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THE SIXTEENTH CENTURY MERCHANT AND PHILOSOPHER BENEDIKT KOTRULJEVIĆ AND HIS BOOK *DELLA MERCATURA ET DEL MERCANTE PERFETTO*

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Abstract

This text aims at introducing the 15th century Croatian merchant, diplomat, and philosopher Benedikt Kotruljević and his book *Della mercatura et del mercante perfetto* (*On trade and on the perfect merchant*) published in 1458 in Venice. The content of the book will be presented along with his most famous invention, the double bookkeeping.

1. Life of Benedikt Kotruljević

Benedikt Kotruljević¹ (in the shortened version known as Beno or Benko) was born in Dubrovnik around 1416. His family was originally from Kotor, today in the Republic of Montenegro. The family came to Dubrovnik around 1350. Trade was the traditional occupation of his family, as it is attested by their early membership in the Brotherhood of St. Antony, a guild of Dubrovnik's merchants. He received his primary education in his hometown. He continued his education in Bologna, where he studied philosophy and law. His father's death interrupted his studies in Bologna and Kotruljević returned to Dubrovnik in 1436. In Dubrovnik, he continued his family tradition as a merchant with a financial success. Moreover, he went international: his trade activities brought him to Italy and southern Africa. Between 1448 and 1453, he often resided in Naples where he was the commissioner for the affairs of the Republic of Dubrovnik. Finally, in 1453, he moved with his family to Naples. At the court in Naples, he held various positions: he was a judge ("giudice delle cause") and a royal advisor, and he also worked as a diplomatic representative for King Ferdinand I (1423 – 1494). While staying at the court, he socialized with prominent humanists of the time, some of which include the one of the first archaeologists Flavio Biondo (1392 – 1463), the author of a handbook of Latin language *Elegantiae linguae Latinae* Lorenzo Valla (c. 1407 – 1457), and historian and writer Bartolomeo Facio (c. before 1410 – 1457). From 1460 till 1468, Kotruljević ran the Neapolitan Mint, then situated in Aquila in Central Italy. Kotruljević died in Aquila or in Naples in 1469.

¹ Some authors (Martinović, Vekarić) stated that the correct version of his name is Kotrulj.

We can conclude about his social status from the note that precedes the dedication and preface of his book *De navigatione* (*On navigation*, around 1464), it can be concluded that the person who made the transcription or composed the dictation considered Kotruljević a nobleman (a knight) and wrote of him as a good sailor.² This is in line with Kotruljević's, which as he stated it in the beginning of his book *De navigatione*:

Now it is our intention to discuss the art of navigation, and it is a maritime and so dignified art that in truth a good sailor deserves to be called a knight [...] (Cotrullis, 2005, 22).³

He must have been quite a famous and outstanding person in his hometown, as it is testified by several philosophers and politicians from Dubrovnik. The Renaissance philosopher Nikola Vitkov Gučetić (1549 – 1610) wrote about Kotruljević's trading skills in his work *Dello stato delle repubbliche* (*About the organization of the states*) published in Venice in 1591:

Therefore, I say whoever would like to be informed about these trade disputes, let him read the four books *On Trade* and the perfect tradesman of our Beno Kotruljević, extremely useful to every student of that art and where they will be able to see how they trade fairly and very successfully (Di Gozzi, 1591, 51).⁴

Kotruljević was also mentioned by the historian Serafin Crijević (1686 – 1759), as well as the theologian and historian Sebastijan Slade Dolce (1699 – 1777). More recently, the philologist and historian Milan Rešetar (1860 – 1942) and others found Kotruljević worth studying (Schiffler, 1996, 118).

Kotruljević is the author of four books. The books *De uxore ducenda* (*On choosing a wife*) and *Della natura dei fiori* (*On the nature of flowers*) are lost. Around 1464 he wrote the book titled *De navigatione* whose manuscript was discovered only in 1996.⁵ His most significant work is *Il libro dell' arte di mercatura* (*The book on the art of trade*), written in 1458. The manuscript was never published. In a revised form it was printed in 1573 under the title *Della mercatura et del mercante perfetto* (*On trade and on the perfect merchant*).⁶

2. Kotruljević's book *On Trade and on the perfect merchant*

The book *On Trade and on the perfect merchant* was first published in the publishing house *All'Elefanta* in Venice whose owner was a famous Croatian philosopher Frane Petrić (1528 – 1597).⁷ Namely certain Giovanni Giuseppi (Croatian Ivan Josipović) brought to him an

² Papo, 2020, 18: "Benedictus de Cotrullis equitis ad inclitum senatum venetorum *De navigatione* liber incipit"

³ „<H>avendo mo ad tractare dell'arte del navigare, la quale è maritima e tanto digna che meritamente lo vero et bon marinaro se pò chiamare cavaliere, [...]“.

⁴ „Però io dico a cui aggrada haver la cognitione di questi trattati mercantili, ch'ei legga i quattro libri della mercatura, e del mercatante perfetto, del nostro Benedetto Cotrugli utilissimi ad ogni studioso di questa arte, dove potrà vedere il modo, e la maniera di mercantare giustamente, e con maraviglia ancora.“

⁵ This book is preserved at the Beinecke Rare Book and Manuscript Library at the Yale University under the call number Beinecke MS 557. The manuscript was attributed to Kotruljević by Darko Novaković (Novaković 1996).

⁶ The oldest transcript from 1475 is kept in the National Library of Malta in Valletta, the second from 1485 and the third from the end of the 15th century is kept in the Marucelliana Library in Florence.

⁷ There are two versions of Petrić's printed edition of Kotruljević's book from 1573. The versions differ from each other in the dedications that follow the content.

unknown copy of this book from Dubrovnik. Besides changing the title of the book Petrić also shortened and revised the important 13th chapter of the first book in which Kotruljević talks about double-entry bookkeeping. The question is why he did that? Željko Muljačić states two reasons why Petrić did it: “1. that merchants in his time had better and more modern bookkeeping manuals at their disposal, which were more suitable because the technique of this skill had been perfected in the meantime; 2. as a pedagogue, he knew that there are people who are not able to understand the theory if an expert does not first instruct them in practice” (Muljačić, 1995, 61). So Petrić had his own reasons for intervening in Kotruljević’s book. In a way, he wanted to modernize the book, probably also for commercial reasons. It is less known that Petrić himself was engaged in trade in his youth which means that he was to some extent familiar with the subject of Kotruljević’s book as well as about novelties in that area.

It is interesting fact that the official of the Republic of Venice, M. Grimani, announced on December 10, 1573, to all bookstores and publishers in Venice that for the next ten years, only Petrić may sell and reprint this Kotruljević’s book (Muljačić, 1995, 160).

In the dedication of the book *On trade and on the perfect merchant* dated November 15, 1573, Petrić writes:

It has been over 110 years since Mr. Benedikt Kotruljević from Dubrovnik, a man excellent in every science and a very experienced trader, wrote in four books about a subject which, as he noted, no one from the beginning of the world until him has ever dealt with, that is, about trading skills (Cotrugli Ragugeo, 1573, 4).⁸

These lines show not only that Kotruljević’s fame as a successful businessman has been preserved long after his death but also that a philosopher of not small significance, Frane Petrić, gave him a lot of credit. This praise has a special significance if we take into account the previously mentioned fact that Petrić himself tried to find his fortune in trading business but with significantly less success.

The book *On trade and on the perfect merchant* was published in three versions:

[...] each of which was based on different transcriptions of Kotruljević’s autograph. The earliest version is the one prepared in 1573 by the Cretan Renaissance philosopher Frane Petrić (Franciscus Patricius, 1529 – 1597), publishing it under the title *Della mercatura et del mercante perfetto*. The next is the one prepared in 1990 by the Italian professor of economic history Ugo Tucci, which is entitled *Il libro dell'arte di mercatura*, while the third is the one prepared in 2009 by Zdenka Janeković Römer, entitled as *Libro del arte dela mercatura* (Balić, 2012, 205–206).

Kotruljević dedicated his book to Francesco Stephani (Croatian Frane Stjepović), also an outstanding merchant from his hometown of Dubrovnik, who was active in Naples and who encouraged Kotruljević to publish the book. Kotruljević’s first intention was to write the book in Latin, but later he changed his mind and wrote it in Italian so that the common people could understand it.

⁸ „Sono gia piu di anni CX. che da M. Benedetto Cotrugli Raugéo, humo in ogni dottrina eccellente, & mercante prattichissimo, furono scritti quattro libri di soggetto, non piu giamai, come egli auisa, dal principio del mondo fino a lui, trattato da alcuno cio è dell’arte della Mercatura.“

Generally, Kotruljević's book is considered to be the first European manual on trade and bookkeeping and, more particularly, on double-entry bookkeeping. A word of clarification on the "fatherhood" of the double-entry bookkeeping is needed. One could find the information that the Italian mathematician and friar Bartolomeo Luca de Pacioli (1445 – 1517) is also mentioned as the "father of bookkeeping", based on his book *Summa de arithmetica, geometria, proportioni, et proportionalità* (*All about arithmetic, geometry, proportions and proportionality*) published in 1494. In this book Pacioli indeed provided a detailed description of the double-entry bookkeeping system. However, Kotruljević defined double-entry bookkeeping forty years before Pacioli. But unfortunately, Kotruljević's book was published seventy-nine years after Pacioli's.

Kotruljević's book is divided into four books (*libri*). In the first book, divided into nineteen chapters, Kotruljević discussed the origin, forms, and the essence of the trade. In the second book, divided into four chapters, he discussed how the merchant should behave according to religion and worship. In the third book, divided into eighteen chapters, he wrote on the merchant's moral and social virtues, and in the last fourth book, divided into ten chapters, he offered a discussion on the merchant's management of the house and household.

At this point, something should be said about the thesis of the book. At the very beginning Kotruljević pointed out that trade was a demanding business and that it was more difficult to be a good trader than to be a good judge. For him, trade was a skill or a set of rules by which legitimate persons govern themselves fairly in trade matters for the preservation of humanity and with the hope of gain – so, a good tradesman's virtues surpass the one of a judge: both aim at some goodness for the humanity, however, contrary to the judge, the tradesman also aims at gain – which is, indeed, a special skill. In the second book, he elaborated on faith, which is essential for every person and every merchant, and which leads to the realization of the desired goal – Kotruljević, expectedly, advocated Christian morality as a prerequisite for virtuous character. Furthermore, Kotruljević recommended to the merchant to act ethically throughout his life and to be moderate in everything.

In the fourth book, chapter six, Kotruljević elaborated on the role and position of women. A woman must be prudent, steady, serious, kind, diligent, gentle, chaste, merciful, pious, religious, generous, restrained, industrious, moderate in eating and drinking, sober, shrewd, and always occupied by some work. Contrary to those virtues, there are two main reasons why a woman could go astray: leisure time and poverty. In this context, it is worth emphasizing that Kotruljević advocated education of young women as a way to develop their prudence, kindness and wisdom which was a very progressive idea for that time.

From the point of view of the history of economy, the most important chapter is the chapter XIII of the first book entitled "Dell' ordine di tenir le scripture mercantilmente". In it Kotruljević discussed the orderly keeping of business books in trade. In that chapter, Kotruljević was the first one known to have used the phrase *dupple partite* – double items. It is precisely by this phrase that he became known as the "father of double bookkeeping".

To summarize in Stipetić's words, Kotruljević's in his book *On trade and on the perfect merchant*,

[...] extensively explains how an entrepreneur (trader) must keep his bookkeeping. At least three books should be kept: 'reminder, diary and ledger'. The general ledger

keeps track of the merchant's assets, as well as income and expenses over time. It is always posted according to the double-entry bookkeeping system. [...] His postulates are:

- the bookkeeping that the entrepreneur keeps gives the opportunity to get 'a picture of everything that the merchant does, from whom he claims and to whom he owes; on the prices of goods; on profits and losses, as well as on other matters that are of interest to every merchant';
- that it is necessary to enter all commercial activities in the general ledger without omitting a single event;
- that double-entry bookkeeping is the most accurate way of registering business events;
- to accurately determine the merchant's assets with the determination of the financial result (Stipetić, 1996, 237–238).

The above-mentioned postulates are evidence of thoughtfulness and precision that Kotruljević wants to affirm in trade. It can be concluded that

Kotruljević's rules for entry into accounts in the sense of recording debit and credit columns in the general ledger in the case of increased assets and capital are applicable today. Namely, each increase in assets was recorded as a debit, which is still done today. Each increase in capital and liabilities was recorded as a receivable, which is also the case today (Belak, 1996, 322).

3. Final remarks

Benedikt Kotruljević gained fame as an excellent and capable merchant who summarized his views and knowledge on business matters in *On trade and on the perfect merchant*. However, the book goes beyond a "technical manual" in that it contains many philosophically, culturally, and historically relevant insights. Kotruljević's goal was to provide guidelines for successful and fair tradesman, and he was aware that, in order to reach that, one needed more than just the mere business skill and technical knowledge. The book testifies about Kotruljević's broad education and good knowledge of philosophy. Thanks to the fact that he worked at court in Naples, he had the opportunity to come in contact with some of the greatest humanists of that time, which certainly left a mark in his book. To this day he remains interesting to historians of philosophy as well as historians of economics.

In the end it is worth mentioning that a monument of Benedikt Kotruljević was erected in Zagreb in 2007 (crossroads of Draškovićeve, Knez Mislav and Knez Borna streets). In 2008, the Croatian National Bank and the Croatian Monetary Institute issued a commemorative silver coin with his image.

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