Panel Discussion: International Exchange of Accounting Education and Research—The Past, Present, and Future

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Chairman: Good morning, ladies and gentlemen. I am Yuji Ijiri of Carnegie-Mellon University, the U.S.A. It is my great privilege to chair this Plenary Session II. This will be a panel discussion on the subject of International Exchange of Accounting Education and Research—the Past, Present, and Future.

It'll be interesting to realize that this has two important axes. One is the cross-cultural exchange. The other axis is the time dimension and I believe this title was designed by Professor Nakajima, and is covering a broad perspective. At the same time, we have very interesting and prominent panel members.

The plan for the session is to ask each panel member to present his perspective in about 10 minutes. Then that is followed by discussion among the panel members for 10 to 15 minutes. After that, the floor will be opened for questions.
and answers. Toward the end of the session, there will be Closing Remarks by each of the panel members, and I hope we'll be able to finish at close to 11:45. There will be no break after that, and this will go into the Closing Ceremony.

Our first Panel Member is Professor Raymond Chambers of the University of Sydney who is past President of the Australian Society of Accountants, and the Founding Member and the First President of the Accounting Association of Australia and New Zealand. Professor Chambers.

Professor Chambers: Good morning. Konnichiwa. Thank you, Mr. Chairman.

In the past there have been a great number of international transfers of accounting practices ranging over some 500 years. Our accounting education over some 50 years and accounting research over very much less time. But I describe them as “transfers” not as “exchanges.” Now there’s not a great deal of trouble to copy what is being done by other people. It costs very little. You tend to think that people who are using some device are using it for a very good reason. But then you tend to overlook the fact that there are ALWAYS mistakes in what we mortal creatures invent, devise, and so on. We FORGET the mistakes. So in effect if you’re copying a perfect master copy, master device, original, and there are NO mistakes in it, fine. But if there are errors, mistakes, defects, and flaws, you copy the lot. And that can be very expensive.

What it seems to me is what international exchange is about: it helps you perhaps to pick and choose between the sorts of things you will copy, but ONLY if you pay careful attention to what is good, bad, and worth copying in what are your originals.

Now there’s been a great deal of the transfers of this sort from Britain in the nineteenth century and in the United States in the twentieth. But it seems to me that all that has happened in those countries, and in the countries that have copied them, has shown up the defects and flaws and difficulties that have been incorporated in the accounting that was copied; the practicing, the teaching, and the research. There is a great deal of error in all. And it seems to me that that is the thing we should focus on.

I have heard of difficulties in the last few days. I have heard of many differences. I’ve never heard many of them spoken of as mistakes, errors, flaws—things that we can carefully look at and try to eradicate.

What we’ve seen, of course, is a lot of differences without looking at the similarities. And I would like to draw attention to some of the similarities; some that I’ve not heard talked about these days.

In the first place, every country that is represented here and we from each of them has its own particular way of doing things, but there is common to all of them the business that we DO: our exchanges with money at money prices. And do you know, in the educational field, I do not know a single standard textbook that gives an introduction, an elaborate treatment of those things as PART of the introduction to accounting processes.

In every country we speak of, it is inevitable that we DEAL, exchange, borrow, and lend in terms of our financial position. What we command by way of
purchasing power. But there is no book that I know, no standard textbook that I know that defines what financial position is, and if you don’t know what financial position is, you’re going to have some difficulty drawing up a statement that is supposed to represent it.

There is in every case, in every country, it is the case that organizations, firms, and so on, governmental as well as private, are conducted within certain constraints by people who must change their minds, their tactics, and so on in response to changes in their financial capacity. But in no textbook that I know do we have ANY kind of treatment of the capacity or the processes of judgment and choice that link them up with particular accounting numbers. I think these are curious and grave errors, and omissions. And I think there were during the Conference two or three people who drew attention to the fact that we DO NOT go about this business correctly unless we first specify what we are about to do. And it seems to me if we do that, it’s very simple.

I have here simply a diagram which represents to me what ought to be the connections between things. Don’t start at the top; start at the bottom. The things you want to know are whether a company can meet its debts, its Current ratio; whether its debt to equity ratio is satisfactory: too much debt or too little; whether its rate of return is good or bad. Those are the fundamental things, nothing else. Well, you can name a few others, but it doesn’t very much matter. These are the fundamentals. So if you know what they are—and remember that each one of these things ONLY makes sense if it’s specified in MONEY terms at some given date—once you know that’s what you try to do, you can build up backwards and decide what your account is going to be like. You don’t start that way. You start at the top by taking notice of transactions and so on, and you have NO idea where you’re going, you won’t finish up with anything that can be properly described as “financial position.”

Now the fourth similarity that I want to draw attention to is this: We ALL are very careful about what we tell others of our affairs. We like privacy. This has not been a subject of attention here at all it seems to me, and yet it is one of the things that determines how much we’re prepared to tell other people about our financial affairs. May I draw attention to this: Here at the top is what we do about our own affairs. We think it’s private; we keep it to ourselves. At the bottom we have what we are about to tell the world, and generally speaking we don’t want to tell them anything. We have a law called Disclosure Law all around the world, and yet they’re evaded by everyone of the things we call GAAP. GAAP is a means of evading all the disclosure laws there are because we’re very careful to keep what we know about ourselves private. There has been no attempt to introduce that into the scheme of things in accounting in practice in the professional circle, or even in the academic literature. And I think that’s a grave omission.

But apart from those things, there are a number of things in the research field that are mistakes too. There are people who believe there is nothing wrong with existing types of accounting, that in fact they do what is expected of them by
the people who make use of them. And it seems to me that's a mistake because so many criticisms have been leveled by the business community, academics in accounting and out of accounting, and all sorts of users around the world, almost without number. Now we haven't paid too much attention to that.

There are some who say we can avoid all that by paying attention to how people play about with the numbers when they get them. But it seems to me that's not about accounting. That's about how people play games. And I don't think that's a proper subject of our interest.

So there are both in teaching and research a variety of things that have not been pointed out CLEARLY and specifically. And until they are, I think we'll not resolve some of the problems that confront us. We often don't see them as problems. We simply see them as differences. Yet there is a universal quality about what we do. Accounting is in fact universal, and that's why we can in fact have international conferences about it. But if we're going to concentrate on differences, the purely and actual history side of accounting instead of on the reasons why there should be similarities, basic similarities, according to the top part of my second diagram, then we'll not resolve the problems in front of us, and there will yet be to others the chance of doing the rectification, the improvement, the advancement that it's our opportunity to bring about.

I hope to see in the next conference some evidence that we can get to grips with some of those detail problems of sorting out what it is that must be done to improve education and our research. Thank you very much, arigato.

Chairman: Thank you, Professor Chambers. The next speaker is Professor Sidney Gray of the University of Glasgow, who is the Vice-President of the International Association on Accounting Education and Research. Professor Gray.

Professor Gray: Thank you, Mr. Chairman. Good morning, ladies and gentlemen. In looking at the topic of the International Exchange of Accounting Education and Research—Past, Present, and Future, I would like to first look at the past and present, and then to make some predictions and speculations as to the future.

First then, if I could look at the past and present, as Professor Chambers has pointed out, the history of accounting thought is an international history with ideas and practices being exported and imported over the last few centuries. As an academic subject, however, it has a much more recent history, and so far as the international dimension is concerned, it is probably appropriate to take the mid-1970s as a benchmark or signpost of development. At least this is the way I see it from my European perspective. It seems to me that it is really only in the last 10 years or so that there have been significant developments in the international exchange of accounting education and research. The reason for this basically I would suggest, first, the changes in the economic political, and social environment. And, second, the growth and maturing of accounting as an academic subject with extensions through the international aspect of accounting.

I would just briefly outline influential and environmental factors that have
brought about some change in perspective. First, from a European perspective, there has been the impact of the EEC Accounting Harmonization Program, which triggered a dramatic increase in awareness of European accounting differences, strangely enough. The process of attempting harmonization made people aware that there were differences, and that in fact accounting was practiced differently in other parts of Europe. Prior to this there were very separate traditions between most of continental Europe and the United Kingdom which in turn influenced or were associated with many other countries as we know. Continental European accounting has influenced many countries in the world, including African and Asian countries, and the U.K. accounting tradition, in conjunction with the American tradition, has influenced many other countries.

The second major environmental factor has been the impact of multinationals with response in the mid-1970s from a number of international organizations, including the International Accounting Standards Committee, United Nations, OECD, and so on, all of whom were concerned to involve themselves in the setting of international standards. Accounting had become a subject that was of great importance to governments at an international level.

Third, changes in social attitudes have been important in bringing about our change in perceptions. For example, the situation in Europe was such in the mid-1970s that we had quite a revolution really in thinking as regards the role of employees and broader societal interests, and pressures for information about the corporation also had pressures for greater involvement in decision-making.

Fourth, the impact of inflation internationally and the search for solutions have made everybody aware of the international dimension.

Fifth, the impact of foreign exchange crises, resulting from the oil shock in the early 1970s and subsequent floating exchange rates, has resulted in us necessarily becoming more aware of foreign currency issues.

Sixth, the internationalization of financial markets is very much upon us following increasing deregulations throughout the world.

And seventh, I would identify the trends toward international mergers and takeovers which is impacting even on the largest corporations in the world today. All of these factors have created pressures for international education and research to deal with these issues.

If I now turn to what I would call "discipline factors," then I think we can see that accounting as an academic subject was becoming widely established in Europe only by the late 1960s or early 1970s, and in other parts of the world there's been a different rate of development. But only since then have there been this growing awareness and response to the international aspects prompted and stimulated by the environmental factors. But of course it could not have happened without a body of researchers, without the subject having matured to the extent that research and education were possible.

What we saw then in Europe certainly were some census for the study of international accounting being established, the growth of specialist courses, and the development of doctoral research; the growth of accounting research journals
which are now much more receptive to the international dimension. But perhaps the major event in Europe was the establishment of the European Accounting Association in 1977 as a regional organization to develop a research network. This was set up under the auspices of the European Institute for Advanced Studies in Management, and the European Foundation for Management Development. And since then we've had ten conferences, all of which I have attended and found extremely stimulating. And a number of workshops and courses on various emerging issues, all of which have contributed to a tremendous growth in understanding, a growth in joint research, a growth in exchanges of staff and students. And all in all, I think this particular organization has been one of the most important developments for enhancing international accounting education and research at the regional level.

What about the future then? Having looked at the past and present, and having identified this relationship between environmental factors and the accounting educator profession, what about the future? Well, it's very difficult to make a prediction, but the likely trends that I would suggest would be the developments of more mutual understanding within the European countries, from my European dimension, more schemes for staff visits, exchanges, for schemes for joint course developments. All this is already taking place in fact in the European and the EC context. More schemes for credit where students can attend courses in other countries, and get credits in their home countries. More business internships in other countries where students can go and work with a foreign company as part of their MBA program. And I would suggest that we will see more internationally oriented research. Prediction is one thing, but what about the needs and potential for development? Well, if I could offer just a few brief thoughts; first, it seems to me that business education, including accounting, needs to be looked at as a whole and should embrace strategic issues, culture, and languages in the context of a global business world.

Second, I believe there's a need for an awareness of regional factors and differences throughout the world and greater appreciation of the importance of culture in accounting. There's also, I believe, a need for more attention to the managerial aspects of accounting from an educator's perspective, especially in connection with improving competitiveness and performance, which is really, perhaps our ultimate objective.

What organizational arrangements might help to achieve the objective of promoting international exchanges? One possibility might be to promote more regional educator organizations to promote interaction on a multilevel basis. At the moment we have national organizations, and we have the International Association on Accounting Education and Research. But we don't seem to have many regional organizations that are providing that crucial link, the part of building up of the pyramid of contacts which, to my mind, means that it's essential that we have a regional network intermediating between the broader international exchanges and between our national dimensions. Without that I think it will be very difficult to reach out all at once, on an international scale.
In any event, I think when it comes to it, we probably know very little about the countries around us, let alone about countries very far away. So there’s a lot to be done there. But to make something like that work, one must have some sort of institution to serve as a focal point, to provide the administration to provide the links, to smooth the whole process. And perhaps this is something we could explore a little later on this morning.

I think, following from that, that we would need more information to be made available about opportunities for exchange and about the research interest of scholars and so on. Without information it’s very difficult for people to get started in the process of communicating. So we need some sort of vehicle for channeling information.

And, third, of course we must have funding. We need funding to smooth the process along. And here we need to explore how we might fund that sort of program. We may perhaps be able to arrange for self-funding through courses creating international awareness for business managers and so on. We must also explore our university sources, as well as business corporations.

Well, these are just a few thoughts, ladies and gentlemen. Thank you very much.

Chairman: Thank you, Professor Gray. The next speaker deserves a special thanks from those who have been involved in organizing this session.

As the schedule indicates, Professor Paul Garner is supposed to be on the panel, but as indicated on the first day, Professor Garner became ill and was unable to attend the session. Professor Gerard Mueller has agreed to serve on the panel on such short notice. Professor Mueller is with the University of Washington and President Elect of the American Accounting Association.

Professor Mueller: Good morning, and thank you for indulging me for another few moments from this podium. I do appreciate it.

I thought I would shift gears just a little bit from the maybe more lofty ideas of a panelist’s type, and once again get myself maybe down to ground zero or maybe zero minus one.

What I would like to discuss with you for just a short while are some organizational ideas. It seems to me at conferences like this is a reasonable time that we all ought to ask ourselves how we’re really organized in a world sense and where this organization is either taking us or where we would wish to have it take us.

I recall, and so will 15 or so other individuals in this room, a discussion in 1972 in Australia with regard to the possibility of forming some type of a world organization of accounting academics. After a fair bit of deliberation and evaluation, we all decided we probably were not wealthy enough to do this. Somebody calculated what it would cost to put a Committee Meeting together of about 15 academics from around the world in terms of air fare and hotel costs and whatnot, and that more or less terminated the discussion right there.

Well, then, in 1977 at this meeting in Berlin, we really continued along this vein. The discussions there were probably somewhat more formal. They were
also somewhat more anxious. In 1977, let me recall for you, the Congress in Berlin was immediately prior to the formation of IFAC, and so there was a lot of concern about whether maybe the academic should or should not join IFAC, the international federation. Again, after various assessments, the conclusion was that maybe the best thing to do would be to do nothing. So we held it in limbo once again.

Well, then five years ago in Mexico at the Congress in Monterey, naturally the topic surfaced again, and by that time IFAC was well established; the International Standards Committee was well on its way, and the discussion then really was, should the academics join IFAC? IFAC would welcome our membership, and IFAC would accommodate in its structure certainly an Education Committee and our research interests. Now the problem, though, is at least twofold. One is, as I reported to you two days ago, that the total international membership of IFAC is now in the neighborhood of 1 million. Now there are 1 million practicing accountants in IFAC, and however you count the academics worldwide, you probably won't get further than about 25,000, and that counts most of our research assistants. So the numerical disparity in sheer size and political thrust is such that there is at least some question on how wise it would be for us to join IFAC.

The other fact is that IFAC, as again most of you probably know, is a federation of organizations. In other words, it is not an organization of individual members. So one cannot join IFAC as an individual; one can join IFAC only as an organized institute association or society. And that causes us some problems. I don't know how it goes in your respective academic organizations, but in the American Accounting Association we still really have not found a way for the association to speak for all of its members. So when somebody in a paper yesterday who quoted the American Accounting Association said "X," technically that's not right. A committee of the American Accounting Association with some six or eight identified individuals might have said "X," but certainly not the Association and its Executive Committee etcetera.

So, in our academic environment we have a lot more problem organizationally representing our members. As individual academics and scholars, we are very very cautious and jealous of our opinions and our situations.

Well, one or two things now have happened. Under the leadership two years ago of Professor Ijiri within the American Accounting Association, we established at the Executive Committee level something that we have now called "A Programme of Affiliate Organizations." This is a very loose, cooperative structure that exchanges invitations to meetings and conferences. It exchanges literature. It anticipates and invites doctoral students for consortium involvement, etc. And I don't have this list in front of me, but at this point we have eight or nine such affiliate organizations. So the American Accounting Association at present has this affiliate relationship with the Canadian Association of Academic Accountants; with the British Accounting Association; with the European Accounting Association; with the French Accounting Association; with AAANZ,
which is the Accounting Association of Australia and New Zealand; of course, with the Japan Accounting Association; with the Accounting Association of India, and, as of about 3 weeks ago, with the Accounting Association of Academics in West Africa, which is the Nigerian Association of Teachers of Accounting.

So, at least at this point there is a nucleus to where we know who each other’s officers are; when we’re holding annual meetings; what we might do with regard to publications. But this is a very very loose structure, and of course what is in part a problem is that at this point it is really an initiative of one of our associations, and it’s really not in any sense a real federation or a real group effort. So, once again, ladies and gentlemen, I pose the question to all of us: How do we as academics see our future world involvement? And not the least of which is future organizations of meetings like this. We have been highly fortunate to have the International Association that is the sponsor organization for this meeting, for this conference. But, again, we get very upset when we have to face some financial problems. There is no way the International Association could have organized even 100th or 1,000th of this Conference in terms of resources.

I think the problem gets down to once again saying one way to go is to just do nothing. Hope that our Federation of the affiliate organizations with AAA will continue; that we remain on speaking terms; that we will always find a group of colleagues in an individual country willing to organize conferences and invite others, and maybe find some wealth and some support to bring it off. Or we could take the other way out and say: as academic organizations we simply cannot cut it on our own, so let’s join IFAC and let’s be done with it. Do the best we can within that organization and proceed from there. Or, of course, if we find a way of financing, find a way of membership, find a way of maybe internationally representing all of our individual academic groups, maybe we should once more resurrect the idea of should or shouldn’t there be some type of a federation arrangement; some type of a continuation; some type of an international newsletter; some type of an international publication, or to devote it, if you will, to research and education in the sense of the academic enterprise.

I have no proposals to make. I have no specific authority from my colleagues at the American Accounting Association to come to you with a proposition, but I would appreciate your helping us thinking about this a bit more because whether we talk about it individually in the hall or whether we raise it in here, I think that this organizational topic is on a number of people’s minds. Thank you very much.

Chairman: Thank you Professor Mueller. The last speaker is Professor Vernon Zimmerman of the University of Illinois, the Vice President of the Vice President of the International Association on Accounting Education and Research and Director of the International Centre for Accounting Education and Research at the University of Illinois. Professor Zimmerman.

Professor Zimmerman: Thank you very much, Professor Ijiri and colleagues. I’m honored to have the opportunity to comment on the past and future as part
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of the Sixth International Congress of Accounting Educators and to discuss briefly
the exchange of accounting education and research. I feel a little bit as it must be if there were a parish or priest where four top ministers had been there before you and had given homilies or sermons and you’re asked to follow. Many of the points I have had have been mentioned, and I will try to be very brief in these. But there’s a certain pleasure in seeing some of the views that I have had being reinforced.

The first point is that I think this conference itself is a momentous event. It has been well planned, organized, and completed, and as Professor Mueller said we owe a large debt to our Japanese hosts for their thoughtfulness, their courtesy, their generosity, and the creation of an atmosphere specially conducive to a friendly interchange of comments for our field. I think that we may have experience and recognize the personal sacrifice that Professor Nakajima, Professor Someya, and their many colleagues have made on our behalf.

The question, for us however, is to assess, according to our conference theme, our status as accounting educators at the present time. As has already been indicated, there is much satisfaction and benefit to be gained from taking a backward glance first. The change has been amazing in 25 years. I was privileged to hear the comments of Professor Katano, one of the leading professors of accountancy in Japanese development of that field, and Professor Littleton, one that had meant a great deal to accounting education in the United States. It was most interesting to hear them 25 years ago as they explored with another the key topics of accounting education. You truly felt an international or common thread in there.

I believe our profession has begun to recognize its apolitical and all beneficial types of potential, regardless of individual social systems, and even to some degree national customs. The benefit of a double-entry method forged into the industrial and post-industrial societies and developing societies demonstrates the unique contribution that can be made by accountancy.

We should recall, I think with proper respect that accountancy developed as a special subset of statistical economics or of economics that are now specialized and embellished disciplines remains imbedded however in its important bedrock discipline. We have many new interactions, and the field of professional auditing specifically has added a unique social responsibility that was not originally contemplated by double-entry bookkeeping.

In the main, our obligations as accountants are to remember the principles and concepts and the reaction to the transactions that occur in the marketplace in whatever manner that is arranged, and the recording of it, and the interpretation and advice that these provide. The responsibility of the accountant, I feel, is to present in as orderly and as accurate a fashion as possible the results of economic transactions for further study by management or the delineators of that.

We face a unique moment—responsibility as accounting educators. Some of the major influences that I see as a symbol of this Conference is to react in our future teachings to (1) the increasing internationalization of accounting firms and
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of accounting transactions; (2) the increasing role of accounting data as management information for action considered in deciding managerial actions, coupled with (3) the communications revolution, and (4) the internationalization of financial markets. Each of these points, I believe, deserves special attention by us as we deliberate the type of accounting education and research which would be appropriate for our counterparts in the accounting, financial, and social communities.

Briefly, to elaborate on those points: the rapid development of communication techniques and the financial market instruments in themselves have been very innovative. These developments arguably have outpaced, or at least placed the main stress on the accepted, established ethical standards of our various societies in general and on the profession of accountancy or its practice that had evolved nationally to have maintained professional reputations and integrity and independence.

The accounting and auditing challenges remain or reappear, as Professor Someya mentioned in the Opening Ceremony. I believe he mentioned two cases: the proper reporting, or perhaps evaluation of credit claims, particularly in international lending situations today, and second, the meaningful recording of transaction results where foreign currency exchange and losses have occurred between two societies. And hidden within that, I think, as an ever looming challenge to accounting and its acceptance, it relates to the accounting for transactions under inflationary conditions. Those remain technical considerations, augmented I feel in the current market.

As accounting teachers and researchers, I believe there is a need to recognize and understand that there is some basic, common body of general educational knowledge and a core of accounting topics or subjects that accounting teachers and accounting students need to engage. I think we need to recognize our continuing obligation as accounting educators to research as well as to teach. These twin focusorial obligations are inseparable in the long run, certainly to a successful academic career, and are essential also to the progress of our special educational role and also importantly as Professor Gray mentioned, the acceptance of our field by our academic peers and by our practitioner colleagues.

I feel that there is further a requirement for one that perhaps this conference brings together a need to replace some of that independence that we often as Professors enjoy, and to recall that positions on accounting practices in particular may not be what would be classified theologically as a mortal sin—that there are places for modification for local conditions and that we should perhaps think of the type of accommodation that does lead to the harmonization and understanding in any case. In other words, not requiring unconditional surrender of one point of view to another.

I also believe that we have, as mentioned by Professor Gray, some very practical points. Professor Mueller also mentioned one of the organizations. It's interesting that academics perhaps aren't as much organized as anyone. Accounting departments, business colleges, and universities probably have as many
committees as Professors at least, or a function of two or more. We work with that environment. I don’t know that the challenge is any more for us to meet and find what kind of regional international organization might be possible for us to function more effectively. But I assume that it’s at least achievable as we live in our daily university lives. The more practical things are the exchanges, the conferences, the manuscripts, the books; also very vital are the educational exchanges through students who study in other cultures and return to mesh and to pick the best of that to adapt to their own culture.

The visiting scholars who come, or visiting professors from one to another, seem to me to be real practical considerations which again should lead us in the next 25 years, as this organization looks back to its first 25 years’ experience. Thank you very much.

Chairman: Thank you Professor Zimmerman. I’d like to ask the Panel Members. Do any of you have any comments or questions to other panel members?

Well, it looks like we can proceed to the next step. OK, we have about a half hour for questions and answers from the floor. I’d like to ask the person wishing to ask questions to come to the microphone, state your name and affiliation, and lastly but most importantly, I’d like to ask you to limit your remarks to 3 minutes so that we can provide the maximum number of participation from the people in this conference. Somebody went ahead of everybody else and gave me the questions, so rather than reading the questions, I’d like to ask the person to come to the microphone. Professor Rama Kashinath—please.

Professor Kashinath (India): Thank you, Mr. Chairman. Mine was not really a question but a suggestion. Here in this conference I was hearing the different group discussions and different plenary sessions, and I found a lot of research work is being carried out in the different parts of the country. And after 25 years of this particular association, doing various kinds of research work, I was wondering if it is possible to unify these kinds of research activities with respect to the different areas and different countries?

No. 2, some countries are testing different hypotheses with respect to their country and maybe comparing it with Japan or other similar countries. But the same hypotheses I felt can be tested in other parts of the world also. So can we make a proposition like this that whatever hypotheses have been tested in selected countries, other country representatives can also plan to test the same hypotheses with respect to their own countries.

The third point that I wanted to mention is that some countries are really developed in carrying out such kind of research work and also developing their accounting education in their particular countries. But this is not the case with all the representing countries in this conference. So the developed countries in terms of accounting education and research may kindly extend these facilities to those country representatives or organizations where such kind of facilities are lacking. I mean it is not as developed as it is in few countries. Thank you.

Chairman: Any response from the Panel Members?
Mr. Gray: Well, I guess I can basically say that’s what we’re all striving for. I hope that our literature exchanges provide a large part of what our colleague from India suggests. I think we, in observing the research literature, we still have a lot of this independence and entrepreneurial spirit. Somehow, seemingly our Promotions Committee don’t think so kindly of replication, and I very much agree with you that the international interest would be served if we could take some of the research paradigms, and some of the methodologies and in a sense try them out in some different settings against different data. And I sense that there is a lot more of this. In other words, one of the very pleasant surprises of my recent Africa journey was that I found research literature and research monographs on desks of many colleagues in Africa. And not necessarily from the United States. From my point of view, that was very encouraging. So a world community of accounting scholars seems to be developing, but very, very slowly. But I think the vehicle is in place.

Chairman: Any other members? Ray?

Mr. Chambers: Yes, I think it is the case that there is willingness around the world to engage with people who have had a quite different kind of problem before them and would like to resolve it somewhere. I’ve done that. I’ve had no trouble at all getting work done, together with people in other countries, not on a large scale, but some. But I think on the other hand we must to some extent place a lot of value on individual initiative and exercise. I rather am appalled by the extent to which we can get forced into the grooves that other people have made before us. And grooves are not very comfortable things for minds that want to be free to inquire about what is of importance to them.

That’s why, for my mind, I don’t see a great deal of value in highly organized activities at all. I’d much rather see people with strong incentives of their own; an intense interest in their technical problems, investigating them in collaboration with some other people of like spirit. I don’t want to do work with people who are simply there because they happen to be members of an organization. I want people to feel the same thing, and at that point you can engage in conversation, engage in work that is directed because your interests are common to some critical kind of purpose. I think the fact that the professional bodies with all of their committees and organizations, all the Standards Committees, and so on have not been able to eradicate the problems that confront practice is a fair indictment of doing too much by way of organization.

Chairman: Any other comments?

Mr. Gray: Just one other point that I think might raise independence particularly for the academics, which I believe is one obligation we need to remain a friendly, constructive credit of the profession. But from my limited knowledge of the countries of Malaysia, Indonesia, and Bangladesh they have, through their own planning, often with the profession worked with universities and some of the international lending or credit monetary institutions to help develop a profession. Part of that was education of individual teachers, who then come back,
hopefully enlightened but equipped to work in that particular home country and bring with them a large store of bibliographic materials and experience in continuing education.

I think that where you have a country that recognizes education for accountants in a national commitment, you may have more accelerated progress than in some of the materials that you’ve mentioned you need.

Chairman: Thank you. I must apologize that I forgot to give you a warning that this session has been taped, and therefore anything you say might be held against you. If Professor Kashinas (?) would like to take back your comments, I’m prepared to do so. Any other questions? Yes, please.

John Brennan (University of Saskatchewan, Canada): As I listened to the comments this morning, something went through my mind; the question also added to the thought that was running through my mind when I look to the future. And I would be interested in hearing one or more of the Panel react to the possibility that we might achieve some of the organizational questions that Gary was talking about, achieve some of the joint research concerns that you’re promoting; support the ingenuity and initiative that Ray was arguing for. Maybe encourage the regional dimensions that Syd was talking about by use of a technology that is more and more available to us. And I’m not sure how available it is across our members, but I do know that leaving my little office in Saskatoon, I was able to go to Waseda University in Tokyo and very effectively communicate with my colleagues and work on a report that I was working on at home through the technology of phonetics.

And I wonder if any of the panel have had use of that technology, and whether they foresee that, in the next five years, something that may indeed change the nature of our meeting, wherever it may be in five years.

Chairman: Thank you. Panel Members? Professor Mueller?

Professor Mueller: All I can respond to is that the communications technology is clearly with us. I think most of us work on some type of computerized information networks. I foresee vast research data storage and data retrieval systems that will become internationally available. I see it being a lot easier to work with a colleague in another country, but once again it’s a very expensive proposition. And when you have a—like when we heard all the needs of the developing world—I, you know it’s very easy between the U.S. and Canada and Japan, and also very inexpensive. But in a lot of universities around the world, this is a technology that is still not there, but I think it’s building, and it’s coming, and I think it is fairly widely used already.

I’d be interested in hearing other comments, maybe from our Chairman, who is somewhat of an expert in that area.

Chairman: I’m here only as a moderator. So, Professor Chambers?

Professor Chambers: I think it’s interesting and easy to become enamoured of new devices. But in fact what we’re really concerned about is not vast amounts of information, but digested information which we do the digesting of ourselves. I don’t believe that we have an adequate supply of things that we can apply our
minds to. I'm rather fearful of the possibility that we're getting to the stage where so much assails us that we have no chance whatever of applying whatever discrimination we may possess to it.

We are flooded with information, and I think that we ought to take some care about fending off the prospect of having too much more. The more we get, the less we think. I think there was well—oh, one twentieth-century philosopher said one time, "we've come to the stage where we acquire skills at a vast rate and lose our wisdom at the same rate". And I think that's rather important. Machines, they're skillful, but only brains can be wise.

I had an idea that it may be possible to do one thing with the existing apparatus. I think it was in 1962, Vern, you created The Journal. That, it seems to me, could be a device for keeping people informed in pithy, short reports of things that you are interested in. I don't know how many people get the journal, but it is an international journal. It's devoted to that. It arose, I suppose, out of the same idea that created this type of conference. And it seemed to me maybe that could be used—it's half yearly. But it could be used in some sense to disseminate information among people who, like ourselves, who may not be aware of other things. But of course the same thing applies to what Gary said. The intercourse between the various associations could, through their own journals, provide us with more information provided it was in a thumbnail sketch, or style. I think the finished work of course always finishes up in the Journal somewhere at length. But I'd rather have us depend on existing resources than multiply the number of organizations we have, because every one of them consumes somebody's initiative, time, and energy.

Mr. Gray: No, I think the new technology will play an increasingly important role in helping us to carry out our research more effectively, and it will help us communicate more quickly and easily. For example, through the FAX machine, now we can instantly communicate materials which hitherto had to be posted and so on. And all the existing barriers to making effective communications. It kind of puts you off, doesn't it, if you feel, well, it's going to require a tremendous amount of effort to get in contact with the person you might want to speak to. Whereas now it's going to be so much easier, and you can also carry it all, all the data around with you. You can carry your report around with you and then it—you just plug your disk into the machine in the other country. Everything is going to be much more easy to do. But I think it still doesn't overcome the problem of the initial communication, the spark that Professor Chambers referred to earlier, the spirit which we have to make initially. We have to have that spark of contact and spirit and enthusiasm to do research. And then we need to foster the relationship. And we need to foster that at Conferences. But if the new technology can help us keep in touch from day to day, I think that will be an absolutely marvelous thing. We are moving along that way.

Chairman: I'd like to break my silence and mention that I tend to agree with Professor Gray. I think we are in the third wave of human revolution as Alvin Toffler says: "If we look back at what happened in the second in-
Industrial revolution, I think people living in that stage probably tended to think "look for something that is stable and constant." I think we are doing the same, but the environment is changing enormously in favor of this type of international exchange.

Somebody raised a hand over there... please.

Mr. Akira Ishikawa: The school of international politics, economics, business, and also the International University of Japan. And I have been teaching in the United States, including New York University and Rutgers State University, New Jersey Graduate School of Management. Now, so I should represent both the U.S. and Japan.

Well, whenever I participate in various kinds of international conferences, symposia, and many other related conferences there are three essential things. Number one, the effectiveness and efficiency on the part of the secretariat.

Number two, willingness to participate on the part of the participants.

Number three, implicit necessity in the society and the environment. Those are the three, I think, most important factors, which international conferences, symposia will last as long as possible. Well, maybe longer than other comparative conferences. Now in addition, I feel because of the development of communication means. For example, in the U.S. we have numerous kinds of communication devices and network available. Now they have been extended on an international basis including, for example, EIES. Electronic Exchange Information Systems originated in the United States, supported by the National Science Foundation. I have begun using this in the past seven years. It has been getting less costly, and now I can easily communicate between the U.S. and Japan. In fact, we had an experimental multimedia conference between New York, Honolulu, Vancouver, and Tokyo. Now we discussed various mathematical models such as United Nations economic models, including, for example, Dr. Thoreau of M.I.T. or Nodehouse of Yale University and so forth. Then we could view the screen through the television conference systems, and we could talk to each other. And this helps us greatly. In the future we can converse so easily by means of international communications network, more and more. Certainly, we can criticize international communications network in terms of the old of information, but also we can expect very greatly that that has been the barrier of international conferences. What I mean by "barrier" is because of the cost, because of the time we have to sacrifice in order to participate in international conferences and so forth.

Therefore, we study those international communications systems and then we just use their means as effectively as possible in the future so that this conference, this body may be strengthened as time goes on. Thank you very much.

Chairman: Thank you, Professor Ishikawa. Any comments?

Professor Chambers: Yes, I’d like to say a word or two, Mr. Chairman. You have a colleague at your own university who spent some time on this question of what the human mind can absorb. His name is Simon, and he and many other
people in the field of psychology have put us on notice that there is just so much that we can absorb and so many ways in which we can discriminate them, and it's a very small number. It's 4 to 6 items of discriminations—4 to 6 items you can hold in your mind when you have to judge between things, and that's all.

Now, if you have a flood of information coming in about all kinds of things, you're going to very shortly exceed what even you can touch. You cannot master it all, at least according to these people.

I am concerned that in fact the type of accounting we've fostered, and the types of exercises we foster are beyond our comprehension and our reasonable thinking and our reasonable deliberation. I'm a little afraid of that. It is one of the advantages of having unified knowledge in any field that everything in it is related, or almost everything in it is related, and you can move from piece to piece to piece and know that you're not moving outside of the bounds of your competences.

Now when there are so many different things that you want to introduce into it, you very soon lose your capacity to handle them. I know of Toffler and all those people you know, but Toffler didn't say too much about this: that we have the second industrial revolution outstrip the capacity of the community to absorb its products!! We have more cars, TV's, radios and everything else than the community can absorb. So many of those vast factories are now on part-time, closing down and so on because we've over produced, and I guess we're going to over produce information too. But I'd much rather produce 'quality' information than vast amounts of undigested, poorly thought-about information. In other words, I was disposed to academic appreciation of things rather than the width of perspective and the narrowness or lack of depth of what happens to be the newspaper and the ordinary media of popular use.

Chairman: Thank you, Professor Chambers. I look forward to having a discussion on a personal basis with you. Professor Someya.

Prof. Someya: The telecommunication means have developed, and they are developing. But when it comes to the exchange of information, I still think there is a great importance of having this kind of international conference. If we were to conduct an exchange of information of this amount by telecommunication means, it would be much more costly. Rather, by exchanging in a forum like this, I think the cost would be lower.

When it comes to the situation in Japan as compared with other academic disciplines, or in case of other academic disciplines, they have an academic society for each country, and those academic societies form international federations, and they regularly hold international conferences. You can see many examples of such.

Earlier, Dr. Mueller pointed out the organizational problems for every country to send a representative and come up with a federation. Indeed, that may be a difficult task. However, as to this possibility, I would like to put forward a question, and also I wonder if, indeed, there is a good possibility of coming up
with a federation of different academic associations from the different parts of
the world, as in the past has been scrapped. But any possibility in the future?
This has to do with the possibility of establishing a federation.

Chairman: Well, it looks like a response has to come from Professor Mueller
or any other members.

Professor Mueller: I guess my personal feeling is that I really—no, I indicated
earlier that I really don’t have a position. I think we should work toward some
type of international grouping or federation or organizational structure. I rec­
ognize the anxiety this brings, for instance, to Professor Chambers, because it’s
clearly a problem when, you know, this happens to us in our own universities.
We spend a lot time on committees and writing letters and xeroxing, and I don’t
know what all else when we ought to be thinking. But nonetheless some kind
of world grouping for the academics is something that needs to be explored
further. I don’t know, Professor Someya, how we may best do this. I would
hope that through a network like the affiliate organizations of the American
Accounting Association at an appropriate meeting in the near future. Maybe the
Presidents or Executives from these eight or nine groups might get together and
talk about it, because I think—well, nobody that I know of is really ready to
come forth with a definite proposal.

I guess what that also means is that on balance, even though I have a very
high respect for our colleagues in practice, on balance I guess I am not all that
eager and ready to suggest that the academics join EFAC. I’d be very interested
in hearing from others, either in the audience or on the Panel.

Professor: If I could, I’d just comment very briefly. The one thing that I have
watched over the years, I think since the Treaty of Rome was signed in 1957,
when you think of it a very idealistic approach of custom union, easy transit
transactions, and ultimately the professional practice available to citizens of those
Common Market countries.

It has been a long, and to some, a chastising observation. Yet in total there
has been a great deal of progress when you think of the European accounting—
the directives, and I think what Syd Gray and colleagues have done in the
European accounting community. The teachers there may have set for us ex­
amples of how regional affiliations can become quite effective. I think the ev­
olution in the last 10 years particularly has been impressive to me as one outside
that community. And perhaps one part would be using what already exists in
almost every country: some teacher association, accounting teachers group, and
try to utilize something that might bring us—Professor Someya’s point—effective
regional operations tied into some sort of international federation.

Professor Chambers: I agree entirely, Mr. Chairman. I think the style of IFAC
is such that the individual associations in their own countries do their own thing.
They tend to give some support to things they do in common, but there is a
great deal of variety still in what they do, and I don’t think even the EEC, 
although there’s much more community of interest there, they certainly haven’t
come to grips with the fact that there’s great diversity in their accounting, and
I don’t think they ever will. But they tolerate that. I think it is better to have local, national groups of people who are close enough to one another to share many common things, many things in common, and to have a loose federation of associations, rather than a membership by personal membership of an international group.

I think that would help in some way if we could think of, as I said, a kind of an association with the Illinois Center, which has a medium of a Journal and a Newsletter already in use if somehow or other we could stampede them into making it available for more common and general use. And I think then each of the national groups could do its own thing through its own local Journal, and yet keep people informed of what was going on in other places. I think that’s a far more satisfactory thing than the other.

I think, by the way, that this been an extraordinarily successful exercise in getting us to Asia to a place where very few of us, I guess, would think of coming to talk about accounting. But it has turned out to be extraordinarily interesting, fruitful, entertaining, and everything else. And it’s been a delight to meet all sorts of people here. And I think the Committee deserves all the praise we can give it. And I think that that same type of thing will crop up yet again when the occasion for another conference arises. I think that’s sufficient. We can over organize in my opinion.

Chairman: We have only four more minutes. So please make your comments short. Thank you.

Professor Roger Hopkins (National University of Singapore): Thank you, Mr. Chairman. The references to accounting associations and a loose federation, there are moves afoot quite possibly to have a Southeast Asian Accounting Teachers Association. So this process is going on, and it may be that that’s another grouping which could relate to the Federation.

Second, I share the reservations about association closely with IFAC, and if we have a dilemma—IFAC has an Education Committee. While I think Professor Chambers has doubts about the effectiveness of issuing standards and guidelines, nonetheless they do issue international education guidelines, and somehow eventually we’re going to have to relate to that process. Otherwise I think we’re going to be caught in a dilemma with a very strong, powerful professional body issuing education guidelines, and then the academic community perhaps relating to them in an ad hoc way. Thank you, Mr. Chairman.

Chairman: Thank you. Any comments from the panel members? Well, if not, any Closing Remarks...yes, please. I doubt whether we have time for one more question. Any comments or response.

Professor Chambers: Other people may interest themselves in education, sir. But we are the educators, or we pretend to be. And it seems to me that if other people meddle in our business when it’s not theirs, then we ought to properly disregard them. When all is said and done, if we went out there and pretended to be Chartered Accountants and things like that on the strength that we were good teachers, they would probably say “Go away’’. And I don’t think we
ought to be any different than that. I think that we have a very important function and it is to be independent Appraisers of what the rest of the world does. Not copiers, not even teachers. So much of what they do without a word of appraisal, criticism and examination, the more we work with them, as some people say "go to bed with them", the less we are inclined to be critical of what are obviously difficult and ridiculous things that pop up in the practice of accounting in many countries. I prefer our independence, sir. I don't mean our isolation. I mean our concerned involvement in much the same sort of things but concerned and independent. And I think that is one of the things that we ought to stand for.

Chairman: Very important point. Professor Gray, any closing comments?

Professor Gray: Well, just a brief remark that I think this has been a most successful conference, and I think we must find ways of getting together more often. Perhaps we can explore some of the ideas that have been discussed this morning in more practical terms. If we can get down to it, so that we can get together more often and follow up on what has been the most valuable meeting.

Chairman: Professor Mueller.

Professor Mueller: Well, just echoing what has just been said, particularly the comment by Professor Chambers. In my own country, the United States, we are continually under pressure from the AICPA with regard not only to educational programs but now prescriptions as to the length of time it should take us to educate a new accountant, and I think the educational community is ill served by this. So the notion of remaining independent, doing our thing and cooperating when we feel that we can make a contribution, but certainly not getting pushed into the corner because somebody on the outside tells us how we ought to do both our curriculum and our education. So I just simply echo Professor Chambers on this point.

Chairman: Professor Zimmerman?

Professor Zimmerman: I have nothing new except to say just "thanks". I think that the points made by the colleagues, speakers have been... give plenty of us a motive to return home, to do work, and to look ahead. Thanks again for the conference arrangements.

Chairman: Well, it's 11:45 now. I'd like to express my thanks to all of you for this very stimulating conference, and particularly this session. Please join me in thanking the Panel Members for their excellent remarks. Thank you.