

The Oldest of Treatises on Accounting

SOCIETY ACQUIRES RARE TREASURE

THROUGH the kindness and generosity of a number of friends of the Business Historical Society in the field of accountancy, a most valuable treasure has recently come into our hands. This is an incunabulum, printed at Venice in 1494, bearing the title, *Summa de Arithmetica, Geometria Proportioni e Proportionalita*, and written by a Franciscan friar who called himself Frater Lucas de burgo Sancti Sepulchri, but whose proper name was Lucas Pacioli. This rarest of early business books contains about three hundred pages and is an item of the greatest interest to (1) bibliophiles, (2) mathematicians, (3) students of accounting and bookkeeping.

Accountancy is by no means a thing of yesterday. It goes back at least to ancient Rome, where, as certain passages in Cicero indicate, it had already become a profession. Educated slaves, usually Greeks, kept the accounts of their masters' estates and apparently had quite fully elaborated the double-entry system of bookkeeping. Although the practice of double entry does not seem ever to have been entirely forgotten, the first discussion of accountancy to follow Cicero's chance remarks is this one of Pacioli's in 1494. His book is therefore the first historical treatise on accountancy.

It is astonishingly modern. Except for occasional devout exhortations to do everything in the name of God, many passages read like a present-day text. He begins his treatment of bookkeeping proper with three books, the memorandum, the journal and the ledger, stating that often the first is not used. If, for Memorandum, we read day-book, we have the language of the modern bookkeeping text-book. His debit and credit usages correspond with our own to a remarkable degree, and he does not fail to advocate a properly classified ledger, or to give rules for the correction of erroneous entries. The suggestions for auditing the records, closing them, and carrying them forward are sound today. A quotation will illustrate these points. It is from Chapter 34, "How all the Accounts of the Old Ledger Should be Closed and Why."

"After you have done this carefully, you shall close your ledger accounts in this way: You should commence first with cash ac-

count, then the different debtors, then the merchandise, and then your customers. Transfer the remainders in ledger A, that is, in the new ledger. You should not, as I have said before, transfer the remainders in the new journal.

“You shall add all the different entries in debit and in credit, always adding to the smaller side the difference, as I have told you above when explaining the carrying forward of the remainder.



In reuerenti subditi de. U. D. S. Magnanimo. D. acio a pieno de tutto lordine mercantescio habino el bisogno. Deliberai. (ole. le cose diuante i qsta nra opa ditte) ancoza particular tractato grandemēte necessario cōpillare. E in qsto solo lo iserto; p che a ogni loro occurrēza el piente libro li possa seruire. Si del mo do a conti e scripture: cōmo de ragioni. E per esso intendo darli nozma sufficiente e bastante in tenere ordinatamente tutti lor conti e libri. Pero che. (cōmo si fa) tre cose maxime sōno oportune: a chi uole con debita diligētia mercantare. De le qli la postuma e la pecunia numerata e ogni altra facultà su: stantiale. *Iuxta illud pby vnū aliquid necessariorū ē substantia.* Sēca el cui suffragio mal li po el maneggio traficante exercitare. Auēga che molti già nudi cō bona fede cōmençando: de grā facēde habio fatto. E mediante lo credito fedelmēte seruato i magne richesçe siēno peruenuti. Ebe alai p ytalja discurredo nabiamo cognosciuti. E piu già nele grā republiche non si potēua dire: che la fede del bon mercatante. E a quella si fermaua lo: giuramento: dicēdo. *A la fe de real mercatante.* E cio nō deuesere admiratione: cōciosia che i la fede catolicamēte ognuno si salui: e sença lei sia ipossibile piacere a dio. La secōda cosa che si recerca al debito trafico: sie che sia buon ragioni: e pmpio cōputista. E p questo cōsequire. (disopra cōmo se ueduto) dal pncipio alafine: habuemo iducto regole e canoni a cascuna opatione requisiti. In modo che da se: ogni diligēte lectore. tutto potra iprendere. E chi di questa pre non fosse bene armato: la sequēte in ua no li scerebbe. La. 3.ª e vltima cosa oportuna sie: che cō bello ordie tutte sue facēde debita

A PAGE FROM THE *Summa de Arithmetica* (1494)

Brother Lucas of the City of the Holy Sepulchre, as the author styles himself, is said to be pictured in the capital letter.

These two accounts are practically the same thing; the only difference is that in the first case the remainder was carried forward to another page of the same ledger, while in this instance it is carried forward from one ledger to another. While in the first instance you would mark down the new page of the same ledger, in this case you mark down the page of the new ledger; making the transfer from one ledger to another, any account should appear only

once in each ledger. This is a peculiarity of the last entry of the accounts of the ledgers."

To lovers of the splendid art of fifteenth-century printing, the acquisition is one of remarkable interest and beauty, emphasizing the curious fact that the art sprang into existence in its greatest glory and has been steadily decreasing ever since. Where, among the productions of today, will be found one combining in such singular degree as does the *Summa* all the various qualities of typographic beauty — perfection of ink and paper, marginal proportion, style of type and general excellence of manufacture?

For the bibliographer, too, there appears an interesting problem, a problem so far insoluble. The type of capital letter used in the body of the book is different from that which appears on the first twenty-six pages. Further examination reveals a difference in ordinary type for which it is hard to account. Did this early press "pull off" a number of proof sheets which later, through accident, were bound with the finished run; or was this book one of the "best sellers" of its time to such an extent that a few remaining imperfectly collated forms were filled out with a later printing? The problem cannot now be solved, but the fact remains that three printings of the first page are known to exist, and are represented in one case by the present copy owned by the Business Historical Society; in another, by a copy held by Columbia University; and in a third, by a copy in the New York Public Library.

The Business Historical Society is indebted to the following friends in the accounting profession for the gift of this invaluable treasure; and to the kindly aid and coöperation in its purchase by Professor Robert H. Montgomery and the Library of Columbia University.

James T. Anyon, 120 Broadway, New York.

George Lester Bishop, 68 Devonshire St., Boston, Mass.

"A Bostonian."

Walter L. Boyden, 6 Beacon St., Boston, Mass.

Gardner W. Chase, 15 Ashburton Place, Boston, Mass.

Edward H. Moeran, Patterson, Teele, and Dennis, 120 Broadway, New York.

Charles A. Moore, Manning, Maxwell & Moore, Inc., New York.

George S. Mumford, Commonwealth-Atlantic National Bank,
10 Postoffice Square, Boston, Mass.

John B. Niven, 80 Maiden Lane, New York.

Russell Robb, 147 Milk St., Boston, Mass.

Homer Newton Sweet, Lybrand, Ross Bros. & Montgomery,
Chamber of Commerce Building, Boston, Mass.

N. H. S. Vincent, Robert Douglas & Company, 49 Federal St.,
Boston, Mass.

John R. Wildman, Haskins & Sells, 30 Broad St., New York.
The Fogg Art Museum, Harvard University, Cambridge,
Mass.

(A new modern edition of this work — translated — is obtainable in Harper's "Business Books" series.)

An Ounce of "Preservation"

IN OUR last issue, we printed a summary of the recent steps taken in regard to affiliated membership in the Society. The account there given of our aims and methods is amplified and illustrated by the following typical extract from a letter sent out by the Chairman of the committee this last summer.

"We are particularly eager to acquire that invaluable primary material of business history, — the account books, letter books, manufacturing records, etc., of individual business concerns. Already the Library has secured some such documents, e.g., the records of the Slater wool and cotton manufacturing plants, covering (with some gaps) the period 1795 to 1880, and the private letters to Mr. Jay Cooke. Others, such as the ledgers of eighteenth-century storekeepers and the early records of the Hamilton Manufacturing Company have been acquired by the Historical Society, and more have been promised. This material is of rather negligible value item by item, but collected on such scale as is possible through the Business Historical Society, it becomes of inestimable worth to the economic historian who wishes to reach original sources in his research.

"Now I have found that much material of this kind is lying about the country not only useless as far as research is concerned but an inconvenience to the present possessors. Daily, too, some of it is being destroyed. Only a few months ago the complete records of a rubber-manufacturing enterprise originally established in 1831 were thrown into the trash; not more than a couple of years ago, the books of an old Boston bank were sold for paper stock; and so it goes.