

**Securities and Exchange Commission Historical Society**  
**interview with Andrew Barr**  
**Conducted July 17, 1992 by Dr. Gary Previts, Introduced by Dale L. Flesher**

**Video 3**

Dr. Previts

The American Accounting Association took on that name, I believe in 1935. Prior to that, it had been the American Association of University Instructors in Accounting. That's really a mouthful. Were you active in the American Accounting Association prior to going to the commission? Did you go to the meetings there?

Andrew Barr

I went to the meetings while I was at Yale.

Dr. Previts

Were there any individuals that you particularly had... Other academics that you had had strong relationships with before going to the commission?

Andrew Barr

That's pretty hard to do.

Dr. Previts

Pretty hard to recall?

Andrew Barr

Well, I met so many people, it's hard to single out many wonders over and above someone else.

Dr. Previts

Eventually you-

Andrew Barr

I might make one observation here about a person who's not involved. Earl King was not a CPA, but in looking at his records, I think you have to agree, he probably had a wider, broader experience in all phases of economy than many CPAs ever acquired.

Dr. Previts

I remember he worked for a brokerage just prior to the market crash.

Andrew Barr

At the time of the crash.

Dr. Previts

Yeah, I remember that.

Andrew Barr

That gave him background for the brokerage business.

Dr. Previts

He was involved as a controller of businesses that I think he did start out in public accounting practice.

Andrew Barr

Yes, he was.

Dr. Previts

I guess, along the East Coast. I remember he gave a speech in Richmond one time, and he referred to the fact that he had been an audit in Richmond, maybe in the first decade of the century. So you're right. He had a tremendous amount of experience.

Andrew Barr

He had a very wide acquaintance of all aspects of it.

Dr. Previts

Well, that gets me back to the point about your own initial public accounting experience. When you left Illinois, you worked in public practice for a couple of years. Which firm did you go to work for when you left Illinois?

Andrew Barr

Well, when I went to work in those days, I graduated from university with a master's in '24. In those days, the student had to go to the accountant's offices to be interviewed.

Dr. Previts

Interviewed. They didn't come to campus.

Andrew Barr

They didn't come down to the campus in droves, and sit in the hallway waiting for their number to come up. Where were we?

Dr. Previts

Well, we were just thinking about your first couple of years of accounting in public practice.

Andrew Barr

Oh, I didn't name the firm.

Dr. Previts

That's right.

Andrew Barr

I think it's all right to name of the firm, it's been buried for a long time. Only a few people know about it. At the time I was interviewing firm's name was Reckitt, Bennington and LeClaire. LeClaire was the American in a British staffed firm. LeClaire was the one who saw the importance of lending without income taxes. So they got into the big leagues of Chicago by getting some very good clients, primarily for tax purposes.

Dr. Previts

Tax clients.

Andrew Barr

So I think that's very important. That's the way it started in Chicago. They just came on the scene at the right time. Timing is so important in many things would we do in life. So that was why? Then the next move was, I get these in order now, I don't know who made the approach to the other, but it was a merger with Wellington.

Dr. Previts

Oh, okay. Wellington, all right. Scoabar and Wellington Firm.

Andrew Barr

Yeah. Scoabar, Wellington. Now he was an interesting person, Mr. Wellington was a very interesting man. He was playing tennis at 75. And he was a picture of good health, I guess all of the time.

Dr. Previts

He was-

Andrew Barr

Then the next step was the merger with Lybrand, Ross Bros, Montgomery.

Dr. Previts

So that firm merged up to what is now the Coopers and Lybrand.

Andrew Barr

That's right. To change the name, and then emphasis on where it belonged. So with that, I sometimes wonder if I would now be a retired partner-

Dr. Previts

Of Coopers.

Andrew Barr

... of Coopers and Lybrand.

Dr. Previts

And after you finished the work with... You left that firm, and you went directly to Yale and you started your teaching career when you left.

Andrew Barr

Correct.

Dr. Previts

Okay. Well, I think-

Andrew Barr

There was a link there that maybe I ought to mentioned. Ralph Jones had gone to Yale, called there to rebuild the accounting group. Of course, ahead of it, they had gone to another university. So Ralph was working for Encel in Chicago. The mahogany floor businesses you hear about. Big corporations taking on college professors to drill them in what they ought to be doing for business.

So I happened to be, of course, in the park we were just talking about. And one night I knew Ralph was in town, and he got ahold of me, and we sat down in the park, in the park bench and discussed his whole business. Even so it was, and I went down home to here in Urbana. The family gathered around, and I just wanted to see how they would react to me leaving employment after such a short term. [inaudible 00:06:39] can't you hold a job?

Dr. Previts

I'm sure the values are strong.

Andrew Barr

So we had a lot of family in Urbana. There was only one dissenter. We'd taken the [inaudible 00:06:57], and he was a professor at Railway engineering.

Dr. Previts

In the field?

Andrew Barr

He had been in business, and he thought I was making a mistake.

Dr. Previts

To go to Yale and-

Andrew Barr

To leave business.

Dr. Previts

To leave business.

Andrew Barr

Leave the profession. He was concerned about that.

Dr. Previts

So Ralph Jones, who-

Andrew Barr

He wants me on my career, you might say.

Dr. Previts

I guess his monograph, his AAA monograph, several years later on price-level accounting is something that a lot students-

Andrew Barr

[inaudible 00:07:32]

Dr. Previts

Worked together on that subject. Well, maybe it's time to-

Andrew Barr

So you can see I had a very early acquaintance with this business at price-level. Ralph was working on that. He was the head of the accounting group, and I was excellent in mine, so we were working together.

Dr. Previts

Well, that becomes the issue in the post-war period when you get back to the commission. As a matter of fact, I don't know of anything that dominates the literature. And I guess Earl King had to wrestle with that problem, and you did too. The price-level problem in public company reports.

Andrew Barr

Oh, yes.

Dr. Previts

And I've just recently read some materials on that that suggest that even some of the staunchest advocates of historical cost. And Sam Broad would be an example. I consider him be a staunch advocate of historical cost prior to the post-war inflation. Begins to struggle with, how do you adequately... He was good at using analogies. Broad used a lot of analogies in his talking, and he used the old apples and oranges, that the dollars didn't have equal purchasing power. And even he was willing to advocate some form of restatement along adjusted lines that the commission kind of held firm, didn't they? They stayed with historical cost during this period.

Andrew Barr

Yes. That's right.

Dr. Previts

And in preparation for our getting together, I have to tell you, I read one of Earl King's pieces during that period. Because I knew price level was high on his agenda, and it would've affected what you were doing. It seems the discovery and use of accelerated depreciation helped come to terms with this problem a little bit. Accelerated depreciation in King's view was a way of solving some of the problems of getting into the income statement, an adequate depreciation charge, without having to change all the numbers around it, because you could, if you will, front load the expenses. And he saw technology as much as activity-based as justifying accelerated depreciation. It seemed to me he was quite favorably impressed with the use of accelerated depreciation as a vehicle for price level. I wonder if that-

Andrew Barr

I just don't remember that aspect of [inaudible 00:10:04].

Dr. Previts

It's a paper of his that he gave toward, I'd say, '48, '49, somewhere in that period. Before the Korean War broke out.

Andrew Barr

Well, one of the jobs, a staff member in the chief accountant's office is to either write the first draft of the speech, or help edit it when somebody else's written.

Dr. Previts

And that may have been the time you were over at-

Andrew Barr

[inaudible 00:10:30].

Dr. Previts

Well, I see you have-