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# 1991 Accounting Hall of Fame induction: Raymond J. Chambers

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## INDUCTION CITATION

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Among the most accomplished and respected accounting academicians in the world, he lists his recreations as "reading, writing and arithmetic". A voracious reader with a formidable vocabulary, he has even been known to study the dictionary. Possessed by a strong desire to see language used correctly, he studies the roots of words and their derivation. When he uses a word, you can be assured that it is the right word in the context. What other accounting professor uses the word "floccinaucinihilipilification"[1]?

A very private person, he is devoted to his wife and their family — a son, two daughters, and seven grandchildren. He and his wife, Margaret, married for forty crowed years, share an interest in opera and usually have a season ticket for the Sydney opera season.

He is known as an effective administrator in part because he could not be bothered wasting time on it. He dealt only with things that mattered. He made the important decisions, left the running of programs to those most directly involved, and got back to his "real" work. Taking advantage of his open door policy, his colleagues could walk into his office at will to argue a point, seek clarification, or get help with a reference. He would be writing when they walked in, put down his pen immediately, and give them his full attention. When the discussion was over, and that was sometimes hours later, he would pick up his pen and just carry on writing as if he had not been interrupted. A mean debater, he never forced his ideas on his colleagues, although on occasion he would talk for hours in efforts to convince them of the correctness of his arguments.

In this intense and exciting atmosphere, he founded a journal, *Abacus,* and forged with his colleagues a school of accounting built on a belief in the primacy of market prices. Indeed, that school of thought usually bears his name. A critic in the

[1]The habit of treating things as trivial, as of no account.

tradition of Canning, Hatfield, MacNeal, Paton, and Sweeney, he has looked to economics, psychology, and science for evidence. His publications, which include numerous books and over 200 articles, are representatives of the turning point in the accounting literature away from descriptions of technical process towards rigorous debate based on scientific method. Further, he was not willing merely to understand what accountants do; he sought to bring about change, to improve both the study and the practice of accounting. For over forty years, he has made many lecture tours at universities throughout the world.

He won the Gold Medal awarded by the American Institute of Certified Public Accountants, he was the first International Distinguished Lecturer of the American Accounting Association. More than a dozen professors of accounting have studied under him or been his colleague during their formative years. He served as National President of the Australian Society of Accountants (now called the Australian Society of CPAs) which shows his commitment to the interaction between academe and the profession, and he holds many other awards and distinctions including Officer of the Order of Australia and member of the Academy of Social Sciences of Australia. For all of these accomplishments, he is named the 51st inductee into the Accounting Hall of Fame, the first one from a "Pacific Rim" country.

**RAYMOND JOHN CHAMBERS**

## RESPONSE

by
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The Accounting Hall of Fame is unique, for here are joined in one roster practitioners and scholars. It signifies that each group contributes in some substantial way to the advancement of one art. But the modes of contribution are essentially different. Practice demands great versatility, patience and comprehension, to match the exigencies of diverse clients with the performance of a socially necessary task. Scholars and teachers, on the other hand, serve no immediate clients. Ideally, they are the monitors of practice in general, discriminators between what is generally serviceable and what is merely expedient. The essential difference between practice and inquiry was captured by Francis Bacon, 400 years ago: "lookers on many times see more than gamesters". More recently, J. B. Priestley expressed the same idea thus: "Nobody in his senses would expect a born seer to do. That much is generally acknowledged. But it is equally ridiculous to suppose that a dashing and triumphant doer can really see." In that little bit of philosophy lies the reason why practice and inquiry, in most learned professions, proceed in tandem, practitioners and investigators doing their own thing with their special skills, each respecting the domain and the competencies of the other.

In accounting, it is still otherwise. Teachers and researchers on a large scale confuse the generally serviceable with the merely expedient. They have long tried to give the same standing to the habitual and conventional as might properly be given to firm knowledge and principle. The attempt has been in vain. The very terms *expedient* and *conventional* betray a difference between mere rules and defensible principles. Confusion of the two has led some academics to hold that "there is no theoretical basis for preferring one set of techniques over another," and "that we should abandon the chimera that we can ever establish a unified theoretical framework for accounting". There has even developed a strong strain of disbelief in the possibility of making accounting better than it is, in spite of its logical and practical flaws, flaws that have long been the butt of criticisms of practitioners, academics, governmental officials, and business people alike.

On the other hand, there have been great practitioners who have dreamed of a better accounting than was prevalent in their time — among them George O. May, Leonard Spacek and Henry Benson, to name just three enrolled in the Hall of Fame. Who but Henry, Lord Benson, could, in the British House of Lords, describe "annual accounting prepared under the historical cost convention" as "no better than laudable pus"? Dreaming of ideals is thus not just the special province of academics and researchers. The practicing arm of the profession has striven mightily to ameliorate practice, through countless deliberative committees over decades. Doubtless there is virtue in pooling the wisdom of the practically knowledgeable. And, doubtless, where what is taught in textbooks and universities is an undifferentiated mixture of principles and expedients, the combined wisdom of committees of practitioners has seemed to be more promising than reliance on the work of independent research workers; but that enterprise, too, has failed, in spite of the devoted labor and goodwill of members of committee after committee after committee in this country and elsewhere for decades. Which should not be surprising; for in no other field of knowledge and practice is recourse taken to deliberative committees to resolve fundamental problems.

The fundamental questions are: What is the function of accounting? and, How may that function best be served? The general function of accounting is singular — to get at the truth in financial matters. Only up-to-date truth will secure that persons entrusted with power over property and the work and prospects of others do not exercise that power ignorantly, or in a wanton or self-serving fashion. Getting at the truth thus has a highly respectable social role. It is a powerful disciplinary influence for good in business, government, and society at large. Trust, honesty, and fair dealing between those who trust and those who are entrusted, turn on truthfulness, truthfulness in accounting, in particular. It must therefore be of serious concern that disregard for the truth is endemic in modern accounting. Practitioners and teachers alike tolerate and justify the notion of conservatism — which means telling less than the truth; the cost doctrine — which entails evasion of the up-to-date truth; and creative accounting — which plainly means tinkering massively with, or disregarding utterly, the truth. To eradicate such mischievous notions is demanding of the greatest and most altruistic endeavors of the profession — practitioners and academics in double harness.

They are still at cross purposes, however. To quote Henry Benson more extensively: "until we ... learn that ... annual accounts prepared under the historical cost convention are no better than laudable pus, so long will a large number of our businesses move remorselessly and deservedly to the mortuary". But at the same time a substantial segment of the academic profession seeks to propagate the notion that conventional accounts are not misleading; and it does so by recourse to the trappings of statistical analysis that not only are incomprehensible to, and therefore beyond appraisal by, practitioners, but also are the object of critical utterances of mathematicians, economists, physicists and philosophers alike. Fruitful collaboration between practitioner and academic is unlikely to flourish where the two sectors of the profession entertain antithetical ideas.

Mutual and deserved respect and goodwill between practitioners and researchers in other professions have been at the root of great advances in knowledge and technology. A similarly fruitful partnership in accounting is devoutly to be wished for. But it is not an end attainable as long as practitioners put little trust in independent researchers, researchers concern themselves more with methodological niceties than with the fundamental conditions of serviceable practice, and teachers concern themselves with propagating the conventional wisdom regardless of its follies.

I have long encountered the names, and many of the persons, of those honored in the Accounting Hall of Fame, professional leaders of eminence and scholars of great reputation. My engagements through most of my professional life have involved me in the struggles and anxieties of both sectors of the profession. If I have done anything notable, it has been because I have been able to draw on the wisdom and stand on the shoulders of many masters, great in their time and in the vocation of their choice. But, on the other side of the equator and the other side of the Pacific, I thought not that I would be summoned today to join such company.

To The Ohio State University and the Board of Nominations, custodians of the Hall of Fame, to kind advocates unknown to me, I express my deep gratitude for and appreciation of this day's mark of esteem.

## THE ACCOUNTING HALL OF FAME MEMBERSHIP

| *Year* | *Member* |
|---|---|
| 1950 | George Oliver May* |
| | Robert Hiester Montgomery* |
| | William Andrew Paton* |
| 1951 | Arthur Lowes Dickinson* |
| | Henry Rand Hatfield* |
| 1952 | Elijah Watt Sells* |
| | Victor Hermann Stempf* |
| 1953 | Arthur Edward Andersen* |
| | Thomas Coleman Andrews* |
| | Charles Ezra Sprague* |
| | Joseph Edmund Sterrett* |
| 1954 | Carman George Blough* |
| | Samuel John Broad* |
| | Thomas Henry Sanders* |
| | Hiram Thompson Scovill* |
| 1955 | Percival Flack Brundage* |
| 1956 | Ananias Charles Littleton* |
| 1957 | Roy Bernard Kester* |
| | Hermann Clinton Miller* |
| 1958 | Harry Anson Finney* |
| | Arthur Bevins Foye* |
| | Donald Putman Perry* |
| 1959 | Marquis George Eaton* |
| 1960 | Maurice Hubert Stans |
| 1961 | Eric Louis Kohler* |
| 1963 | Andrew Barr |
| | Lloyd Morey* |
| 1964 | Paul Franklin Grady* |
| | Perry Empey Mason* |
| 1965 | James Loring Pierce |
| 1968 | George Davis Bailey* |
| | John Lansing Carey* |
| | William Welling Werntz* |
| 1974 | Robert Martin Trueblood* |
| 1975 | Leonard Paul Spacek |
| 1976 | John William Queenan |
| 1977 | Howard Irwin Ross* |

*Deceased

| | |
|---|---|
| 1978 | Robert Kuhn Mautz |
| 1979 | Maurice Moonitz |
| 1980 | Marshall Smith Armstrong |
| 1981 | Elmer Boyd Staats |
| 1982 | Herbert Elmer Miller |
| 1983 | Sidney Davidson |
| 1984 | Henry Alexander Benson |
| 1985 | Oscar Strand Gellein |
| 1986 | Robert Newton Anthony |
| 1987 | Philip Leroy Defliese |
| 1988 | Norton Moore Bedford |
| 1989 | Yuji Ijiri |
| 1990 | Charles Thomas Horngren |
| 1991 | Raymond John Chambers |