The impotence of accountability:
the relationship between greater transparency and corporate reform

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Acknowledgements:

We thank Marion Brivot, Chris Carter, Alan McKinlay, Stephen Walker, Darlene Himick, Mike Power, Kevin Morrell and participants at the Financial Reporting as social and organizational practice workshop at the London School of Economics, 2011, the AAA conference in Washington, D.C., 2012 and the Alternative Accounts conference in Quebec City in 2011 for their insightful comments and advice on earlier drafts of this paper. We likewise thank Matt Morden for his valuable research assistance.

Abstract

This paper explores the role of accounting in the attempted reform of the corporation during the 'progressive era' in the United States. Focusing on the activities of three institutional bodies in the early twentieth century, the paper documents how their repeated recourse to 'publicity', which relied crucially on accounting technologies, failed to turn the corporation into an entity more sensitive to the public interest. Specifically, two inter-related contributions are made to existing literature on accounting and corporate governance. Firstly, the paper documents the early historical development of the now taken for granted phenomenon of accounting and adjudicating at the entity level (Miller and Power, 2013). Secondly, the paper offers a rejoinder to present day projects of corporate governance which identify better and enhanced accountability as key to the successful reform of the corporation. During the progressive era, accounting expanded and territorialized new spaces, bringing trusts out of a hitherto secretive, private realm and into the view of the public. Yet this was not enough to engender substantive corporate reform.

Keywords: Corporate Governance, Accountability, Disclosure, Governmentality, Accounting, Trusts, Progressive Era, Publicity

JEL Descriptors: B1 History of Economic Thought through 1925, G3 Corporate Finance and Governance, H1 Structure and Scope of Government, K2 Regulation and Business Law, L4 Anti-Trust Issues and Policies, M4 Accounting and Auditing,

Introduction

> The way to this can be best paved by promoting public spirit, and sweeping away the business opportunities for business wrongdoing in secret, such as rebating, by wise laws properly enforced, and backed by public opinion, yet laws not oppressive, unjust or too inquisitorial. This would compel the "crooks", "grafters", "rebaters" and "competition crushers" of the business world, who have schemed in the darkness, and shunned the light, to come out into open view, and this publicity alone would be a perfect cure for many great evils. So let us have more light- the light of PUBLICITY. (Clews 1906, 154)

> If you want to follow or invest in a U.S. public company, you can find a wealth of information in the company's annual report on Form 10-K. Among other things, the 10-K offers a detailed picture of a company's business, the risks it faces, and the operating and financial results for the fiscal year. Company management also discusses its perspective on the business results and what is driving them. (SEC Investor Bulletin: How to read a 10-K (SEC 2013)

The modern framework of corporate accounting disclosure would not have been possible were it not for the rationality of publicity that emerged during the progressive era in the United States. As a result of discourse and practice in the early years of the twentieth century the rationality of publicity caused the adoption of a model in which rather than be directly regulated, corporations would instead disclose information concerning their activities. Hope for the effectiveness of corporate disclosure has been among the most enduring features of this domain; publicity was fundamental to these aspirations. Publicity in turn came to depend on accounting technologies for its implementation; similarly accounting would itself depend on publicity for ever greater application in this sphere. In the light of disclosure it was hoped that, as the then head of the Bureau of Corporations put it,

> the great corrective force of public opinion can be intelligently and efficiently directed at those industrial evils that constitute the most important of our present problems (Annual Report 1907, 5 cited in Leinwand 1962, 32).

Publicity would, the argument went, shine the light that would cleanse the corporation of its abusive practices and imbue it with moral rectitude. Information would be presented to inform investors and other groups such that decisions could be made about corporate activities and concerns about corporate governance could be appeased.

This paper traces the arc of responses to the dilemmas of corporate governance in the U.S. in the early twentieth century. In this we examine the effects of these responses and seek to understand their consequences. In general, we argue that such reforms have tended not to bring improvements in the control of corporations (see also Merino 2011; Merino and Neimark 1982) but have instead formed a response to previous programmes which recreate themselves, emerging in new forms, reinforced and energized by their prior failures. Accounting expands, but corporate governance issues remain. Publicity came to enlist accounting in a succession of programmes to address corporate governance. In a sense accounting was in motion but its continuing expansion in this sphere is perhaps its most notable feature.

We study successive regulatory reform initiatives and related forms of accounting and financial disclosures in the US at the beginning of the twentieth century driven by three federal institutions: the Industrial Commission, the Bureau of Corporations and the Federal Trade Commission. Extant accounting work looking at this period largely focuses on costing issues of railroad rate regulation by the Interstate Commerce Commission (Oakes and Miranti 1996; Miranti 1989; Sharfman 1931). We examine broader financial accounting issues of profits and returns, particularly the growing belief in the power of disclosing such information to solve the governance issues of the time. In all of this we present fresh material that shows accounting to have been a key enabling technology for implementing reforms brought forward in the name of the rationalities of publicity. We show that each body placed great reliance on accounting technologies as a means to promote, as the commentator in the article's opening quote put it, "more light – the light of PUBLICITY" (Clews 1906, 154).

This study contributes to the existing literature in two ways. Firstly, it offers a 'history of the present' (Foucault 1979; see also Neu and Graham 2006) illuminating the political and social struggles which paved the way to the first uniform corporate disclosures being mandated by the Securities and Exchange Commission Acts in 1933. These Acts are often considered the starting point for understanding the lineage of present day accounting disclosures (Merino 2011). However, we show that attempts to know corporations and hold them to account were underway decades before the SEC Acts. We therefore show the historical emergence of the now taken-for-granted cultural imperative to use accounting in order to adjudicate at the entity level (Miller and Power 2013, 583). Secondly, the paper provides a salutary lesson to those present day projects of corporate governance which seek to modify corporate behaviour through enhanced corporate disclosures. Whether those projects seek enhanced social and environmental responsibility (see, for example, Moon et al 2005 and Schneider and Sherer, 2015) or more sensitivity to shareholder concerns (see, for example, Kay 2012, Financial Reporting Council 2012) they crucially rely on the logic that transparency is central to correcting corporate behaviour. Our analysis suggests that similarly to the experience of the rationality of publicity these initiatives are liable to flounder.

The paper proceeds as follows. The following section situates the present study within extant governmentality theorizations. Specific issues from governmentality research in accounting are then identified. The political context of the progressive era is discussed and the political rationalities and specific political programmes characteristic of this era are delineated. We then develop analysis of accounting technologies as they emerged as potential responses to publicity. We address each of the three institutional bodies that were established with the goal of curbing corporate excess: the Industrial Commission, the Bureau of Corporations and the Federal Trade Commission. Finally, the paper discusses implications for governmentality and corporate governance research.

Theoretical framing

The term governmentality is used as a guideline for understanding the way in which power is exercised over people in a more or less systematic fashion (Foucault, Burchell, Gordon and Miller 1991). Foucault refers to government not in its political sense, but more comprehensively, in terms of the organisation of a whole range of activities, which might but need not necessarily emanate from the nation-state, such as managing households, directing the soul, self-control, etc. (Foucault 1978). Government is conduct or, more precisely, the process of "conducting the conduct of individuals" (Foucault 2001, 1401, *our translation*).

The significance of governmentality to this study is that these ideas of regulating behaviour came to form critical points of debate surrounding early corporate reform initiatives during the progressive era. In our analysis of successive attempts at corporate control and reform we pay attention to the interplay and interdependence between calculative infrastructures, such as accounting practices, and modes of governing in the form of "political ideas and programmes that require and inspire them [calculative infrastructure]" (Mennicken and Miller 2012, 6).

We use Rose and Miller's (1992) framework which distinguishes between political rationalities, programmes and technologies. Discussions in the political realm often develop ideals that are framed as ethical or moral imperatives. These *political rationalities* become widespread and emerge repeatedly in diverse forms by many participants in public discourse. Through a process of repetition they become accepted and are seen to fit broader discourses which govern the social construction of what becomes accepted as truth (Mennicken and Miller, 2014).

Political rationalities are recursively related to more specific governmental programmes which provide the intellectual machinery that allow political rationalities both to be implemented and thought of in the first place. A rationality may have difficulties finding traction if it is perceived to be impractical, whereas a readily available programme of specific actions might foster the development of a political rationality (Miller and Rose 1990; Radcliffe, 1998, 1999). Programmes can be developed in many ways and can come from a wide array of sources. These can include professions, academe, non-profit organizations, ‘think tanks’, expert reports, white papers and tacit knowledge. Programmes start from the belief that the domain they are concerned with, help create and seek to intervene in is known and can be made programmable (Mennicken and Miller, 2014). Rose (1996) emphasises the need to justify governmental action through knowledge of the area to be governed. It is on the basis laying claims to knowledge of an area that modern life has increasingly seen the development of polls, surveys, statistics and other means of creating and claiming knowledge with the goal of improvement in government (Free et al., 2013).

Finally, programmes require specific *technologies* to allow them to be implemented (Mennicken and Miller 2012). Indeed, it is often technologies themselves that render programmes intelligible in the first instance (Spence 2010). Technologies can be quite mundane, including such regular forms of writing, and calculation, techniques of data storage and investigation, and ways of standardizing practices (Miller and Rose, 1990) such as auditing procedures (Radcliffe 1998, 2008). It is important to recognize that technologies are not merely operational, but are themselves are programmatic and aspirational (Power, 1997).

Although Rose and Miller (1992) proposed a tripartite distinction among political rationalities, programs and technologies, they equally asserted their mutual interrelations (Mennicken and Miller 2014). Nonetheless, Mennicken and Miller (2012, 14) note that some scholars have mistakenly reduced this to a binary distinction between programmes and technologies, conflating different levels of analysis. A focus on programmes, rationalities and technologies has the potential to forge linkages between often disparate practices, ideas and things (Hacking 1992). Essentially, programmes, rationalities and technologies are mutually constitutive. Such a focus places accounting centre stage in the organization of social and economic life. For example, although managers or regulators may be concerned with specific objectives relating to improvement or efficiency, it is often "accounting practices that enable such ideas to be operationalized and made real" (Miller and Power 2013, 557).

In recent work Miller and Power (2013) both amplify these ideas and move beyond them. They emphasize the mutually constitutive nature of rationalities, programmes and technologies by identifying four key roles for accounting: territorializing; mediating; adjudicating and subjectivizing. By *territorializing* they mean the construction of calculable spaces for actors within organizations and society (Mennicken and Miller 2012). By *mediating* they refer to the role of accounting in linking together "actors, aspirations and arenas" (Miller and Power 2013, 557).[1] In *adjudicating* accounting serves to evaluate the performance of organizations and individuals, as well as determine failure (Kurunmäki and Miller 2013). Finally in *subjectivizing* accounting brings individuals or organizations under the control or regulation of others.

Miller and Power (2013) argue that these four themes are at the core of a "vast calculative infrastructure and associated narrative that comprises accountancy" (563) and which have come to form a dominant role in contemporary society. They argue that these roles make accounting a productive force and the predominant form of representation of social and economic life available today (Miller and Power 2013, 587). Drawing from Foucault's notion of *dispositif,* which they translate as *complex*,[2] Miller and Power (2013) argue that accounting practice is an assembly of, "very different elements: ideas, laws, bureaucratic instruments, spreadsheets, reports, standards, and registers" as well as accountants and other people (Miller and Power 2013, 588-589). The

[1] Similarly, Kurunmäki and Miller (2011) discuss mediation in that forms of accounting such as management control practices can serve to link the larger political culture with the 'everyday doings of practitioners.'

[2] This term is acknowledged by Miller and Power (2013, 595) as drawing on an array of influences, including Rose (1985), Burchell et al. (1985), Miller and O'Leary (1994a, 1994b) and others (Mennicken and Miller 2012).

accounting complex's productive force is given by the entanglement of accounting's four key roles (561).

Crucially for this work Miller and Power cite these elements of a complex as a constellation of forces in which

> the components that are connected are very different kinds of things, and they are often co-constructed rather than existing in a relation of exteriority to each other (2013, 594).

The co-construction of elements in a complex is crucial in understanding a complex arena such as publicity, which was marked by the confluence of a broad array of programmatic and technological influences. Within this arena we establish how accounting was a vehicle for the economization of the enterprise by which we mean the constitution of the corporation as an economic entity which could be acted upon.

We take this position seriously here, seeing an accounting complex at work in the mutual constitution of the various components that formed the rationality of publicity. We see publicity as a rationality that represented political ideals which were taking hold within the American environment. These ideals involved making information available to the public to prevent abuses and corruption, and to ensure that growing industrialization served a broad segment of American society. The availability of a rationality such as publicity served to animate programs of corporate governance and reform, while the availability of accounting as a technology served to make the rationality of publicity possible and made ever greater expansions of its scope tractable and thinkable. In this way, the rationality of publicity, the continuous programmes of corporate reform and the technology of accounting interacted and were co-constructed as part of a diverse complex.

We aim to understand how this complex functioned by constituting not only financial elements but also political debates and political actors (Mennicken and Miller 2014). We trace the roles of this accounting complex as they emerged and developed within various programmes at different times. Such complexes may begin in relatively innocuous ways, with seemingly clear and basic goals. However, over time these goals become blurred, as when the rationality of publicity and accounting technologies become enmeshed with broader political objectives. We therefore see a linking of the micro and the macro and the early importance of accounting practices in connecting actors, aspirations and arenas (Miller and Power 2013) which continues to this day in ongoing attempts at corporate reform.

Prior Literature

Extant governmentality literature in accounting suggests that governmentality failures can in large part be explained as failures of accounting technologies (see, for example, Neu and Heincke, 2004 and Spence, 2010). Programmes fail to be realized because accounting technologies are somehow inadequate. Yet the perspective offered here, with its focus on mutual constitution of different elements within an overarching accounting 'complex' makes it difficult to characterize accounting technologies as the main culprit. Rather, accounting technologies may be inadequate because of underlying problems with political programmes or ill-conceived rationalities. Alternatively, accounting technologies may achieve in an operational sense what was required of them but fail to fulfill aspirations due to a lack of political will. Government as a whole is a "congenitally failing operation" (10) and failure needs to be understood in a holistic context.

One additional attribute of Miller and Power's (2013) work is that it puts renewed focus on the organizational level, whereas much governmentality research has looked at the role of accounting in governing specific populations (Neu, 2000), certain demographics (Graham, 2010) or socio-economic life more generally (Rose, 1996). Accounting scholars in the governmentality tradition have explored diffuse social problems more often than they have looked at the more fundamental ways in which programmes, rationalities and technologies are central to the maintenance of organizations and the enterprise of organizing per se. Whereas histories of US accounting at the entity level tend to start from the first SEC mandated disclosures in 1933 (see, for example, Merino 2001 and Merino and Neimark 1982) we show that an expansive accounting complex developed in the decades leading up to this, rendering corporations knowable and intelligible to the wider public. In other words, the now taken for granted practice of using accounting to adjudicate at the entity level (Miller and Power, 2013) can be traced back to at least the late 1890s in the US.

Beyond offering this ‘history of the present’, the focus on the interrelation between technologies, programmes and rationalities permits reflections to be offered on the plausibility of modern day corporate governance programmes. For example, it has been argued by various Corporate Social Responsibility scholars that enhanced disclosure is indispensable in bringing about entities that are more sensitive to the natural environment and social justice concerns (see Moon et al 2005 and Schneider and Sherer 2015). More shareholder-oriented corporate governance programmes equally accord great importance to accountability/transparency/disclosure for their realization, for example via the ‘comply or explain’ approach that has been promulgated in various countries (see Salterio and Conrad 2013). Yet to what extent should we really expect improved corporate governance to result from improved accountability? Previous governmentality studies show how ill-defined technologies thwart political programmes, but what when the technologies themselves are not ill-defined but, in fact, successful in making the actions of corporations known to wider publics? If in those circumstances the programme then fails to materialize then it might be argued that faith in the reforming power of accountability was misplaced.

Data and Methodology

Foucault himself was “adamant that the genealogical historian must be relentlessly empirical and attend to the specificity of events” (McKinlay et al. 2012, 4). This is what we seek to do here: employ Foucault’s concepts in order to understand the workings of administrative power in a way that is informed by rigorous historical detail (Foucault 2009). In doing so we are sensitive to the need to go beyond merely a description of the rationalities, programmes and technologies of state bureaucrats by paying attention to the ways in which these different elements mutually constitute each other.[3]

In the following analysis we look at the role that accounting technologies played in attempts to reform the actions of emerging industrial combinations, generally known as trusts, at the beginning of the 20th century. Specifically, three successive institutional reform bodies are analysed: the Industrial Commission, the Bureau of Corporations and the Federal Trade Commission. We consulted multiple data sources, including the published reports and archival records of these institutional bodies, conference proceedings of the Chicago and National Civic Federations, surveys on trusts and combinations, contemporary commentary from economists, political scientists, legal scholars and other social scientists from the time period, and an extensive body of newspaper articles. We examined these data sources, covering a 30-year period from 1895 to 1925. This time period runs from the early public debates which led to the creation of the Industrial Commission in 1899 through to the time when the Federal Trade Commission ceased to function as a reform body and instead was reconceived to work more harmoniously with business.

The various commission reports examined number over 50 and include investigations of not only major industries such as steel, oil, agriculture and beef, but also a variety of other industries from newsprint to household furnishings. These reports often numbered in the hundreds or thousands of pages and examined all aspects of the businesses under examination, including financial accounting information pertaining to costs, profit and return on investment. The reports provided detailed item by item accounting data not only at the corporate level, but at the business line and product levels. Specifically, these reports reflect the construction of accounting

[3] Of course, it should be recognised that this itself is a theoretical anchor point – that we subsequently found different elements to have mutually constituted each other might be a function of the fact that this is what we went looking for.

technologies in the form of procedural methods to collect information and its translation into tables and records that provided the basis for broader dissemination through political actions and public exposure.

We also draw on fresh archival material from the United States National Archives which houses documentary records on the administration and practices of the bodies in question. The material from this archive amounts to almost one thousand boxes, making consultation of all the available material unrealistic. We therefore consulted primarily the correspondence between the various heads of these bodies and key federal government office holders, including Presidents, in an attempt to illuminate more intimately the thinking of key actors of the day. Much of this correspondence comprises letters between various officials, speeches, and letters from public citizens and representatives of various organizations and corporations, addressing public and industry beliefs about the value of these bodies and their methods. This material also includes interviews and correspondence relating to the various investigations undertaken by these bodies and the development of legislation.

We also conducted an extensive review of newspaper articles from 1895 to 1925 in order to understand public attitudes and reaction to these bodies and the investigations that they undertook. This newspaper review was conducted at various levels of analysis. At a broad level, we reviewed 854 articles in order to understand the beliefs, perceptions and sentiments of the public and the individuals within the various bodies regarding appeals to publicity and the effectiveness of these bodies. At a narrower level, we analysed a subset of articles (90 in total) in detail to understand how the public talked about the various investigations and the resulting disclosures of profits and returns. Keyword searches were done to identity articles that discussed views supporting or opposing these bodies as well as articles that addressed publicity, accounting or related topics in relation to these various bodies.

In reviewing all of this material, an overarching concern with reflexivity was salient throughout. Reflexivity in the context of genealogical work implies that close attention be paid to both the nuances and inconclusiveness of data such that the temptation to tell a neat story of success or failure is resisted. This reflexive approach is consistent with the methodological parameters of rigorous Foucauldian archival work: “texts and practices are so loaded with various meanings, ambiguities and contradictions that any adequate reading must locate them in the conditions of their existence, the categories and practices that are their necessary preconditions” (McKinlay et al.2012, 4).

Historical Context

The progressive era: political rationalities and programmes

The political rationalities of the day can be understood as a concern to harness industrial capitalism to the public interest. These rationalities were manifest in specific programmes of corporate reform. The growing unease that Americans felt about the rapidly industrialising world around them at the turn of the twentieth century set the stage for what has become known as the progressive era or progressive movement (Lynch 1977; DeWitt 1915), a time when class conflict intensified and popular politics emerged as a powerful force to challenge what was perceived as a societal descent into plutocracy (Painter 2008). The period from the 1870s to the turn of the century saw unprecedented industrial progress which altered the structure of competition as firms combined to form large industrial conglomerates, leading to growing public concerns over the monopolistic nature of such combinations as well as the increasing concentrations of wealth that they were seen to engender (Painter 2008). Popular writings of the time reflected a discontent with the evolving economic situation and the growth of industrial combinations (Thorelli 1955). Well known and influential works of protest and dissent include Henry George’s *Progress and Poverty (1880)*, Edward Bellamy’s *Looking Backward, 2000-1887 (1887)*, Thomas A Bland’s *Reign of*

Monopoly (1881), and Henry D. Lloyd's *Wealth Against the Commonwealth (1894),* as well as journal articles, books, special editions of journals devoted to trusts, and an overwhelming number of newspaper articles. Academic studies (Clark 1901, 1904; Bullock 1901; Meade 1903; Adams 1902; Jenks 1900; Baker 1889; Cook 1893) also noted concerns over growing industrial concentration. These studies, from various disciplines, sought to understand the problematic nature of trusts, by means such as distinguishing between large scale operations, which were seen as normal, and monopolies, which were considered abnormal (Thorelli 1955), as well as exposing the often unscrupulous practices engaged in by trusts.

Over the following decades, industrial combinations - more commonly known as trusts[4] - would dominate the business landscape, affecting industries from tobacco to steel. Hawkins (1963) notes how the issue of 'big business' was a critical moral, political, economic and social problem in the US. The years leading up to the turn of the century witnessed the sharpening of class conflict, manifesting itself in the form of high profile, at times violent labour disputes that brought to the fore issues such as the regulation of big business and wealth distribution (Beard 1914; Painter 2008). In particular, concerns were raised about "abnormal profits" (72) being earned by corporations and their leaders at the same time as workers were being deprived of the right to strike and failing to obtain legislation that would set maximum working hours (Painter 2008).

Trusts represented a challenge that goes right to the heart of liberal government: how to intervene without intervening? The Sherman Antitrust Act (the Sherman Act)[5], which made combinations constraining trade or leading to *de facto* monopolisation illegal, was offered as an

[4] Trusts could be integrated horizontally – combining various competitors into one monopolistic conglomerate – or vertically – combining suppliers, manufacturers and distributors.

[5] Sherman Act, July, 1890, Ch. 647, 26 Stat. 209, 15 U.S.C.

early solution in 1890. However, with Theodore Roosevelt coming to power in 1901, aspersions were cast on the appropriateness of a judicial remedy based on prevention and prohibition. Shortly after taking office, Roosevelt quickly developed a reputation as a 'trust buster', although 'trust reformer' might have been a more accurate descriptor. By 1902 he had brought the anthracite coal strike to a successful arbitration and initiated prosecution of the Northern Securities Company under the Sherman Act (Hofstadter 1955). Despite the ultimate success of this prosecution, Roosevelt saw the Sherman Act as a doubtful long-term remedy. With Roosevelt, the state became increasingly populated by experts, not only with regards to trusts but to a long list of reform measures from national conservation to food and drugs (Wiebe 1967). The rationalities of the progressive era took form in the practical consequences of growing expertise including that of accountancy. The problems of government were increasingly met with recourse to expertise and processes of professionalization (Foucault 2009, 321-322). The growing invocation of expertise provided a means for accounting to serve its territorializing function through publicity in effect being used to construct calculable spaces for actors in organizations and society (Miller and Power 2013, 557; Mennicken and Miller 2012). In Roosevelt's eyes the large industrial corporation was something that was to be reformed, not prohibited.

The emergence of publicity

Publicity emerged as a powerful and persuasive rationality through which the governance and activities of corporations were problematized. Publicity was a means of disseminating information to the wider public via a variety of media channels. In turn, the information that was 'publicised' was collated from a variety of attendant accounting technologies. As we will see below, the ‘public’ element of the rationality of publicity accorded a pivotal role to public opinion in acting as a coercive force of moral order that would bring corporations to heel.

In an era where information was not made widely available, or was even intentionally hidden, early reformers, in a wide variety of areas, believed that making facts available for public scrutiny concerning existing conditions and practices would help to prevent abuses and corruption in areas ranging from politics to health to business (Gower 2008). These rationalities of the day manifested themselves, or were perhaps themselves manifested by, the availability of a growing body of information that could be used to inform the public (Kirschner 1978). An explosion in newspaper circulation, which increased from 2.6 million in 1870 to 15 million by 1900 (Emery and Emery 1978), and a shift in journalistic practices as journalists claimed to present objective versions of facts and events (Schudson 1978), provided the means to communicate this information to the public. The analogy was often drawn to a searchlight being shone upon abusive practices which had previously remained in the dark and, once brought to light or to public knowledge, would end (Stoker and Rawlins 2005; see also *The Outlook* April14, 1906). This thinking was exemplified in the actions of a group of investigative journalists at the time who commonly became known as the ‘Muckrakers’. Individuals such as Ida Tarbell and Upton Sinclair achieved widespread acclaim for their biting exposés of corporate wrongdoing and became prominent exemplars of the power of publicising such facts. Much like notions of accountability or transparency today, the discourse of publicity was based on the premise that knowing the corporation paves the way to the managing of it (Miller and O’Leary 1989). Philosophically, publicity reflects the Benthamite conception of exposing the practices of the powerful in order to ensure more democratic governance (see, for example, Gallhofer and Haslam 2003). The objective of publicity was not direct intervention in the affairs of the corporation but to create a more enlightened public that would effectively force corporations to reform (Sheingate, 2007)

The Chicago Conference on Trusts in 1899 was organised by the National Civic Federation and brought together a wide constellation of actors from civil society, labor unions, investors and business. The conference bore early witness to an emerging rationality of publicity. A central focus of the conference was the question: "What is the influence of large corporations upon public welfare?" (Gunton 1899, 278). Conference participants saw publicity as central to public welfare:

> If the public are invited generally to invest in the securities of a corporation, the truthfulness of all representations made should be enforced, and the same degree of publicity to which the stockholder is entitled should be extended to the public. (Hatch 1899, 71)

While the conference produced little in the way of substance towards a policy on how to control trusts, its recommendations regarding the need for publicity were widely reported by newspapers such as *The New York Times*:

> One of the most radical suggestions as to the trusts is that made by Mr. Cockran at Chicago, that corporations be subjected to full publicity. The requirements suggested by Mr. Cockran are substantially as follows: Each corporation shall submit to a public officer at the start and at stated intervals a statement of property and of its operations since the last report. Each holder of a single share of stock shall have the legal right to know about the affairs of the corporation and to examine the books. (Turn on the Light 1899)

The rationality of publicity began to take hold with these and other expositions of its potential. A growing body of literature advocated ever-more strongly for publicity as a solution to what had become known as the 'trust problem' (Talbert 1912; Meade 1903; Von Halle 1899; Jenks 1900; Clar, 1901, 1904). Bullock (1901), in his survey of trusts, notes publicity as the predominant mode of thought for many commentators, "Professors Jenks and Mr. Collier advocate no radical action to restrain the evils of trusts, but propose various moderate remedies, of which the chief is always publicity" (Bullock 1901, 172). This belief in publicity extended to business leaders, such as Henry Clews, a prominent New York financier who is quoted at the outset of this article. Accountants also appeared to be in favour of publicity. *The Journal of Accountancy* noted how over the first decades of the twentieth century accountants, themselves, strongly supported publicity: “Accountants have always been among the strongest advocates of publicity and full disclosure in reference to promotions as the most practicable form of protection to the public” (1917, 43).

Adams (1902) notes that the discourse of publicity addressed consistently three principal groups: investors, independent producers and consumers. This troika of ‘small interests’ was simultaneously set up in opposition to ‘large interests’ and was expansive enough a term to equate to the public in general. Indeed, notions of the public interest, as it was articulated in the context of publicity, were generally articulated in reference to this troika of ‘small interests’. Labor unions found themselves in a somewhat contradictory position. Minority labor organizations such as the Knights of Labor opposed the very existence of trusts, seeing them as coveting despotic control and greater exploitation of workers (Thorelli, 1955). However, more mainstream, ascendant mass labor organizations such as the American Federation of Labor were supportive of publicity that would expose any detrimental impacts that trusts engendered. On the other hand, their own short-term interests sometimes contradicted this position, as is illustrated by the following quote from Leinwand (1962):

> “Samuel Gompers, President of the newly formed American Federation of Labor, felt that trusts might be able to effect certain economies which in turn would be passed onto labor in the form of higher wages” (32).

Indeed, concern for their own ‘corporatist’ interests meant that many labor unions were actually rather uncritical of trusts. Theodore Schaffer, president of the Amalgamated Association of iron and Steel Workers testified before the Industrial Commission that he had so much respect for them that he would not call them “trusts”. He stated that “[t}heir effect thus far had been beneficial to the iron, steel and tin workers” (The Washington Post, Sept. 24, 1899, 10).

Notwithstanding a degree of ambivalence among organized labor, publicity was a rationality that was consistently bolstered by widespread support. Recourse was made to accounting at a very early stage in the development of the rationality of publicity. In his analysis, Adams (1902) points to how successful publicity requires that: "The law should confer upon the bureau, or commission entrusted with its administration, power to prescribe a legal form of accounts for all concerns under its jurisdiction" (Adams 1902, 902).

In response to these growing and widespread calls for publicity, Presidents McKinley, Roosevelt and Wilson set up a succession of federal bodies: the Industrial Commission, the Bureau of Corporations and the Federal Trade Commission. It is through these bodies that the discourse of publicity was co-constructed with more concrete programmes of corporate reform and accounting technologies. These institutional bodies relied heavily on accounting technologies in order to realise the political programme of corporate reform. At times, there were shifts in the meanings attributed to publicity away from its core definition of 'exposing the facts'. For example, Roosevelt and Wilson saw in publicity an opportunity to shape public opinion in line with their own specific programmes. In either case, and somewhat circularly, the corporation had become a problem of government and publicity inspired new forms of state intervention that were made tractable by technologies of accounting which had themselves made these problems conceivable in these terms. Accounting and the rationality of publicity with which it was joined were thus co-constructed rather than existing in exteriority to each other (Miller and Power 2013).

In the following section we show how various attempts were made by different institutions to, firstly, make the corporation knowable and, secondly, encourage corporations and their leaders to behave in a more disciplined manner. In doing so, we show how the territorializing role of accounting helped the rationality of publicity to spread, and both rationality and technology became enmeshed elements of a larger complex, itself recursively mediated by accounting (Miller and Power 2013, 588-589). Summarily - accounting would mediate between the corporation and its relevant publics, placing the former firmly into the territory of the latter. Accounting would also mediate between the juridico-legal apparatus and the political sphere.

Institutionalising Publicity

The Industrial Commission 1898-1902

This section illustrates how thinking concerning the governing of trusts began to shift gradually from judicial mechanisms in the form of legislative prohibition to publicity as a means of stimulating corrective action that would be given life through the calculative tools of accounting. This shift in thinking was embodied by a temporary institution designed for that purpose: the Industrial Commission, which was set up by Congress in 1898. The commission's activities represented a significant shift in how government took place with regards to trusts in that it was one of the first bodies to rely upon expertise and emphasize the need for detailed forms of calculation to report on the assets, liabilities, and profits and losses of corporations.

Prior to the push by the Industrial Commission for greater publicity through accounting forms, corporate publicity existed largely in public service oriented and closely regulated industries such as public utilities, insurance companies, banks and railroads (Hawkins, 1963). In growing manufacturing industries that were quickly consolidating into trusts, publicity was nearly non-existent. Corporate secrecy was the norm and was accepted practice from the days of individual proprietorships and partnerships where there was no need to disclose information outside of the direct owners of the firm. There were widespread arguments that disclosure would provide valuable information to competitors and that the public had no right to know such information.

A review of the minutes of the Industrial Commission confirmed that the trust issue was at the top of the commission's agenda (United States Industrial Commission 1898-1902). Durand (1902), editor and secretary to the commission, noted how the body saw the current anti-trust legislation as ineffective and highlighted the need for publicity as a remedy. Created in 1898 in a politically charged environment, the Industrial Commission's remit covered the interests of a wide range of different groups. Specifically, its objective was to:

> investigate questions pertaining to…manufacturing, and to business," and as a result of its investigations, "to suggest such laws as may be made the basis of uniform legislation by the various States of the Union, in order to harmonize conflicting interests and be equitable to the laborer, the employer, the producer and the consumer. (North 1899, 709)

A review of 173 articles[6] from a wide variety of newspapers at the time shows that the daily reporting of proceedings and final recommendations of the Industrial Commission were widely available across the United States and that hope was especially high regarding the effectiveness of the commission in uncovering and dealing with the most egregious abuses in industries such as oil, whiskey, sugar, steel and the railroads. One of the most cited offenders was the Standard Oil Company which was initially organized as a partnership between John D. Rockefeller and a

[6] A search of articles relating to the Industrial Commission yielded a total of 872 articles between 1895 -1905, with the vast majority from the period 1898-1902. The first 30 articles for each year, when sorted by relevance, were reviewed, resulting in the review of a total of 173 articles. Such news stories are highly relevant since they are indicative of the discursive environment at the time. Many of these articles simply reported on the events and testimony of witnesses before the commission. Among these testimonies was one in the *Los Angeles Times* of July 5, 1899, which reported that "[t]he president of the Commercial Travellers' Association testified before the Industrial Commission that the trusts have thrown out of employment 35,000 salesmen and have reduced the salaries of more than 25,000" (General Business Topics,1899). A number of the articles also indicated the existence of a cautious optimism in the value of the Industrial Commission to the eventual resolution of the trust issue. As the January 13, 1899 edition of *The Washington Post* noted at the start of the commission, "Possibly it may do some good" (*Industrial Commission and the Lovering Amendment* 1899). Further, of those articles that expressed clear opinions regarding the commission, 32 saw the commission as effective in dealing with the trust issue compared to only 6 that viewed the commission as an ineffective response.

number of other leading businessmen. Standard Oil were accused of practices such as conspiring with the railroads in rate discrimination specifically designed to drive small producers out of business. Such practices were seen as having led to the enormous growth and control of the petroleum industry by Standard Oil. As *The Hartford Courant* reported regarding the testimony of State Senator Emery of Pennsylvania: “The witness contended that the Standard company did reduce prices for the purpose of driving out competition, and said it could bring a stack of proof to show that was the outcome to the present day” (Oil Trust Methods 1899). In this initial reform body, accounting information and practices began to constitute the necessary conditions for the operationalization of rationalities of publicity. In this way, the tools of accounting began to territorialize the public sphere in new ways, bringing the corporation out of the shadows of the private realm and into the gaze of wider society.

In its preliminary report the commission stated that “the promoters and organizers…[of trusts]…should be required to furnish full details regarding the organization…necessary for safe and intelligent investment” (United States Industrial Commission 1900, 5). The early hope for publicity was based on the public having knowledge. The report notes that many of the witnesses who appeared before the commission held the belief that greater publicity of the affairs of combinations would prevent the continuance of extortionate prices, unfair business methods and conditions of competition, as well as protect stockholders against abuse (United States Industrial Commission 1900). Equally, the preliminary report of the commission shows clearly that publicity was to be deployed as a means of protecting the interests of diverse groups. In other words, accounting disclosures were not directed solely at investors:

> The purpose of such publicity is to encourage competition when profits become excessive, thus protecting consumers against too high prices and to guard the interests of employees by a knowledge of the financial condition of the business in which they are employed.

The final report of the commission, which was widely discussed in newspapers at the time, expressed similar recommendations, positioning accounting disclosures as central to the resolution of corporate malfeasance. It emphasized mandatory publicity of financial information as critical to the control of trusts and made further recommendations beyond those contained in its preliminary report, including:

> First, each corporation should be required to make periodical reports of its business, supplemented by other reports upon official demand, all verified by the oaths of certain of its officers. Second, official examiners should also be maintained, who should, at irregular periods and without notice, appear at the offices of each corporation and make rigid examination of its affairs, using books in the first instance, but verifying the correctness thereof by every practical method (U.S. Industrial Commission 1902, 669).

Insert Exhibit 1

As Exhibit 1 illustrates, the proposed legislation suggested by Commissioner Phillips outlines the basic structure of a relatively comprehensive accounting system, covering the main features of a balance sheet and income statement. For example, corporations were asked to supply summary information on their capital structure, obligations, earnings and more forensic accounting policy information on how they arrived at any asset revaluations, with a specific concern for the explanation of depreciation policies. Additionally, statements of ethical compliance vis-à-vis price fixing and the receipt and making of various payments were demanded. Accounting as a specific technology was being invoked to help make the corporation visible and in its adoption and use territorialized the calculable spaces which individuals would inhabit (Miller and Power 2013), making the trust problem a tractable one in the minds of the public.

While the commission had a sweeping mandate and appeared to offer an opportunity for real reform, concerns existed that it was formed merely to placate a restless and uneasy public. As *The Boston Globe* reported in April, 1901, in anticipation of the final report, the problem was not that the Industrial Commission failed to produce interesting and valuable information, but that it would likely not be useful in prompting action by Congress and had no authority to build upon its conclusions in the form of legislation. Even after publication of the final report, similar concerns were expressed about what action or legislation might result (see Review and Outlook 1902; The Industrial Commission's Plan 1902).[7] However, in important respects accounting provided a narrative on corporate behaviour and so breathed life into the rationality of publicity.

The Industrial Commission therefore faced significant criticism over its accomplishments, yet an underlying public belief in the importance of publicity as a remedy to these problems persisted. As the *Wall Street Journal* stated, "The point of real importance in the report is that relating to publicity. Let the facts be known promptly in regard to industrial properties, and the public will take care of the rest" (Review and Outlook 1902, 2). Contributing to such beliefs was the reporting of actions, such as those of the United States Steel Corporation, which in October 1901 made a full disclosure of its earnings.

> The favor and commendation with which the report of the United States Steel Corporation for the first six months of its business existence has been received give proof of the public disposition to welcome the policy of publicity in the management of great corporations whose shares are offered on the investment market. (The Protection of Investors 1901)

United States Steel Corporation was the creation of the thinking and financial acumen of financier J.P. Morgan and attorney Elbert H. Gray, who combined the Carnegie Steel Company with other steel companies. Morgan became the face of U.S. Steel and was seen, at the time, as a pioneer in

[7] The fifty-sixth Congress, 1899-1901, introduced 17 bills in the House and 2 bills in the Senate, none of which made it out of Committee (Leinwand 1962, 46).

providing financial disclosure. In voluntarily providing disclosure, Morgan saw publicity as a means of appeasing critics.

Throughout the country, articles continued to appear that emphasized the need for publicity to shine light upon the trusts. As *The Washington Post* stated: “Compulsory publicity is the only remedy for trust rascalities” (quoted in the, C.J. 1901). The actions of the state also emphasized a continuing belief in publicity with the attempts to pass various pieces of legislation requiring forms of mandatory publicity. One of the most notable attempts was by Representative Charles Littlefield of Maine, who brought forward a resolution in the House, known as the Littlefield Bill, which included a provision that corporations should file annual reports with the Interstate Commerce Commission[8]. Accounting came to operationalize publicity by making trusts known and intelligible via accounting numbers. In important respects the calculative instruments of accounting transformed possibilities for publicity and made them real.

The Chicago Daily Tribune of December 6, 1901 articulated the need for the passage of the Littlefield Bill[9] as follows:

> No industrial combination has yet taken the public into its confidence so fully as it would have to if Representative Littlefield’s bill were to become a law. It is doubtful whether any

[8] House Resolution 17, 57 Cong., 2 Sess. (1903). The original resolution was introduced in the first session of this Congress and revised for consideration in the second session. See Arthur M.Johnson, Theodore Roosevelt and the Bureau of Corporations, *The Mississippi Valley Historical Review*, 45(4), 571-590. See also Hans B. Thorelli, *The Federal Antitrust Policy* (Baltimore, 1955), 538-539.

[9] The Littlefield Bill was a highly controversial piece of legislation and was voted down in the Senate after being passed by the House. It was seen as a very strong anti-trust measure that raised consternation in the pro-business Republican Party. It garnered substantial opposition and failed, despite the populist Roosevelt wanting to be seen as a strong anti-trust buster. Even though there was intense public sentiment for strong anti-trust legislation, industrialists such as Rockefeller of Standard Oil were still formidable obstacles to any type of anti-trust legislation. Despite his initial support for the Littlefield Bill, Roosevelt decided that it was better to pass less drastic anti-trust legislation, in the form of the Elkins Rebate Act and the Nelson Amendment that led to the creation of the Bureau of Corporations.

> one will do so until it is made to. "Publicity" must be given a trial. (The Value of "Publicity" 1901)

Although many critics of trusts did not advocate anything beyond the collection and dissemination of information, the technologies that were put in place had the *potential* to serve a more regulatory function. Through their invocation in the rationality of publicity, these technologies created the possibility for corrective action to be undertaken. By making known the facts about combinations in restraint of trade and competition, it was believed, by political actors, commissioners and commentators alike, that public opinion would lead to reform. Moreover, beliefs in judicial control continued to exist; the extent to which publicity made corporate information more widely available, more direct forms of government intervention in the form of judicial control were invoked. However, the commission was unable to provide a continual form of regulation to procure the reforms that were hoped for. Indeed, the Industrial Commission was only ever intended as a temporary body to investigate the scale and extent of various nefarious business practices, much like an extensive government enquiry.

In summary, in the case of the Industrial Commission, we see the early application of publicity to the issue of corporate control and reform. In this initial body, a belief existed that corporate control and reform could be attained through simply putting in place the requirements for corporations to provide the necessary information. The tools of accounting placed corporations in a different territory – a space where they were in direct mediation with the public. This territorialization and mediation brought rationalities of publicity into a more concrete and intelligible domain by linking political and business arenas. Accounting technologies served to make the rationalities of publicity feasible. The two were promoted by a duality: accounting would feed publicity with financial information for the oversight of the corporation while publicity simultaneously fed accounting with aspirations for its broader application. The one facilitated and co-constructed the other (Miller and Power 2013). The Industrial Commission set the scene for an amplification of accountancy's engagement in this space. "As Deleuze has remarked, the unity of an assemblage is nothing other than the co-functioning of its components." (Mennicken and Miller 2012, 20). We see this co-functioning further amplified in the activities of the Industrial Commission's successor, the Bureau of Corporations.

The Bureau of Corporations 1903-1914

This section shows how hopes were invested in publicity as a means of inciting the twin forces of public opinion and the judiciary. The explicit focus on the latter reflected the recommendations of the Industrial Commission that the juridico-legal apparatus do more to reform corporations. This investment was made by the body that replaced the Industrial Commission, the Bureau of Corporations. During the time of the Bureau's existence, accounting technologies expanded as they became ever more enmeshed with political interests. This led to calls for more publicity. During this period, rationalities, technologies and programmes started to move beyond mutual constitution to the point of complete conflation, as President Roosevelt increasingly saw the solutions to the trust problem as lying almost wholly in accounting technologies.

The Industrial Commission's final report was published in 1902 shortly after Theodore Roosevelt became President. Roosevelt wanted to bring large corporations to heel. Publicity was accorded a pivotal role therein:

> The first essential in determining how to deal with the great industrial combinations is knowledge of the facts – publicity. In the interest of the public the Government should have the right to inspect and examine the workings of the great corporations engaged in interstate business. Publicity is the only sure remedy which we can now invoke. (Roosevelt 1901, 19).

In particular, Roosevelt saw the value of publicity in its ability to determine which trusts deviated from normal business practice. Roosevelt argued that "good" trusts were those corporations with nothing to hide from the glare of publicity, while "bad" trusts were those that wanted to hide abusive practices. For Roosevelt, the goal was not the elimination of trusts but their regulation and management, which he believed should be carried out by a state-sponsored agency infused with the power to uncover and disclose the facts. Accounting was central to this regulatory response and enabled its exercise.

Such thinking underpinned the creation of the Bureau of Corporations. However, the bureau's only real recourse in dealing with trusts was to more publicity as it had no power to prosecute, that power residing with the Department of Justice. Corrective force was to be exerted by rendering organizations visible, by greater territorialization. In other words, letting organizations be known to the public via accounting numbers. Correspondence between Commissioner Garfield and the President highlights the importance of publicity to the Bureau. Roosevelt writes to Garfield in a letter dated September 4, 1904, "The law creating the Bureau explicitly set forth this publicity which was to be attained by you as the main object of its creation"[10]. With Roosevelt's significant involvement in the creation of the Bureau and in its on-going administration, publicity would be implemented more effectively.

Over the ensuing years corporations became increasingly scrutinized by the bureau which classified those that deviated from the norm. Accounting started to perform a more adjudicative role in this respect, facilitating comparisons across companies and against standards, whereas previously it was limited to more self-contained analyses of organizations. As with the Industrial Commission, it was believed that the mere publication of information would set into motion a series of events that would somehow bring about corporate behaviour more aligned to the public interest, congruent with Roosevelt's political programme. An almost unquestionable belief existed

[10] Archives of the Bureau of Corporations, Record Group (hereafter to be referred to as R.G) 122, File 3161 1904, 3.

that, once the public was aware of the inner workings of corporations, they would be coerced into reforming themselves. In this way publicity was offered as a subjectivizing force of moral order.

One of the bureau's early (1905) investigations into the beef trust highlighted that, simply providing the facts or even supporting such fact finding with greater judicial forms of control, would not lead to substantively effective subjectivization as anticipated. Commissioner Garfield, head of the Bureau at the time, hoped for voluntary cooperation from industrial leaders in what was one of the bureau's first investigations. Garfield did not want to antagonize such leaders by being overly forceful or critical, fearful of the problems that this might cause in obtaining future cooperation necessary for publicity (Leinwand 1962). In the end, the beef investigation produced a rather uncritical report on the beef industry – an industry widely perceived at the time to have been riddled with price fixing. The bureau's final report stated that "the cattle raiser is not being unfairly squeezed and the consumer is not being unjustly charged" (in Leinwand 1962, 183). Relying largely on published sources of information (due to a lack of cooperation in providing information by those being investigated), the bureau's rather uncritical final report was met with significant public dissatisfaction. Public hopes had been very high that the bureau, having the necessary expertise, would uncover abusive practices. It is notable that, unlike other reports by the bureau, the beef report was not based upon detailed accounting information. Its territorializing reach – its ability to push trusts and trust behaviour into the minds of the public - was therefore limited.

Publicity increasingly seemed to require the calculative tools of accountancy as a means of subjecting extant practice to scrutiny. In this sense, accounting had become a means of making corporate behaviour knowable (Miller and Power 2013). Failure began to be distinguished not simply in economic terms but on more subjective moral terms and as a matter of character by distinguishing good from bad trusts (Johnson 1961). The investigation of Standard Oil, shortly after the beef trust investigation, illustrates the much greater use of accounting technologies to expose practices of price discrimination, but also paints a particular subjective moral picture of leaders such as Rockefeller. Specifically, the use of such technologies showed that the continually high profits of Standard Oil related, not to superior management or service to the public in the form of efficiencies as officials of the company claimed, but to price discrimination.

In the Standard Oil investigation, greater use of accounting technologies led the way to what many believed at the time was more effective use of publicity. The investigation extended over two reports with Part II of the Bureau of Corporation's Report on the Petroleum Industry on prices and profits, the longer of the two reports, covering nearly 1,000 pages. In that report, the bureau argued that a detailed analysis of margins between the price of crude oil and the petroleum products showed increases beyond what would have been expected under normal competition.

Insert Exhibit 2

Exhibit 2 highlights how the bureau employed accounting technologies to elucidate the managerial policies and tendencies of industrial combinations, such as Standard Oil. The exhibit shows how the bureau went beyond the more commonplace reporting of dividends to what they saw as the more relevant measure of Standard's exploitation of the consumer – net earnings or profits, in particular highlighting the net investment required to earn such profits. Comparing earnings to investment ratios permitted conclusions to be drawn regarding what kind of overall level of profitability was acceptable, and what was egregious. This exhibit provides a small example of the level of detail and analysis that went into the bureau's examination of industrial combinations. To substantiate its claims, the bureau looked over many years in order to understand how corporate policies might have shifted over time. Exhibit 2 shows how profits as a percentage of net assets continued to increase throughout the 1890s, reaching 23.1 % by 1896. Sometimes data was not available, and in such scenarios the bureau resorted to filling in gaps with its own assumptions. For example, the bureau extrapolated existing data to determine that from 1903-1905 the profits averaged at least 25% of investment. The bureau's analysis carefully traced through prices and margins by region and between domestic and foreign sales, creating a computational and tabular presentation of the facts, which by themselves appear uninteresting and abstruse, but from which could be deduced evidence of the policies and tendencies of industrial combinations, such as Standard Oil in the exploitation of the consumer.

The bureau summarized these results by concluding "…it is clear that the domestic consumer has been compelled to pay an exorbitant tribute to the oil monopoly" (United States Department of Commerce 1907, 43). Here we see accounting in its adjudicative role (Miller and Power 2013, 583-586), permitting the bureau to confer culpability upon Standard Oil but also commenting on the actions and behaviour of individuals such as Rockefeller and other officials of the company (or as such individuals were referred to in the report, 'the Standard capitalists'). In this sense, the bureau revealed the failure of extant corporate regulation in overseeing Standard Oil. The report was thus not merely an indictment of the oversight of one corporation; in effect, publicity revealed that regulatory failure was ubiquitous and that industrial leaders could largely do as they wished to enhance their status and wealth.

While the bureau could not take specific action against Standard Oil, Roosevelt successfully used the report for broader political purposes. Within days of the report's publication, he influenced passage of the Hepburn Bill[11] to control railroad rates by arguing that the report

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[11] The "Hepburn Rate Bill" HR 12987 was introduced to the U.S. House of Representatives on January 24, 1906 by William P. Hepburn (R-IA). Its intention was to give power to the Interstate Commerce Commission (ICC) to regulate railroad transportation rates. It would eventually become law in the form of the Hepburn Rate Act. This bill should be distinguished from the Hepburn Bill of 1908 regarding Federal incorporation.

proved Standard had benefitted from secret and unlawful rates (Leinwand 1962, 199, referring to Johnson, Mississippi Historical Review XLV, March, 1959, 585). The report provided a valuable source of information for the state to successfully attack and break up Standard Oil (Leinwand 1962). Here we see a further mediating role for accounting, permitting interactions to take place between the juridico-legal and political apparatuses. While the Department of Justice prosecuted Standard Oil, many recognized the work of the bureau in what appeared to be a significant achievement for publicity, offering a much brighter future with respect to corporate reform. C.D. Chamberlin of The National Petroleum Association notes as much in a congratulatory letter to Commissioner Smith of the bureau. "What the future has in store we can only conjecture, but this we know- that the way onward will never be as dark and devious as it has in the past" (R.G. 122, File 6831).

Accounting technologies would continue to play a critical role in the bureau's reliance on the tools of publicity in future investigations, such as that of the steel industry and the United States Steel Corporation, which formed a central part of "Morgan's interests". The report notes that, beyond Morgan, other groups which had interests in the steel industry included the "Moore", "Carnegie", and "Rockefeller". Similar to the petroleum industry, the steel industry report was over 1,000 pages with vast computations of costs of productions, margins, profits and returns down to specific products and regions of the country. As with Standard Oil, the objective of these calculations was to facilitate judgements on the reasonableness of such profits and returns. Accounting itself does not adjudicate but permits actors to adjudicate from the ways in which it "classifies, counts, enumerates, summarises and compares" (Miller and Power 2013, 584) in making judgements.

Insert Exhibits 3 and 4

The documentation and reporting of such information was comprehensive and provided detailed accounting at the level of specific products. Exhibit 3, for instance, provides an example of a cost sheet showing the breakdown of the costs for Bessemer Pig Iron, arriving at a final cost of $14.457 per ton. Understanding costs of production as set out in exhibit 3 was critical to understanding the ‘actual’ level of profit within vertically integrated industries such as Steel. In such industries it was easy to hide profits through the use of transfer pricing between related companies. The starting point for such investigations was to first understand the initial furnace cost of producing steel products, such as Bessemer Pig Iron. Exhibit 3 show how such cost records were maintained by U.S. Steel at a very detailed level. Costs were broken down by the type of ore used and each specific type of labour required for the production of pig iron. While exhibit 3 details cost information gathered by the bureau at the initial stages, exhibit 4 shows the final profit margin of one particular product - Bessemer steel rails - based on the difference between proceeds and the integration costs of the production of the steel and auxiliary activities and products. Exhibit 4 reveals the use of these detailed cost breakdowns in permitting a range of profit calculations that could then be analysed in relation to the levels of investment. As with Standard Oil, this data permitted judgements to be made about whether earnings were acceptable or not. For instance it was believed that U.S. Steel kept the cost of pig iron, an intermediate product, relatively high to show lower profits on the sale of its final products such as rails. In this regard, the bureau concluded, on the basis of exhibit 4, that “This calculation indicates that the regular price of $28 per ton of steel rails is a highly remunerative one” (United States, Department of Commerce 1913, 530).

On one hand, exhibits 3 and 4 illustrate consistency in the deployment of accounting technologies across investigations in that there were clearly attempts to make the corporation knowable to actors who could then pass judgement on corporate behaviour. On the other hand, the specific ways in which accounting technologies were used varied from investigation to investigation. For example, whereas with Standard Oil profit levels were compared over time or comparisons were made between Standard Oil and independent refiners, with the United States Steel Corporation, the bureau's reports did not draw upon comparisons over time or with other Steel producers. As exhibits 3 and 4 show attempts to classify returns as excessive were made without recourse to such comparisons. Accounting's mediating and territorializing capacities therefore ebbed and flowed to some extent; the accounting complex did not grow in scope and penetrability in a linear, cumulative fashion.

Inconsistency notwithstanding, condensed versions of the calculations used by the bureau soon appeared in articles across a wide variety of newspapers and magazines ranging from the *Wall Street Journal* to more specialist publications such as *Coleman's Rural World*. For instance, *Coleman's Rural World* notes the bureau's success in determining the actual cost of steel rails as noted in Exhibit 4.

> This is an integration of cumulative profits so well concealed as to make the "book cost" of producing steel rails, for example, some $21.50 a ton, when the actual net cost is only about $16.50 per ton. … The light is gradually being let in on this infamous system, and as light dispels darkness, publicity will inform the people and show them the nefarious methods by which they are robbed of the immense wealth they produce annually. (C, O. D. 1913, Jun 12, 14)

While the wide application of publicity increased public concern regarding the costing and pricing practices of the United States Steel Corporation, the Bureau's report, unlike its report on Standard Oil, could not confirm any predatory pricing practices at United States Steel. The lack of such evidence made it difficult to successfully prosecute the United States Steel Corporation through judicial mechanisms.

Following what appeared to be little success in cases such as the United States Steel Corporation and International Harvester, concerns began to arise over the effectiveness of the bureau and what it actually had accomplished in terms of corporate control and reform.

> And so the Bureau picked up where the Industrial Commission left off, engaging in elaborate and detailed industrial studies and recommending legislation and litigation. For all its good work, though, the Bureau reinvented the wheel. The Bureau's recommendations returned precisely to those of the Industrial Commission. (Mitchell 2007, 158)

The belief was that whereas the Industrial Commission was controlled by business and lacked the necessary teeth, the Bureau of Corporations would act much more aggressively. However, judicial hurdles meant that it had to largely rely upon publicity alone, as did its predecessor the Industrial Commission. Leinwand (1962) notes that the bureau lacked power to, inter alia, force companies to disclose information or to impose fines or penalties. The continued widespread belief in publicity[12] was consolidated all the more that there was some scepticism over the potential or appropriateness of judicial mechanisms. Judicial interventions were seen by some as hampering corporate growth which was not consistent with American ideals of economic freedom. Similarly, judicial remedies said little about how to actually restore competition (Lang, 1974). Publicity, on the other hand, was seen as a means by which corporate growth could continue but in a more regulated fashion (Johnson, 1959, 1961; Sklar, 1988).

In the investigations of the Bureau of Corporations, the rationality of publicity emphasized how corporations could be distinguished from each other in an attempt to determine good and bad trusts. This emphasis on distinguishing good and bad trusts meant accounting's mediating and adjudicating roles became more prominent. Accounting developed further in how it mediated

[12] During this period our analysis of newspaper articles indicates a continuing belief in publicity. Many of the newspapers echoed the opinion of The Atlanta Constitution "that systematic and compulsory publicity will serve automatically as a sure preventative of corporate wrong" (Publicity Panacea 1911) or again two years later when the paper noted how "Publicity is an undoubted cleansing and healing agent" (The Publicity Cure 1913). What was seemingly needed was simply more publicity, in a more permanent form, which Commissioner Smith believed was the next step to be taken. In correspondence to Charles P. Howland, lawyer in New York City, Commissioner Smith wrote "The "next step," therefore, seems to me to be one of centralized publicity, organized on a permanent basis, and made efficient by such treatment as will make the facts of corporate business available for the man in the street" (R.G. 122, File 6851, 1910, p.2).

between different actors in the judiciary, executive and institutional branches of the state as well as the press and key thinkers of the day. Moreover, as its mediating role developed, so did its territorializing capacity and vice versa. Just as Burchell et al. (1985) note that the ambiguity of accounting forms are implicated in their emergence and functioning, so the malleability of publicity allowed it to spread and take on an ambiguously appealing form.

Interestingly, the perceived efficacy of accounting technologies was so acute that accounting came to be seen as an end in itself. Accounting was "*both* agent and outcome, *both* idea and practice, a role in which diverse arenas and levels can be linked (temporarily) together via accounting and mutually expand" (Miller and Power 2013, 580, *emphasis original*). However, we would go further than Miller and Power (2013) who emphasise the mediation of different elements. In the case of the Bureau of Corporations accounting's mediating role was so attenuated that the rationality of publicity and its attendant accounting technologies became completely conflated with the political programme of corporate reform, as is evidenced by Roosevelt's characterisation of 'good' trusts as those that disclosed information and 'bad' trusts as those that did not.

Federal Trade Commission 1914-

This section shows how, during the first decade of the Federal Trade Commission's existence, publicity was expanded, honed and refined further than ever before. This reflected the persistent belief in the underlying power of information as a means of stimulating 'better' corporate behaviour. In spite of the sober recognition of the failures of the Federal Trade Commission's predecessors, hopes were continually invested in demanding information from corporations rather than in direct interference in their activities. Publicity had become so deeply enmeshed in considerations of corporate governance that it had become difficult to conceive of reining in corporate behaviour without recourse to ever greater demands for publicity and its accompanying accounting technologies. In the Federal Trade Commission, these demands took the shape of more concrete legislative forms, stabilized as “facts” of how organizations were understood and, in turn, to sustain newly emerging capital markets (Miller and Power 2013). With the Federal Trade Commission, Woodrow Wilson expanded the accounting complex to encompass a broader range of political and administrative action. The commission also sought, not simply to distinguish trusts as ‘good’ or ‘bad’, but to subject all trusts to close, continual scrutiny as opposed to the *ad hoc* surveillance of the Bureau of Corporations.

Just as the Bureau of Corporations was closely tied up with Roosevelt’s presidency, the Federal Trade Commission needs to be understood in the context of Woodrow Wilson’s tenure as US President, which ran from 1913 until 1921. Wilson appreciated power as not located within a central authority such as the Presidency, but within a vast body of public opinion (Wilson 1887). He argued that vast changes in economic conditions over the prior two decades had led to great a level of complexity within the economic sphere which no longer could be dealt with by more centralized forms of power. While Wilson saw the importance of public opinion, he also understood the need to ensure that public opinion listened to the right things (Wilson 1887). For him, administrative bodies such as The Federal Trade Commission and the facts that they provided through publicity were key elements in constructing broader public opinion regarding trusts. We can see from the quote below Wilson’s desire to use accounting in order to mediate between the state, the economic sphere and the public.

> The opinion of the country would instantly approve of such a commission. It would not wish to see it empowered to make terms with monopoly or in any way to assume control of business, as if the government made itself responsible. It demands such a commission only as an indispensable instrument of information and publicity, as a clearing house for the facts by which both the public and the managers of great business undertakings should be guided, and as an instrumentality for doing justice

> to business where the processes of the courts, or the natural forces of correction outside the courts are inadequate to adjust the remedy to the wrong in a way that will meet all the equities and circumstances of the case. (Woodrow Wilson, State of the Union Message in Leinwand 1962, 323)

While the Federal Trade Commission, like the bureau, continued to focus on publicity, the main difference between the two was in the authority and enforcement powers to successfully mediate corporations with the public, political and juridical actors. Durand (1914) describes how the commission constituted a significant improvement over the bureau since it had the expertise of the bureau, but also was authorized "to require annual or special reports from any corporation engaged in interstate or foreign commerce except banks and common carriers (91)" and to impose "penalties for failure to make reports required by the commission or for making false reports (92)". Durand (1914) contended: "useful as have been the investigations of the bureau, the public has a right to expect from this new commission results of a far more important character" (91). Consistent with the thinking of Woodrow Wilson, the commission was viewed as providing a more continuous form of administrative action and corporate surveillance. This emphasis on administration meant that accounting expertise became increasingly important. For instance, accountants were employed to head investigations and the opinions of accounting firms were sought in determining 'appropriate' levels of industry profits (Bradley and Merino 1994; Vangermeersch 2005, 2006). Accounting sought to mediate and permit adjudication, providing some sort of calculable base from which to determine what was 'appropriate' and what was not.

The publicity generated by the Federal Trade Commission took on increasing prominence within the public domain; in this sense publicity mattered in public life. The commission's reports did not simply occupy shelf space but introduced clear points of contestation and debate into public discourse. A review of major U.S. newspapers indicates over 2,800 articles relating to the Federal Trade Commission between 1914 and 1921. Many of these articles focused on the commission's inquiries into various industries. Newspaper headlines such as "New Oil Trade Inquiry" in the November 3, 1915 edition or "To Make Coal Inquiry" in the March 16, 1916 edition became constant features of the times. U.S. newspapers at the time clearly expressed a broad belief in the value of the Federal Trade Commission and the publicity it provided on corporate financial affairs[13]. For instance, *The Washington Post* comments on the many strengths of the new commission.

> As a result of the absorption of the bureau of corporations by the Federal trade commission, to be named in a few days by the President, the latter organization will begin its work with trained officials and an expert clerical force, and will be aided by a mass of data which the retiring organization has collected. (New Board 1914)

Archival records show letters to President Wilson from various ordinary citizens strongly supportive of the role of publicity. Wilson Ferguson, a secretary of various manufacturers' organizations, writes: "This is practical, is reasonable, eliminates the game element, publicity eliminates fraud…making it virtually impossible to elevate prices above a reasonable profit" (R.G. 122, File 1735-4-1).

Actors invested ever more fully in publicity as a solution; a strong conviction existed that such mandatory forms of information would be more successful than the voluntary information requests that had existed under the bureau. Detailed information requests sent from the Federal Trade Commission to individual companies formed the basis of these reports. Such increasing detail in the level and amount of financial information illustrates how accounting's mediating and adjudicating roles continued to expand beyond the identification of 'good' or 'bad' trusts to the identification of harmful and unfair practices by all trusts.

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[13] A detailed analysis of 240 of these 2,800 articles illustrates the same trend regarding the public belief in the effectiveness of the commission and what it offered in terms of publicity as existed for the Bureau of Corporations. Specifically, of those articles which expressed an opinion on the likely effectiveness of the bureau, over five times as many articles portrayed the commission as likely to be effective as articles which portrayed the commission as likely to be ineffective.

While the commission investigated many new industries, much of its most noted work focused on those industries, such as steel, petroleum, beef and farm implements that had previously been investigated only a few years earlier by the Bureau of Corporations. In fact, many of these investigations dealt with the same issues of monopoly, pricing and shareholder concerns which were the impetus behind the bureau's earlier investigations. Publicity had become a recursive and self-sustaining rationality, engaging repetitive behaviours and sustained by continuing hope for its potential. For instance, despite judicial action resulting in the dissolution of the Standard Oil Company and a decade of publicity of its financial affairs, the Report on the Price of Gasoline noted that the now 'broken up' Standard companies continued to be subject to common ownership and that this was in accordance with the accord that dissolved the Standard Oil Company of New Jersey in 1911 (United States Federal Trade Commission 1917). The findings of the report largely echoed those of the reports compiled by the Bureau of Corporations, including various recommendations to prevent such conditions of common ownership, segregation of pipelines from other branches of the petroleum industry and publicity of statistical information to create a more competitive environment. The report was also submitted to the Department of Justice for consideration, confirming that whilst the new body had powers to enforce publicity, it had little means of addressing the issues highlighted by it. The forces of publicity had truly become a "multiplying machine" (Kurunmäki and Miller 2013, 1109) in that reports begat reports. One seemingly failing body would be replaced by another which, in its first orders of business, would retrace the steps of its predecessors, issuing reports on industries that had been reported on before.

Exhibit 5

Exhibit 5 shows the growing use of accounting technologies to compare profit, income, investment and returns at not only the product level but also the company level. The commission employed these technologies to produce a narrative of unreasonably high returns for manufacturers and jobbers of gasoline, dominated by Standard Companies in 1915. Exhibit 5 emphasizes how prices of and margins on gasoline found their expression in above-average returns to Standard Companies. Exhibit 5 shows, albeit with some degree of volatility, generally high returns for Standard Companies compared with generally lower returns for independents. For the commission, the summary of the returns in the exhibit provided corroborating evidence of the control that Standard exercised over certain territories and their arbitrary inflation of prices.

This growing emphasis on comparability also appears in the Pipe-Line Transportation report which analysed and compared investments, costs and earnings of the five largest interstate pipeline systems, two of which were controlled by the Standard Oil group and, as the report concluded, gave a substantial advantage to Standard refineries in the East compared to independent refineries. In both of these reports the commission provides very detailed discussion of the various companies to understand why particular rates of profit and return exist for each company and the impact of each company on industry conditions. There was a clear concern – exhibited by commissioners - to distinguish normal from deviant behaviour and to identify the underlying cause of any deviancy. The gasoline report noted, for instance, that the Standard companies showed a high average return over the three-year period. Conclusions regarding the impact of the Standard Group on the price of gasoline were therefore not simply reached on trends of the company's own profit but on inference regarding what constitutes 'normal' industry behaviour, inferences that were made possible by the comparative information collated by the Federal Trade Commission (see exhibit 5).

While exhibit 5 provides strong evidence of accounting's adjudicative potential to define deviant versus normal behaviour, it also suggests that the definition of 'normal' industry behaviour is not easily determined. The exhibit shows that various independent companies also had high rates of return, making it more difficult to determine appropriate comparison with normal rates of return and the extent of abnormal profits of the Standard Group. Again, this provides evidence of the accounting complex's power ebbing and flowing over the course of various investigations, rather than just increasing with each successive investigation. This would again prove true with the Investigation of the steel industry by the Federal Trade Commission.

Expectations of normal business returns were nevertheless critical to the Commission's investigation of the steel industry which, like the petroleum industry, had been subject to examination by the Bureau of Corporations. Even corporations, such as U.S. Steel, which Roosevelt previously viewed as a 'good' trust, came under much greater scrutiny. The steel industry investigation focused on the wartime earnings of the steel industry to understand whether high rates of profit were the consequence of concentration of ownership or superior management. Grouping companies based on the level of "integration" of their operations permitted a comparison of returns between similar companies, including the relationships between investment, costs and returns. These tabulations, summations and comparisons led to conclusions regarding whether rates of profit were normal in comparison to similar companies or the consequence of size and concentration. The commission also recognized the need for greater uniformity in accounting to permit the collection of more standardized information that was essential to the comparability of various profit and return measures.

The commission employed accounting technologies in the form of detailed requests and questionnaires to which companies had to respond on a regular basis, all in an attempt to promote more uniform accounting across companies. As well as summary income statement and balance sheet information on costs, depreciation and general administrative expense at the product level had to be provided. Further, account-specific guidance was provided regarding amounts to be included or excluded to assist in the uniformity and compilation of this information. During its investigation into the War-Time Profits of the Steel Industry, for example, the commission proffered specific directions in accounting for cost of sales by systematically excluding bond interest, interest on notes, sinking fund provisions and amortization of excess cost of construction, among other items. Such guidance however was not only limited to its investigatory activities. To complement such activities the commission attempted to increase the uniformity of accounting information by educating businessmen through the publication and distribution of works on cost and accounting systems for both retailers and manufacturers. By means of education and related action the commission sought to drive practice in a manner favourable to publicity, its operation and its goals. This expansion of accounting to an increasingly diverse set of actors across corporations and within the political domain of the commission illustrates how accounting's mediating role reached greater fruition.

Despite the appearance of the greater and greater mediation of various actors via accounting, issues of data availability would again arise. In the case of the steel investigation, these issues would not centre upon the ability or willingness of corporations to provide relevant data, but legal challenges questioning whether the Federal Trade Commission had exceeded the powers granted by Congress to gather such information. The accounting information requested by the Federal Trade Commission, such as uniform balance sheets and income statements, began to exceed what many companies thought as reasonable. This meant that investigations, such as that of the steel industry, did not possess all of the data that the Federal Trade Commission had deemed necessary to permit thorough analysis of the companies under investigation. Coincidentally, the timing of these legal challenges coincided with investigations that were beginning to explain high profits as the result of capable management or serendipitous circumstances rather than monopolistic issues pertaining to size or control.

Overall, with some positive cases aside, the concerns regarding sectors such as the steel and oil industries seemed more magnified than ever under the Federal Trade Commission's watch. As such, concerns similar to those expressed about the ultimate value and usefulness of the Bureau of Corporations would arise in reference to the Federal Trade Commission (F.T.C. below):

> At various times in this century- in 1914, in the mid-1930s, and most recently in the 1970s- many people have placed their hopes for "fair" competition and consumer welfare on the F.T.C., yet the almost universal conclusion of persons both sympathetic and hostile to the F.T.C.'s supposed missions has been that it failed continuously. (Stone 1977, 257)

The strong belief that prevailed regarding the value of the commission at its inception was a repetition of the hopes invested in the Industrial Commission and the Bureau of Corporations. The Federal Trade Commission, however, seemed to tackle the same problems and even the same corporations which the Bureau of Corporations had dealt with previously. The issues and problems were recycled, though greatly expanded through a growing number of companies and industries. Publicity was the enduring response to the problems of corporate governance in America. There would be undulations in these problems and there would be expansion and refinement of the instruments of publicity, but the stable and recurring pairing of the problem of corporate governance with the machinery of publicity is remarkable.

Discussion

We have traced the development of an accounting 'complex' in early 20th Century America through three sequential institutional bodies. Under the Industrial Commission, we showed how accounting started to make the rationality of publicity possible and thinkable. In the case of the Bureau of Corporations, accounting's territorialization of the public sphere – its ability to make the corporation knowable to the public as an economic and social entity - increased. We also witnessed a further mediating role for accounting as it mediated between the juridico-legal and political apparatuses. Finally, the rationality of publicity reached its zenith under the Federal Trade Commission as accounting technologies expanded their territorializing and mediating roles beyond distinguishing between 'good' and 'bad' trusts such that the more forensic level of harmful and abusive practices (profits achieved through ownership concentration) be identified and adjudicated by institutional actors. However, despite this ever expanding complex, the persistence of the abusive practices that were highlighted by accounting suggests that the accounting complex was not fully successful in subjectivizing those individuals at the helm of holding corporations and trusts.

Accounting technologies provided knowledge that allowed political apparatuses such as the Bureau of Corporations and the Federal Trade Commission to function; in this sense accounting technologies became essential to governmental intervention in the activities and life of the corporation. A strong belief persisted among political programmers and the public alike that exposure of errant behaviour by corporate and industrial leaders would lead automatically to either corporate self-discipline or judicial intervention. This belief persisted throughout the institutional bodies that were successively founded in order to ensure that publicity would materialise. Each successive body relied upon further iterations of accounting technologies, to which they continued to make recourse despite their manifestly limited efficacy in reforming corporate behaviour. Although data availability and the specific make-up of the calculative practices fluctuated from investigation to investigation, with subsequent iterations, accounting progressively became more deeply embedded in the programmes that it was called to support. The arguments presented above suggest that corporate reform, with a few exceptions, did not substantively take place. Whilst accounting technologies became more sophisticated and the institutional bodies imbued with increasingly greater powers to ensure compliance with disclosure requests, the underlying problems of excessive profits, price fixing and monopolisation persisted throughout the time period studied. Nevertheless, a widespread belief in the power of publicity would endure.

The failure of the programme of corporate reform can be explained by what appears in retrospect as misguided belief in the power of accounting information. There was excessive confidence in the technology of accounting as a means of responding to the rationality of publicity. Whilst it was presumed that the accounting technology would be a means to an end, as this end never materialised the objective of the programme became misplaced to become the mere implementation of the technology. This reached a climax when President Roosevelt ceased to see 'bad' trusts as those that engaged in abusive practices and instead saw them merely as those that which were not co-operative in furnishing the Bureau of Corporations with accounting information. Throughout the life of the three bodies studied the salient institutional interventions virtually all related to improving information disclosure rather than encouraging or prohibiting actual behaviour. This finding offers a rejoinder to extant governmentality literature which tends to explain failures of governmentality as failures of accounting technologies (see, for example, Neu, 2000, Neu and Heincke, 2004, Spence, 2010). During the progressive era accounting technologies did what was expected of them operationally, but they failed to fulfil the aspirations imbued within them because of surrounding institutional inertia. Accountability was evident, but it proved to be relatively impotent in its ability to reform corporations.

We have stressed the co-construction of the rationality of publicity with its attendant technologies of accounting. In this sense, hopes for publicity relied on the availability of accounting technologies to provide knowledge of corporations such that they might be better governed (Rose 1996). These relations were recursive in that the very existence of accounting technologies held out the prospect of flows of financial information that could facilitate the operation of publicity itself. In this way the instruments of publicity would serve to amplify calls for its use; publicity brought more accounting and accounting brought more publicity, in a growing and mutating assemblage of actors, ideas and practices (Kurunmäki and Miller 2013). The assemblage surrounding publicity would modulate over time but it proved to be remarkably enduring, motivating the formation and functioning of a series of historically important U.S. federal bodies. We argue that the complex relations embedded in this assemblage through the co-construction of publicity and the accounting technologies on which it relied does much to explain the durability of publicity in conceiving of questions of corporate governance in the early twentieth century. Publicity and its attendant accounting technologies found ever greater resolution in each other: publicity repeatedly motivated recourse to accounting and accounting repeatedly supplied the potential for greater publicity.

This increasingly expansive accounting complex would provide the basis upon which these representations would become stabilized as “facts” regarding how large industrial corporations and the means to control and govern them were understood. Over the following decades this understanding would provide a basis for actual formal disclosure requirements which would be an outcome of future failures of publicity within the Federal Trade Commission, necessitating even more federal bodies and specific mandated forms of disclosure. These constant attempts at improvements in publicity lead to a continuous fuelling of demand for accounting technologies, resulting in an “eternal dialectic of failure and reform” (Miller and Power 2013).

The persistence of corporate governance problems may in fact be a result of not paying sufficient attention to the subjectivization of individuals who control and influence the corporation. Although our data does not permit us to explore thoroughly the subjectivizing aspects of the accounting complex, one might infer that its subjectivizing power was relatively weak. Alternatively, it might be that there are multiple accounting complexes at play, one within corporations and one within the public sphere: the new focus on accounting may have subjectivized corporate leaders in terms of focusing on profit figures, but did not subjectivize them in ways that led to substantive corporate reform. Judicial interventions such as the breakup of Standard Oil were successful on certain levels in the short term, but corporate leaders proved themselves adept at reconstructing their organisations over time so as to reinvent the same practices in ways that would frustrate government programmers.

Best (2005) shows how present day arguments for transparency abound, offering a straightforward, functionalist solution to governance problems rather than deeper, institutional remedies. Moreover, Best (2005) suggests that such calls are a smokescreen for a more partisan political project that privileges “the perverse, speculative logic of financial markets” (150). In other words, the assumed versus real functions of transparency are actually quite different. We suggest that accounting's 'real' function in the progressive era was to provide the conditions that permitted the corporate enterprise to continue as an organisational form and, specifically, as an organisational form wielding such power that state, regulatory and judicial actors would struggle to control its behaviour. With the growing expansion of accounting and a continued belief in publicity providing the expectation that industrial capitalism could be made to operate in the public interest the conditions clearly existed for the acceptance of large industrial corporations. The 'assumed' role of accounting therefore pre-empted wider/more penetrating state intervention. Whether this was intentional on the part of institutional actors we leave to the side, focusing more on the *how* than the *why*.

Conclusion

This analysis permits us to make two inter-related contributions. Firstly, it has sought to empirically explore the accounting forms antecedent to the first uniform, mandated disclosure of financial information enshrined in the SEC Acts of 1933. These Acts have been characterised as pivotal in shaping present day accounting disclosures (Merino 2011) although our analysis here suggests that the basis of present day accounting disclosures lies rather in institutional processes which can be traced back to the turn of the 20th century. What counts as accounting is wider than that which is mandated by the SEC, FASB or any other regulatory body and, in fact, has a long history through the institutions concerned with publicity. It is now taken for granted that corporations be subject to territorialization and adjudication via accounting (Miller and Power 2013), but this was not always the case. We show here the historical development of this now entrenched cultural phenomenon. The paper thus offers a 'history of the present' in this regard.

Secondly, we draw inferences from the way in which accounting was embedded in state-led programmes of government in order to reflect upon accounting's potential role in corporate governance reforms. Present day projects of corporate reform would do well to take note of the failures to bring corporations to heel during the progressive era. If the liberal state is too self-constrained to act upon accounting technologies then the *neo*-liberal state, which is characterised by even more self-limitation, is unlikely to fare any better. Exposing corporations as environmentally profligate or politically manipulative, as is advocated by CSR theorists (Moon et al 2005; Schneider and Sherer 2015) might not necessarily lead to corporate self-correction. As such, accountability might not be a plausible alternative to regulatory intervention. Neither do corporations offering explanations for their non-compliance with best practice guidelines necessarily lead to better corporate governance more generally. Salterio and Conrad (2013), for example, show how 'comply or explain' regimes still result in relatively low levels of overall compliance, suggesting that self-regulation is not a substitute for monitoring and enforcement. Accounting technologies might be necessary in realizing some elements of these different corporate governance programmes but they are unlikely to be, on the basis of the analysis above, sufficient in and of themselves. The accounting technologies described in the paper were clearly experimental and provisional in nature but, overall, the accounting complex expanded and developed, becoming an increasingly more efficient and effective tool for knowing the corporation, but not for reforming it.

Miller and Power's (2013) framework offers a fruitful means of exploring the ways in which accounting technologies enact and constitute wider rationalities of publicity, transparency, accountability, etc. Future research could usefully scrutinise the way in which these rationalities are mobilised via the mediating, adjudicating, territorializing and subjectivizing roles of the accounting complex. In particular, more work is needed that critically assesses the capacity of accounting to subjectivize and adjudicate upon powerful individuals. Much Foucauldian organizational research has focused on the subjectivity of workers (Knights and Willmott 1990), other dominated groups (Neu and Heincke 2004) or even society as a whole (Miller and Rose

1990). More work looking at how powerful individuals such as business leaders can be effectively subjectivized could usefully explore whether different subjectivization strategies are more or less successful depending on who the target population is. Our own analysis of the subjectivity of these individuals has been necessarily indirect, inferring changes or stasis in their behaviour via the actions of their organizations.

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Exhibit 1 – Final Report of the Industrial Commission

[insert Exhibit 1 TIFF001.tif]

United States Industrial Commission, *Final Report of the Industrial Commission*, 1902, p. 670.

Exhibit 2 – Prices and Profits in the Petroleum Industry 1907

[insert Exhibit 2 TIFF001.tif]

United States Department of Commerce, *Report of the Commissioner of Corporations on Prices and Profits in the Petroleum Industry - Part 2*, 1907, p. 40.

Exhibit 3 – Report on the Steel Industry 1913

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United States Department of Commerce, *Report of the Commissioner of Corporations on the Steel Industry – Part 3*, 1913, p. 24.

Exhibit 4 – Returns on Investment in the Steel Industry 1913

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United States Department of Commerce, *Report of the Commissioner of Corporations on the Steel Industry – Part 3*, 1913, p. 530.

Exhibit 5 – The Price of Gasoline 1915

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United States Federal Trade Commission, *Report of the Federal Trade Commission on the Price of Gasoline in 1915*, 1915, p. 108.