

R. J. Chambers on Securities and Obscurities: Making a Case for the Reform of the Law of Company Accounts in the 1970s

ME Persson, CJ Napier

Abacus, 2018

Study shows how publishing missteps doomed R.J. Chamber's influential accounting reform book

A groundbreaking accounting book that could have transformed corporate financial reporting in 1970s Britain failed to make an impact due to poor publishing and distribution decisions, according to new research examining one of accounting's most influential but overlooked works. The study reveals how Raymond J. Chambers' *Securities and Obscurities (S&O)* arrived too late to influence critical policy debates — despite containing unprecedented empirical evidence supporting accounting reforms.

The Study

Research by Martin Persson, an assistant professor of accountancy at Gies College of Business in Champagne, Ill., and Christopher Napier, an emeritus professor of accounting and financial management at Royal Holloway University of London, analyzed previously unpublished documents from the R.J. Chambers Archive at the University of Sydney to understand why the Australian academic's major work had limited influence on British accounting debates during a crucial period of high inflation in the early 1970s.

“The environmental and material circumstances that led to Chambers' book having a lesser impact on the British inflation debate than one would expect based on the international exposure of his ideas, his influence at the time, and the empirical rigour of his proposal,” writes Persson in explaining the study's focus. It was published in *Abacus*, a journal of accounting, finance and business studies.

The researchers found that Chambers had amassed an extraordinary empirical foundation for his arguments, examining 348 incidents at 278 different companies, with 41% of incidents and 36.5% of companies being British. This level of evidence supporting a particular accounting method was ‘unprecedented in the accounting literature at the time of its publication’ and likely “remains unmatched to this day,” according to the study.

The Results

The study identified several critical factors that diminished the book's influence:

First, publishing delays meant the book wasn't released until March 1973, two years after completion. By then, professional accounting bodies had already begun responding to inflation concerns that had emerged since 1968.

Second, Chambers' first-choice publisher, Penguin Books, rejected the manuscript. The alternative publisher, Cheshire Publishing, made several damaging decisions, including:

- Publishing in expensive hardback rather than the planned affordable paperback format.
- Lacking effective international distribution.
- Failing to implement promised marketing activities.

“None of the individuals on his list of mailshots had received promotional material, none of the nine British journals had reviewed the book, and none of his colleagues abroad could find S&O in their local bookstores,” writes Persson, describing Chambers' discovery of the distribution problems.

The study found that by June 1973, only about 200 copies had been sold internationally. While sales eventually reached around 1,000 copies by October, the book's influence was severely limited during crucial policy debates.

This timing proved fatal, as the British government established the Sandilands Committee in January 1974 to recommend financial reporting reforms. Despite Chambers submitting his entire book plus a 60-page write-up, the committee's final 374-page report devoted only three pages to his proposals.

“Despite the amassing of empirical material that covered more companies and a longer timespan than that which the committee had solicited during its comment period, only three pages in the final 374-page report addressed S&O,” notes Persson.

The Implications

The research demonstrates how factors beyond the quality of ideas themselves can determine their adoption and influence. “Our central argument is that this was not because of some inherent flaws in Chambers' proposal but because of specific environmental and material circumstances,” Persson writes in the study.

The findings suggest that even groundbreaking academic work requires effective publishing and distribution strategies to influence practice. By the time Chambers managed to acquire and distribute the remaining 1,065 copies himself in 1976, it was too late — key policy decisions had already been made.

“Groups and individuals participating in the inflation accounting debate were able to brush S&O aside because it arrived too late in the debate to warrant serious consideration,” Persson observes.

The story of Securities and Obscurities serves as a cautionary tale about how publication and distribution challenges can prevent important ideas from receiving proper consideration, regardless of their merit. The study suggests that academics seeking to influence practice need to carefully consider not just the strength of their arguments, but also the practical aspects of getting their ideas into the right hands at the right time.

For more information, see the full paper.