not been the sort of material that Chambers had been hoping for when review samples of *S&O* had been sent to six US journals. Leftwich and his colleague thought that Chambers' conclusion lacked rigour, and they had raised a series of issues. They had found Chambers' claim, presented in *S&O,* of *AE&EB* having been informed by empirical evidence, to be tenuous, as *AE&EB* had been published much earlier and Chambers had not then referenced such empirical evidence. They had also taken issue with the empirical evidence presented in favour of current exit prices. Their point had been that all of this evidence was not, in fact, consistent with the proposal to use current exit prices for all assets. Chambers had also continued to ignore the fact that current exit prices were often impossible to

[343] The name of the colleague was Don Anderson and he, too, was a former doctoral student supervised by Gynther at the University of Queensland.
[344] DOI:10.USA P202/1/09284
[345] DOI:10.USA P202/2/09285; 09287
[346] DOI:10.USA P202/2/09287; 09289; /3/09855

obtain or that, in other instances, it would be too expensive to do so. Leftwich had raised this concern in his monograph on *AE&EB* as well.

Chambers' response was eventually given equal space and published in the same issue (1974b), despite Dopuch's initial reluctance to do so.[347] Chambers likened the review to a summary execution, as opposed to a fair trial. The main thrust of *S&O* had been to establish a case for the reform of company accounts – hence its subtitle – but the reviewers had not addressed whether the book had, in fact, made such a case and they had not offered any opinion on whether the case had been convincing. Instead, they had offered their own assertions regarding current exit prices. These had been based on taking seven examples from the book out of context. These seven examples represented about one-half of one per cent of the total empirical material, which had been gathered, over several years, from the 280 companies presented in the text, the 2,000 companies presented in summary tables and multiple opinions from accountants, legal scholars, judges and other informed individuals. This approach, to lift some of the evidence out of context, had been the same approach that Leftwich had adopted in his monograph on *AE&EB;* Chambers thought that it, again, failed to demolish the case for COCOA and for the reform of financial reporting practices presented in *S&O*.

Conclusion

I began this chapter by tracing the work that went into the writing and publishing of *S&O*. My goal, in tracing these activities, was to demonstrate how various seemingly mundane factors, such as the choice of publisher, typesetting, and pricing, were just as important to *S&O*'s prospects of success as the empirical evidence and arguments presented within. These choices caused *S&O* to be delayed several times and resulted in it being published as a hardback at too high a price. This meant that it had been late for the inflation accounting debate and had been made available in a format that was not congruent with the goal of maximising its circulation.

I then analysed the content presented in *S&O*, highlighting three interesting components. The first was Chambers' decision to include an acknowledgement section, which stipulated that the empirical evidence that he was about to present had underpinned his earlier claims and arguments made in *AE&EB*. The second was the

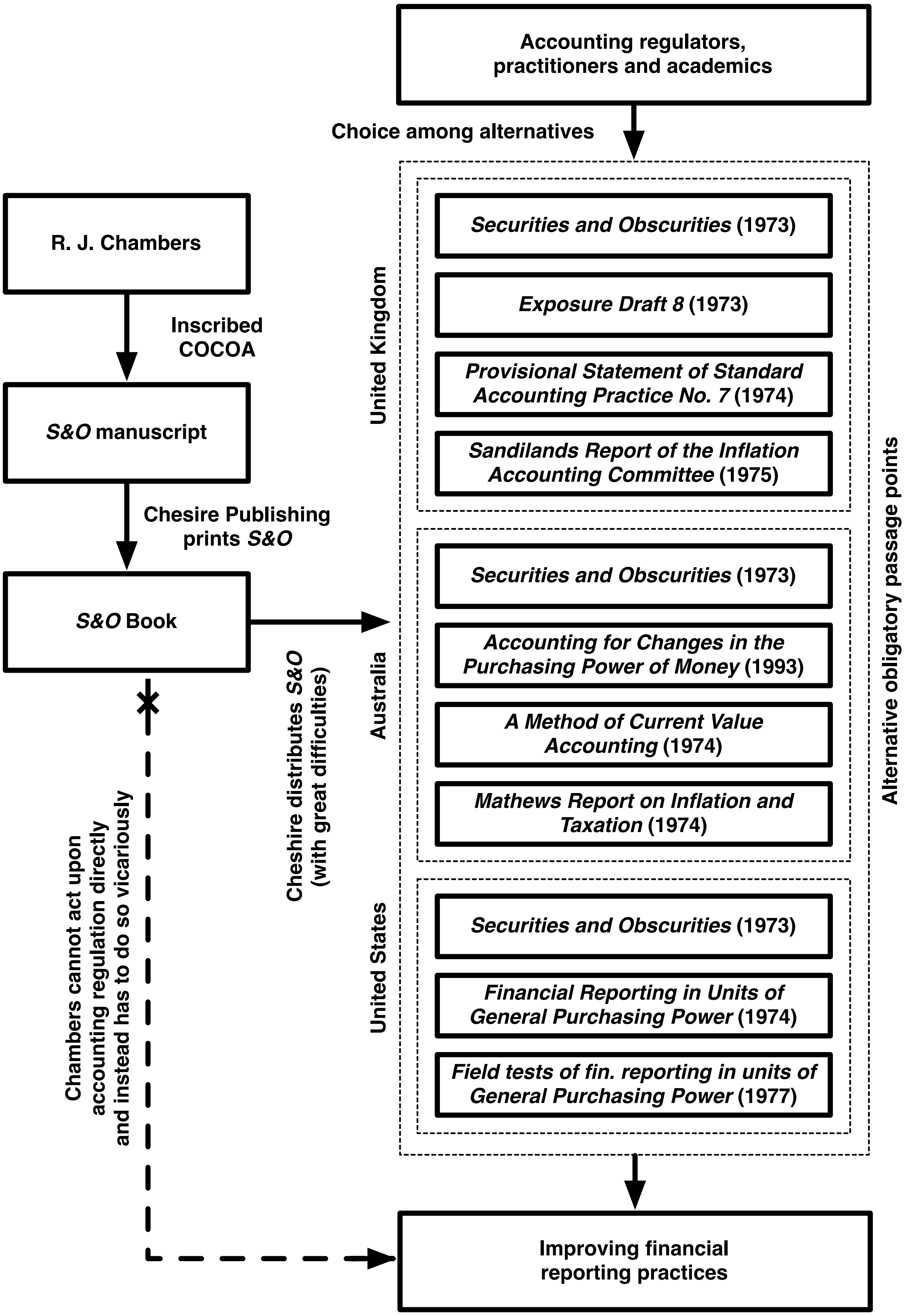
[347] DOI:10.USA P202/2/09291; /3/09854

enrolment, in favour of COCOA and current exit prices, of financial scandals and companies and of the opinions of various individuals in positions of authority when it came to financial reporting practices. The amendments to the Eighth Schedule of the Companies Act in accordance with COCOA and the use of current exit prices were the third component.

In the second section, I continued tracing *S&O* after it had been published in March 1973. I focused on the efforts made to distribute and promote *S&O* and the constellation between Chambers, Cheshire Publishing and the Gower Press. I mentioned the idea of vicarious causation (first introduced in chapter six) to draw attention to Chambers' having to act vicariously, through his publisher and distributor, on the financial reporting practices in the UK, the US, and Australia. Individuals at the publisher, such as Rivers, Searle and Allardice, therefore became an important part of the narrative and of the efforts to change financial reporting practices. Their choices and actions proved, again, to be just as relevant to the success of *S&O* as the empirical evidence and arguments that Chambers had presented within.

I then concluded by turning my attention to other efforts made to change financial reporting practices to account for inflation in the UK, the US and Australia. My focus was on how these efforts stole the accounting inflation debate away from Chambers and, in the process, pushed COCOA and *S&O* to the wayside. In ED8 and PSSAP7, the UK profession proposed the use of index adjusted dated entry prices, and the Sandilands Committee proposed a CAT based on current entry prices, while Chambers' submission to the committee was largely ignored. The Australian profession followed its UK counterpart and the Mathews Committee proposed two valuation adjustments to the cost of goods sold and to depreciation to compensate for changes in general price levels. Chambers' submission to the Australian profession and to this second committee was also largely ignored. The US profession, on the other hand, had given up its role in issuing accounting rules altogether. This role had been transferred to the FASB, which, during this time, was experimenting with index-adjusted entry prices. Chambers had not made a submission to the board, and the review of *S&O* in the US accounting literature had been disappointing. So, although Chambers had set out to write *S&O* in 1971 with the hope that it would bring about his Copernican Revolution in financial reporting practices, the sum of his troubles with the publisher, the distributor and these events ensured that the book would do no such thing.

DIAGRAM EIGHT: VICARIOUS ACTION THROUGH *S&O*



CHAPTER NINE: VICARIOUS ADOPTION BY COMPANIES

In the previous chapter, I used the concept of vicarious causation to trace Chambers' efforts to influence the inflation debate and financial reporting practices. This culminated in the publication of *S&O* in March 1973. The empirical evidence presented in *S&O* had been compiled over several years and favoured a CAT based on current exit prices, in general, and COCOA, in particular. In the first section, I traced the work that went into writing and publishing this manuscript. I then traced Chambers' attempt to increase circulation and sales of his manuscript in the UK, the US and Australia in the second section. In describing these events, I paid particular attention to competing OPPs for the improvement of financial reporting practices, as well as to the reception of COCOA.

I am using the concept of vicarious causation further in this last empirical chapter. Chambers' second attempt at influencing financial reporting practices in the UK, the US and Australia proved to be his last major effort in that direction. After the publication of *S&O* and the ensuing debate, Chambers spent little of his academic career pursuing financial reporting regulators with regard to the merits of COCOA. There were perhaps three reasons for this. First, Chambers would now have been in his mid-50s and may not have had the energy to pursue the regulators with the same tenacity as before. Second, capital markets research and the rise of the Chicago-Rochester School of Accounting had now begun to displace efforts to establish a CAT (e.g., Mouck, 1992; 1993; Rutherford, 2010). Third, Chambers' letters from the 1970s give the overall impression of his increasing despondency with the continued state of financial reporting practices. His publications in academic and professional mediums and his submissions to various standard setting bodies and individuals of influence over the previous 20 years had changed these practices little.[348]

Whereas Chambers would not engage in a third major effort to vicariously influence financial reporting practices, some companies experimented with the application of COCOA in the late 1960s and early 1970s. In this chapter, I will consider three such instances. In all three cases, in lieu of financial reporting regulation forcing such an adoption, an actor took it upon him- or herself to adopt COCOA and use current exit prices to prepare financial statements. Financial

[348] There are multiple letters to this effect. Chambers' correspondence with Sterling is perhaps the most telling. See also: DOI:10.USA P202/1/06263; 06264.

reporting regulators were therefore bypassed and replaced with some other entity on these occasions. In the first of these instances, I consider a US doctoral student and his dissertation. I then consider a New Zealand research project and a research experiment and conference held in Texas as the second and third of these instances.

Company X: A Medium-sized Road Construction-Company

The first instance was a US doctoral dissertation (McKeown, 1969), which was the first to use COCOA and current exit prices to restate the financial statements of an actual company in the late 1960s. James McKeown was then a doctoral student at Michigan State University and had documented his experience implementing COCOA as part of his doctoral dissertation. Roland Frank Salmonson, who was a professor at the same university and knew Chambers, had supervised the dissertation, which had been sponsored financially by the Ford Foundation.[349] Herbert Miller, who had been on the APB when it had considered ARS 1 and ARS 3, had been appointed as the examiner. McKeown completed his doctoral dissertation in 1969, and it was then stored in the university library and on microfilm, which was kept in an archive located in Ann Arbor and maintained by the Xerox Company. McKeown (1971) also published an article with his findings in *TAR* in 1971.

McKeown began his doctoral dissertation by noting that there had already been a theoretical debate on current market prices (i.e., both current entry and exit prices) in the accounting literature and particularly between Chambers and his critics, after the publication of *AE&EB* in 1966 (chapter four). These debates had centred primarily on the extent to which businesses could obtain these market prices – and the costs involved – and then use them to prepare financial statements. McKeown, nonetheless, took the need for current market prices and up-to-date accounting information in financial reporting practices as a starting point, and set out to investigate whether it would be possible to implement such a CAT in practice.

McKeown had chosen to implement COCOA in particular as a case study. The successful implementation of a CAT, which measured assets at their current exit price, could not prove that current market prices were a generally feasible option but it could indicate whether they might be. There were now several publications on

[349] In personal correspondence with J. McKeown, 20 March 2013, I have been informed that Salmonson was known as Sully or Solly among colleagues. This is also the name Chambers uses in their correspondence.

COCOA, all of which presented slightly different versions of the same thing, but McKeown had settled on COCOA as it had been presented in *AE&EB*. McKeown had chosen a medium-sized road construction-company in Michigan, which he referred to as Company X, for this case study.[350] Company X had given him full access to their financial records and to the material they used when preparing conventional financial statements in accordance with dated entry prices. He had then proceeded to revise their 1966 and 1967 balance sheets, using only information that had been available before March 1968. This was done to simulate a real world scenario and the normal timeframe in which financial statements had to be prepared.

McKeown made a number of adjustments to receivables and payables to restate the two balance sheets in accordance with COCOA and current exit prices. Accounts receivable were discounted at the current cost of capital, which was approximated using the interest rate of an outstanding loan from 1967. Accounts receivable from road construction contracts were discounted at the current cost of capital as well, but with some difficulty as these contracts were paid in stages that corresponded to the progress of the construction and with a final lump-sum held back until completion. Accounts payable and most other short-term liabilities were discounted using the same cost of capital from the date of expected payment. Accounts payable to subcontractors were discounted based on the engineers' estimated completion dates. Long-term liabilities were discounted at their contractual rate, with the portions due within one year reported among short-term liabilities. Receivables and payables due within one month of the balance sheet date were not discounted. Cash and prepaid expenses were not discounted either.

McKeown had to make a number of additional adjustments to securities and inventories as well. Marketable securities were re-valued at their current exit price, minus the commission and deferred tax impact from their sale. This treatment appears to measure marketable securities at their realisable value rather than at their current exit price.[351] Over-the-counter securities, with no current exit price, were re-valued at

[350] In personal correspondence with J. McKeown, 26 August 2012, I was informed that the company's headquarters are no longer where they used to be located. The company may have changed name, location or no longer exist.
[351] This slippage, from current exit prices to net realisable values, led McKeown to record an asset labelled tax carry-forward. This asset represented an earlier loss in 1966 and 1967 that Company X could net against future earnings for tax purposes. McKeown had found such an asset necessary because his focus on net realisable

their current entry (bid) price. Inventories were re-valued using two slightly different methods. Inventories of unfinished goods and raw materials were re-valued at their current entry price. There were no adjustments for changes in general price levels, as these inventories were held for short periods of time. Inventories of finished goods were re-valued at the current entry price of the material used and, because they may have been held for a long period of time, adjusted for changes in general price levels.

The most cumbersome and difficult adjustments involved long-term plant assets. These assets made up most of Company X's balance sheet, and three different valuation methods were used to determine their current exit price, the primary of which was a linear regression based on current exit prices of similar assets. The prices of similar assets, such as cranes, crawlers, graders, wheel tractors, and compacting equipment were obtained from what the firm referred to as the *Blue Book* and auctions held in 1968 – Company X referred to all industry publications according to the colour of the publication front cover. The benefit of this linear regression was that it provided a dispersion measure for current exit prices that could be compared to the dispersions resulting from the use of different measurements, such as dated and current entry prices.

Current exit prices, obtained from published material, were used in the second valuation method. Automobiles and heavy and light trucks, together with other assets that could not be found in the *Blue Book*, were valued using this method. The *Black Book* was the first source for these current exit prices. National Auto Research, of Gainesville, Georgia, published the *Black Book* weekly. It contained information about the previous week's average auction prices for particular models, years and conditions in various States. Company X's vehicles used for construction activities were valued based upon the rough condition price, whereas the cars used by company officials were valued based upon the average normal condition price. The *Red Book* was the second source for current exit prices for automobiles and heavy and light trucks. National Market Reports, of Chicago, Illinois, published the *Red Book* every six weeks. It contained information about the average wholesale finance value for particular models and years, but did not discriminate for conditions. Furthermore,

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values had led him to consider the tax implications when revaluing an asset at its current exit price. In other words, the net realisable value of any given asset would change depending on the amount of past losses that could be netted against the gain from selling the asset; he had therefore felt the need to separate out the tax effect.

each average wholesale finance value had to be multiplied by 10/9, as the value given represented roughly about 90 per cent of the wholesale price. The *Truck Blue Book* was the third source for these current exit prices. National Markets Reports published the *Truck Blue Book* semi-annually; it contained the same wholesale finance values as the *Red Book*. The *Green Guide* was the fourth and final source for information for current exit prices. The Equipment Guidebook Company in Palo Alto, California, published this book yearly; it contained information about current exit prices for used equipment ordered by model, age and average condition. Company X used the *Green Guide* for all other assets.

The third valuation method made use of an index calculation to adjust dated entry prices for specific price changes. The index calculation was based on an index for construction, machinery and equipment prices in the US and was only used when current exit prices could not be obtained using either the first or second valuation method. The Government Office of Business Economics, in Washington D.C., published the index weekly in its *Survey of Current Business* booklet.[352]

McKeown arrived at three broad conclusions from his experience using these adjustments and restating the balance sheet in accordance with COCOA. First, the data available to produce a balance sheet, based on current exit prices, was readily available. Despite the various theoretical claims in the literature regarding the difficulties in obtaining current exit prices for most assets, he had been able to source them from publications that were already widely made available from trade organisations and government entities located in Georgia, Illinois, California and Washington D.C. McKeown also speculated that the adoption of a CAT based on current market data would make such publications even more readily available. Chambers had made the same claim in the debate that had followed the publication of *AE&EB* (chapter seven). Some ingenuity had been required to operationalise the conversion process but, in so doing, McKeown had managed to convert about 90 per cent of the total value of Company X's assets with direct reference to published current exit prices. forty per cent of these assets had been converted using valuation method one (regression), with the remaining equally converted by use of valuation

[352] No adjustments were made to the income statement, in the sense that it was derived from the net change in the current exit price (gains and losses in holdings), from the previous year, and the operating income from the period.

methods two (published material, 30 per cent) and three (index calculation, 30 per cent).

Second, current exit prices featured lower dispersement than dated entry prices (for an introduction to the discussion about the relationship between dispersement and objectivity in the literature at the time, see Ijiri & Jaedicke, 1966). This had been determined by comparing the regression analysis, applied to some 40 per cent of Company X’s measurable assets, with the asset values prepared by a panel of four doctoral students, who were familiar with COCOA, at the university. The implication was that financial statements prepared in accordance with COCOA, compared to those prepared in accordance with conventional financial reporting practices, were more verifiable and reported asset values that were closer to the actual ones found in the market. These new asset values were different enough that it was deemed that anyone who read the revised financial statements would form a different opinion of Company X’s financial position.

Third, the conversion process from dated entry prices to current exit prices did not prove to be excessively expensive; McKeown had disproved the various theoretical claims in the literature, which stated that the costs of obtaining current exit prices would be so high as to outweigh the benefits of their adoption. It had cost him $1,975 to restate two years worth of Company X’s financial statements from scratch. This included costs from clerical work, keypunch verification, programming and the renting of a CDC 3600 computer terminal to calculate the discounted assets and to run the regression analysis. Had he skipped the regression analysis, the total conversion cost would only have been $540 and, even including the regression analysis, the recurring costs would only have been $1,438 per year. These costs were negligible compared to Company X’s $15 million yearly expenses from the same period.

Chambers had visited Michigan State University in 1967 and had met faculty and doctoral students in accounting.[353] He would have met Salmonson, McKeown and the four-panel student group during this time. Salmonson contacted Chambers in September 1969 and informed him of McKeon’s doctoral work on applying COCOA to a medium-size road construction company in Michigan. A copy of the dissertation had been sent via airmail to Chambers to review, and Salmonson told Chambers that

[353] J. McKeown, private correspondence, 26 August 2012.

the dissertation committee would need it returned before the dissertation could be approved for publication.[354]

Chambers replied to Salmonson in October. The dissertation had arrived before Salmonson's instructions and Chambers had already had his secretary punch holes in it and put it in a three-ring binder for protection. Chambers apologised and immediately arranged for a duplicate copy to be made and for the original to be sent back. His overall impression of the dissertation was very favourable. The exercise had been designed and executed well, and Chambers was particularly pleased with the three conclusions. Although he had reached the same conclusions in *AE&EB*, it was encouraging to see it empirically tested. Chambers hoped that this would, perhaps, put to rest the debate that had followed the publication of his book.[355]

Although Chambers objected to some of the particular measurement methods, this did not change his overall favourable impression. On occasion, McKeown seemed to slip from current exit prices to net realisable values, although this had not been Chambers' intention in either *AE&EB* or his reply (1970) to his critics. In *AE&EB,* Chambers had hinted at index calculations, the third valuation method, and the use of current entry prices to measure such items as unfinished inventory. He had subsequently decided against it, but this seemed to have gone unnoticed. Furthermore, he had never wanted to discount accounts receivable and accounts payable. He also noted that he would not have used a linear regression to estimate current exit prices, but realised that this had been made necessary by McKeown's research design and his desire to calculate measurement dispersements.[356]

Chambers referred to McKeown's (1969) conclusion that an accounting system based on current exit prices was feasible in his final response (1970) to the criticism that has been raised after the publication of *AE&EB*. McKeown's *TAR* article (1971), which presented empirical findings that supported Chambers' CAT, subsequently received the AAA Competitive Manuscript Award. McKeown also contributed to the debate regarding the additivity of current exit prices in the 1970s. Whereas Vickrey (1975), Larson and Schattke (1966; 1975) had attempted to demolish Chambers' arguments in favour of CCE, McKeown (1972) sought to offer a solution to the problem of additivity that he hoped could lead to the operationalisation

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[354] DOI:10.USA P202/55/11775
[355] DOI:10.USA P202/55/11775
[356] DOI:10.USA P202/55/11775

of COCOA or some other accounting system that use up-to-date accounting figures. Notwithstanding the positive reception of McKeown's research in the accounting literature, the empirical findings did not lead to further empirical studies on the adoption and operationalisation of COCOA in US companies.[357]

The University of Waikato Inflation Research Project

The second instance of COCOA adoption was a New Zealand inflation accounting research project (hereafter the Waikato Project). Faculty members of the Department of Management Studies at the University of Waikato had conceived the project in 1975 and Ronald Peterson, who was the department chair in accounting, officially announced it in December. The Waikato Project took, as a starting point, the need for current market prices and up-to-date accounting information in financial reporting practices and set out to empirically evaluate whether it was feasible to implement such CATs in practice. The project's starting point was therefore similar to that adopted in McKeown's doctoral dissertation, but it set out to include a range of different companies, as opposed to a single case study. The project focused on the implementation of three CATs in particular. Current Purchasing Power Accounting (CPPA) was the first. This involved the use of a general price index to restate assets recorded at their dated entry prices. The Sandilands Committee's (1975) CCA was the second CAT implemented (see chapters four and eight). This was based on a mixed measurement system that emphasised current entry prices and the "value to the owner" concept. COCOA was the third CAT used (Peterson, 1975).

The Waikato Project was divided into two research stages. The first, in which 69 public companies participated, saw the conversion of the companies' financial statements, from 1975 to 1978, in accordance with at least one of the three CATs. Combined, the 69 companies held and earned about 70 and 60 per cent of all assets and profits among New Zealand public companies. The companies were divided into two industry groups – manufacturing and non-manufacturing – which were then

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[357] McKeown later acted as the external examiner for one of Chambers' doctoral students, Frank Clarke (DOI:10.USA P202/1/06465; 06470). Chambers, Hopwood, and McKeown (1984) would also conduct a survey based research study in the US that supported the use of current exit prices (10.USA P202/1/6192; 6442; 6471; 6546; 6634; 7919; 7923; 7924; 7925; 7926; 7927; 7928; 7929; 7930; 7931; 7932; 7933; 7938; 7939; 7940; 7943; 7944; 7945; 7947; 7949/2/09579). Similar studies with similar findings were later replicated elsewhere (e.g., Chambers & Clarke, 1986; Chambers, Ma, Hopkins, & Kasiraja, 1987).

divided into industry subcategories ranging from meat processing to financial services. The second research stage involved the examination of the converted financial statements for analytical insights and various implications from the conversion process. The large and broad sample size in the first stage had been chosen in order to enable the estimation of the total tax implications from the conversion process on New Zealand's national accounts in the second. The purpose of the first and second stages was not so much to crown the best CAT but, rather, to determine the general feasibility of the conversion process and the resources required for it, whether these resources were readily available and the costs involved in retrieving them (Peterson, 1975).

The scale of the Waikato Project required substantial financial support. The cost for the initial first two years had been estimated at NZ$220,000, which did not include the general services and accommodation that had to be provided by the university and the considerable assistance needed from accounting practitioners in public practice and industry. George Schmitt, professor of management in the same department, had been appointed as the project head and put in charge of raising the amount and the necessary support. Four accounting practitioners helped him in these efforts as volunteers. About 120 companies, accounting firms, and organisations pledged financial support and/or pro bono services. The New Zealand Society of Accountants (NZSA) was, perhaps, the only notable accounting organisation that chose not to contribute either money or services. The government had also pledged to match a third of all financial contributions, which proved sufficient to meet the financial targets and to enable the project to go ahead (Peterson, 1975).

The scale of the Waikato Project also meant that additional members had to be recruited. In addition to Peterson and Schmitt, six more academics were appointed to the project. Chris Warrell, who had arrived on sabbatical leave from the University of Melbourne, was one of these. He served as the project leader during the initial stages of the project, before returning to Melbourne in April 1976, Peterson taking over his role and responsibilities. Five additional staff members had also been appointed to assist in administrative duties, and various individuals from practice were solicited to provide pro bono services. Together, these 13 members and individual contributors completed the two research stages and produced 18 monographs that were published by the university as part of an inflation accounting research series (Waikato Committee, 1980a; Peterson, 1975).

Chambers was made aware of the Waikato Project in a roundabout way, as he was sent copies of supplementary financial statements, prepared in accordance with COCOA, from three New Zealand companies that were part of the project but had adopted his CAT before the project had begun. Schmitt had hosted a visit by Chambers to the university to speak to the accounting faculty and students about inflation and changing price levels in 1974, but there is no archival evidence to indicate whether the two had discussed the pending project. In fact, one can speculate that Chambers' visit might have been one of the reasons for which the project had been conceived, about a year after the visit, but there is no direct archival evidence of this either.[358]

During the same trip, Chambers visited Wellington, where he met the financial controller of Challenge Corporation, a conglomerate invested in various industries that had plans to begin preparing supplementary financial statements in accordance with COCOA.[359] The financial controller had resorted to this, as he had feared that taxation levied on the company's inflated profits was eroding its capital. The supplementary financial statements for 1974 were issued in November and six copies were mailed to Chambers. The financial controller noted proudly that his company was the first public company to issue official financial statements in accordance with COCOA.[360] Chambers was pleased with the results and added that the adoption of COCOA, in such a diverse conglomerate, had reinforced his beliefs that its implementation was feasible and not at all impractical. The following year was going to be even more interesting, he continued, as year-on-year figures would be available for comparison.[361]

Zeff contacted Chambers about a similar matter in January 1975.[362] He had heard that two other companies in New Zealand had begun preparing supplementary financial statements in accordance with COCOA. These were Haywright Limited, a department store partially owned by the Challenge Corporation, and Skellerup Industries Limited, another conglomerate that invested in various manufacturing industries, such as rubber. Zeff had not yet seen the actual financial statements, but knew that these two companies had their headquarters in Christchurch. Chambers

[358] DOI:10.USA P202/1/04241
[359] M. Gaffikin, interview, 17 September 2012.
[360] DOI:10.USA P202/2/09310
[361] DOI:10.USA P202/2/09311
[362] DOI:10.USA P202/1/04549; 04551

used this information to contact a colleague at the University of Canterbury, in Christchurch, who retrieved the financial statements and sent them to him.[363] In 1976, Zeff would send Chambers financial statements prepared in accordance with COCOA from two additional companies, which were then already participating in the Waikato Project.[364]

Chambers received official notice of the Waikato Project, as well as a booklet that was used as promotional material, in a letter from Peterson in November.[365] Peterson noted that various parties had expressed interest in the project and that it was now a case of waiting to see whether Schmitt could raise the necessary funds. Chambers replied the same month, wishing the project success and offering his assistance in the preparation of financial statements in accordance with COCOA.[366] The way forward was for practical men to do something; he had planned a similar project in Australia but had been hampered by the financial industry in Sydney, which tended to lure away any potential research assistants for such a project. Schmitt contacted Chambers in December 1975, confirming that he had now been able to raise the necessary funds and that the Waikato Project would go ahead.[367]

First research stage: preparation of financial statements.

The first stage of the Waikato Project involved the conversion of the companies' financial statements of 1975 and the planned version of the financial statements of 1976 and 1977 in accordance with CPPA, CCA and COCOA. This began with the preparation of manuals, listing principles and rules, and work manuals, with pre-made work forms, for each CAT. David Emanuel, a staff member at the University of Auckland, prepared the CPPA manual (1976) and contributed to the work manual (Adams et al., 1976). CPPA retained dated entry prices from conventional financial reporting practices but used a price index to adjust the dated dollars to purchasing power units. The manual contained the general instructions for this conversion process. The work manual contained detailed step-by-step guidelines and pre-made work forms that could be used to apply the manual's general

[363] DOI:10.USA P202/1/04510; 04511; 04512; 04552
[364] These two companies were Firth Industries and Midland Coachlines (DOI:10.USA P202/1/04731; 04733).
[365] DOI:10.USA P202/4/10042
[366] DOI:10.USA P202/4/10042
[367] DOI:10.USA P202/1/04956

instructions. Both the manual and the work manual closely followed the guidelines proposed in an earlier exposure draft issued by the NSZA (1975) and the ICAEW's two volume working guide (1974) on inflation accounting.

Alan Hume, an accounting practitioner at Fletcher Holdings Limited, prepared the CCA manual (1976a) and statistical supplements (e.g., 1976b; 1977). The CCA manual included both the principles and rules found in the general manuals and the practical examples found in the work manuals. The CCA manual closely followed the Sandilands Committee's version of CCA, which emphasised current entry prices and the "value to the owner" concept. The statistical supplements compiled current market data relevant to the preparation of financial statements in accordance to the three CATs under consideration. The government department of statistics, the Stock Exchange Association and a private company had supplied much of this data, such as the current CPI and prices for land, buildings, plants, vehicles and publicly listed securities. For those participating companies that were preparing their financial statements in accordance with COCOA, the CPI would have been used to calculate the maintenance adjustment. The statistical supplements would have been used to retrieve current exit prices for assets that were traded on markets, such as vehicles. Current exit prices for assets that were not actively traded on markets had to be retrieved elsewhere. Some potential sources for this data were referenced in the statistical supplement.

Allen Craswell, from the University of Sydney, prepared the COCOA manual (1976a) and work manual (1976b). He had completed his doctoral studies in accounting at the same university and had begun work as a lecturer in accounting in November 1972. He now taught in one of their master's and professional development programmes together with Chambers.[368] Schmitt had been in contact with Craswell sometime after Chambers had passed around the promotional material for the Waikato Project that had been sent to him in December 1975.[369] Chambers also visited the University of Waikato to discuss the project in 1977.[370] Given this background, it seems likely that Chambers would have had substantial influence and input in the preparation of these two manuals.

[368] DOI:10.USA P202/1/03820
[369] DOI:10.USA P202/1/04634; /4/10070
[370] DOI:10.USA P202/1/05171

The manual stipulated four general rules for companies to follow when preparing their financial statements in accordance with COCOA. These rules involved the measurement of assets at their CCE and of liabilities at their contractual amount as well as the creation of a price variation adjustment account and a capital maintenance adjustment account. To follow these rules, eleven steps had to be applied during the conversion process. The first six steps were only necessary in the initial conversion from conventional financial statements to financial statements prepared in accordance with COCOA. This left steps seven to eleven to be applied in subsequent years.

The work manual compiled pre-made work forms that could be used to operationalise the rules and steps found in the manual. A large section was also dedicated to the process of approximating the CCE for various items, such as plant, equipment, vehicles, land, building and inventories. This did not follow Chambers' current thinking on COCOA, but it is possible that it was included because Craswell anticipated that some companies would be reluctant to assign zero values to some items that did not have active markets and therefore no current exit prices. Otherwise, both the manual and the work manual followed *AE&EB* and Chambers' final reply (1970) to the ensuing critical articles and reviews. Chambers' self-published unofficial inflation exposure draft was also reproduced in the appendix to the manual.

Once the manuals had been prepared, Waikato Project staff members were trained to present this material to participating companies. Training programmes and workshops were then held for participants at different locations and occasional on-the-spot consultation and training sessions were held at the offices of the participating companies. It also so happened that, during the same time, NZSA were holding continuing education programmes on inflation accounting for their members that included seminars on CPPA and CCA but not COCOA (Peterson & Kestle, 1978). The project staff therefore coordinated some of the training programmes and workshops on CPPA and CCA with the NZSA and their continuing education programmes.

Several different parties carried out the conversion process of conventional financial statements to CPPA, CCA and COCOA. Large companies and organisations had their internal accounting personnel prepare the accounts. Fifty-nine participating small businesses and farmers had their accounts prepared by eight accounting firms that had volunteered to provide their services free. Some small participating companies also had their accounts prepared by staff from the project. Nonetheless, even with this assistance, the considerable commitment of time and resources required to convert these financial statements proved too great for some companies, which failed to convert some, or all, of their 1975 to 1978 financial statements (Peterson & Kestle, 1978).

For those participants that managed to convert all, or some, of their 1975 to 1978 financial statements, several accounting firms conducted pro-bono audits. The purpose of these audits was not to provide an impression on whether the financial statements presented a true and fair view of the participants' financial position; it was to check the consistent application of the manuals and to offer some insights on some of the potential difficulties that might arise in auditing financial statements prepared in this way. Several auditors were particularly critical of CCA. They felt that current entry prices were too subjective and the "value to the owner" concept too ambiguous. Other auditors were critical of the application of a price index in CPPA. There was therefore a consensus that it would be hard to render a meaningful audit opinion on financial statements that had been prepared in accordance with either CCA or CPPA. COCOA did not receive the same amount of criticism, but there was a second consensus that, to be properly audited, significant changes would have to be made to record-keeping procedures for financial statements prepared in accordance with COCOA and CCA.

The Richardson Committee intervenes.

In 1975, around the same time at which the decision to subsidise the funding of the Waikato Project had been made, the New Zealand government had decided to form a committee of inquiry into inflation accounting (hereafter the Richardson Committee). Ivor Richardson, a prominent jurist and legal scholar, was appointed as the chair and another five individuals were appointed to the committee. Similarly to the Sandilands Committee, none of the members of the Richardson Committee were familiar with inflation accounting issues and changing price levels, but they were nonetheless commissioned to write a report on how to account for such things both for financial reporting and tax purposes.

The first research stage of the Waikato Project had been underway for about a year, when the Richardson Committee published its report in September 1976. The committee had considered the same three CATs as the project and had settled for a particular version of CCA. CPPA had been rejected because it did not account for specific price changes. COCOA had been rejected because it was too different from current financial reporting practices and because of its mixing of holding gains and operating profit. Financial performance would be hard to determine under such conditions and, because companies seldom sold their non-current assets, it seemed superfluous to the committee to revalue those items for each accounting period. The inclusion of such holding gains in each period could, in turn, erode the companies' capital, as taxes would be calculated on the unrealised gains from holding non-current assets. CCA, on the other hand, used the current entry prices and separated holding gains from operating profit and therefore did not suffer from these weaknesses. The committee also felt current entry prices to be more objective than current exit prices.

The Richardson Committee's endorsement of CCA, before the conclusion of the first research stage, fundamentally altered the direction of the Waikato Project from December 1976 onward. As the participating companies shifted their focus to preparing financial statements in accordance with CCA, the project staff had to respond and resources and time were shifted towards CCA and away from CPPA and COCOA. This shift is evident in circulars sent from Warrell (e.g., 1976a; 1976b), the initial project leader, to participating companies, which refer almost exclusively to the CCA conversion process for financial statements. A summary of the Richardson Committee report was first sent to participants in circular nine. Further assistance and information on the application of CCA began with circular ten and followed with a number of circulars issued thereafter. The first project progress report (Waikato Committee, 1977a) was also dedicated to the Richardson Committee recommendations and the application of CCA.

The shift towards CCA is also evident in the inflation accounting research series. After the Richardson Committee had issued its report, seven of the subsequent monographs focused exclusively on CCA. The first to be published were additional guidelines (Waikato Committee, 1977b) and a working manual (Peterson, Winfield, Khoo, & Rees, 1980) that followed the Richardson Committee's recommendations more closely and supplemented Hume's initial CCA manual. These were followed by a book of readings on the participating companies' experience in preparing financial statements in accordance with CCA (Waikato Committee, 1980b).[371] The remaining four monographs focused on particular CCA issues, such as the recognition of gains

[371] It is interesting to note that Gynther was one of the proponents for CCA and contributed to this publication.

and losses on monetary items (Winfield, 1980), audits (R. F. Day & Donald, 1980), consolidation (Dixon & Tan, 1981), and the distinction between financial and physical capital (Sterling, 1981).[372]

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Trevor Johnston, who had kept some contact with Chambers since his doctoral studies at Cambridge University, prepared a monograph (1978) that was the exception to this rule. The monograph was published after the Richardson Committee recommendations but did not focus exclusively on CCA. Johnston's area of expertise was in law and the monograph focused on the legal implications of inflation accounting and the three CATs. Firstly, Johnston considered to what degree the replacement of conventional financial reporting practices with one of the three alternative CATs would comply with the Companies Act in presenting a true and fair view of a company's affairs. Secondly, he considered to what degree supplementary financial statements prepared in accordance with one of the three alternative CATs could complement conventional financial statements to give a truer and fairer view of a company's affairs. He also noted that there were no easy answers to either question, as the proper interpretation of "a true and fair view" and whether the use of dated entry prices could inform such a view was highly contested in the literature.

With regard to the first consideration and notwithstanding the variations in the interpretation of "a true and fair view", Johnston found financial statements prepared in accordance with COCOA to be wanting. If the interpretation meant that any CAT had to comply with currently accepted financial reporting practices, none of the three CATs would do. Johnston, however, still found COCOA wanting even if the interpretation was taken more liberally. Out of the three CATs, Chambers' focus on adaptation made COCOA the least compatible with Johnston's interpretation of "a true and fair view". Johnston also raised doubts similar to those of the Richardson Committee; he felt that mixing holding gains and operating profit distorted the financial performance of companies and would therefore not be compatible with any possible interpretation of "a true and fair view". This was the opposite conclusion to

[372] Sterling was then a visiting accounting professor at the University of Auckland and had received financial support to write the monograph from the Winspear Foundation and the University of Alberta.

the one that Chambers had reached in *S&O*, where he had redrafted the Australian Companies Act with seemingly modest changes in order to implement COCOA.

Second research stage: evaluation of financial statements.

The focus of the Waikato Project's second research stage was to derive lessons and insights from the experience of participants in applying CCA, CPPA and COCOA. The beginning of the second stage was marked by the publication of the second project progress report (Waikato Committee, 1977c) in November 1977. In the report, the three CATs were reviewed in terms of their interpretation, implementation and effects on financial statements. The first section covered the difficulties that the project staff had encountered when interpreting the three CATs and when designing manuals and work manuals for the participants. The second section covered the difficulties that the participants had encountered when using these manuals to convert their financial statements. The third section covered the effects of this conversion process on the financial statements of participating companies, small businesses and farms. A survey sent to all participants augmented the observations and findings made by the project staff.

Additional regional meetings were then held between project staff and representatives from participating companies, accounting firms and organisations to discuss their experience in converting their financial statements in accordance with CCA, CPPA and COCOA (Warrell, 1977a; 1977b). These meetings were held in Hamilton, Auckland, Wellington, Christchurch and Dunedin, where several of the participants had arranged for the venues. For example, whereas the Hamilton meeting had been held at the University of Waikato, some of the participating practitioners had arranged for the Auckland meeting to be held at the Auckland Club (now the Northern Club). This club had been established in 1869, in the tradition of exclusive gentlemen's clubs throughout the British Empire, and its membership was reserved to the professional and political elite.

In terms of interpretation, the project staff had found COCOA to be the most consistent CAT overall and the one with the least amount of internal contradictions. The few interpretational issues that had been encountered during the preparation of the manual and of the work manual were related to sunk costs, aggregation of assets, determining the short-run and the calculation of estimates. The first issue, the allocation of sunk cost, had been the exception to COCOA's otherwise allocation-free approach. This had to do with the decision on whether to charge the difference between the purchase price (current entry price) and the selling price (current exit price) of assets with no resale market as a sunk cost against capital or as a price variation against profit at the date of purchase. This point turned on the concern regarding immediate differences in the current entry and exit price of purchased assets, which Baxter (1967), Solomons (1966), and others had already raised in the debate that followed the publication of *AE&EB* (chapter seven).

The second and third issues – the aggregation problem and timing of the short-run – had to do with the determination of the proper CCE of assets. The project staff raised the same issues that Vickrey (1975), Larson and Schattke (1966; 1975) had about the additive properties of CCE (chapter seven). Different compositions of assets could yield different current exit prices, which meant that some rule had to be established to determine which compositions of assets should be used when calculating the current exit price of assets. The timing of the sale could also have an influence on the CCE of these assets. An asset that had to be sold immediately would presumably yield a lower current exit price than one that could be sold over a period. Chambers had avoided this issue by focusing on a *point in time* in *AE&EB*, but this did little to aid the project staff in determining what the proper period for asset disposal should be. Wright (1967) and Iselin (1971) had expressed the same concern in their article on *AE&EB* (chapter seven).

The fourth issue – the calculation of estimates – had been encountered when calculating current assets as well as current and non-current liabilities. In accordance with COCOA, no calculations are to be made on the asset side to estimate such items as provision for doubtful accounts (for accounts receivable) and discounts allowable. There are also no calculations on the liabilities side to estimate such items as outstanding warranties, pending long-service leave and retirement obligations. This removed some complexity from the financial statement conversion process, but the project staff felt that it was difficult to reconcile the absence of calculating these estimates with the goal of measuring a company's ability to adapt to the environment and changing economic circumstances. The lack of estimates meant that assets would be overstated, as items such as accounts receivable were unlikely to be collected in full, and liabilities would be understated, as items such as outstanding warranties would be excluded from current liabilities.

In terms of implementation, the project staff had found COCOA to present the least amount of conversion issues. The absence of separation between holding gains and operating profit was the primary reason for this, as attempts to do so under CCA and CPPA had presented various obstacles and ambiguities. However, the project staff had still faced two broad but not insurmountable conversion problems. The first came from the retrospective adoption of COCOA in 1975. Conventional company accounting records lacked the necessary data, such as the current exit price, for most of the assets. On some occasions, these records also lacked the conventional accounting information that one would expect to find, such as the proceeds from the sale of non-current assets. This meant that much of the initial exit price data had to be collected by hand from the statistical supplements and external sources.

The second issue came back to the problems the staff had encountered when trying to interpret and establish rules to determine the CCE of assets. The interpretation of the short-run had been a problem for several participants. Project staff had also found it difficult to convince participants to value non-current assets without a resale market at zero or at their scrap value, when the same assets operated well and fulfilled the function for which the company had purchased them. This seems to indicate that the concept of adaptation might not have been fully understood by several of the participants.

In terms of the effect on the financial statements of participating companies, the project staff cautioned that relatively few of these participants had chosen to implement COCOA. Furthermore, those participants that had had tended to make arbitrary assumptions about the current exit prices of their non-current assets without a resale market. This often meant valuing those assets at 90 per cent of their dated entry price, a treatment that differed significantly from Chambers' intentions to have those assets valued at zero or at their scrap value.

For those participants who had chosen to convert their financial statements in accordance with COCOA, there were substantial effects on their assets and overall financial performance. The current exit price of specialised plant and equipment tended to be much lower than its dated entry price. The same was true for several investments. This led to a downward valuation of non-current assets for most participants. The current exit price of completed inventories, however, tended to be much higher than their dated entry price. This led to a dramatic increase in current assets and profit for companies that held a large amount of inventory. For some participants, this increase was partially offset by the revaluation of work-in-progress and raw materials to their current exit price, which tended to be much lower than their dated entry one. The overall effect was significant for most participants, but there were no generalisable trends.

For those participants that experienced a significant net downward revaluation of total assets, the results tended to cascade to their overall financial performance. The loss in total asset values resulted in the owner's equity being often reduced to a negligible amount. On the downside, this meant that participants tended to not have enough assets to cover their obligations and would therefore fail to meet various target liability ratios. On the upside, these lower total asset values meant that other investment ratios of the participants, such as their return on assets, improved.

The results of the survey seemed to reflect the general observations made by the project staff in terms of interpretation and implementation issues. The participants had found the manuals on COCOA, which had been prepared by Craswell, to be easier to understand than those prepared on CPPA and CCA. Due to this, the participants had also found it easier to convert financial statements in accordance with COCOA than in accordance with CPPA and CCA. COCOA and CPPA were also equal best in terms of ease in obtaining the necessary data to prepare these financial statements.

The results of the survey on the desirability of the effects on the financial statements prepared in accordance with COCOA, CPPA and CCA showed quite different results. COCOA fared much worse here; the project staff noting that there seemed to be a systematic bias against this particular CAT among participants. Where this bias came from and how the staff reached this conclusion is not disclosed in the second project progress report, but one can speculate that it emerged in correspondence with participants or during the training courses and workshops. In the survey, participants had been asked to score each CAT in terms of the desirability of their effects on the financial statements, taxation and price controls. Only three participants preferred COCOA for financial statement purposes. Two preferred it for taxation purposes. None preferred it for price control purposes. This put COCOA firmly behind CCA, which had been preferred for various purposes among 56 participants, and ahead of CPPA, which had been preferred by only one participant for price control purposes.

The second research stage was effectively concluded with the presentation (Peterson & Kestle, 1978) of the third research report during a conference in 1978. The third report summarised the experience of the project staff from the first and second research stages. It noted that there had been significant obstacles in gathering data from participants and that this had become even more difficult after the Richardson Committee had issued its report on CCA. Nonetheless, there were still plans for the project to proceed. What was left for the second research stage was to create a database from all the participant information to estimate the effects of the conversion process on the country's national accounts. The project would continue to publish monographs for some years, but it appears that it had otherwise run out of steam and there is no evidence that such a database was created.

Chambers had been vicariously associated with the Waikato Project, through his visit to the University of Waikato in 1974 and Craswell's participation in the project, but he had not been a leading figure in getting the enterprise underway. Even so, in the course of the project, the preparation of supplementary financial statements in accordance with COCOA had arguably been a success. Additivity issues aside, the project staff had found COCOA to be more consistent and present fewer conversion issues than both CCA and CPPA. Participants had found Craswell's manual and work manual on COCOA the easiest material to understand. The Richardson Committee's issuance of their report in favour of CCA, however, led to a situation where there was a systemic bias against COCOA. This had been evidenced both in the survey results and by the relatively few companies that chose to prepare supplementary financial statements in accordance with Chambers' CAT. This meant that when the Waikato Project discontinued, the few New Zealand companies that were still preparing supplementary financial statements were doing so exclusively in accordance with CCA.

A Simplified Taxi Company

The third instance of COCOA adoption was a research experiment carried out in 1978 on the application of different CATs. The events that had led to this had been set in motion in 1974, with the establishment of ARIA, the Accounting Researchers International Association (for more on the history of ARIA, see Dean et al., 2011). The aim of ARIA was to create a selective forum in which leading accounting academics could discuss serious accounting issues, such as CATs and efforts to improve conventional financial reporting practices. Robert Sterling was the founding president and Staubus, Ijiri and Arthur Thomas were the founding members (they were referred to as fellows). Chambers had been the first, outside of the founding members, to be offered membership in September 1974.

Sterling sent a letter to Chambers and another 12 ARIA fellows in February 1977. He had then been informed that he had received funding for an accounting research project, and wanted to solicit submissions to it. Each contributor would be paid a $1,000 commission and be allowed to present the paper at a summer symposium at Rice University. Sterling had chosen this particular university as he had been appointed founding Dean for the newly established Jesse H. Jones Graduate School of Administration the previous year. Each contribution would then be compiled into a book (1979) that was to be published by Sterling's own company, the Scholars Book Company. Furthermore, Thomas had agreed to help edit the book and Ross Skinner, a partner in a Canadian accounting firm and the first ARIA fellow from practice, had agreed to evaluate these contributions and write a broad response to be published in the same book.[373] Skinner had been selected for this task because he was a practitioner and therefore would be in a better position to evaluate the CATs from a more practical perspective.

The accounting research project that Sterling had in mind called for each contributor to examine a simplified and fictitious company of his making, and then make specific recommendations as to how to account for it both internally and externally. These simplified fictitious companies should be firms that produced perishable goods from what Sterling described as a common producer's good, such as an airline, a bus service or a taxi company. An airline, for instance, uses a producer's good, airplanes, and produces a service for perishable goods, seats, which expire after lift-off. These firms should only have three categories of items on their balance sheet and three categories of items on their income statement. These were to be cash, the producer's goods and the owner's equity on the balance sheet; and cash revenue from the sale of perishable goods, cash expenses and the depreciation of the producer's goods on the income statement. The cash flow statement should only contain two

[373] DOI:10.USA P202/2/09501. The letter contains multiple letters.

items: cash received from the sale of perishable goods and cash paid out in expenses.[374]

Sterling referred to this exercise of looking at a specific type of firm operating in a specific market under specific conditions as the careful specification of the firm model. Each contributor would first have to deal with the simplified fictitious company in accordance with these specifications and, after these had been met, each contributor could choose to complicate matters by, for instance, introducing intangible assets, multiple years and price changes. Contributors would be free to choose their own criteria and form of argument, but each submission would have to be written in such a way to be accessible to both practitioners and graduate students. As such, mathematical proofs and specialised jargon had to be explained in plain words. The bibliographical details would have to follow those used in *TAR*.[375]

Sterling (1979) believed that the careful specification of the firm model could, over time, tease out fundamental areas of consensus on CATs. Because he was well versed in the history of science, Sterling knew that this approach was similar to those that had led to breakthroughs in other scientific fields. In other words, he believed that, rather than the knee-jerk reaction hitherto common among academics faced with complex problems from accounting practice, it was far more likely that fundamental breakthroughs would come from the careful simplification of seemingly mundane accounting problems. Sterling referred to Aristotle's concern with falling objects as an example of this approach. In that case, the breakthrough had not come until Galileo had simplified Aristotle's problem, considering objects falling in a vacuum. This had led to Galileo's principle of inertia, which later became the subject of Newton's first law of motion.[376]

Sterling sent another letter to Chambers and to the other 12 ARIA fellows a few days later. Only three of the nine fellows who had responded to his previous letter had committed to making a contribution to his simplified firm model. He now wondered whether a deadline extended to sometime in the autumn would enable some of the other fellows to also commit to making a contribution. Chambers replied that the reason he had not responded to the initial letter was that he thought that it had been sent out to him by mistake. The $1,000 commission would not even cover the

[374] DOI:10.USA P202/2/09501
[375] DOI:10.USA P202/2/09501
[376] DOI:10.USA P202/2/09501

flight from Sydney, Australia, to Houston, Texas, to present at the symposium. Nonetheless, Chambers felt eager to try and prepare Sterling's fictitious company's financial statements in accordance with COCOA and wondered whether Sterling would be interested in his contribution even if he would not be able attend the symposium. Some letters seem to be missing from the correspondence that followed this offer, but it appears that Sterling welcomed Chambers' contribution and made arrangements for him to attend and present at the symposium. Sterling sent out a final letter in March, thanking Chambers, Ijiri, Thomas and two other fellows who had committed to submitting contributions.[377]

Sterling sent out further specifications for his fictitious company after a specific request from Thomas and two other ARIA fellows. He had now settled for a taxi company, with fully owned automobiles as its only tangible asset. These automobiles were to be of the Dodge Autos kind, which he noted had been popular some years before; the current entry and exit prices of which could therefore be found listed in a fictitious *Blue Book* for wholesale and retail car prices. The wholesale price was split into three categories based upon the condition of the car: above average, average and rough. The company did not own a garage or hire mechanics; repairs were carried out by a dealership. Gasoline, oil, tyres and other necessities were purchased as needed. Furthermore, all the company's taxi drivers worked on a straight commission basis. The drivers reported the fares they had collected, which were then netted against their meters, and they were paid immediately. All revenues received from these activities were in cash. The company held no debt and the company stock was traded on an organised exchange.[378]

Chambers sent his 25-page contribution to Sterling in May. Thomas then revised it slightly for typographical errors but otherwise left it unaltered. Chambers had first considered the simplified taxi company according to Sterling's specifications. He had prepared the 19X1 financial statements in accordance with COCOA, narrating in first-person from the perspective of the company manager-accountant. He had chosen to focus on the manager-accountant, instead of the owner manager, to avoid

[377] DOI:10.USA P202/2/09501
[378] DOI:10.USA P202/2/09501

speculating about his or her future intentions for the company.[379] The current exit prices for the automobiles had been retrieved from the fictitious *Blue Book*.[380]

Chambers had then prepared the 19X2, 19X3, 19X4 and 19X5 financial statements relaxing some of Sterling's initial specifications. Each year, he then introduced a series of specific and general price changes. The inclusion of specific price changes caused by changes in supply and demand, and general price changes (i.e. inflation) was not surprising but effective – Chambers had, after all, been dealing with issues of inflation since the 1940s. The preparation of multiple statements and the different price changes helped Chambers demonstrate how the financial statements prepared in accordance with COCOA provided a continuous and cumulative record of the financial effects of operations and of the environment and how such a record measured the company's ability to adapt to changing economic circumstances.[381]

The symposium was held in May 1978. Sterling had then solicited 12 more contributions from accounting academics and practitioners, in addition to the five from ARIA fellows. These contributions were divided into five categories in the book compilation. There were four contributions each for CATs based on cash flows, current entry prices and mixed measurement methods, three for CATs based on dated entry prices and two for CATs based on current exit prices. Lane Collins and Theodore Mock had contributed the second CAT based on current exit prices. In addition to the ARIA fellows, Chambers already knew several of the contributors and participants, such as Stamp, Mattessich and Sidney Davidson. A number of Chambers' critics were also in attendance.

A who's-who of accounting academia attended the symposium, but little was accomplished during the proceedings. Sterling had hoped that the 17 submissions on his taxi company exercise would bring about agreement among participants on some aspects of CATs, but this had not been the case. Skinner's presentation and written reflection on the 17 submissions had also been disappointing. Both Thomas and Stamp had taken issue with his comments, which they felt dismissed Chambers' contribution out-of-hand, demolished Thomas's and completely ignored Stamp's.

[379] Notice that Chambers is referring to someone internal to the firm, rather than someone external such as an investor.
[380] DOI:10.USA P202/2/09501
[381] DOI:10.USA P202/2/09501

Thomas expressed this disappointment in a letter to Sterling after the conference, paraphrasing Stamp's sentiment about it having felt like "…the headmaster has reported and the three of us have been sent down."[382]

Before the book was published, Stamp wanted Skinner to edit his reflections, which had been written in a letter sent after the conference in June. Skinner had not made his criticism known before presenting his final remarks and, as a result, there had been no opportunity to debate the matter. That he had ignored Stamp's contribution in his final remarks was also curious, as Stamp himself recalled Skinner stating, during the proceedings, that his had been an excellent contribution. Stamp concluded by likening Skinner's treatment of his, Thomas's and Chambers' contributions to receiving a bad debt. He and the other contributors had laboured for hours on their submissions and had travelled great distances to attend the symposium, but Skinner had failed to seriously evaluate their work.[383]

Skinner replied to Stamp the same month, carbon copies of the reply being sent to Thomas and Chambers. Skinner defended his reflections; he stated that he had not raised his criticisms of the contributions before his final remarks because he had wanted to leave room to others for discussion. Synthesising 17 contributions had also been difficult and it was possible that this had caused him to fail to address individual contributions to the extent that they deserved. Stamp's contribution had, however, been mentioned in his printed reflections but he had not been able to address it in his closing remarks. He had no intention of changing his reflections on Thomas's contribution, but he did not mind if Thomas wrote a reply to them. As for his criticism of Chambers' contribution, which centred on problems of aggregation in the determination of the CCE of assets (i.e., the additivity problem), he felt that Chambers had already replied to his criticism in the literature and that no further discussion on the matter was needed.

Chambers expressed his own disappointment in a letter to Sterling in June. Sterling's exercise for the consideration of a specified firm model had been excellent. Had the contributors sat down and prepared the financial statements for the taxi company in accordance with Sterling's specifications, there would certainly have been opportunities to arrive at some common criteria or areas of agreement on CATs. The participants could then have narrowed down the options from there. Most of the

[382] DOI:10.USA P202/2/09501
[383] DOI:10.USA P202/2/09501

contributors, however, had not approached the firm model according to Sterling's specifications. Several contributors had only given the problem a fleeting treatment and had then quickly proceeded to discuss their own ideas on CATs. The result had been that the participants had not reached a common ground but had instead spent most of the symposium talking past each other. This turn of events had weakened Chambers' conviction that a conclusion on the matter could be reached even in a small group of well-informed men of goodwill. Sterling replied that he agreed with Chambers' remarks and admitted that the outcome had not been the one he had hoped for.[384]

Events unfolded in accordance with Chambers' low expectations. The exercise to examine a simplified and fictitious taxi company had presented another opportunity to create a debate about the adoption and operationalisation of a CAT, but little eventually came from this exercise. Sterling had been careful to give detailed specifications to be adhered to, but most participants had instead chosen to deal with particular aspects of Sterling's exercise. This meant that comparisons between different contributions were difficult and that no consensus about potential properties of CATs emerged. Skinner had also written a critical reflection on these contributions that at best ignored or at worst diminished the potential for the contributors' CATs to be considered for operationalisation and adoption among companies or financial reporting standard setters. The book (Sterling & Thomas, 1979) that was produced from these contributions did therefore not lead to a renewed debate about these issues in the literature and did not strengthen the argument in favour of adopting a CAT.

Conclusion

This chapter continued on the theme of vicarious causation, but it focused on the relation between COCOA and three other entities rather than that between COCOA and financial reporting regulators. Furthermore, unlike the vicarious causation described in chapter six, the first two of these three entities made the decision to prepare financial statements in accordance with COCOA without Chambers' urging them to do so. The first case was McKeown's doctoral dissertation, completed in 1969. He had then applied COCOA to the financial statements of Company X, a medium-sized road construction company from Michigan. This exercise had been

[384] DOI:10.USA P202/2/09501

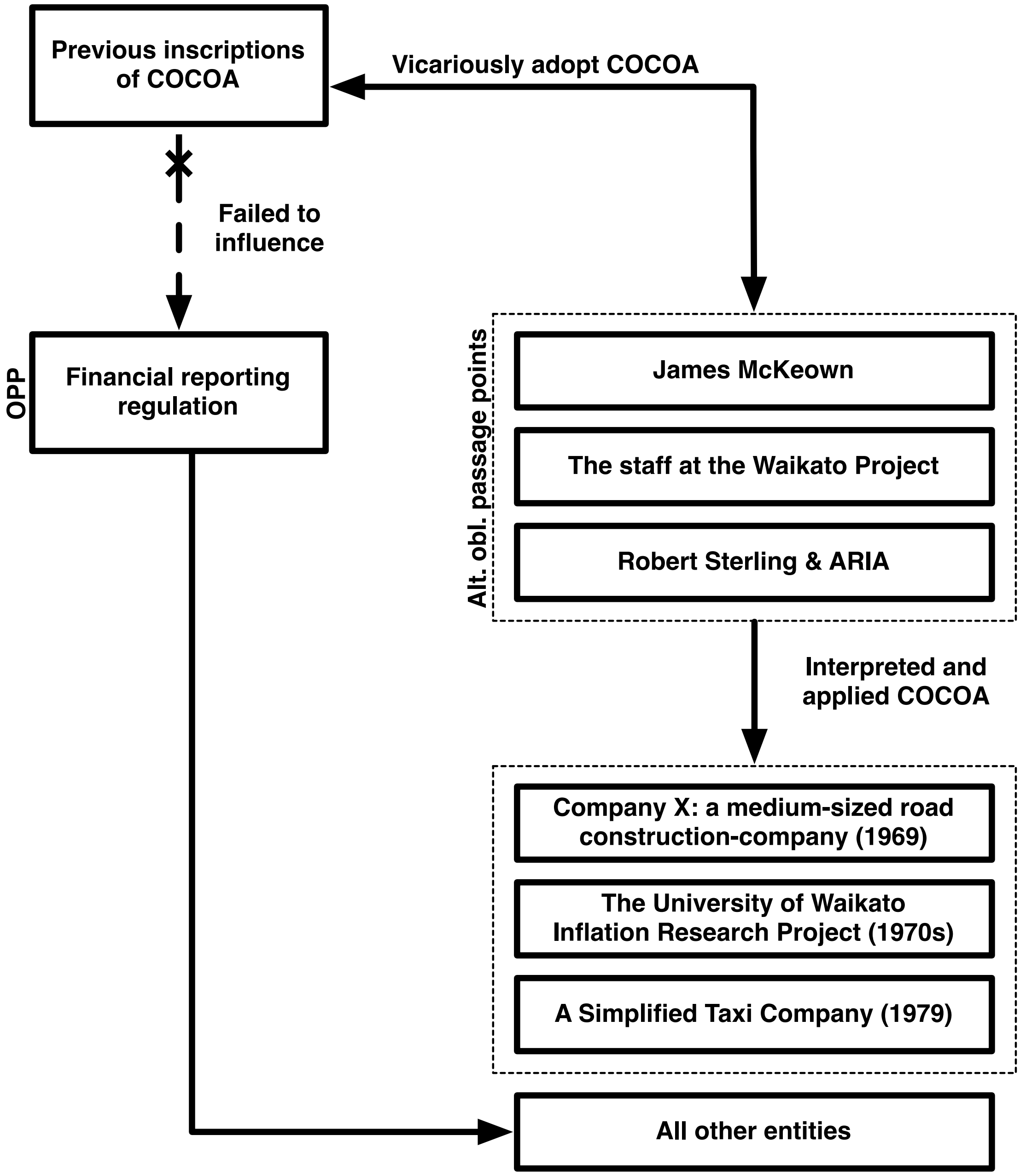
successful and McKeown had concluded that the data necessary to determine current exit prices was readily available, not too expensive to retrieve and that accounts prepared using such data reported asset values that were closer to those found in markets than those reported by dated entry prices. Salmonson had forwarded the dissertation to Chambers for his evaluation, and the latter had been overall pleased with the results.

The second instance was the Waikato Project, which had begun in 1975. The project staff had set out to evaluate COCOA, CPPA and CCA in two broad research stages. The first stage was the conversion of companies' financial statements in accordance to at least one of these three CATs. The second research stage was the examination of the converted financial statements to gain analytical insights and various implications from the conversion process. The purpose of the first and second stages was not so much about crowning the best CAT, but rather to determine their general feasibility, the resources required in the conversion process, whether these resources were readily available and the costs involved in their retrieval. About a year into the first research stage, however, the recommendations from the Richardson Committee shifted resources towards CCA and away from CPPA and COCOA. This meant that, although COCOA had done well both in terms of interpretation and implementation, most participating companies were more interested in preparing their financial statements in accordance with CCA.

The third case was a research experiment carried out in 1978 on the application of different CATs. Sterling had commissioned this experiment, with the careful specification of the firm model, in a letter to ARIA fellows in February 1977. The experiment involved the preparation of financial statements for a taxi company that operated under specific conditions, which Sterling had carefully stipulated beforehand. Chambers had agreed to attempt this experiment together with four other ARIA fellows and 12 other accounting academics and practitioners. Their contributions were then presented at a symposium at Rice University in May 1978. Sterling had hoped that the 17 submissions would result in some agreement among participants on some aspects of CATs, but this did not materialise; and Stamp, Thomas and Chambers expressed their disappointment with the outcome after the conference.

These three cases represent unique situations in which COCOA had been adopted without the need for accounting regulators to change conventional financial reporting practices. It is worth noting that, in the first two of these instances, Chambers was not even aware that financial statements were being prepared in accordance with COCOA until those efforts had been underway for some time. The general conclusion that emerges from these three instances is that it appears quite feasible to use COCOA and other CATs in practice. In none of these instances, however, do we see a lasting effort to prepare financial statements in this way. When the particular dissertation, research project or exercise is concluded, there is a return to conventional financial reporting practices. The result was that, whereas each case strengthened Chambers' arguments in favour of the feasibility of implementing and operationalising COCOA, none of these cases captured the interest of enough accounting professionals, academics, and regulators to renew a debate about CAT implementation. In other words, just because COCOA *could* be implemented did not mean that COCOA *should* be implemented.

DIAGRAM NINE: VICARIOUS ADOPTION BY COMPANIES



CHAPTER TEN: DISCUSSION AND CONCLUSION

This chapter begins with an epilogue that traces the events that followed the 1970s occurrences described in the previous chapter. Chambers' body of work and the institutions left behind after his passing are objects of particular attention. The chapter then presents two discussions on the historical and theoretical implications of the empirical case study that was presented in chapters four to nine. The chapter concludes with a discussion on future possible research areas along lines similar to those of the research programme presented in this dissertation.

Epilogue: Raymond John Chambers and COCOA

Chambers retired and became professor emeritus in 1983. A special issue of *Abacus* was published in December 1982 to mark this occasion. It contained contributions from individuals who knew Chambers well, many of whom have appeared in my narrative, such as Bedford, Mathews, Moonitz, Paton, Thomas and Zeff. Chambers continued to hold visiting appointments at Simon Fraser, Deakin and Monash Universities and published three books and over 30 articles after his retirement. Two of these books were a six volume edited collection of his writings (Chambers & Dean, 1986a; 1986b; 1986c; 1986d; 1986e; 2000) and the first ever accounting thesaurus (1995).[385] Several awards were also bestowed upon Chambers during this time. Most notable of these were honorary doctorates from Newcastle, Wollongong and Deakin Universities and his induction into the Accounting Hall of Fame in 1991.

Chambers continued to be academically active until his death on the 13th of September 1999, due to the complications from a bad fall. He was then only two months shy of his 82nd birthday. Dean (1999), Wolnizer (1999), Gaffikin (1999) and other colleagues published obituaries and tributes after his passing. A festschrift was published in a special issue of *Abacus* in July 2000; this provided an avenue for former students and colleagues to pay tribute to their former colleague and teacher (Barton, 2000; Clarke, 2000; see Dean, 2000; Gaffikin, 2000; Wells, 2000; Wolnizer & Dean, 2000).

[385] Staubus (2003b) has referred to this publication as Chambers' greatest work "…which shows a lifetime of scholarship that is unsurpassed in the accounting field as far as I know."

Chambers did not live to see COCOA adopted in financial reporting practices, and it has yet to be adopted in such practices anywhere in the world. This made Chambers increasingly bitter in the latter part of his life, but he was well versed in the history of science and was aware that scientific breakthroughs in various fields can take decades to be accepted by the larger academic community (e.g., see Chambers, 1980).[386] An early sign of this is perhaps the increased use of fair value measurements, which calls for a current exit price that is similar to what Chambers (1965) had in mind when he coined the term "current cash equivalents". The debate over the practical implementation of fair value measurement (e.g., see Barth, 2010; Dean, 2010; Lennard, 2010; Macve, 2010; Whittington, 2010) also echoes much of the debate around *AE&ER* some 45 years earlier (see chapter seven). Furthermore, his ideas on accounting and COCOA continue to thrive academically through the unprecedented body of his life's work. During his lifetime, he published 14 monographs, 12 books, which were translated into several languages, and over 200 articles. He also wrote some 100 review articles and editorials, gave almost 400 lectures and made over 100 submissions to the press and to public and professional bodies. Most of these items are readily available, while the rarer ones can be retrieved from the Chambers Archive (see chapter three). Several of these items continue to be used in contemporary accounting research (e.g., Clarke et al., 2010; Dean et al., 2011; Dean & Clarke, 2010a).

Chambers' ideas on accounting and COCOA also continue to thrive through his former students and colleagues and the institutions that are now in place to further the accounting issues that were relevant to him (for a list of these, see Clarke et al., 2010). The Accounting Foundation of the University of Sydney administers most of these activities, as the only independent centre for accounting research of its kind in Australia. It was established in 1978, being funded through faculty activities, such as the delivering of ASA educational courses, and contributions from professional firms, such as the endowment of an accounting chair by Arthur Young (later Ernst & Young). The university senate approved its transformation into the Accounting Foundation in August 1982. Chambers, Wells, Clarke and another colleague

[386] This state of mind is reflected in interviews with B. West, S. Gray, G. Dean, and M. Wells, 4-14 September 2012. For some of Chambers' thoughts on these disappointments, see DOI:10.USA P202/1/04486; 05395*;* 05915; 06982; 07106; 07405; 07421; 07631; 07643; 07680; 07685; 08062; 08173; /2/08877

comprised the original council. Ten senior leaders from the business community and senior university academics comprise the council today (Clarke et al., 2010).[387] The foundation now holds in excess of AU$2,500,000 in funds and returns a yearly surplus.[388]

Since its inception, the goal of the Accounting Foundation has been to bridge the gap between accounting research and financial reporting practices. The accomplishment of this goal does not necessarily follow a set agenda, but there are three recurring themes. The first such theme is publishing. The foundation most recently republished six books, including *AE&EB* and *S&O*, as part of their 2006 Sydney Accounting Classics Series; these books are now printed on demand in small quantities through the SUP. The foundation also publishes *Abacus*, which Chambers established in 1965, and sponsors the publication of the *Australian Accounting Review* (*AAR*). *Abacus* is now the fourth oldest international accounting journal in the English language and one of the few top accounting journals that still welcomes contributions on CATs, accounting measurements and other theoretical issues that Chambers would have deemed relevant (for more about *Abacus*, see Wells, 2000). *AAR*, on the other hand, has positioned itself at the crossroads between accounting academia and practice, and it is often referred to in practitioner forums.[389]

The second theme is the provision of forums to bring together accounting academics and practitioners. To further these goals, the Accounting Foundation administers both the Pacioli Society and the R. J. Chambers Memorial Research Lecture and Dinner (for more on these, see Clarke et al., 2010). Chambers established the Pacioli Society in 1968 to provide a platform for professional and academic viewpoints on accounting, finance and business matters. The society now holds several small seminars and up to four larger meetings each year. A keynote speaker or a discussion panel from academia or practice is invited to each meeting. The society also operates a visiting scholar programme, which invites a number of academics each

[387] Accounting Foundation. (2013, March). About the Foundation. *University of Sydney Business School*. Retrieved March 2013, from http://sydney.edu.au/business/AF

[388] Accounting Foundation. (2010, March). Accounting Foundation Annual Report. *University of Sydney Business School*. Retrieved March 2013, from http://sydney.edu.au/business/AF/publications/annual_reports

[389] Accounting Foundation. (2011, July). Publications & Products. *University of Sydney Business School*. Retrieved March 2013, from http://sydney.edu.au/business/AF/publications

year. Richard Laughlin, John Richard Edwards and Geoffrey Whittington are some of the academics that have benefited from this programme. The memorial lecture was established a few years later as one of the first initiatives following the senate's approval of the creation of the Accounting Foundation. Every few years, a keynote speaker is invited to address a large audience of accounting practitioners and academics over dinner. Sterling was the first to give the memorial lecture in 1985, and academics such as Foster, Peasnell and the Nobel Prize winning economist, Daniel Kahneman, have given it since. Sir David Tweedie gave the most recent memorial lecture in August 2012 and, as a visitor to the university, I was fortunate enough to be in attendance.[390]

The third theme is the provision of financial support for research activities and research resources. Beginning in 2002, the Accounting Foundation co-sponsored the creation of the Chambers Archive and offers yearly scholarships for the study and research of accounting (see chapter three). As such, the foundation finances the R. J. Chambers Doctoral and Honour Scholarships. The doctoral scholarship provides one-year funding to enable recipients to accelerate the completion of their doctoral dissertations. Due to other resources being available within the university, however, this scholarship has been suspended since 2006. The honours scholarship continues to be offered to undergraduates completing their fourth honours year in accounting. In addition, the foundation began offering the Sterling Distinguished Honours Scholarship in Accounting in 2006. This scholarship was established after a generous donation from Sterling that was matched by the university. The scholarship is offered for the study of accounting measurements and of the usefulness of accounting measurements for financial decision-making.[391]

In a very real sense, the combination of these things – the activities at the Accounting Foundation, Chambers' life's work, and former students and colleagues – means that Chambers continues to exercise considerable influence on the academic accounting debate from "beyond the grave". Since Chambers' passing in September 1999 and the date of writing, *AE&EB* (1966a) and *S&O* (1973a) have been cited 381

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[390] Accounting Foundation. (2012, July). The R. J. Chambers Memorial Research Lecture & Dinner. *University of Sydney Business School*. Retrieved March 2013, from http://sydney.edu.au/business/chambers/lecture

[391] Accounting Foundation. (2010, March). Accounting Foundation Annual Report. *University of Sydney Business School*. Retrieved March 2013, from http://sydney.edu.au/business/AF/publications/annual_reports

and 30 times respectively. The ASA monograph (1961) and the blueprint article (1955a) have been cited 19 and 49 times respectively. It is also probable that there will be a special issue of *Abacus* dedicated to Chambers to mark the 50th anniversary of the journal in 2015, and another special issue might be planned to mark the 50th anniversary of *AE&EB* in 2016. My own doctoral dissertation is therefore just one piece of a continued stream of research that continues to be influenced by Chambers' life and ideas.

Historical Implications

This dissertation has performed an exploratory study of the gap between accounting research and financial reporting practices. The fundamental issue is that CATs have been largely disregarded in the formation of financial reporting practices (chapter one). To understand why this should be, the thesis studied COCOA through the lens of a hyperbolic reading of ANT (chapter two). The thesis used a single case-study approach that traced how Chambers developed what was to become COCOA throughout his life. Archival data and interviews, as well as primary and secondary literature, informed the empirical narrative (chapter three), which focused on six distinct episodes: the publication of Chambers' first international academic article in 1955 (chapter four), the debate and events that followed it (chapter five), the attempts to influence financial reporting practices in the US in the 1960s (chapter six), the publication of Chambers' most comprehensive statement on COCOA in 1966 (chapter seven), further attempts to influence financial reporting practices in the US, the UK and Australia in the 1970s (chapter eight), and three instances in which financial statements were prepared in accordance with COCOA in the 1970s (chapter nine).

Throughout the empirical chapters, I have attempted to emphasise the diversity of actors involved in Chambers' struggles by not privileging between people, institutions or other objects. My insistence on both biographical details for the humans and background details for the non-humans that crossed Chambers' path comes from this attempt at symmetrical analysis. Biographical details of actors such as Bray (chapter four), Littleton (chapter five) and Moonitz (chapter six) as well as background information of other entities such as SS Arcadia (chapter five), Cheshire Publishing (chapter eight) and a medium-sized road construction-company (chapter nine) are therefore intermingled in the same narrative. What emerges from this attempt is a nuanced narrative about Chambers' CAT that is filled with actors not normally associated with accounting research, who nonetheless turn out to be vital to the success or failure of COCOA.

I want to draw two broad conclusions from this narrative. The first comes back to the discussion about the relevance of Kuhn and the sociology of scientific knowledge to the understanding of the gap between accounting research and financial reporting practices (chapter one). To me, the narrative demonstrates that the question is often not whether a particular CAT is more or less consistent with current research paradigms or presents more or less rigorous ideas than the alternatives, as Kuhn would have us believe. The question is rather whether a particular CAT has the right alliances. Consider, for example, Chambers' attempt to influence the inflation accounting debate in the 1970s (chapter eight). I argue that his failure to do so did not come from some flaw inherent in the ideas presented in *S&O*. It came from a collective failure of Cheshire Publishing and Gower Press to advertise, distribute and print *S&O* in paperback format in accordance with Chambers' specifications. This meant that Chambers' ideas were not "out there" at the strategically ideal time, and hence Chambers was unable to have the influence on the inflation accounting debate that his ideas perhaps merited. Counterfactually, had Penguin Books published *S&O* in the UK in the early 1970s, Chambers would have had a stronger reputation (and possibly acquired local champions) in the UK, so that the Sandilands Committee would have found it more difficult to brush him off in the way that the Committee's report did. Chambers does not appear oblivious to the importance of factors such as these and, through the six empirical chapters, we therefore observe him putting as much effort into creating the right alliances as he puts into developing his ideas.

The second broad conclusion is that there does not appear to have been any viable channel for academics such as Chambers to have their CATs considered for the adoption in financial reporting practices. Chambers had no alternative but to raise the awareness of regulators and policymakers through his publications, submissions and presentations; the success of these activities seems to have depended upon informal alliances and upon the consideration of various ad-hoc committees (e.g., chapter six and eight). Academic accountants, particularly those perceived as hostile to existing practice, therefore found it very difficult to have any substantial influence. Furthermore, those academics who were able to achieve influence did so only through heavy compromise – such as the various compromises Moonitz had to make with the

APB during the postulates and principles controversy (chapter six) – and this was something anathema to academics such as Chambers.

The absence of viable channels for the communication of CATs to financial reporting regulators raises an interesting issue regarding the relationship between academic accountants and regulators. If the 16 other proponents of the CATs I identified in the first chapter – and someone as prolific and tenacious as Chambers – could not change financial reporting practices after some 40 years of attempts, it is questionable whether such changes were even possible. Although various interviewees admitted that Chambers could have been more diplomatic in his dealings with regulators, the empirical narrative makes it difficult to imagine a counterfactual scenario in which such an approach would have led to greater success in the adoption of COCOA. Chambers' contemporary, Stamp, for instance, was one of the most politically active members that British accounting academia has ever seen, but his CAT and ideas fared no better than those of Chambers.

From these two conclusions, I want to draw out two further broad potential contributions. The first of these is that this dissertation is the first systematic inquiry into the gap between accounting research and financial reporting practices to examine a CAT and the attempts of its proponent to change financial reporting practices (see chapter one for a review). The first contextualised and detailed account of its kind should be of interest to academics concerned about the potential of accounting research to have practical implications for financial reporting purposes and to those who are concerned with the fact that accounting does not behave like other practical arts, such as engineering, law and medicine (Chambers, 1955a, 1963a). To understand the history behind this gap is to better understand how we reached the curious situation in which we now find ourselves (e.g., see Napier, 1989). It sheds some light on why the flaws that Chambers and his contemporaries pointed out some 40 years ago still largely persist in conventional financial reporting practices and why accounting academics have turned away from researching issues such as CATs and accounting measurements (for some alternative explanations in the literature, see Jeanjean & Ramirez, 2009; Mouck, 1993; Rutherford, 2010).

The second potential contribution ties into more general matters of historical accounting research (e.g., Edwards & Walker, 2009; Napier, 1989; Parker, 1981). The period from the late 1950s to the 1970s is one of the most exciting periods in accounting research (e.g., see Gaffikin, 2003; Mattessich, 1995; Wells, 1976).

Chambers is also one of the most debated and polarising individuals in accounting academia (e.g., see Amernic, 2005; Clarke et al., 2005; Lee, 2005; Mattessich, 2005; Tinker, 2005). The empirical narrative tells the story of the underbelly of accounting research during this period from his unique perspective, a point of view from which none of the episodes described in the six empirical chapters had been previously documented. Furthermore, no previous research study had made use of the material in the Chambers Archive to the same extent as this dissertation.

In addition to offering some illumination on the relationship between accounting research and financial reporting practices, I therefore argue that there is a general historical interest in the narrative and that each episode potentially teaches us something more. Chapter four is about the difficulties that an academic outside the main networks of research must face in first finding a research area, then equipping himself intellectually to participate in the international debate, and finally publishing his contribution in an academic journal that is internationally available. Chapter five is about the struggles to establish an international reputation and the need for a network of contacts abroad, travel and face-to-face interaction to establish such a reputation. Chapter six is about the challenges of contributing to policy debates over financial reporting practices, and the extent to which such debates are not "searches for truth" but rather constructed around other issues. Chapter seven is about the treatment of contributions in the literature and how academic debates can obscure the meaning of those contributions. Chapter eight demonstrates how getting ideas across depend as much on material as on intellectual aspects. Finally, chapter nine provides insight into how proving that something can be done is not enough to achieve acceptance of ideas and methods. As such, each of these narratives cover various issues that will resonate with problems faced by contemporary academic accountants.

Theoretical Implications

I see three potential theoretical contributions from this dissertation. The first is that no previous dissertation had made use of a hyperbolic reading of ANT in the field of accounting research. It is one of the few studies in this field that is explicit in its interpretation of ANT and that refuses to mix that interpretation with other approaches (for an exception to this general rule, see Lowe, 2004). This led me to develop a theoretical framework based on two components. The first was Harman's (2009) analysis of the metaphysical cornerstones of Latour's version of ANT. The second was Latour's (1987) own six principles on researching in ST&S and seven rules on writing ANT narratives (see appendix one and two as well as chapter two for an evaluation of whether this interpretation has been followed).

One of the benefits of the hyperbolic method is that it leaves the question of theoretical criticism and scepticism to further *post-hoc* studies that can consider the theoretical implications of the work as a whole. Whereas it might be too soon and I might be too "close" to this dissertation to offer a critical evaluation of the theoretical implications in the way that Harman (2009) intended, I still feel inclined to offer some early reflections. The question to be considered is whether the theoretical framework has left anything unexplained in the narrative. Have we ended up with a narrative that requires further theoretical interpretation to be able to explain the events that surrounded Chambers and COCOA? Can my narrative that Chambers was in Australia and hence could not influence key debates and decisions directly, and the actors that he tried to use to influence things directly were not as effective as he had hoped, and he made some poor decisions such as picking the wrong publisher for *S&O*, explain his failure to have COCOA adopted in financial reporting practices? Or is another behind the scenes story required?

I argue that the narrative demonstrates that the answer to this question is "no", and that the addition of such social forces as discourses (Foucault), paradigms (Kuhn) or capitalism (Marx) would add little explanatory value. In other words, the narrative does not need a grand theory (overmining) or a technical behind the scenes story (undermining) about how COCOA was sabotaged due to some hidden agenda, such as enterprises concerned about current exit prices exposing their inadequate holdings of capital or governments worried about lower tax takes under such a system. If the reader agrees with this assessment, the hyperbolic approach and my argument about its avoiding the two potential pitfalls of either overmining or undermining the accounting phenomena under investigation may hold some merit for future research studies.

The second potential theoretical contribution comes from the utilisation of previously unused ANT terms as descriptive devices in the empirical narrative. Justesen and Mouritsen (2011) traced the historical analysis of accounting change to four seminal studies (Miller, 1990; 1991; Robson, 1991; 1992). These studies relied heavily on four descriptive devices from ANT: "centres of calculations", "translation", "inscription" and "action at a distance". With the exception of "inscription", none of these terms have been used as descriptive devices in this dissertation. This is particularly worthy of note, as the remaining three terms have been central descriptive devices in much of the previous ANT accounting literature. As alternatives to these terms, the dissertation instead introduced “trials of strength” and “obligatory passage point” in chapter four, “vicarious causation” in chapter six and “reassembling” and “black box” in chapter seven. Whereas there is more to be done to fully explore these terms in the context of accounting research and historical analysis, the dissertation marks the beginning of such an exploration.[392]

The third potential theoretical contribution is the introduction of the descriptive device “vicarious causation” into accounting research. This term was used to describe events in chapters six, eight and nine. The term bears some resemblance to Miller’s (1991) and Robson’s (1992) “action at a distance”, but with one important difference: the emphasis is not on the idea that various objects can be made to act over great distances, but rather that they cannot interact directly at all. In the particular context of accounting academia and financial reporting practices described in the empirical chapters, this meant that Chambers was unable to directly confront regulators with COCOA. He could only do so vicariously, through published books and articles, submissions to ad-hoc committees, presentations to practitioners and informal channels, such as his colleague Moonitz in the 1960s. The hope, therefore, is for the term to draw attention to both the medium and the message (McLuhan & Fiore, 2005) and contribute to the small literature on the practicalities of knowledge production and dissemination in accounting that is not based on citation analysis (e.g., Napier, 2011; Richardson, 2008). It is an attempt to shift the area of legitimate inquiry from the ideas to the media in which they are presented, with the understanding that the “success” or “failure” has as much to do with material aspects such as how the ideas are presented as with the intellectual rigour of the ideas.

Discussion and Future Research

There are three potential areas for future research. Additional exploratory studies of the gap between accounting research and financial reporting practices are perhaps the most pressing of these. A single case has been considered in the present dissertation, and the arguments for why it would make a particularly good case were presented in

[392] The descriptive device “black box” has been used in the ANT management accounting literature (e.g., see Preston et al., 1992)

chapters two and three. The use of a single case study is also in line with current research trends in ANT and it may also allow for some analytical generalisations. This notwithstanding, one of the central insights from ANT research is that each case is empirically different and that several case studies are therefore needed if a deeper knowledge of a phenomenon is to be gained.

The absence of an archive rich enough to trace additional CATs in some detail is perhaps the main obstacle to carrying out additional studies along the lines proposed here. The Briloff and Goldberg Collections were considered in the third chapter. While the contents of the former remain uncertain to me, the Goldberg Collection contains a detailed journal of Goldberg's research, teaching and travels that is several hundred pages long. I had a chance to briefly review this journal during my visit to the collection and it appeared to me to contain enough detail for an additional case study. Unfortunately, whereas both Goldberg and Briloff wanted to reform financial reporting practices for the better, neither of them produced a CAT of their own.

Since I began writing this dissertation, I was able to identify six alternative archives using the literature review of the 17 different CATs in the first chapter. None of these archives contain enough material for a dissertation of this kind, but some of them might contain enough material for smaller, detailed case studies along the lines proposed. Littleton and Bray argued for CATs based on dated entry prices and some of their material can still be found. The Archives Research Centre at the University of Illinois has preserved Littleton's publications, lectures, drafts, reflections and correspondence.[393] The King's College Archive Centre at Cambridge University has an archive with Richard Stone's research and correspondence. This collection contains all his correspondence with Bray from 1955 to 1982, and parts of this collection have been used in earlier accounting research studies (e.g., Suzuki, 2000; 2002; 2003).[394] Paton and Baxter also argued for their own CATs and some of their material is still available. The Florida Accounting Archives at the University of

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[393] Archives Research Center. (1997, September). A. C. Littleton Papers, 1912-58. *University of Illinois Archives*. Retrieved March 2013, from http://archives.library.illinois.edu/archon/?p=collections/controlcard&id=240

[394] Cambridge University: King's College Archive Centre. (2007, July). The Papers of John Richard Nicholas Stone. *The National Archives*. Retrieved March 2013, from https://www.nationalarchives.gov.uk/a2a/records.aspx?cat=272-stone&cid=3-1-76#3-1-76

Florida has preserved much of Paton's manuscript, research material and correspondence.[395] Baxter's research material and literature were sent to his friends after retirement, so much of that is not easily available.[396] The University of Edinburgh, however, maintains an archive with the correspondence of the economist and Nobel-nominee Kenneth Boulding. Baxter and Boulding kept in contact for most of their careers, and there are letters between the two dating from 1967 to 1990.[397]

Research into accounting standard setting institutions is the second potential future research area. That there were no formal channels through which accounting research could influence financial reporting practices was one of the conclusions from the empirical narrative. Vicarious causation was used as a descriptive device in this narrative to demonstrate how the absence of formal channels hindered Chambers from getting his ideas and COCOA across to regulators and people in a position of authority. Briloff (1964) raised this concern almost 50 years ago and Spacek (1958) drew inspiration from another practical art, law, to suggest the establishment of a federal accounting court as a solution. This court would have had the mandate to build up accounting case law and to consider accounting research in this process, similar to how legal research can be used in US courts. Nothing came from this proposal, but the problems remain unresolved to this day. Apart from the few accounting academics that have served on standard setting boards and the comment period during the promulgation of accounting standards, there is little that most accounting academics can do to influence the standard setting process and to use their research to improve practices.[398] During a time in which the higher education sector is becoming increasingly concerned about conducting research that has policy implications, perhaps it is now time to revisit the debate about how financial reporting practices should be governed.

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[395] Florida Accounting Archives. (2008, November). A Guide to the William Andrew Paton Papers. *University of Florida Smathers Libraries – Special and Area Studies Collection*. Retrieved March 2013, from http://web.uflib.ufl.edu/spec/manuscript/guides/patonw.htm

[396] C. Napier, personal conversation, 2012.

[397] Special Collections. (2009, February). Papers of Professor William T. Baxter (1906-2006) Relating to Kenneth E. Boulding (1910-1993). *Edinburgh University Library*. Retrieved March 2013, from http://archiveshub.ac.uk/data/gb237-coll-1160

[398] For example, Sterling was associated with FASB and Tweedie, Whittington, and Mary Barth have been associated with the International Accounting Standards Board for a number of years.

Additional research based upon the material gathered in this dissertation is the third potential future research area. Because of time limitations and other constraints, I have collected more data than I have been able to put to use within this dissertation. Additional correspondence from both the Chambers Archive and the Goldberg Collection has been gathered and analysed but not used in the empirical narrative. The letters between Chambers and Stamp are perhaps the most interesting part of this correspondence. Both Chambers and Stamp were influential and polarising figures and their paths crossed multiple times. Stamp also has an important place in the history of British accounting research that has not yet been fully documented – due in part to the fact that much of his research material was unwittingly destroyed after he passed away.[399] There is also additional interview material that has not been fully utilised. The insights that I gathered from these interviews have directed many of my decisions when it came to analysing the empirical material, but several of the interviews could be used more extensively. I have a few thoughts on this matter, and there is a tradition of oral accounting history in which some of these interviews might find their place in the future (e.g., Mumford, 2007b; 2007c; 2007d).

Conclusion

This chapter began with an epilogue about the events that followed the occurrences of the 1970s described in chapter nine. It then offered two broad conclusions on the narrative, presented in chapter four to nine, as well as five potential contributions. Two of the contributions are historical in nature. The dissertation may contribute to both our understanding of the gap between accounting research and financial reporting practices, and each of the six empirical chapters document previously untold narratives that may contribute to accounting history in general. Three of the contributions are theoretical in nature. The dissertation may contribute to the use of a hyperbolic reading of ANT in the field of accounting research, new descriptive devices from the ANT literature and the introduction of "vicarious causation", which has the potential to shift our research focus from simply considering ideas to considering both ideas and their media. I concluded with a discussion on three potential areas for future research: additional empirical case studies into the gap between accounting research and financial reporting practices, research into

[399] M. Mumford, interview, 27 February 2012.

accounting standard setting institutions, and further use of the empirical material that was collected for the purposes of this dissertation.

To conclude, my dissertation has investigated why comprehensive accounting theories have had so little impact on financial reporting practices. Previous researchers have tended to examine the ideas contained in such theories (e.g., Cushing, 1989; Mouck, 1993; Wells, 1976), but I have concentrated on the material conditions within which such theories are developed and communicated. My narrative is about Raymond John Chambers, an academic of towering intellect, who believed that accounting needed a comprehensive theoretical basis, but who nonetheless had only minimal success in getting his solution, Continuously Contemporary Accounting, accepted among academics, practitioners and regulators. Chambers' adversaries tend to reduce this struggle and the man himself to a brilliant but ruthless academic who was brought down by his own hubris (e.g., Mattessich, 2005; Sheehan, 1967; Tinker, 2005). This is a wholly inaccurate description of the events and the person. In White's (1980) terms, my narrative does not follow that of a tragedy but that of a comedy. Chambers appears not as a Gordon Gekko but as a Mr Bean figure, foiled not through having the wrong ideas but rather through material circumstances and choosing the wrong channels of communication.

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APPENDIX ONE: LATOUR'S RULES OF METHOD

Rule 1 We study science in action and not ready made science or technology; to do so, we either arrive before the facts and machines are blackboxed or we follow the controversies that reopen them.

Rule 2 To determine the objectivity or subjectivity or a claim, the efficiency or perfection of a mechanism, we do not look for their intrinsic qualities but at all the transformation they undergo later in the hands of others.

Rule 3 Since the settlement of a controversy is the cause of Nature's representation, not its consequence, we can never use its consequence, Nature, to explain how and why a controversy has been settled.

Rule 4 Since the settlement of a controversy is the cause of Society's stability, we cannot use Society to explain how and why a controversy has been settled. We should consider symmetrically the efforts to enrol human and non-human resources.

Rule 5 We have to be as undecided as the various actors we follow as to what technoscience is made of; every time an inside/outside divide is built, we should study the two sides simultaneously and make the list, no matter how long and heterogeneous, of those who do the work.

Rule 6 Confronted with the accusation of irrationality, we look neither at what rule of logic has been broken, nor at what structure of society could explain the distortion, but at the angle and direction of the observer's displacement, and to the length of the network thus being built.

Rule 7 Before attributing any special quality to the mind or the method of people, let us examine first the many ways through which inscriptions are gathered, combined, tied together and sent back. Only if there is something unexplained once the networks have been studied shall we start to speak of cognitive factors.

APPENDIX TWO: LATOUR'S ST&S PRINCIPLES

First principle The fate of facts and machines is in later users' hands; their qualities are thus a consequence, not a cause, of a collective action.

Second principle Science and engineers speak in the name of new allies that they have shaped and enrolled; representatives among other representatives, they add these unexpected resources to tip the balance of force in their favour.

Third principle We are never confronted with science, technology, and society, but with a gamut of weaker and stronger associations; thus understanding what facts and machines are is the same task as understanding who the people are.

Fourth principle Irrationality as always an accusation made by someone building a network over someone else who stands in the way; thus, there is no Great Divide between minds, but only shorter and longer networks; harder fats are not the rule but the exception, since they are needed only in a very few cases to displace others on a large scale out of their usual ways.

Sixth principle History of technoscience is in a larger part of the history of the resources scattered along networks to accelerate the mobility, faithfulness, combination and cohesion of traces that make action at a distance possible.

APPENDIX THREE: SAMPLE OF INTERVIEW CONSENT FORM

I give my consent to be interviewed for a doctoral research project by Martin Persson from Royal Holloway, University of London. I understand that the project is designed to gather information about accounting research from 1950 to 1990. I will be one of approximately 10 people being interviewed for this research.

1. I understand that the interview will be audio recorded. The researcher is the only one with access to these recordings and subsequent raw transcripts.

2. I understand that the audio recordings will be used in the researcher's doctoral thesis. In the case of publications derived from this thesis in the form of journal articles, books, or otherwise, I will be given the opportunity to comment on any draft where my interview is quoted.

3. I understand that this research study has been reviewed and approved by the Head of the Doctoral Programme of the School of Management, Royal Holloway, University of London.

4. I have read and understand the explanation provided to me. I have had all my questions answered to my satisfaction, and I voluntarily agree to participate in this study.

5. I have been given a copy of this consent form.

______________________	______________________
My signature	Date
______________________	______________________
My printed name	Signature of the investigator

For further information, please contact:
Martin Persson
School of Management
Royal Holloway, University of London
Egham, Surrey, TW20 0EX, UK

Email: university email address
Phone: XXXXX-XXX-XXX

APPENDIX FOUR: SAMPLE OF INTERVIEW GUIDE

Introduction

1. **Information**
    a. Information about the research study (e.g., the gap between accounting research and financial reporting practices and Chambers attempts to bridge this gap).
    b. Brief outline of the focus on each of my empirical chapters
2. **The interview**
    a. Four sections:
    b. General questions about Chambers
    c. Questions based on my chapters
    d. Questions about the individuals that appear in my narrative
        i. Will go through a series of names.
        ii. We stop at anyone you recognise.
    e. Questions from Chambers letters

PAGE BREAK

General questions about Chambers

3. **Lets discuss topic x …**
    a. Background information on topic x
    b. Follow up question on x
    c. Second follow up question on x
    d. …
4. **Lets discuss topic z …**
    a. Background information on topic x
    b. Follow up question on x
    c. Second follow up question on x
    d. …
5. **…**

PAGE BREAK

Questions based on my chapters

6. **Chapter 4**
7. **Did Chambers ever speak of the process of accumulating the various books and articles that you can now find in the archive?**
    a. I am asking because so many of Chambers' letters from the 1950s and early 1960s are about trying to retrieve accounting literature from the United States and England.
    b. <u>Potential questions</u>
        i. Did he ever mention the Economists Bookshop? (This is where he would have retrieved material from England)
        ii. Did he ever mention Blackwells? (This is where he would retrieve material from the US)
        iii. Third follow up question …
8. **…**
9. **Chapter 5**
10. **…**

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Questions about the individuals that appear in my narrative

11. **Did Chambers ever speak of Frank Sewell Bray?**
    a. Frank was an academic in the UK. Born in 1906. Became a part-time senior research fellow at Cambridge and worked with Sir Richard Stone, in the department of applied economics.
    b. I think that there is an interesting connection between the two
    c. <u>In the festschrift in Bray's honor, Chambers wrote a short text about Bray and that he had been instrumental in letting Chambers publish his Blueprint article in *Accounting Research*</u>
        i. This is despite the fact that Chambers had some harsh words for what Bray passed as accounting theory
    d. The *AR* editorial policy was to encourage the publication of new ideas
    e. <u>Bray gave a research lecture at the University of Sydney on 20 October 1949 and Chambers was in attendance (there are notes in Archive)</u>
        i. Bray encouraged a comprehensive solution to accounting, instead of ad hoc ones.

ii. Bray, F. S. (1951). *The Accounting Mission*. Published for the Commonwealth Institute of Accountants by Melbourne University Press.

iii. I speculate that they meet at the Australian National Accounting Convention in 1953, invitation by Fitzgerald

iv. Sydney Technical College is located close by.

f. <u>Potential questions</u>

i. What was his impressions of Bray, as an administrator, researcher, academic, and editor of AR?

ii. Chambers never sent his article to the Accounting Review. Did he ever mention why?

iii. Did Chambers ever mention the lecture in 1949?

iv. Did Chambers' ever mention his views of Bray's ideas on accounting theory (accounting dynamics etc)

v. Did Chambers ever mention why he was in attendance?

vi. Did Chambers ever mention Sir Richard Stone (who influenced Bray)?

12. **Second person …**

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Questions from Chambers letters	
Questions	**Information from letters**
Topic (e.g., Stamp's article on COCOA and Chambers response)	
Period of time (e.g., Jan. to Oct. 83)	
Question's regarding these letters …	***1983*** **January 1** **Stamp, E(Eddie)** Does the Chambers' Evidence Support the CoCoA System by E. Stamp in Accounting and Business Research (Spring).

	1983 **March 29** **Chambers, R(Ray)** Letter to E. Stamp re Stamp's treatment of his work in "Does the Chambers' …..". Notes that such unwarranted criticism overrides their long friendship. *1983* **June 16 Stamp, E(Eddie)** Letter from E. Stamp retorting to Chambers by brushing it off with the fact that C. 'can't engage in rational and civilised debate…..". *1983* **July 1** **Chambers, R(Ray)** Letter to E. Stamp asking him to take any three points and "demonstrate their error or their weakness". *1983* **October 3** **Stamp, E(Eddie)** Letter from E. Stamp noting that comments must wait until he has time in November. …
Topic	
Period of time	**Letters**
Questions regarding these letters …	Letters …

APPENDIX FIVE: CHAMBERS AND DEAN'S AIDE MEMOIRE[400]

1 – CAREER AND VISITING POSITIONS AND APPOINTMENTS

Career appointments

1935-38	NSW Government, Department of Justice, Sydney, Accounts clerk
1938-41	Shell Company of Australia, Sydney, Inventories clerk
1941-43	Electricity Meter and Allied Industries, Sydney, Supervisor, inventory and production control; Statistical officer
1943-45	Australian Prices Commission, Sydney, Investigation officer
1943-51	NSW Department of Education, Sydney Technical College, Correspondence Teacher in Auditing (part time)
1945-52	Sydney Technical College, Lecturer, School of Management
1953-55	University of Sydney, Senior Lecturer in Accounting
1955-59	Associate Professor of Accounting
1960-82	Professor of Accounting
1983-99	Professor Emeritus

Visiting appointments

1962	University of Chicago
1963	University of California at Berkeley
1964	University of Washington (Seattle), Walker Ames Professor
1965	University of Florida, Gainesville
1966	University of Kansas, Edmund P. Learned Professor
1967	Waseda University, Tokyo, Leverhulme Fellow
1968	University of Canterbury, Christchurch, Erskine Fellow
	American Accounting Association Distinguished International Lecturer in the U.S.A.: University of Alabama; Texas A & M University; Louisiana State University; Indiana University; Ohio State University; St Francis College, New York; George Washington University; Virginia P I & State University; University of New Mexico; University of Washington
1980	University of Illinois, Champaign-Urbana, George A Miller Professor

[400] The Aide Memoire is reproduced from *Chambers on Accounting: Logic, law and Ethics* (2000). Dean has granted me permission to reproduce it here for the purpose of this doctoral dissertation.

1981	University of Cape Town
1982	University of Otago, Dunedin
1983	Simon Fraser University, Vancouver, Chevron Visitor
1989	Deakin University, Geelong, Gordon Fellow
1990-93	Deakin University, Geelong, Professorial Associate
1993-94	Deakin University, Geelong, Adjunct Professor
1995-99	Monash University, Caulfield, Adjunct Professor

2 - EDUCATIONAL RESPONSIBILITIES AND INNOVATIONS

Sydney Technical College, School of Commerce

1943-51	Correspondence teacher, Final auditing
1946	Devised 18-unit Correspondence Course on Auditing, with progress questions and examination papers

Sydney Technical College, School of Management

1945-49	Teacher in all sections and locations (Sydney, Newcastle, Wollongong)
1946	Introduced Financial Management studies to Certificate Course program
1948-53	Devised and (in part) presented Diploma Course in Management Studies, 5-year, part-time

University of Sydney, Faculty of Economics

1953	Introduced course work Pass with Credit in Accounting - theory construction and analysis, history of thought and practice
1957	Introduced Honours in Accounting program
1960-75	Established Department of Accounting, 1960; Head of Department
1966	Introduced MEc program in Accounting
1967	Introduced courses Development of Accounting Thought and Foundations of Continuously Contemporary Accounting; re-wrote Course on Auditing
1972	Introduced MBA program (Accounting and Finance specialism) and PhD by thesis
1975-76	Department of Accounting contractor to Australian Society of Accountants, National Professional Development Program, Accounting for Inflation, various locations, in state capitals and regional centres

Deakin University, School of Management

1992	Introduced "Foundations of Accounting" Seminars, (part of higher degree qualifying program)

NSW Public Accountants Registration Board

1953	Examiner
1953-75	Representative of Board on Boards of Examiners of Australian Society of Accountants and Institute of Chartered Accountants in Australia

Australian Society of Accountants

1955-63	Examiner and member of Board of Examiners
1961, 1964	Convenor, Advisory Panel (Chambers, Goldberg and Mathews) to the Committee of Review on Educational Standards and Examinations of The Institute of Chartered Accountants in

Australia

Sydney University Pacioli Society

1962 Inaugurated

Journal of Accounting Research (Chicago)

1962-64 Member of editorial committee

Abacus - A Journal of Accounting and Business Studies (twice yearly; 1964-1998; three issues 1999-

1965 Founder

1965-75 Editor

1976-99 Consulting editor

Third International Conference of Accounting Education, Sydney

1972 Convenor

3 - AWARDS AND NOTICES

1947	Australasian Institute of Cost Accountants Fiftieth Anniversary Essay Prize, *How to Achieve Lower Costs in Australian Industry*
1958	Citation of Australian Society of Accountants for Meritorious Contribution to the Literature of Accounting, *Accounting and Action*
1960	Relm Foundation Fellowship, study of accounting education in U.S. universities
1967	Gold medal, American Institute of Certified Public Accountants for outstanding contribution to accounting literature, *Accounting, Evaluation and Economic Behavior*
1970	Citation of Australian Society of Accountants for Meritorious Contribution to the Literature of Accounting, *Accounting, Finance and Management*
1971	Leverhulme Foundation Fellowship, Waseda University
1971	Erskine Fellowship, University of Canterbury
1973	DSc Econ., University of Sydney, "Accounting, Evaluation and Economic Behavior" and other papers
1974	Citation of Australian Society of Accountants for Meritorious Contribution to the Literature of Accounting, *Securities and Obscurities*
1976	Alpha Kappa Psi Foundation Award for Distinguished Service and Accomplishment in Accounting
1976	Distinguished International Lecturer in the United States, American Accounting Association
1978	Officer of the Order of Australia, for service to commerce and education, particularly in accounting and business management
1979	Life Member, Australian Society of Accountants
1980	Accademico Ordinario, Accademia Italiana di Economia Aziendale, Italy (honorary)
1982	Professor Emeritus, University of Sydney
1982	*Abacus*, Special issue on retirement (as professor) of inaugural editor, December
1983	Life Member, Accounting Association of Australia and New Zealand (AAANZ Conference, Griffith University, Brisbane, September)
1983	R J Chambers Research Lectures established by the Accounting and Finance Foundation of the University of Sydney
1984	*Contemporary Accounting Thought*, Essays in honour of Raymond J Chambers, M J R Gaffikin (ed.), Sydney, Prentice-Hall of Australia, 1984, 346 pp
1989	Gordon Fellowship, Deakin University

1990	DSc (*honoris causa*), University of Newcastle
1991	R J Chambers PhD Scholarship established by the Accounting and Finance Foundation of the University of Sydney
1991	American Accounting Association Outstanding Accounting Educator Award (AAA Annual Meeting, Nashville, Tennessee, August)
1991	Ohio State University, Accounting Hall of Fame
1993	DSc (*honoris causa*), University of Wollongong
1993	LLD (*honoris causa*), Deakin University
1996	Inaugural AAANZ award for outstanding contribution to the accounting research literature
1997	Anbar Electronic Intelligence, Citation of Excellence, with the Highest Quality Rating, for "Ends, ways, means and conceptual frameworks", *Abacus*, September 1996
1997	Societa Italiana di Storia della Ragioneria, Honorary Member
1998	Anbar Electronic Intelligence, Citation of Excellence with the Highest Quality Rating, for "Wanted: foundations of accounting measurement", *Abacus*, March 1998

4 - BIOGRAPHICAL AND BIBLIOGRAPHICAL REFERENCES

Dates given for *Who's Who* and similar occasional publications are dates given in publishers' inquiries; notices appear in subsequently dated issues. Items marked **CA with roman numeral** included in *Chambers on Accounting*, in volume and at page number indicated.

1955-1999 *Who's Who* in Australia, Melbourne; from 1991, *Information Australia*, Melbourne

1966 *Contemporary Authors*, Gale Research Company, Detroit

1970 *Directory of British and American Writers*, St James Press, London

1971 *Dictionary of International Biography*, International Biographical Centre, Cambridge, England

1972 *Two Thousand Men of Achievement*, superseded by:

1973 *Men of Achievement*, International Biographical Centre, Cambridge, England

1974 *Who's Who in Education*, Mercury House Business Publications, London

1974 *Who's Who in the World*, Marquis Who's Who, Chicago

1976 *The Writers Directory*, St James Press, London

1978 *Notable Australians 1978 - The Pictorial Who's Who*, Paul Hamlyn Pty Ltd, Dee Why, Australia

1980 *Debrett's Handbook of Australia*, Debrett's Peerage Limited, London

1992 *International Authors and Writers Who's Who*, International Biographical Centre, Cambridge, England

1997 (30 ed) *Who's Who in Finance and Industry*, Marquis Who's Who, New Providence, N.J.

1999 *Who's Who* in Australia, Melbourne; from 1991, Information Australia, Melbourne

* * * *

1966 Michigan State University, under Touche Ross Grant, *Distinguished Accountants Videotape Series* (contributors: R Mautz & R Trueblood, C G Blough, L Spacek, W A Paton, R Chambers, A C Littleton, J L Carey, R Sprouse & M Moonitz, H Bevis & S Davidson, C Horngren & W Vatter); from 1982, available on loan from the Academy of Accounting Historians and the Ole Miss School of Accountancy (University of Mississippi)

1969 *Accounting, Finance and Management*, Sydney, Arthur Andersen & Co. and Butterworth, 762 pp; a collection of 50 articles, 1948-1968

1972 *Bibliography*, mimeograph, "a more or less complete chronological list - of books, articles, reviews, letters to editors, editorials, prepared texts of addresses, and so on."

1977 *An Autobibliography*, Lancaster, Occasional Paper No. 15, International Centre for Research in Accounting, University of Lancaster, 70pp; abstracts of about 176 articles and books, 1947-1977, with outline of CoCoA as at 1977, and subject index

1982 *Abacus*, 18:2, December 1982, Special issue marking the retirement of Chambers (founder of the journal) as Professor of Accounting in the University of Sydney; contributors: A D Barton, N M Bedford, R S Brown, T A Lee, R Mathews, M Moonitz, R H Parker, W A Paton, E Stamp, A L Thomas, M C Wells, S A Zeff

1986, 2000 *Chambers on Accounting*, Chambers and G W Dean (eds), New York, Garland Publishing, vols I-V, 1986, 2066 pp plus prefaces; a selection of 158 items, 1948-1986; vol. VI, 1987-1999, 26 items, Obituaries and Aide-Memoire

1989 M J R Gaffikin, *Accounting Methodology and the Work of R. J. Chambers*, 236pp, New York, Garland

1990 R Mathews, P Brown and M Jackson, *Accounting in Higher Education*, Canberra, Australian Government Printing Service, vol. 1, 224-5; vol. 3, 89

1991 R Gibson, "Sources cited by R. J. Chambers in *Chambers on Accounting", Accounting History*, vol. 3 no. 1, 25-32

1991 "1991 Accounting Hall of Fame Induction", *Accounting Historians Journal*, June 1992, 83-85

"1991 Outstanding Accounting Educator Award", *Accounting Education News*, November 1991, vol. 1, 4-5

Chambers, "An academic apprenticeship", *Accounting History*, vol. 3:1, 16-24; reprinted in G D Carnegie & P W Wolnizer (eds), *Accounting History Newsletter* 1980-1989 and *Accounting History, 1989-1994, A tribute to Robert William Gibson*, New York, Garland, 1996; **CAvi**

1994 Michael Gaffikin, "Raymond Chambers (b. 1917): determined seeker of truth and fairness", 1-18; in J R Edwards (ed*), Twentieth-century Accounting Thinkers*, London, Routledge

1995 W F Connell and others, *Australia's First: A History of the University of Sydney*, Sydney, Hale & Iremonger, vol. 2 (1940-1990), 212-213

1996 Frank L Clarke and Graeme W Dean, "Raymond John Chambers, 1917 - ", in Michael Chatfield and Richard Vangermeersch, *The History of Accounting*, New York, Garland, 109-111

Obituaries

1999 G.W. Dean, *Sydney Morning Herald*, September; *Sydney University News*, September; *Australian Accounting Review*, November

P.W. Wolnizer, *Accounting History*, December; *Accounting Historians Newsletter*, December

M.J. Gaffikin, *AAANZ Newsletter*, September

Anon, *Journal of Accountancy*, November

2000 G.W. Dean, *Abacus*, February; F.L. Clarke & G.W. Dean American Accounting Association *Accounting Education News,* 1999 Late Fall Issue

P.W. Wolnizer, *Abacus*, February; *Australian Accountant*, February

5 – MEMBERSHIPS

Technical and Professional Associations

1941-99	Australian Society of Certified Practising Accountants (formerly, Commonwealth Institute of Accountants, and later, Australian Society of Accountants); life member, 1979
1941-79	Institute of Chartered Secretaries and Administrators (formerly Australasian Institute of Secretaries)
1943-66	Australasian Institute of Cost Accountants (amalgamated with Australian Society of Accountants, 1966)
1944-76	Economic Society of Australia and New Zealand
1946-55	Institute of Industrial Administration (UK)
1951-55	Australian Institute of Management
1957-99	American Accounting Association
1960-69	Business Archives Council of Australia
1960-71	International University Contact for Management Education
1960-99	Accounting Association of Australia and New Zealand (formerly Australasian Association of University Teachers of Accounting); foundation president; life member, 1983
1961-71	The Institute of Management Sciences
1962, 1968-99	Sydney University Pacioli Society, (Foundation president; president, 1992)
1966-99	Academy of the Social Sciences in Australia (formerly Social Sciences Research Council of Australia)
1974-99	Accounting Researchers International Association
1974-99	Academy of Accounting Historians
1976-99	Beta Alpha Psi (US National Accounting Fraternity)
1980-99	Accademia Italiana di Economia Aziendale
1987-99	International Association for Accounting Education and Research
1997-99	Societa Italiana di Storia della Ragioneria

Social clubs

1935-99	University of Sydney Union
1953-61	The Accountants Club (Foundation committee)
1960-87	University of Sydney Staff Club (president, 1961-1962, official opening, 21 July 1961)

1961-71	Sydney Rotary Club
1966-99	General Management (monthly luncheon) Group
1972-79	Royal Automobile Club of NSW
1986-99	Sydney Probus Club

6 - COMMITTEE, BOARD AND LIKE APPOINTMENTS

1947-48	Sydney Technical College, Departmental Committee to devise a Management Diploma Course (convenor)
1949-53	Commonwealth Institute/Australian Society of Accountants NSW Research Committee
1951-55	Australian Institute of Management, Finance Management Panel
1953-61	The Accountants Club, Committee
1953-75	Boards of examiners of Australian Society of Accountants and The Institute of Chartered Accountants in Australia, representative of NSW Public Accountants Registration Board
1953-54	Federal Association of University Teachers, treasurer
1954-58	Sydney Association of University Teachers, committee
1958-65	University Cooperative Bookshop Ltd., member of Board; chair, 1960-63
1960-69	Business Archives Council of Australia, committee, secretary
1960-62	The Institute of Management Sciences (USA), College of Measurements in Management, executive committee
1961	Sydney University Union, member of Board (nominated by University of Sydney Senate)
1962	NSW Department of Education, Commerce Syllabus Committee
1962-99	Sydney University Pacioli Society; president 1962, 1992
1963-70	University of Sydney Appointments Board, chair 1963-70
1964-72	University of Sydney Extension Board, member
1964	Australian Shareholders Association, member of committee
1965-90	Australian Society of Accountants:
	1965-79 NSW Divisional Council; various committees
	1975-76 State president
	1972-1979 National Council; various committees, and Society/Institute of Chartered Accountants joint committees
	1977-1978 National president
	1982 Chair, National Convention, Adelaide
	1984-90 National (Disciplinary) Appeals Committee
1965	Hoover Marketing Award, member of Panel of Judges
1967-89	Nestle Australia Ltd, member of Board of Directors

1968	Australian Medical Association, member of Economic Advisory Committee
1971-73	Corporate Affairs Advisory Committee (NSW Government)
1973	Australian Institute of Management Annual Report Award, member of Panel of Adjudicators; 1974, Advisory Committee member
1977-78	Confederation of Asian and Pacific Accountants, Executive Committee
1977-78	Accounting Standards Review Committee (NSW Government), chair
1979-82	Committee on Overseas Professional Qualifications (Accountancy), Australian Government
1982-	University of Sydney, Accounting Research Centre, committee
1982	Australian Accounting Research Foundation, member, Accounting Standards Committee
1983-86	University of Sydney, Fellow of Senate, Chairman of Finance Committee, member various committees of Senate, *ex officio* member of councils of Science Foundation for Physics, Power Foundation for Fine Arts
1983-95	University of Sydney, Accounting and Finance Foundation, member of Council, Honorary Governor (appointed by University Senate)
1992-96	University of Wollongong Faculty of Commerce Visiting Committee, chairman 1992-94

7 – CONSULTANCIES

1947-53	NSW Institute of Launderers
1952	NSW Public Accountants Registration Board
1953	Australian Stevedoring Industry Board
1955-59	J P Young & Associates
1957	Arthur Murray
1958	Civil & Civic Ltd
1959	General Electric (USA)
1960	Oil Industry of NSW
1961	Colonial Sugar Refining Company Ltd
1962, 1966	American Institute of Certified Public Accountants, Accounting Research Division, New York
1969-70	Pacific Acceptance Corporation
1972	Commonwealth Crown Solicitor
1973	Proprietary Sugar Millers' Association
1974, 1977	Prices Justification Tribunal
1974-76	State Crown Solicitor
1976	Broken Hill Pty Co Ltd
1976	Simonius Vischer
1982-83	James Cook University

8 - PUBLICATIONS - BOOKS, MONOGRAPHS, PAMPHLETS

Items marked **AFM** included in *Accounting, Finance and Management*, 1969; items marked **CA with roman numeral** included in *Chambers on Accounting*, in volume and at page number indicated.

Books

Financial Management	September 1947, 442pp; l953, 432pp; 1967, 433pp; 1986, 298pp, Sydney, Law Book Company
The Function and Design of Company Annual Reports	1955, 322pp, Sydney, Law Book Company (includes discussion of over 300 examples and illustrations drawn from annual reports of 145 selected Australian, UK and US companies
Accounting and Action	May 1957, 248pp; 1965, 287pp; Sydney, Law Book Company
The Accounting Frontier	(Chambers, L Goldberg and R L Mathews, eds) in Honour of Sir A A Fitzgerald, 240pp; November 1965, Melbourne, Cheshire
Accounting, Evaluation and Economic Behavior	1966, 388pp, Englewood Cliffs, Prentice-Hall Inc; reprinted with essay, "The Development of the Theory of Continuously Contemporary Accounting", Scholars Book Company, Houston, l974, xxvii + 388pp; Japanese translation by Minao Nishimura published in parts in *Otemon Economic Review* commencing November 1975; Japanese edition, translation by Ichiro Shiobara, 1984, Tokyo, Soseishi
Accounting, Finance and Management	1969, 762pp, Sydney, with Foreword by Arthur Andersen & Co, sponsor and distributor; also published 1969, Butterworths; a collection of 50 articles, 1948-68
Securities and Obscurities, A Case for Reform of the Law of Company Accounts	1973, 243pp, Melbourne, Gower Press; Japanese edition (with new preface) translated by Ichiro Shiobara, 1977, Tokyo, Soseishi; reprinted as *Accounting in Disarray* (same subtitle), New York, Garland, 1982
Company Accounting Standards	(with T Sri Ramanathan and H H Rappaport), 1978 Report to NSW Attorney General of the Accounting Standards Review Committee, 170pp, Sydney, NSW Government Printer - Ch.4 repr in **CAii**, 298
Price Variation and Inflation Accounting	Revision and extension of *Accounting for Inflation - Methods and Problems*, 1975 (see entry under **Monographs**, below); 1980, 174pp, Sydney, McGraw-Hill Australia; Spanish language edition, *Contabilidad de las Variaciones de Precios y de la Inflacion*, 1980, Lima, Peru, Editorial Desarollo
Chambers on Accounting	1986, Chambers and G W Dean (eds), 5 volumes, 2066pp + prefaces, New York, Garland; a collection of 158 items, 1948-86; vol. 6 (2000), 26 items

	plus **Aide-Memoire**
Foundations of Accounting	1991, Geelong, Deakin University, 216pp (commercial, legal, economic, financial, metrical, psychological, axiological, organisational, linguistic, social, data processing foundations)
An Accounting Thesaurus	1995, Oxford, Pergamon imprint, Elsevier Science, xxxi + 1011pp (over 6000 classified quotations on accounting ideas, rules and practices, from the English language literature over 500 years)

Monographs and Pamphlets

How to Achieve Lower Costs in Australian Industry	Bulletin No. 10, Australasian Institute of Cost Accountants, November 1947, 23pp
Towards a General Theory of Accounting	Australian Society of Accountants Annual Research Lecture in the University of Adelaide, August 2 1961; published about June 1962 by Australian Society of Accountants, booklet, 48pp; **AFM**; **CAv**, 29; abridged version by Sidebotham in R Sidebotham, *Introduction to the Theory and Context of Accounting*, Oxford, Pergamon Press, 1965, 69-83
The Resolution of Some Paradoxes in Accounting	Australian Society of Accountants Lecture at University of Tasmania, April 30 1962; presented at University of Malaya, Singapore, July 9 1962; University of British Columbia, November 23 1962; published as Occasional Paper No. 2 of Faculty of Commerce and Business Administration, University of British Columbia, 1963, 33pp; **AFM**; **CAv**, 75
The Relationships Between Accounting, Finance and Management	Public address sponsored by Faculty of Business Administration, University of Alberta, Edmonton, February 13 1967, booklet, 16pp; **AFM; CAi**, 225
Accounting for Inflation	("exposure draft") Department of Accounting, University of Sydney, September 1975, 35pp, **CAv**, 236; reprinted in R Bloom and P T Elgers (eds), *Accounting Theory and Policy*, New York, Harcourt Brace Jovanovich, Inc., 1981; G W Dean & M C Wells (eds), *Forerunners of Realizable Values Accounting in Financial Reporting*, New York, Garland, 1982; G W Dean & M C Wells (eds), *The Case for Continuously Contemporary Accounting*, New York, Garland, 1984
Accounting for Inflation - Methods and Problems	1975, 120pp, Department of Accounting, University of Sydney
Current Cost Accounting - A Critique of the SandilandsReport	1976, 80pp., Lancaster, Occasional Paper No. 11, International Centre for Research in Accounting, University of Lancaster; **CAiv**, 158

Accounting for Inflation	Manawatu Accountants Students Society Invitation Lecture, Massey University, March 30 1977; 27pp, in booklet with commentaries; **CAiv**, 257
An Autobibliography	Lancaster 1977, Occasional Paper No. 15, International Centre for Research in Accounting, University of Lancaster, 70 pp; abstracts of about 176 articles and books, 1947-1977, with outline of CoCoA as at 1977, and subject index
The Integration of Managerial and Financial Accounting	Shoaib Memorial Lecture, Institute of Cost and Management Accountants of Pakistan, Karachi, October 1977, booklet, 26pp; **CAi**, 227
The Design of Accounting Standards	1980, 93pp., Sydney, University of Sydney Accounting Research Centre, Monograph No. 1
The Serviceability of Financial Information: A Survey	(with H Falk) 1985, 98pp., Vancouver, Canadian Certified General Accountants Research Foundation
Varieties and Uses of Financial Information	(with F L Clarke) 1986, 75pp., Sydney, University of Sydney Accounting Research Centre, Monograph No.6
Financial Information and Decision Making: A Singapore Survey	(with R Ma, R Hopkins and N Kasiraja) 1987, 99pp., Singapore Institute of Management and University of Sydney Accounting Research Centre

9 – ARTICLES

Articles published in journals or other series; chapters in books, lectures and conference papers published in journals or in booklet form. The date-order used relates to date of delivery or of publication, whichever is the earlier. Items marked **AFM** included in *Accounting, Finance and Management*, 1969; items marked **CA with roman numeral** included in *Chambers on Accounting*, in volume and at page indicated. Marginal dates given here are dates of delivery or of publication, whichever is the earlier. For less substantial items, see **11 ESSAYS, etc.**

1947 *How to achieve lower costs in Australian industry*, see **8 - PUBLICATIONS - BOOKS, MONOGRAPHS, PAMPHLETS** above

1948 "Business finance and the analysis of financial statements", *The Australian Accountant*, August, 253-265

"The training of accountants", *The Australian Accountant*, September, 321-8; **CAii**, 1

"First Australian management diploma course", *Manufacturing and Management*, November, 145-147

"Accounting and management", *The Australian Accountant*, December, 417-420, **AFM; CAi**, 1

1949 "Incentives in industry", *Current Affairs Bulletin*, Commonwealth Office of Education, March, 203-215

"Accounting and shifting price levels", *The Australian Accountant*, September, 313-320; **AFM**; **CAiv**, 1

"The spice of accounting", *The Australian Accountant*, November, 398-401; **AFM; CAii**, 10

"Budgetary control", *Bulletin* of the Sydney Division of the Institution of Engineers, Australia, December, 12-15

1950 "Depreciation on replacement cost", *The Australian Accountant*, February, 68-70; **AFM; CAiv**, 10

"The relationship between accounting and financial management", Eleventh Commonwealth Institute of Accountants Research Lecture in the University of Melbourne; Sixth Commonwealth Institute of Accountants Research Lecture in the University of Adelaide, June 21-22; *The Australian Accountant*, September, 333-355; **AFM; CAi,** 5

1951 "Accounting and inflation", lecture to NSW Division, Commonwealth Institute of Accountants, April 1951, *The Australian Accountant*, January 1952, 14-23; **AFM; CAiv**, 14

"Effects of inflation on financial strategy", lecture to NSW Division, Commonwealth Institute of Accountants, April 1951, *The Australian Accountant*, September 1952, 304-311;

AFM; CAiv, 24

"Financial practice and fiscal policy", lecture to NSW Division, Commonwealth Institute of Accountants, May 1951, *The Australian Accountant*, November 1952, 391-398; **AFM; CAiv**, 33

"Accounting and business finance", Sixth Commonwealth Institute of Accountants Research Lecture in the University of Queensland, July 24 1951, *The Australian Accountant*, July, August 1952, 213-230, 262-266; **AFM; CAi,** 29

1954 "Capital for private enterprise under existing economic conditions", *Proceedings of the Australian Society of Accountants Convention on Accounting*, Adelaide, June, 5pp (includes a study of gearing or leverage in 1952 of 592 Australian companies)

1955 "Blueprint for a theory of accounting", *Accounting Research*, January, 17-25; **AFM; CAv**, 1; reprinted in *The Australian Accountant*, September 1955, 379-86; S Davidson and others (eds), *An Income Approach to Accounting Theory*, Englewood Cliffs, Prentice-Hall Inc., 1964; Barrie O'Keeffe (ed.), *Development of Accounting Ideas*, Footscray Institute of Technology, mimeo., 1973; S Jones, C Romano, & J Ratnatunga (eds), *Accounting Theory - a contemporary review*, Sydney, Harcourt Brace, 1995

"What should accountants, as accountants, do about changing money values? Comments on a proposal for determining real income in inflationary periods", *The Chartered Accountant in Australia*, May, 645-650

"The formal basis of business decisions", Australian Society of Accountants Lecture in the University of Tasmania, September 20; *The Australian Accountant*, April 1956, 155-174, **AFM; CAi**, 53

"A scientific pattern for accounting theory", *The Australian Accountant*, October, 428-434; **AFM; CAv,** 10

1956 "Educational policy: a suggestion", *The Australian Accountant*, February, 73-80; **CAii**, 15

"Some observations on *Structure of accounting theory* (by A C Littleton, 1953), *The Accounting Review*, October, 584-592

"Trends in corporate reporting", *The Australian Accountant*, December, 493-502

1957 "Detail for a blueprint", (includes comment on A C Littleton, "Choice among alternatives", *The Accounting Review*, July 1956, which itself is a comment on "Blueprint", 1955), *The Accounting Review*, April, 206-215; **AFM; CAv**, 18

"The function of the balance sheet", *The Chartered Accountant in Australia*, April, 565-570; **AFM; CAiii**, 11

"Company formation, conversion and financing", address to annual general meeting of Newcastle branch of ASA, March; *The Australian Accountant*, October, 456-466

"The implications of asset revaluations and bonus share issues", Eighteenth Annual Research Lecture in the University of Melbourne, October 2; *The Australian Accountant*, November 1957, 507-531; **AFM; CAi**, 73; modified version titled "Asset Revaluations and Stock Dividends", *The Journal of Accountancy*, August 1958, 55-68

1959 "Measurement and misrepresentation", presented at conference of The Institute of Management Sciences, Chicago, June 5; *Management Science*, January 1960, 141-148; **AFM; CAiii, 17**; reprinted in M K Starr (ed.), *Executive Readings in Management Science*, New York, The Macmillan Company, 1965; R O Mason and E B Swanson (eds), *Measurement for Management Decision*, Reading, Mass., Addison-Wesley, 1981

1960 "The conditions of research in accounting", *The Journal of Accountancy*, December, 33-39; **AFM; CAiii**, 25

1961 *Towards a general theory of accounting*, see **8 - PUBLICATIONS - BOOKS, MONOGRAPHS, PAMPHLETS** above

1962 *The resolution of some paradoxes in accounting*, see **8 - PUBLICATIONS - BOOKS, MONOGRAPHS, PAMPHLETS** above

"Non-comments on non-accounting", address before Northeastern Division of American Accounting Association, Cambridge, October 6; first published otherwise in **AFM,** 1969**; AFM; CAi**, 99

"Changes in accounting theory", *Proceedings* of Illinois Conference on Accounting Education for Collegiate Teachers of Accounting, Chicago, November 9, 23pp; **CAiii**, 33

1963 "Why bother with postulates?", *Journal of Accounting Research*, Spring, 3-15; **AFM; CAiii**, 51; reprinted in J W Buckley (ed.), *Contemporary Accounting and its Environment*, Belmont, Cal., Dickenson Publishing Company Inc., 1969; B T Colditz and R W Gibbins (eds), *Accounting Perspectives*, Sydney, McGraw-Hill Book Company, 1972

"Measurement in accounting", 48pp, mimeo., personal circulation; for revision, see 1965

"Traps for the unwary investor", (on defects of the law and practice of corporate financial reporting), *Australian Financial Review*, July 2, 4, 9, 11; **CAi**, 107

"The role of information systems in decision making", presented at a Seminar on Administrative Studies, Canberra, August 15; *Management Technology*, June 1964, 15-25; **AFM; CAi**, 125; reprinted in J B Bower and W R Welke (eds), *Financial Information Systems*, Boston, Houghton Mifflin Company, 1968; J W Buckley (ed.), *Contemporary Accounting and its Environment*, Belmont, California, Dickenson Publishing Company, Inc., l969

"Financial information and the securities market", Australian Society of Accountants Endowed Lecture in the University of Sydney, September 26, mimeo.; *Abacus*, September 1965, 3-30; **AFM; CAi**, 137

1964 "The Moonitz and Sprouse studies on postulates and principles", presented at Second Conference of the Australasian Association of University Teachers of Accounting, Canberra, January 25-27; *Proceedings* of Conference, 34-54; **AFM; CAiii,** 64; repr. in S A Zeff (ed), *The Accounting Postulates and Principles Controversy of the 1960s*, New York, Garland Publishing Inc., 1982

"Conventions, doctrines and common sense", *The Accountants' Journal* (NZ), February, 182-187; **AFM; CAii,** 24; reprinted in R Sidebotham, *Introduction to the Theory and Context of Accounting*, Oxford, Pergamon Press, 1965; T F Keller and S A Zeff (eds), *Financial Accounting Theory II*, New York, McGraw-Hill Book Company, 1969; C J Gibson, G G Meredith and R Peterson (eds), *Accounting Concepts - Readings*, Melbourne, Cassell Australia, 1972

"Measurement and objectivity in accounting", *The Accounting Review*, April, 264-274; **CAiii,** 86; reprinted in G W Dean & M C Wells (eds), *The Case for Continuously Contemporary Accounting*, New York, Garland, 1984

"The role of universities in administrative education", presented at Second Canberra Seminar on Administration, August 14-16, 5pp

"Fallacies in company accounting", *A I S Technical Society Bulletin*, 9:1964, 29-32; **CAi,** 165

"Company losses - safeguarding the investor", *Current Affairs Bulletin*, Department of Tutorial Classes, University of Sydney, October, 162-176; **AFM; CAi,** 170

"Company structure and capitalization", chapter in R W Buchanan and C G Sinclair (eds), *Costs and Economics of the Australian Processing Industries*, Sydney, West Publishing Corporation, 1964, 201-213

1965 "Are the stock exchanges in Australia meeting their challenges?", *Record* of Investment in Australia Symposium, Melbourne, February, 6pp; **AFM; CAi,** 185

"Published financial reports and national productivity", *Selected Problems in Accountancy, Papers from a Seminar*, Adult Education Board, University of Western Australia, February, 19-32; **AFM; CAi,** 191

"Professional education and the Vatter report", *Proceedings* of Conference of the Australasian Association of University Teachers of Accounting, Melbourne, May, 17pp; **AFM; CAii,** 31

"Measurement in accounting", *Journal of Accounting Research*, Spring, 32-62; revision of a paper of the same title mimeographed in 1963; **AFM; CAiii,** 100; reprinted in G W Dean & M C Wells (eds), *The Case for Continuously Contemporary Accounting*, New York, Garland, 1984

"The complementarity of accounting and economics", *Calculator Annual*, Singapore

Polytechnic Society of Commerce, 1964-65, 78-86; **AFM; CAiii**, 132

"The price level problem and some intellectual grooves", *Journal of Accounting Research*, Autumn, 242-252; **CAiv,** 52; reprinted in E J Evans (ed), *Selected Readings for the 1960s on General Price Level Adjustments*, University of New England, 1975

"Edwards and Bell on business income", a review article on E O Edwards and P W Bell, *The Theory and Measurement of Business Income*, 1961, *The Accounting Review*, October, 731-741; **AFM; CAiv,** 41; reprinted in M J R Gaffikin & M J Aitken (eds), *The Development of Accounting Theory*, New York, Garland, 1982

"The development of accounting theory", in R J Chambers, L Goldberg and R L Mathews (eds), *The Accounting Frontier*, Melbourne, F W Cheshire, November, 18-35; **CAiii,** 142

1966 "*Accounting and Analytical Methods* (Richard Mattessich, 1964): a Review Article", *Journal of Accounting Research*, Spring, 101-118, **CAiii,** 161

"Prospective adventures in accounting ideas", Annual Meeting of American Accounting Association, Miami, August 23; *The Accounting Review*, April 1967, 241-253; **AFM; CAii,** 67

"A matter of principle", a review article on Paul Grady, *Inventory of Generally Accepted Accounting Principles*..., 1965, *The Accounting Review*, July, 443-457; **AFM; CAii,** 51

"Why worry about accounting?", *Proceedings* of Fifth Hayden Stone Forum on Accounting, New York University Graduate School, November 10; 7-16; **AFM; CAi,** 205

"A study of a price level study", a review article (on Staff of AICPA Research Division, *Reporting the Financial Effects of Price Level Changes*, 1963), *Abacus*, December, 97-118; **AFM, CAiv,** 63; reprinted in E J Evans (ed), *Selected Readings for the 1960s on General Price Level Adjustments*, University of New England, 1975

1967 "The foundations of financial accounting", *Berkeley Symposium on The Foundations of Financial Accounting*, University of California, Berkeley, January 13, 26-44; **AFM, CAv,** 110; Appendix reprinted in T J Burns and H S Hendrickson (eds), *The Accounting Sampler*, New York, McGraw-Hill Book Company, 1972, 163-164

"Audit under audit", address to Beta Alpha Psi, Lambda Chapter, Oakland, January 13; **CAii,** 81

"Reality and illusion in accounting, finance and economics", address given at University of Michigan, January 26; *Michigan Business Review*, January l968, 1-9; **AFM; CAi,** 215

"University education in accounting", *Accountancy*, July, 469-474, (written 1965); **AFM**

"A study of a study of a price level study", *Abacus*, August, 62-73; **CAiv**, 84; reprinted in E J Evans (ed), *Selected Readings for the 1960s on General Price Level Adjustments*, University of New England, 1975

"New pathways in accounting thought and action", *Proceedings* of 16th Advanced Accounting Seminar, Victoria University of Wellington, August 25; **AFM; CAii**, 92; reprinted in *The Accountants' Journal*, July 1968, 434-441; S Chesler, A J Matias & S J Pullara (eds), *Dimensions in Accounting*, Morristown New Jersey, General Learning Corporation

"Price variation accounting - an improved representation", *Journal of Accounting Research*, Autumn, 215-220; **CAiv**, 97; reprinted in E J Evans (ed.), *Selected Readings for the 1960s on General Price Level Adjustments*, University of New England, 1975

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"Uniformity in accounting", *The New York Certified Public Accountant*, October, 747-754; **AFM; CAiii**, 187

"The mathematics of accounting and estimating", *Abacus*, December, 163-180; **AFM; CAiii**, 195

1968 "Consolidated statements are not really necessary", *The Australian Accountant*, February, 89-92; **AFM; CAii**, 101; reprinted in J J Staunton & J A Marsh (eds), *Some Issues in Financial Accounting*, University of New England, 1987

"Measures and values - a reply to Professor Staubus", *The Accounting Review*, April, 239-247 (on G J Staubus, "Current cash equivalent for assets: a dissent", *The Accounting Review*, October 1967, and E R Iselin, "Chambers on accounting theory", *The Accounting Review*, April 1968), **AFM; CAiii**, 213; reprinted in E S Hendriksen and B P Budge (eds), *Contemporary Accounting Theory*, Encino, California, Dickenson Publishing Company Inc, 1974

"Accepted, better or best? - the goal of inquiry in accounting", *The Singapore Accountant*, 1968, 27-33; **AFM; CAiii,** 223

"The linked logics of pedagogy and practice", *Proceedings* of Conference of Australasian Association of University Teachers of Accounting, Newcastle, August 12, D1-15; **AFM; CAii**, 111; reprinted in *The Australian Accountant*, June 1969, 267-275; and as to part in "Fact, symbol and feedback in accounting", *The New York Certified Public Accountant*, October 1969

"Tax allocation and financial reporting", *Abacus*, December, 99-123; **CAii**, 121; reprinted in T D Wise, C A Romano & V J Wise (eds), *Readings in Income Tax Allocation*, School of Economics, La Trobe University, 1988

1969 "The role of accounting", *The Accountant*, 22 February, 255-260

"Valuation of the real estate component of company assets", presented before Fifth Pan-

Pacific Congress of Real Estate Valuers and Appraisers, April 14; *The Valuer*, July, 511-513

"Financial information systems", presented at Canberra Seminar on Administrative Studies, May 19; *The Australian Accountant*, August, 364-368; **CAi**, 242

"Price variation accounting - a general notation", written for *Accounting, Finance and Management*, 1969, 636-642; **AFM**

"Money and the monetary unit", *The Singapore Accountant*, 79-85; **CAiii**, 231

"What's wrong with financial statements?", presented at Thirteenth Annual Convention of South Australian Division of Australian Society of Accountants, Adelaide, August 29; *The Australian Accountant*, February 1970, 19-28; **CAii**, 147; reprinted in C J Gibson, G G Meredith and R Peterson (eds), *Accounting Concepts - Readings*, Melbourne, Cassell Australia, 1972; Ian Munro (ed), *Readings in Accounting*, Victorian Commercial Teachers Association, 1974; W A A Maguire (ed), *Perspectives on Financial Reporting*, University of Natal, 1979

"The role of tomorrow's accountant", presented at Australian Society of Accountants Convention, Canberra, August 31; C J Gibson, G G Meredith and R Peterson (eds), *Accounting Concepts - Readings*, Melbourne, Cassell Australia, 1972; pp 50-63; **CAi**, 248

"The missing link in supervision of the securities market", *Abacus*, September, 16-36; **CAi**, 262

"The canons of criticism", (personal communication on a critique by R W Leftwich of *Accounting, Evaluation and Economic Behavior*, University of Queensland papers, August), September 1969; first published 1986, **CAv**, 137

1970 "Accounting and the public interest", in *Abram Mey Tachtig Jaar, Liber Amicorum*, W de Haan, Bussum, Netherlands, 44-53

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"The elements of price variation accounting", February 26 299-303,

"Historical cost accounting and its variants", March 5, 341-345,

"Price level adjusted accounting", March 19, 408-13,

"Replacement price accounting", April 2, 483-486,

"Present value accounting", April 16, 551-555,

"Continuously contemporary accounting", April 30, 643-647;

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"Accounting research and technology", presented in Monterrey Institute of Technology, Mexico, February 23; published (Spanish language) under title "Investigacion Contable y Tecnologica, *Revista Temas de Negocios*, Monterrey Institute, Spring 1971, 49-56; **CAiii**, 259

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"Second thoughts on continuously contemporary accounting", presented at North Texas State University, February 26; *Abacus*, September, 39-55; **CAv**, 147; reprinted in R H Parker, G C Harcourt & G Whittington (eds), *Readings in the Concept and Measurement of Income*, Oxford, Philip Allan, 1986

"The commercial foundations of accounting", presented at Accounting Theory Symposium, University of Florida, March 12; in Willard E Stone (ed.), *Foundations of Accounting Theory*, Gainesville, University of Florida Press, 1971, 59-77; **CAv**, 165

"Patchwork principles or a new code", presented in Price Waterhouse Distinguished Lecturer in Accounting Series, Georgia State University, Atlanta, March 30, 27pp; **CAii**, 157

"Accounting - from a logical point of view", presented at Georgia State University, March 30; *The Singapore Accountant*, 1970, 13-18; **CAiii**, 239; reprinted in J J Staunton (ed), *Theory Construction and Verification in Accounting*, University of New England, 1976; J J Staunton (ed), *Liabilities in a Theory of Accounting*, University of New England, 1982

"Evidence for a market selling price accounting system", presented at a Symposium, University of Kansas, May 22; Robert R Sterling (ed), *Asset Valuation and Income Determination*, Lawrence, Kansas, Scholars Book Company, 1971, 74-96; **CAv**, 184

"Historical cost accounting", with John W Kennelly, Thomas W McRae, Frank K Reilly and W Keith Weltmer, at University of Kansas, May 1970, *Abacus*, June 1971, 39; **CAv**, 207; reprinted in Vincent C Brenner and others, "Trials and tribulations of a researcher", *Journal of Accounting Research*, Spring 1972; G W Dean & M C Wells (eds), *The Case for Continuously Contemporary Accounting*, New York, Garland, 1984

"Financial reporting and administrative accounting: harmony or conflict?", presented at Annual Conference of The Institute of Chartered Accountants of Ontario, York University, Toronto, June 11; *Canadian Chartered Accountant*, August, 114-120; **CAi**, 286

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"Asset revaluation", rhymed response to criticism by R C Dalton in *The Australian Financial Review*, unpublished; published in T J Burns & H S Hendricksen (eds), *The Accounting*

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"Value to the owner", (response to F K Wright, *Abacus*, June, 58-61), *Abacus*, 62-72; **CAiii**, 330

"Measurement and valuation again" (response to rejoinder of Mattessich to Chambers), *Cost and Management*, July-August, 12-17; **CAiii**, 252

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1974 NZ Society of Accountants, "Inflation and business", dossier, see , **see "14 – INVITED LECTURES**..."

1975 "Accounting, measurement and mathematics", for Essays in honour of E H Weinwurm, January 1975, 10pp; project lapsed

ASA National professional development course, "Accounting for inflation", dossier, **see "14 – INVITED LECTURES**..."

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157, "Sonnet to my blindness"; **CAiv**, 245

169, "Away with inflation accounting"; **CAiv**, 239

169, "Oh, C(al)C(utt)A! or Oh, C(al)C(ulat)A! or Oh, CCA!"; **CAiv**, 255

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310, "Mind your O.C."; **CAiv**, 286

"Advancing accounting in the 80s", *Journal of Accounting* (Singapore), October 1979, 7-12; repr. in *Papua New Guinea Journal of Accounting*, 1982

1980 Letter on F Sewell Bray, to D A R Forrester, August 15, in Forrester (ed), *Frank Sewell*

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1987 Foreword to Peter W Wolnizer, *Auditing as independent authentication*, Sydney University Press, ix-x

1989 Interview, by Linda English, *The Australian Accountant*, December, 12-15

12 - LETTERS TO GENERAL AND PROFESSIONAL PRESS

1954 "Tax allowance inquiry" (plea for a new basis of tax assessment), *Sydney Morning Herald*, October 1, 2

1962 "University education in accounting in Australia", *The Accountant*, March 10,

"Advertiser case", *Sydney Morning Herald*, June 23, 8

1963 "Reviewing investment techniques", *Australian Financial Review*, January 31, 2

"Stock exchanges and company reports", *Sydney Morning Herald*, March 19, unpublished

"Under the law of the jungle...", (on stock exchanges and company accounts), *Australian Financial Review*, May 28, 2

"More on financial reporting" (response to E J Green), *Australian Financial Review*, June 11, 2

"Financial information and the securities market" (Under the caption – "Professor Chambers replies" this is a response to letter of E York Seymour to *Australian Financial Review*, October 15), *Australian Financial Review*, October 29, 2

1966 "Soft and hard management training", *Australian Financial Review*, March 2, 3

"Accounting should move into the space age" (comment on article of John Lloyd, "Accountants should change their ways in the space age"), *The Australian*, March 28, 6

1967 "Education for management", published as "Wrong approach to education for business?", *Australian Financial Review*, April 27, 3

"How do our businessmen rate?", *The Australian*, May 16, 10

"Auditors and accounting", published as "Need for watch on company statements of fact", *Australian Financial Review*, June 8, 3

"Accountants and mathematics", published as "More exact accounting", *Australian Financial Review*, October 11, 3

1968 "Consolidated statements" (reply to letter of R C Dalton on my article on this topic in *The Australian Accountant*, February), *The Australian Accountant*, April, 231-232; reprinted in T J Burns & H S Hendrickson (eds), *The Accounting Sampler*, second edition, McGraw-Hill, New York, 1972

1969 To the Editor, *The Australian Accountant*, on some gaffes and infelicities in contents of the journal, January 29, unpublished

Response to letter of R M Trueblood on personal and business accounting, *Journal of Accountancy*, January; *Journal of Accountancy*, August, 26-28

Response to letter of L S Leask on balance sheets, *Journal of Accountancy*, February 1969, *Journal of Accountancy*, October, 32, 34

Letter about Morris on current value accounting, *Australian Financial Review*, unpublished

1970 "Deferred tax accounting", published as "Top accountants called to account", *Australian Financial Review*, February 17, 3

"Future of management education", published as "Learning the business", *Australian Financial Review*, February 25, 3

"Replacement price accounting", response to letter of Professor Amey of 11 June 1970 same journal, *The Accountant*, September 24, 420

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On the appropriateness of the SEC as a model for Australia, *Australian Financial Review*, unpublished

1972 "The audit of accounting" (response to articles of Ashley McKeon), *Australian Financial Review*, July, 7pp, unpublished

"The other side of the account" (on the inquiries of Professor S A Zeff), *Australian Financial Review*, December 12, 3

1973 On the relevance of cash equivalents (response to letter of A Robinson, *The Chartered Accountant in Australia*, January), *The Chartered Accountant in Australia*, March, 45-46

On financial position (response to letter of A Robinson, *The Chartered Accountant in Australia*, March 1973), *The Chartered Accountant in Australia*, May, 36, 38

"Simple reforms in accounting" (response to letter of G S Kirk, May 9, *Australian Financial Review* on Chambers' address to Pacioli Society, May 9) *Australian Financial Review*, June 13, 3

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1974 "MBA is not a mish-mash" (response to A J Hamilton on University of Sydney MBA proposal, *Australian Financial Review*, January 31), *Australian Financial Review*, February 6, 3

"Accounting and valuing" (comment on W R Mason, "The separate and distinct philosophies of accounting and valuing", *The Chartered Accountant in Australia*, November 1973), *The Chartered Accountant in Australia*, March 1974, 48

"Accounting standards: objectives, problems, achievements" (comment on article of B Feller under this title, *The Australian Accountant*, August), *The Australian Accountant*, October,

569

1975 "A company fraud cure", *Australian Financial Review*, January 8, 2

On accounting for inflation; letter of March 12 to *Sydney Morning Herald*, in response to a series of articles on the matter; unpublished

"Accounting for inflation", *Accountants' Journal*, September, 299-300

"Company report shows flaws in CPP accounting theories", *Australian Financial Review*, May 30, 16-17

Response to letter of I A A Vassie, "CVA accounting has flaws too*", Australian Financial Review*, June 10; submitted to editor June 17; unpublished

"Another method of coping with inflation", *Sydney Morning Herald*, August 7, 22

1976 Correcting an impression (D C Bell, letter, *Accountants' Journal*, November 1975) that Chambers' proposal is a variety of replacement price accounting, *Accountants' Journal*, March

"Accounting for inflation; a reply to Popoff", *Accountants' Journal*, April, 92-94, response to Boris Popoff, "Accounting for inflation: Chambers and CCA", *Accountants' Journal*, February 1976

"Nails will not help tax case" (criticism of an article on the Mathews Committee proposals on income taxation, *The Australian*, July 7) , *The Australian*, August 3, 12

"Accounting for inflation" (comment on a letter by Okai responding to Chambers' article in *The Accountant's Magazine*, March), *The Accountant's Magazine*, August, 306-307

"Accounting for inflation" (comment on a review of Chambers, *Accounting for Inflation*, 1975), *The Australian Accountant*, September, 514

1977 "What does it [CoCoA] stand for?", *The Accountant's Magazine*, August

1978 "CCA: criticisms of some comments", *The Chartered Accountant in Australia*, July, 88-90

"Unanswered questions", *The Chartered Accountant in Australia*, November, 4

1979 "Comment on an editorial on the Report of the Accounting Standards Review Committee", *Law Society Journal*, Vol 17, April, 145-151

1980 "A Christmas present indeed" (on a financial reporting standard, FASB33, promulgated by the US FASB), *The Chartered Accountant in Australia*, February, 2; **CAiv**, 296

1984 "The new AUP3 - is the emphasis misplaced?", *The Australian Accountant*, July, 411

"Financial position and results defined", *The Australian Accountant*, November, 807

1992 "Rubbery figures stretch assets", *The Australian*, June 2, 12

"Accounting standards – A fatal flaw" submitted to *Business Review Weekly* June 15

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"When the assets indicator sticks", *The Australian*, June 19, 12

13 - SUBMISSIONS TO PUBLIC AND PROFESSIONAL BODIES (unpublished)

Items marked **CA with roman numeral** included in *Chambers on Accounting*, in volume indicated.

1960 Report to the Chairman, NSW Public Accountants Registration Board, on investigation (1959) of steps taken in England and the United States to ensure adequate disclosure of financial information in published company reports, March, 5pp

1961 Comments on draft recommendations of The Institute of Chartered Accountants in Australia, prepared at the request of the Institute, 1961, 26pp

Chambers (convenor) with L Goldberg and R L Mathews, Report of the Advisory Panel to the Committee of Review on educational standards and examinations of The Institute of Chartered Accountants in Australia, April, 60pp mimeograph

1962 Comments on research studies for Accounting Research Division, AICPA, New York, August - September:

> Perry Mason, "Cash flow analysis and the funds statement", 6pp; "The price level study", 16pp
>
> A Wyatt, "Accounting for business combinations", 15pp; "Accounting for non-profit organizations", 9pp

1963 "Higher education for management", opinion on a draft report for the Martin Committee on tertiary education, 12pp

1964 Chambers (convenor) with L Goldberg and R L Mathews, (Second) Report of the Advisory Panel to the Committee of Review on educational standards and examinations of The Institute of Chartered Accountants in Australia, October, 20pp

1966 "Suggested amendments to the Companies Act", submission to NSW Registrar of Companies, January 19, 16pp

Notes on Accounting Research Study No. 6 and the Price level opinion, to Director of the Accounting Research Division, AICPA, New York, August, 10pp with tables (this and next item written in AICPA Research Division)

"Concepts and principles", draft notes as suggestion for proposed statement by the Accounting Principles Board of AICPA, September, 40pp

1967 Submission to the Chairman of the Accounting and Auditing Research Committee of the (Australian) Accounting Research Foundation, critical of a proposed questionnaire on the function of published financial statements, September, 5pp

"Suggested amendments to the Companies Act", submission to the (Commonwealth) Company Law Advisory Committee, October 27, 34pp

1968 "*Horizons for a Profession* - some jottings", notes on Roy and McNeill's book of that title, prompted by W Bruschi, Director of Examinations, AICPA, on the occasion of his visit, August, 11pp

1969 "Limited professional liability", a note of March 6 on limited liability proposals, to Divisional Council, ASA, per C M Orr

1970 Report to the Chairman of the NSW Public Accountants Registration Board on the style and substance of examinations of the ASA under new oversight arrangements, November 16, 10pp

1971 "Some aspects of an efficient securities market", submission to Select Committee on Securities and Exchange, Australian Senate, April, 33pp

"The objectives of accounting", submission to Accounting Objectives Study Group of AICPA, December, 11pp

"Inflation and accounts", critique of the English Institutes' price-level adjusted accounting proposals, submitted to Technical Officer of The Institute of Chartered Accountants in England and Wales, December, 12pp

1973 Comment on exposure draft, "The concept of materiality", submitted to The Institute of Chartered Accountants in Australia and Australian Society of Accountants, January, 5pp

Comment on exposure draft, "Accounting for the extractive industries", submitted to The Institute of Chartered Accountants in Australia and Australian Society of Accountants, March, 5pp

Comment on exposure draft, "The use of the equity method in accounting for investments in subsidiaries and associated companies", submitted to Australian Joint Accounting Standards Committee, November (also listed under **9 - ARTICLES**)

Comment on exposure draft, "Translation of amounts in foreign currencies", submitted to Australian Joint Accounting Standards Committee, December 28, 6pp

1974 Memorandum on Statement DS5,"Depreciation of non-current assets", submitted to Executive Director, Australian Society of Accountants, January 15, 7pp

Memorandum to Australian Attorney General's Department on proposed changes to Ninth Schedule of Companies Act, March 29, 3pp

Submission to the UK Government Committee of Inquiry into Inflation and Company Accounts, April 23, 31pp and 7 appendices

"Research activities of the Society", working paper submitted to General Council of the ASA, May, 15pp

Notes on "Commentary on the Statements of international accounting standards", submitted to IASC Sub-Committee, Melbourne, July 5, 3pp

Notes on IASC Exposure Draft No. 1, "Disclosure of accounting policies", submitted to IASC Sub-Committee, Melbourne, July 8, 7pp

Response to US Financial Accounting Standards Board Discussion Memorandum on the objectives of financial statements, September, 15pp

1975 Memorandum for Australian Prices Justification Tribunal, "Accounting for the effects of inflation", March 7, 6pp

Submission and Supplementary Memorandum to Australian Government Committee of Inquiry into inflation and taxation (Mathews Committee), March 14, 11pp; April 3, 8pp

Submission on accounting for inflation to Australian Government Committee to advise on policies for manufacturing industry, March 24, 13pp

1976 Submission to the Education and Membership Committees, Australian Society of Accountants, "Admission and Advancement Qualifications", January, 15pp

"Accounting for changing prices", presentation to hearings of a Review Committee set up by the Australian Accounting Standards Committee, on methods of inflation accounting, March (the text, with appendices, is given in **CAv**, 269-287)

Open letter to the Chairman of the Australian Accounting Standards Committee (on fair judgment as between inflation accounting proposals), June, 7pp + appendices; copies to members of the Executives of the ASA and the ICAA and the Australian Accounting Standards Committee

1977 Submission to Australian Society of Accountants (and later to the Integration Committee of the Society and The Institute of Chartered Accountants in Australia) on "An Institute of Specialist Accounting Colleges", (a development of the submission of January 1976, see above), 15pp

Submission to Inflation Accounting Steering Group (UK) on Exposure Draft No. 18, "Current cost accounting", May, 9pp

Submission to Joint Standing Committee of Australian Professional Bodies, "The progress of CCA", May, 9pp

Submissions to US Financial Accounting Standards Board on "Tentative conclusions on objectives of financial statements of business enterprises" and on memorandum "Conceptual framework for financial accounting and reporting...", June, 22pp + 2 appendices

Submission to Canadian Institute of Chartered Accountants on Discussion Paper "Current value accounting" of the Accounting Research Committee of the Institute, June, 15pp

1978 Response to invitation of the Education Review Committee of the Institute of Chartered Accountants in Australia to comment on professional education for and professional qualification in accounting (with M C Wells), January, 3pp

"Some Comments on *Budgeting and Planning for Development in Developing Countries*", submission to Economic and Social Affairs Secretariat, United Nations, New York, January, 4pp

Proposal and proposed constitution of an International Association for the Advancement of Accounting Education, addressed to Louis Perridon (France), Seigo Nakajima (Japan), Adolf Enthoven, Maurice Moonitz, Gerry Mueller, David Solomons (USA), 5pp

Submission to Australian Accounting Research Foundation on exposure draft (July 1978) on gains and losses on holding monetary resources, December, 10pp

1979 Submission to Australian Financial System Inquiry (Australian Government; the Campbell Inquiry), March, 12pp

Submission to Canadian Institute of Chartered Accountants on Accounting Research Committee paper, "Financial reporting and changing prices", May, 10pp

Comment on US Financial Accounting Standards Board exposure draft (December 1978) on "Financial accounting and changing prices", June, 9pp

Comment on exposure draft (September 1979) of Australian Accounting Research Foundation on asset revaluations, September, 4pp

"Suggested amendments to the accounts and audit provisions, including the Fourteenth (accounts) Schedule, of the Companies Act of Sri Lanka", submitted to the Registrar of Companies, Sri Lanka, November, 34pp

1980 Submission to the Research Manager, Canadian Institute of Chartered Accountants on an exposure draft on current cost accounting, February, 4pp

1982 Submission to National Companies and Securities Commission on a proposal to establish an Accounting Standards Review Board, March, 8pp; **CAii**, 377

Submission to Accounting Standards Board of Australian Accounting Research Foundation, on "objectives" of accounting, June, 3pp plus "The functions of published financial statements" (1976)

1985 "A true and fair view...", submission to National Companies and Securities Commission, February, 6pp

1991 Submission to Research Committee of The Institute of Chartered Accountants of Scotland on "Making Company Reports Valuable - Melody plc", March, 9pp

1994 Letter to President, ASCPA, on professional aspirations and performance (no response)

14 – INVITED LECTURES, CONFERENCE ADDRESSES, SEMINAR AND OTHER PRESENTATIONS

1946 USBM lectures, "Office management"

1947 USBM lectures, "The laws of budgetary control", August 15, 22; "Financial management" (6 lectures), September-October

1948 Institution of Engineers of Australia, Engineering Management Branch, Sydney, "Budgetary control", May 27; also listed under **9 - ARTICLES**

CIA, NSW Division, Sydney, lecture, "Business finance and the analysis of financial statements", *The Australian Accountant*, August, 253-65

USBM lectures, "The social responsibilities of management" (6 lectures), August-September

Institute of Industrial Management, Newcastle, "Australian secondary industries since the depression", November

1949 CIA, Sydney, "Depreciation - cost or replacement value", May 18, published under title "Accounting and shifting price levels"; **CAiv**, 1

USBM lectures, "The problem of incentives" (6 lectures), June-August

Federal Institute of Accountants Educational Society, Sydney, "Accountants and managers", mimeograph by the Society, August

University of Sydney, Comment on CIA endowed lecture by F Sewell Bray, October 20

Australasian Congress on Accounting, Sydney, Comment on T A Hiley, "Widening responsibilities of accountants", November; also listed under **11 - ESSAYS, EDITORIALS, ADDRESSES, MINOR ARTICLES, NOTES**

1950 Sydney Junior Chamber of Commerce, "The problems of depreciation with rising price levels"

University of Melbourne, University of Adelaide, CIA Annual Research Lectures, "The relationship between accounting and financial management", June 21, 22; **AFM**; **CAi**, 5

1951 CIA, Sydney Division, "Accounting and inflation", "Effects of inflation on financial strategy", "Financial practice and fiscal policy" (3 lectures), April-May; **AFM**; **CAiv**, 14, 24, 33

University of Queensland, CIA Sixth Annual Research Lecture, "Accounting and business finance", July 24; **AFM**; **CAi**, 29

1952 Sydney Junior Chamber of Commerce, "Modern developments in accounting theory and practice", February 18

Sydney Junior Chamber of Commerce, "Inflation and accountancy", March

USBM lectures, "The limitations of conventional accounting", August

Food Technology Association, three lectures on financial administration, November

1953 USBM lectures, "Australian facilities for developing executive abilities", June; "Communications between management and a company's external participants", September

Ivory Tower (Faculty of Economics, University of Sydney), "The study of accounting and of economics", July 8

Australian Chartered Accountants Research Society Congress, Medlow Bath, Comment on paper, "Accounting in ... inflation", July 17

Statistical Society of NSW, Sydney, "Economic accounting - a new application of statistics", September 17

ASA, Wollongong Branch, "Business finance and the accountant", November

1954 Sydney Junior Chamber of Commerce, "Company reports and industrial relations", April 22

First ASA Convention, Adelaide, "Capital for private enterprise under existing economic conditions", June 1; also listed under **9 - ARTICLES**

Bankers Administrative Staff College, Kirribilli, "Delegation, control and accountability", August 23

Johnson & Johnson Executive Forum, Sydney, "Pounds, shillings and sense", November 22

1955 ASA, Wollongong Branch Annual Meeting, "What is an accountant?", February 23

Sydney Junior Chamber of Commerce, "Accounting and monetary instability", May 3

Economic Society of Australia and New Zealand, Sydney, "Capital erosion", September 16

University of Tasmania, Hobart, ASA Research Lecture; ASA, Launceston, "The formal basis of business decisions", September 20, 22; **AFM**; **CAi**, 53

USBM lectures, "Provision of permanent capital", October 4

Bankers Administrative Staff College, Kirribilli, November 1-4

1956 ASA, Sydney, Members' refresher course, "Methods of financing business enterprises", June

University of Sydney, Open Day, "How to fake accounts - some notable examples", July 21

1957 ASA, Wollongong, February

ASA, Newcastle, annual general meeting, "Company formation, conversion and financing", March 15

USBM lectures

University of Sydney, Open Day, "How to lose money on the stock exchange", July 27

University of Melbourne, ASA Research Lecture, "The implications of asset revaluations and bonus share issues", October 2; **AFM**; **CAi**, 73

1958 Australian Institute of Management, Newcastle, "Accounting and action", March 25

East Sydney Rotary Club, "Accounting and business behaviour", May 1

ASA National Convention, Sydney, comment, "The influence of economic forces on accounting", May 5

Sydney University Extension Board, Courses for Professional Engineers, "Engineering finance" (8 Lectures), June 12 - July 31

AASC, Mt.Eliza, "Accountability in the public company", August 13, October 9

USBM lectures, "Contemporary developments in business finance", October 30

1959 The Institute of Management Sciences, National meeting, Chicago, "Measurement and misrepresentation", June 5; **AFM**; **CAiii**, 17

University of Chicago Graduate School of Business, in Public lecture series - Accounting: changing patterns - "Accounting abroad", October 28

1960 ASA Divisional Council, "Accounting education and training abroad", after dinner address, February 4

ASA, Sydney, "A true and unfair view" (of accounting in the UK and the USA), luncheon address, March 16

University of Sydney Economics Graduates Association, "On getting along by degrees", May 11

Sydney Junior Chamber of Commerce, "Takeover bids", May 19

AASC, "Accountability in the public company", June 12, September 25

Sydney University Union, Trinity dinner, guest speaker, June 27

Australian Institute of Management Conference, opening address, "Information processing systems", Craigieburn, Bowral, August 19

Australian Launderers Convention, "Trends in the management of medium-sized business", October 10

Junior Australian-American Association, "Business education abroad", October 26

Australian Institute of Management Supervisors Forum, "The meaning of management", November 10

1961 ASA, Wollongong, "Trends and developments in accountancy overseas", February

University of Sydney Department of Tutorial Classes, Residential School for BHP Executives (Women's College), "The nature of industrial organization - Costs and industry", February 6

AASC, Mt. Eliza, "Accountability", March 5, June 18, October 1

University of Adelaide, ASA Research Lecture, "Towards a general theory of accounting", August 2; **AFM**; **CAv**, 29

John P Young & Associates Cost Reduction Conference, Sydney, "Cost reduction in the use of funds", November 15

1962 University of Tasmania, "The resolution of some paradoxes in accounting", April 30; also ASA, Launceston, May; University of Malaya, July 9; University of British Columbia, November 23; **AFM**; **CAv**, 75

University of Tasmania, honours candidates seminars, April-May

Economic Society of Australia, Tasmanian Branch, address, May

ASA, Singapore, luncheon address, "Future (ASA) professional qualifications and standards", July 9

AAA Northeast Regional Convention, Cambridge, Mass., "Non-comments on non-accounting", October 6; **AFM**; **CAi**, 99

University of Chicago, Courses, "Asset accounting"; "Modern accounting thought", seminars on accounting theory; October-November

University of Illinois, address to students and staff, "Towards a general accounting theory", November 1

Illinois Conference of Accounting Teachers, De Paul University, Chicago, "Changes in accounting theory", November 9; **CAiii**, 33

University of Chicago, Institute of Professional Accounting workshop, "Why bother with postulates?", November 13; **AFM**; **CAiii**, 51

Tulane University, New Orleans, student seminar, "The role of theory in practice and learning", November 19

Northwestern University, Chicago, Accounting faculty discussion, "Boundaries of the accounting field", November 20

University of Washington, Seattle, address to senior students and staff, "A framework of a general theory of accounting", November 21

University of British Columbia, Vancouver, Staff seminars, "Framework for accounting theory"; "Accounting education", November 22

1963 Economic Society of Australia and New Zealand Symposium, Sydney, "Post mortem on Australian company losses", March 15 (ms)

Rotary Club of South Sydney, "Company lore and profits", March 11

Sydney University Pacioli Society, "Some observations on *The Basic Postulates of Accounting*" (Moonitz, 1961), April 23

NSW Public Service Accounting Officers Group, "Government accountability", May 29

AASC, Mt Eliza, July 14, October 13

Canberra Seminar on Administrative Studies, "The role of information systems in decision making", August 15; **AFM**; **CAi**, 125

University of Sydney, "Financial information and the securities market", ASA endowed lecture, September 26; **AFM**; **CAi**, 137

Bankers' Institute of Australia Symposium, Sydney, "Postmortem on Australian company failures", October 15

Rotary Club of Hurstville, "Company lore and profits", November 18

ABC Radio, interview on company losses and anachronistic accounting, December

1964 Australasian Association of University Teachers of Accounting, second conference, Canberra, January 25-27, "The Moonitz and Sprouse studies on postulates and principles", *Proceedings*, 34-54; **AFM**; **CAiii**, 64

Australian Society of Security Analysts, Sydney, "The adequacy of company reporting", February 11

ASA Newcastle Branch Conference, "The accountancy profession and recent company failures", March 6, 10 pp

AASC, Mt Eliza, March 12

Australian Shareholders' Association, Sydney, "The shareholder and company accounts", April

Rotary Club of North Sydney, "Companies unlimited", April 16

University of Tasmania, Seminars, July

ASA, Hobart, Launceston, "Accounting 1984", July 20

Canberra Seminar on Administration (Australian National University), "The role of universities in administrative education" (ms 5pp), August 14-16

USBM lectures, "The efficiency of administrative structures" (4 lectures), September

AIS Technical Society, Port Kembla, "Fallacies in company accounting", September 18; **AFM**; **CAi**, 165

Rotary Club of Kingsgrove, "Human efficiency in business", September 21

1965 Investment in Australia Symposium, Comment, "Are the stock exchanges in Australia meeting their challenges?", February 18; **AFM**; **CAi**, 185

University of Western Australia Adult Education Board, "Published financial reports and national productivity", February 20; **AFM**; **CAi**, 191

Australasian Association of University Teachers of Accounting, "Professional education and the Vatter Report", *Proceedings* of conference, Melbourne, May, 17pp; **AFM**; as to part, **CAii**, 31

NSW Computer Society, Sydney, "The firm as an information complex", June 29

AASC, Mt Eliza, July 16, October 15

University of Sydney Department of Adult Education, Newcastle, "The efficiency of administrative structures", four lectures, September-October

ASA, Wollongong, End of year dinner, "The future of accounting", November 19

1966 Economic Society of Australia and New Zealand, NSW Branch, "Company losses - bad times or bad management?", February 18

London School of Economics, Accounting Staff Seminar, "Accounting, evaluation and economic behaviour", June 1

AAA Annual Conference, Miami, "Prospective adventures in accounting ideas", August 23; **AFM**; **CAii**, 67

Michigan State University, Distinguished accountant series, videotape, "The process of theory formation in accounting", September 20

Fifth Hayden Stone Forum on Accounting, New York University Graduate School, "Why worry about accounting?", November 10; **AFM**; **CAi**, 205

University of California, Berkeley, October-November, senior student course, "Modern accounting thought" (Sprague onwards)

University of Alabama, Tuscaloosa, November 3-4, graduate seminar, "Blueprint for a theory of accounting"; Beta Alpha Psi, "Developments in accounting theory"; senior undergraduate seminar, "Why bother with postulates?"; faculty seminar, "The AAA Statement of Basic Accounting Theory"

University of California, Los Angeles, Round Table, "Problems in income measurement", November 19

MBA Associates, University of California, Berkeley, "Business education in Australia", November 30

1967 Stanford University, staff and student seminars (on measurement, education, a general theory), January 5-12

Berkeley Symposium on the foundations of financial accounting, "The foundations of financial accounting", January 13; **AFM**; **CAv**, 110

Beta Alpha Psi, Lambda Chapter, Oakland, "Audit under audit", January 13; **CAii**, 81

Stanford University, staff, MBA and PhD seminars, on objectivity, relevance, additivity, January 16-24

University of Michigan, Ann Arbor; senior students seminar, "General features of an accounting system"; PhD candidates seminar, "International comparisons in the development of accounting theory", January 25; public lecture, "Reality and illusion in accounting, finance and economics", January 26; **AFM**; **CAi**, 215

University of Washington, Seattle, doctoral seminar, four sessions, on development and substance of continuously contemporary accounting; "Evaluation of alternative accounting systems" (re: appendix to Berkeley Symposium paper, January, see above), February 2-23

University of Alberta, Edmonton, public lecture, "The relationships between accounting, finance and management", February 13; **AFM**; **CAi**, 225

University of Saskatchewan, Saskatoon, Faculty and senior student seminar, on dealing with intangibles, February 15

University of Washington, Seattle, Faculty seminar, "Some tentative ideas on methodology", February 16; **CAiii**, 179

Washington State CPA Society, Seattle, dinner address, "The crisis in accounting practice", February 16

University of Oregon, Eugene, Faculty and student colloquium, "The firm as an information network", February 20

Washington State University, Pullman, Faculty and student seminars, February 21

University of Washington Graduate School of Business Administration, open lecture, "The concept of the firm and the integration of disciplines", February 24

ASA Wagga Wagga Accounting Convention, "Avenues for specialization in the accounting profession", April 8

Commonwealth Public Service Board Seminar on administration, management and training, Canberra, "Developments in management and organisation theory", May 18

Australian Chartered Accountants' Research Society Fifteenth Annual Congress, Canberra, panel member, discussion, "Chartered accountants: today and tomorrow", June 24

AASC, Mt Eliza, "Accountability in the public company", July 11, October 10

Victoria University of Wellington 16th Annual Seminar, "New pathways in accounting thought and action", August 25; **AFM**; **CAii**, 92

1968 Qantas Station Managers' Symposium, Sydney, "What makes a manager?", February 9

ASA, Financial management lectures, "The role of the financial executive in planning corporate growth", March 7

General Management Group, Sydney, "Stereotypes, American and English", March 8

Australian National Economics and Commerce Students' Association Conference, University of New South Wales, "Alternative accounting systems - An evaluation", May 21

Australasian Association of University Teachers of Accounting, annual conference, Newcastle, "The linked logics of pedagogy and practice", August 12; **AFM**; **CAii**, 111

AASC, Mt Eliza, lecture (accountability), October 7

1969 Sydney Legacy Club, "Teaching and learning management", March 13

University of Sydney Pacioli Society, "It should not be difficult to reach agreement on accounting principles", March 25

Fifth Pan-Pacific Congress of Real Estate Valuers and Appraisers, Sydney, "Valuation of ... assets", April 14; also listed under **9 - ARTICLES**

ASA and ICAA joint seminar, "Profit objectives and continuity", April 22

Canberra Seminar on Administrative Studies, "Financial information systems", May 19; **CAi**, 242

Commonwealth Department of Supply Basic Management Course, "The management process", Terrigal, June 30

Commonwealth Industrial Gases Staff Finance Seminar, Wahroonga, "Accounting philosophy", August 5

ASA South Australian Division Convention, Flinders University, Adelaide, "What's wrong with financial statements?", August 29; **CAii**, 147

ASA Convention, Canberra, "The role of tomorrow's accountant", August 31; **CAi**, 248

Macquarie University, Student seminar, "Interperiod allocation of income tax", September 18

AASC, Mt Eliza, October 6

University of Sydney, "Empirical research in accounting", Staff seminar paper, 4pp, October 8

ASA, Wollongong Branch, dinner address, November 27

1970 Monterrey Institute of Technology, Monterrey (Mexico), February 23, 24; Undergraduate lecture, "The place of accounting in administration"; Graduate lecture, "Varieties of accounting research"; **CAiii**, 269; Faculty and practitioners seminar, "Accounting research and technology"; **CAiii**, 259; Faculty seminar, "Accounting theory and theories"

North Texas State University, Denton, Faculty and graduate students colloquium, "Second thoughts on continuously contemporary accounting", February 26; **CAv**, 147

University of Florida, Gainesville, various student lectures, March 1-25

University of Florida Accounting Theory Symposium, "The commercial foundations of accounting", March 12; **CAv**, 165

University of Virginia Accounting Forum, Charlottesville, "Legerdemain in the ledger domain", March 26

Georgia State University and Beta Alpha Psi, Atlanta, student convocation, "Accounting - from a logical point of view", March 30; **CAiii**, 239; Price Waterhouse Distinguished lecture, "Patchwork principles or a new code?", March 30; **CAii**, 157

University of Kansas, Lawrence, Senior student lectures, April 1 - May 21

Tulane University, New Orleans, seminars, "Continuously contemporary accounting for better decisions"; "Recent uses of research methodology in the accounting theory literature", April 17, 18

Ohio State University, Columbus, faculty colloquium, "Guesswork today, accounting tomorrow", April 23

University of Minnesota, Minneapolis, seminar, "Styles of research in accounting", May 1

Washington State University, Pullman, "Accounting and economic choice", May 4

University of Washington, Seattle, student seminar, "The development of the idea of resale price accounting", May 5

Wichita State College, "A day with Professor Chambers" (varied staff and student discussions), May 15

University of Kansas, Asset Valuation and Income Determination Symposium, "Evidence for a market selling price accounting system", May 22; **CAv**, 184

Bowling Green State College and Beta Alpha Psi, Bowling Green, Faculty and students address, "A general theory of accounting", May 27

Pennsylvania State College, University Park, "Second thoughts on continuously contemporary accounting", May 28

Ontario Institute of Chartered Accountants Annual Conference, York University, Toronto, "Financial reporting and administrative accounting - harmony or conflict?", June 11; **CAi**, 286

1971 Sydney Rotary Club, "Directors, investors, auditors and the law", January 19

Waseda University, Tokyo, Lecture course, on selling-price-based accounting, to senior students, March-June

Kobe University of Commerce, Kobe, "The case for continuously contemporary accounting", June 7

Soka University, Tokyo, address to students, "Business, economics and accounting", June 28

Hitotsubashi University, Tokyo, "The pollution of accounting", June 30

University of Canterbury, Christchurch, Department of Extension Studies, Foundations of Business Policy Seminars, "Managerial decision making", August 4

University of Canterbury, Department of Accountancy, various lectures and seminars as Erskine Fellow, August

New Zealand Society of Accountants, Otago Branch, "The pollution of accounting", August 5

Otago University, seminars, "The proof of the pudding..."; "A profession without keel or rudder", August 6

Victoria University of Wellington, Staff and Students seminar, August 10

University of Auckland, Honours seminar; August 11; Senior students lectures, August 11, 12

Australasian Association of University Teachers of Accounting Annual Conference, Christchurch, August 17, "The anguish of accountants"; **CAii**, 176

1972 Law Society of New South Wales Seminar on the *Companies (Amendment) Act, 1971*, "*The Companies (Amendment) Act, 1971* - Accounts and Audit", Sydney, May 26 (ms 27pp)

Kabeiroi of the University of Sydney, "Stock market ecology", July 20

Institute of Chartered Accountants in Australia, discussion group, "Real time accounting", August 15

1973 University of Sydney, Graduation ceremony address, "Prospect on graduation", April 14; **CAii**, 185

Sydney University Pacioli Society, "Securities and Obscurities", May 9

Institute of Chartered Accountants in Australia, NSW Branch, 20th Annual Congress, Surfers Paradise, "What should tomorrow's accountants be taught?", June 2

ASA Queensland State Convention, Mt Isa, "Mining, Taxing and Accounting", June 9

Chartered Accountants Students Society, Twelfth annual congress, Blackheath, "What does a balance sheet say?", June 16 (ms 4pp)

University of New South Wales, seminar, "Observation as a method of inquiry - the background of *Securities and Obscurities*", August 28; **CAiii**, 386

University of Queensland, seminar, "Empirical research - in accounting?", September 7

University of Tasmania, seminar, "Research methods in accounting"; lecture, "Continuously contemporary accounting", September 18

ASA, Hobart, "A case for reform of the law of company accounts", September 19

1974 ASA Convention, Canberra, "Management and accounting - 1975 and beyond", March 18 (ASA tape); **CAi**, 295

Victoria University of Wellington, Staff and student seminars; discussion with Challenge Corporation management, July 22

University of Waikato, seminars with staff and students, July 24

New Zealand Society of Accountants, Cost and Management Accounting Division, one day seminars, "Inflation and business", Wellington, Christchurch, Auckland, July 23-26, working dossier, 52pp

AASC, Mt Eliza, "Accountability of the directing authority", July 29

ASA Southern Suburbs Group, "Inflation accounting", July 30

University of Newcastle, Student seminars, September 20

University of New England, honours candidates, "Development of accounting thought"; faculty seminar, "Accounting research", October 10, 11

Macquarie University, senior candidates seminar, October 22

1975 ASA, Geelong Branch Annual Meeting, "The accounting DTs", (DTs - double-talk and double-think), February 27; **CAii**, 219

ASA National Professional Development Course, 2 day seminars, "Accounting for inflation", Melbourne (March 6, 7), Adelaide (March 17, 18), Sydney (April 29, 30), Wagga Wagga (June 18, 19); working dossier, 80pp (extension of NZ dossier, July 1974)

ICAA Student Society, Perth, "A funny thing happened on the way to the counting house", March 21; **CAii**, 215

ICAA Western Australian Branch Annual Congress, Bunbury, "A critical examination of Australian accounting standards", March 22; **CAii**, 224

Electricity Supply Association of Australia Conference, Hobart, "Inflation accounting and ... the electricity supply industry", May 6, 7; **CAiv**, 138

Sydney Technical College, School of Business and Administrative Studies, Presentation of Awards, guest speaker - "Adventures for the educated", June 17

Australian Institute of Management Annual Finance Seminar, Sydney, "Accounting, inflation and taxation", August 29, ms 9pp

Ballarat School of Mines and Industries, student and staff (Ballarat, Bendigo, Warrnambool and Geelong colleges) lecture and discussion, "Accounting for inflation - the alternatives"; ASA Ballarat, luncheon address, "Continuously contemporary accounting", September 12

Australian Retailers' Association First Annual Conference, Canberra, "Retailing and inflation", September 15, 6pp

1976 ASA National Professional Development Course, 2-day seminars, "Accounting for inflation", Hobart (February 24, 25), Melbourne (March 2, 3)

ASA Northern Rivers Group (Lismore), "Inflation accounting", March 16

AASC, Mt Eliza, "Accountability of the directing authority", March 23

Northern Rivers CAE, "Inflation accounting", April 30

Sydney University Extension Board, "Inflation, business finance and taxation", May 12

ASA, Sydney Southern Suburbs, "Inflation accounting", May 18

ASA South Australian Branch Public Accountants Group Convention, Goolwa, "Current value accounting - CoCoA or Repco?", May 29

ICAA, Adelaide, luncheon address, "Persistent dilemmas", June 7

Sydney, Graduate Business School Club, luncheon address, "The impact of inflation on business, and the background to the present concern", July 8

Sydney, Technical Education Teachers Conference, "Inflation accounting", July 9

AAA Doctoral Consortium, Atlanta, visiting faculty, "The pursuit of excellence in scholarship; Broad brush or nuts and bolts - alternative development programs", August 20

Beta Alpha Psi National Meeting, Atlanta, featured speakers, Sterling and Chambers, "Prospects of progress", August 24

AAA Annual Meeting, Atlanta, "Accounting research and security prices - state of the art", (with Beaver, Gonedes, Briloff), August 24

University of Alabama, Tuscaloosa, Students and Beta Alpha Psi, "Current value accounting"; Doctoral workshop, "Accounting research - styles and opportunities"; Colloquium, "Accounting for inflation - part or whole?", August 31 - September 2

Texas A & M College, College Station, Thomas W Leland Lecture, "Asset valuation: one principle, or take your pick?"; videotape on "Blueprint" and subsequent work; Financial management lecture, business and professional audience, "Asset valuation and financial realism", September 7, 8

Louisiana State University, Baton Rouge, Student address, "Some fundamental fundamentals in accounting"; Open address, "Inflation accounting and other bugaboos"; Graduate theory students, "Accounting principles: politics or science?", September 10-14

Indiana University, Bloomington and Indianapolis, Faculty seminars, "Inflation accounting"; "Accounting for nonvendibles", September 16, 20

Ohio State University, Columbus, Accounting Research Colloquium, "The functions of published financial statements"; Beta Alpha Psi discussion, "Accounting practice, education and research", September 23, 24

St Francis College, Brooklyn, Faculty/Student seminar, "Accounting for inflation"; Accounting theory class, "Life with CoCoA"; Accounting majors, "Progress in accounting - from grass roots or cloud 9?", September 27-29

George Washington University, Washington, "Accounting for inflation - the current debate"; "Accounting research: styles and opportunities"; "The functions of accounting and financial statements"; "Concepts and standards: the roles of observation and reason", October 1-5

Virginia Polytechnic and State University, Blacksburg, Graduate theory seminar, "Continuously contemporary accounting"; Ninth annual seminar on accounting education, "Back to fundamentals in accounting education"; Faculty/doctoral students seminar, "Research on CoCoA"; Beta Alpha Psi and practitioners, "World developments towards current value accounting", October 7-11

University of New Mexico, Albuquerque; Accounting theory seminar, "Inflation accounting", illustrated; International marketing students, International financial comparisons, October 13; Society of CPAs of New Mexico, "Accounting for inflation", October 14

University of Washington, Seattle, Faculty, Beta Alpha Psi and CPAs, "Inflation accounting"; Accounting Development Fund Board, "Collaboration between professionals and academics"; Regional educators seminar, "The derivation of accounting principles", October 19-22

City University of New York, Emanuel Saxe Distinguished Lecture, "Fair financial reporting - in law and practice", October 28; **CAii**, 241

Financial Accounting Standards Board, Stamford, members and staff, "An accounting framework" (illustrated), October 29

University of Lancaster, faculty and student seminar on current cost accounting and continuously contemporary accounting, November 2; faculty seminar, regional academics, videotaped, November 5

Accounting Standards Steering Committee, London, "Continuously contemporary accounting" (illustrated), November 3

London Graduate School of Business, open address, "Current cost accounting - a non-inflation accounting system", November 8

Manchester District Society of ICAEW, "CoCoA and current cost accounting", November 9

New Orleans, Beta Alpha Psi induction; response - "Professional excellence? - the persistence of makeshifts", November 17

University of Alabama Accounting Research Convocation, Tuscaloosa, "Accounting principles and practices - negotiated or dictated?", November 18; **CAii**, 249

1977 Victoria University of Wellington, Faculty seminar, "CoCoA", March 29

Manawatu Accountants Students Society Invitation Lecture, Massey University, Palmerston North, "Accounting for inflation", March 30; **CAiv**, 257

Caulfield Institute of Technology, Faculty seminar on current cost accounting, Tyabb, "CoCoA", April 30

ASA Victorian and South Australian Public Accountants Conference, Warrnambool, address, May 28

John Fairfax Group, Discussion, "Group application of current cost accounting", June 16

ASA London Group Formation, address on ASA developments and prospects, September 29

Fourth International Conference on Accounting Education, Berlin, *Proceedings*, "Inflation and the reform of accounting education" (proposed an international association of teachers associations), October 6; **CAii**, 271

Institute of Cost and Management Accountants of Pakistan, Karachi, Shoaib Memorial Lecture, "The integration of managerial and financial accounting", October 20; **CAi**, 327

Swinburne College of Technology, Faculty of Business, "Accounting methods during inflation", videotaped, November 8

ASA Victorian Division State Congress, Traralgon, panel discussion, "The future of the accountancy profession", November 26

1978 ASA Townsville and Townsville Rotary Club, "Unemployment, inflation, and all that", March 21

ASA Qneensland Division, Luncheon address, "The Society and the Profession - past and future", Brisbane, March 22

Queensland Institute of Technology, graduation address, April 5

Executive Leasing (Sydney), Inflation Accounting Seminar, "Continuously contemporary accounting", April 28

ASA, Sydney, luncheon address, "The future of accounting - an accountant's manifesto", May 2; **CAii**, 313

ASA Western Australian State Congress, Busselton, "The construction of accounting standards", May 5; **CAii**, 287

Accounting Researchers International Association Symposium, Houston, "The Taxi Company under CoCoA", May 26-27; **CAv**, 311

1979 Sydney University Pacioli Society, "Company accounting standards", on the report of the Accounting Standards Review Committee, ms 4pp, March 15

ASA South East Asia 1-day Professional Development Course, Port Moresby, Hong Kong, Penang, Singapore, Kuala Lumpur; "Advancing Accounting in the 80s - Accounting, finance and management in changing markets; Integrating accounting and financial management; Standardizing information for management and regulation"; illustrated; 3 summaries in ms, 40 transparencies; April 6-25; digested in *Journal of Accounting*, Department of Accounting, University of Singapore, vol. 1, no. 1, October 1979

Caulfield Institute of Technology, "The inflation problem, and the case for CoCoA", presentation based on South East Asia Professional Development Course (illustrated, videotaped), May 23

ASA Joint South Australian, Victorian and NSW Public Accountants Convention, Mildura, dinner address, "The future of the profession", June 1

UCLA Conference on Accounting, Organizations and Society, Los Angeles, "The myths and the science of accounting", July 19; **CAiii**, 483

UCLA/Peat Marwick & Co Partner Development Program, Coto de Caza, "Skill, duty and image - a professional brew", August 8, 30pp

ASA Northern Suburbs Professional Development Committee, "Challenges facing accountants in the 1980s", August 22

ASA Young Accountants Group, Sydney, "Horizons for young accountants - academic changes and opportunities", August 29

ASA Silver City Accountants Silver Anniversary Convention, Broken Hill, "Application of inflation accounting in the mining industry", September 15, (ms 18pp); **CAv**, 355

Group of 100, Eastern Division, Sydney, Discussion panel, "The Chambers Report on accounting standards; Foreign currency accounting; Equity acounting for investments"; after dinner address, "Improved communication between the academic and business worlds", October 29 (ms)

1980 ASA NSW State Congress, Coffs Harbour, "Government Regulation" (of the accountancy profession), March 15, (ms 8pp); **CAii**, 339

ICAA Victorian Congress, Hobart, "Should accounting and audit standards be relaxed for small business?", March 30; **CAii**, 347

University of Tasmania, Student and staff seminar, "Continuously contemporary accounting", March 31

ASA Regional Convention, Rockhampton, "Company accounting standards", May; **CAii**, 351

Capricornia Institute of Advanced Education, Rockhampton, Senior student seminar, "Selling price accounting", May

Australian National University, seminar, "Serviceable accounting standards", May 30

University of Illinois, Champaign-Urbana, course of lectures on income and income determination, August-November; Accountancy forum, "Current value accounting, pronouncements and research prospects" (ms 11pp), October; Round Table, "The future of accounting education" (ms 7pp), October 24

Michigan State University, East Lansing, seminar, "Groundwork for accounting standards", October 30; **CAv**, 373

University of Michigan, Ann Arbor, seminar, "Groundwork ...", October 31

Ohio State University, Columbus, "Groundwork ...", November 6

University of Chicago, faculty seminar, "Groundwork ...", November 13

Illinois Accounting Teachers' Conference, luncheon address, November 14

Financial Accounting Standards Board, Stamford, Members and Staff, "Accounting measurement and changing prices", November 21

University of Indiana, Bloomington, doctoral seminar, "Accounting theory"; faculty seminar, "Groundwork ...", December 3, 4

1981 ASA State Congress, Sydney, "Regulation - the future of the accounting profession", February 12; **CAii**, 363

Sentry Insurance Group, Sydney, "Uses and misuses of figures", June 26

AAANZ Conference, Canberra, "Different approaches to current value accounting - Comment on a paper by P W Bell", August 24

Kuring-gai College of Advanced Education, lecture, "Price variation accounting", September 22

1982 Public seminar, Melbourne, Sydney - The Campbell Report in Perspective, "Development and enforcement of accounting standards", March 1, 2

ASA National Congress, Adelaide, Congress chairman and rapporteur, April 2-7

University of Cape Town, Lectures on income, April-May; Staff and student seminar, "The standard setting process in Australia", April 28; Workshop, "The relevance of stock market research to accounting (research)", May 3; Staff and student lecture, "Responses to financial information", May 11; Financial accounting class, "Accounting for inflation", May 12; Honours seminar, "Income determination", May 12

Chartered Accountants Western Cape Regional Association, afternoon address and evening discussion, "Accounting in disarray", May 6

University of Melbourne, Honours seminar, "Research methods and research in accounting"; Staff seminar, "Cost/benefit analysis of accounting alternatives", June 30

1983 James Cook University, Townsville, student seminars, March 16, 18; staff seminar, March 18

University of Edinburgh, lectures on income, theory construction, April 10-15

University of Edinburgh and Heriot Watt University, joint staff seminar, April 13

Deloitte Haskins & Sells Distinguished Lecture, University of Edinburgh, "Accounting - 'one of the finest inventions of the human spirit'", April 14; **CAv**, 151

University of Glasgow, Staff seminar, "Grounds for CoCoA", April 20

University of Saskatchewan, presentation to Faculty and graduate students, May 11

University of Alberta, Edmonton, seminar, "Groundwork for accounting standards, or, 30 reasons for CoCoA", May 12

University of New England, Departmental seminar, "Chambers' current research"; Senior student lecture, "CoCoA"; Departmental seminar, "Accounting education - the future"; Auditing and professional practice students seminar, "True and fair"; Faculty seminar, "Accounting, microeconomics and macroeconomics"; September 27, 28, 29, 30

Kuring-gai College of Advanced Education, Senior students seminar, "Continuously contemporary accounting" (videotape), November 8

Australian National University, student seminar, November

1984 University of Otago, General and honours seminars and lectures - "Entry v exit values", "Approaches to the formulation of accounting theory", "Research possibilities in accounting and finance", April 9-20

New Zealand Society of Accountants (Dunedin Branch), Luncheon address, "The case against CCA", April

1985 Simon Fraser University, Vancouver, 12 seminars on concepts of income, wealth and capital, September 9 - October 10

Simon Fraser University, Vancouver, Executive Forum, "Who wants (or needs) good financial reporting?", September 26

University of British Columbia, Faculty and PhD candidates seminar, "Grounds for CoCoA", September 27

Institute of Chartered Accountants of British Columbia, "Will technology make accounting statements obsolete?", September 30

University of Utah, Salt Lake City, Faculty and student seminar, "Grounds for CoCoA", October 4

Simon Fraser University, Vancouver, Seminar, with Haim Falk, "The serviceability of financial information", October, 10

1986 South East Asian University Accounting Teachers Conference, Singapore, Keynote address, "Accounting education for the 21st century", April 28; **CAvi**, 13

National University of Singapore, staff seminar, "CoCoA developments", May 2

National University of Singapore Students Accountancy Society, "Accounting in a rapidly changing environment", May 3

ASA, Singapore branch, luncheon address, "Accounting information and securities markets", May 5

National University of Singapore, staff seminar, "Groundwork for accounting standards", May 6

Singapore Society of Accountants, luncheon address, May 7

University of Singapore Students Society, address, May

Petersham College of Technical and Further Education, Annual presentation of awards, address, May 27

Institute of Affiliate Accountants State Conference, Sydney, "Contemporary accounting issues", October 18

1987 University of Sydney, Honours class, "Measurement", "The development of CoCoA", "Objections to CoCoA", July 6-9

Waseda University, Tokyo, general seminar; faculty and student address, "The functional utility of resale price accounting", October 2; **CAv**, 489

Waseda University, faculty and graduate student seminar, "Accounting as financial instrumentation", October 3; **CAvi**, 23

Sixth International Conference on Accounting Education and Research, Kyoto, October 7-10; Plenary session, panel member, "International exchange of accounting education and research - past, present and future", *Proceedings*

Hokkaigakuen University, Sapporo, "Mathematical and empirical laws in accounting", October 12

1988 Fifth World Congress of Accounting Historians, Sydney, August 22-24, "Time in accounting"; **CAvi**, 51

Victoria University of Wellington, staff and student seminars, "Financial information and decision making - recent surveys"; "Mathematical and empirical laws in accounting"; intermediate student seminar, "Liabilities", September; honours seminar, "A critique of positive accounting theory", September 3-17

University of Newcastle, senior student seminars, "The positive/normative debate"; "Defence of CoCoA"; October 10, 17

1989 Deakin University, Gordon Fellowship, 12 lectures, to Deakin and other Victorian faculty, on the logical and empirical foundations of accounting: "The commonsense of technology and science"; "Financial affairs and their control"; "Communication; Observation, measurement and calculation"; "The anatomy of choice"; "The development of CoCoA"; "Enquiry; Modes of enquiry"; "Theories and frameworks"; "Standards and standard-setting"; "The positive and the normative"; "Enquiry and education"; August-October

La Trobe University, Accounting and Economics staff seminar, September 4; lecture to senior and honours students, "Accounting theory and financial measurement models", September 5

Deakin University, senior students, "A true and fair view", September 19

ASA, Geelong branch, "Stock market pollution - by law", September 21

Deakin University, Staff and students, "The background of *Financial Management*", October 10

Warrnambool Institute of Advanced Education, lecture to senior students and staff, "CoCoA", October 12

ASA, Western Districts Branch, Warrnambool, business breakfast address, October 13

Deakin University, School of Management research seminar, "A true and fair view of results and position: the historical background", October 20; **CAvi**, 86

Royal Melbourne Institute of Technology, lecture, "Standards and standard setting", October 23

University of Sydney, senior student seminar, "Development of CoCoA", November 1

1990 European Accounting Association Annual Congress, Budapest, April 18-20, with P W Wolnizer, "A true and fair view of position and results: the historical background"; **CAvi**, 69

University of Newcastle, "Novocastrian graduation", occasional address on admission to the degree of Doctor of Science *honoris causa*; presiding, the Chancellor, The Honourable Justice Elizabeth Evatt, AO; May 11; **CAvi**, 102

Australian National University, Staff seminar, Student lecture, "Theories and frameworks"; Faculty and senior student seminar, "Modes of inquiry"; Faculty seminar, "Positive accounting theory and the PA cult"; May 15-17

Victoria University of Technology, RMIT Campus, Mid-year Conference, "Research in financial accounting", July 20

University of New South Wales, School of Accounting research seminar, "Positive accounting theory and the PA Cult", August 24

Monash University, Caulfield Campus, School of Accounting seminar, "Future directions of accounting research", August 30

University of Sydney, Graduate School of Management, "Allocation in accounting", October 8

Deakin University School of Management Research seminar, "A true and fair view of position and results: the historical background", joint author with P W Wolnizer, October 20

University of Newcastle, Senior student seminar, "A comparative evaluation of alternative accounting systems", October 22

1991 University of Sydney Graduate School of Management and Public Policy, Summer School Course: "Accounting and financial management" (12 lectures), January-February

Macquarie University, Departmental seminar, "Positive accounting theory and the PA cult", April 16

Deakin University, Honours student seminar, "Foundations of accounting - rules and reasons", April 20

University of Wollongong, Senior student seminar, "Origins and development of CoCoA", April 23

University of Sydney Pacioli Society, "Accounting and corporate morality - the ethical cringe", May 1; **CAvi**, 131

University of Newcastle, address, "The ethical foundations of accounting", June 5

University of Sydney Accounting and Finance Foundation Dinner, on announcement of following OSU and AAA awards; response: "Carpe diem!", July 27; **CAvi**, 144

Ohio State University Accounting Hall of Fame Induction; Response - "Let us now praise famous men......", Nashville, Tennessee, August 13; **CAvi**, 147

American Accounting Association annual conference, response to Outstanding Educator Award, Nashville, August 13

Newcastle Town and Gown, "An educational scandal", November 13; **CAvi**, 149

1992 Sydney Probus Club, "Life on the fringe [of academic, professional and business affairs]", March 3

University of Wollongong, "Ethical foundations of accounting", May 12

Monash University, Caulfield, seminar, Victorian academics and practitioners from private and public sectors, "The poverty of accounting discourse", August 25; **CAvi**, 174

Monash University, staff seminar "Floccinaucinihilipilification in accounting", August 27; **CAvi**

1993 Wahroonga Probus Club, "An accounting odyssey", February 22

Swedish Accounting Research Colloquium (Umea University) and European Accounting Association annual conference (Turku, Finland), presented by M J R Gaffikin; "Historical cost - Tale of a false creed", April 26; **CAvi**, 181

University of Wollongong, Occasional address, on admission to the degree of Doctor of Science *honoris causa*; "Knowledge and accountability"; presiding, The Chancellor, Hon Robert M Hope, AC, LLD, QC, May 13; **CAvi**, 195

Monash University, Faculty and other Victorian academics, "Historical cost - Tale of a false creed", September 14; **CAvi**, 181

University of Western Sydney, Campbelltown, Guest Lecturer, "Historical cost - Tale of a false creed", September 20; **CAvi**, 181

University of Western Sydney, Hawkesbury, "Dilemmas of conventional accounting", October 28

1994 Monash University, Research seminar, "The factual, the financial and the fictional in accounting", May 3

Monash University, Staff seminar, "Ends, ways, means and conceptual frameworks", August 2; La Trobe University, Research seminar, August 4; ; **CAvi**, 202

1995 Monash University, Staff seminar, "The case for simplicity in accounting", March 28, ; **CAvi**, 240

1996 Deakin University, Burwood campus, BCom students, guest lecture, "Alternative accounting systems", May 15

15 - LIST OF ABBREVIATIONS USED

AAANZ	Accounting Association of Australia and New Zealand
AASC	Australian Administrative Staff College, Mt Eliza, Victoria
ASA	Australian Society of Accountants (antecedent of ASCPA)
ASCPA	Australian Society of Certified Practising Accountants
CAE	College of Advanced Education
CIA	Commonwealth Institute of Accountants (antecedent of ASA)
ICAA	Institute of Chartered Accountants in Australia
NSW	New South Wales
UK	United Kingdom
US, USA	United States of America
USBM	University of Sydney Business Management lectures, organised by the University of Sydney Extension Board and Appointments Board