

The Portuguese School of Commerce, 1759-1844: a reflection of the "Enlightenment"

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Abstract

This paper introduces to the English-language literature the Aula do Comércio (School of Commerce) which was established in Lisbon in 1759. This school was a product of the Portuguese Enlightenment period and provided a model for development of similar government-sponsored schools across Europe. Our principal objective is to provide a comprehensive description of the school by outlining why it was established, how it operated, what it taught, what effects it had, and why it closed in 1844. It is important to gain an understanding of the School of Commerce because it was an important milestone in the development of commercial education in eighteenth century Europe. The School has attracted considerable notoriety, especially in the Portuguese-language literature, where it is claimed to be the world's first government-sponsored school to specialise in the teaching of commerce, including accounting.

Keywords: *Accounting; history; Portugal; school; education, commerce.*

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Introduction

This paper introduces and examines aspects of the *Aula do Comércio* (School of Commerce), which was established in Lisbon in 1759. The School of Commerce played a very influential role in the development of accounting and commercial acumen in Portugal in the eighteenth and early nineteenth centuries (Rodrigues *et al.*, 2003). It has also attracted the remarkable claim in the Portuguese accounting literature that it was the world's first government-sponsored institution to specialise in the teaching of commerce, including accounting (Azevedo, 1961; Felismino, 1960; Corrêa, 1930; and Santana, 1989, among others).

The main objective of the current paper is to provide a descriptive profile of the Portuguese School of Commerce: it served as an exemplar for the subsequent development of similar technically-oriented government-sponsored schools of commerce in other parts of Europe. For example, in Cadiz (Spain) the Board of Trade established the first public School of Commerce in 1799 (Arquero & Donoso, 2001). The Portuguese School of Commerce pre-dates government-sponsored schools of commerce in Vienna (*Realakademie*, 1770), in Hamburg (*Hamburgische Handlungs Akademie*, 1771), in Saint Petersburg (School of Commerce of Saint Petersburg, 1772), Barcelona (*Academia do Comércio*, 1787), among others (Portela 1965; Redlich 1957). The knowledge that we provide of the Portuguese School of Commerce (and its constitution, practices and curricula) should enhance understanding of how accounting and commercial “know-how” was propagated in Europe in the eighteenth century.

We devote separate sections to outlining the School's historical antecedents, structure, functioning, curricula, teachers, graduates, economic context, and reasons for demise. Our sources include archival data, principally those accessed in Lisbon at the *Biblioteca Nacional* (National Library of Portugal) and at the *Arquivos Nacionais Torre do Tombo* (National Archives of Portugal); the text of decrees issued by various governments of Portugal; and a wide range of scholarly literature in several languages (principally Portuguese, but also including English and Spanish).

The School of Commerce

Historical antecedents

In the 1750s, Portugal's indigenous mercantile class was weak and commercial (including accounting) acumen was poorly developed (Ribeiro Sanches, 1760, p.116). The preponderance of merchants in Portugal (who were mostly Jewish, and often foreigners) had been expelled during the Inquisition and those few merchants who remained had little capital, poor skills and low literacy levels (Azevedo, 1929). On 30 September 1755 a Royal Decree created the *Junta do Comércio* (Board of

Trade) and on 19 May 1759, the Board of Trade established a School of Commerce in Lisbon.¹ The interregnum between the creation of the Board of Trade in 1755 and the foundation of the School of Commerce in 1759 can be attributed to the pressing need for reconstruction following the devastating earthquake of 1 November 1755 in Lisbon (Felismino, 1960, p.11).

The human catalyst for the establishment of the School of Commerce, according to Rodrigues and Craig (2004), was *Sebastião José de Carvalho e Melo* (1699-1782) (later to become the Marquis of Pombal. He is better known by that title, which we use hereafter, often in abbreviated form). Pombal was the Chief Minister of Portugal from 1750-1777. Rodrigues and Craig (2004) claim he is responsible for the transfer (from England to Portugal) of the educational know-how that was instrumental to the success of the School; and that he had been influenced by the English mercantilism² he observed as Portuguese ambassador to England (1738-1743). Two such particular influences on Pombal that they cite were first, the proposals of economics writer, Malachy Postlethwayt, for the establishment of formal, academy-based commercial education in England; and second, Pombal's contact with John Cleland, a former East India Company employee.³

According to Castro (1982), the Portuguese government of the 1750s responded to the lack of initiative of its entrepreneurs by encouraging state capitalism, possibly inspired by the success of the French in establishing state-owned overseas trading companies.⁴ This was evident in the formation in Portugal of big state-sponsored commercial trading companies: in 1753 *Companhia da Ásia* (Asia Company); in 1755 *Companhia do Grão Pará e do Maranhão* (Grão Pará and Maranhão Company); in 1756 *Companhia da Pesca da Baleia* (Whale Fishery Company); and in 1756 *Companhia da Agricultura dos Vinhos do Alto Douro* (Alto Douro Wines Company) in Oporto.

With the establishment of these companies, and growing support for the principles of mercantilism and mercantilist endeavour, it soon became necessary to increase the numbers of accountants and bookkeepers in Portugal, and to improve the general level of accounting expertise in the country.⁵ Establishment of a school in Lisbon to train technical staff in commercial matters, the School of Commerce, was an obvious and sensible answer.

The School of Commerce was public and secular and it operated from 1 September 1759 until 20 September 1844. It was financed by the Board of Trade, principally from the proceeds of a 4 per cent tax on the value of imported goods. The School was established as part of a broad agenda of educational reform that was implemented in the second half of the eighteenth century (principally by the Marquis of Pombal as Chief Minister), inspired by the spirit of Enlightenment of the time (Serrão, 1980), and intended to strengthen the general state of education in Portugal.⁶ The newly created school carried the expectation that it would prepare

better-educated businessmen, efficient bookkeepers and competent employees. Thereby, it was hoped that it would promote trade and commerce in both the private and public sectors, and lead to economic prosperity. There was clearly a need for such a school. The quality of the bookkeeping and accounting in many business houses and in various arms of government was poor. This is reflected in the assertion of Serrão (1980, p.62) that, at the time, Portugal's businessmen lacked "commercial instruction" and "could not provide their sons with the necessary education to conduct a successful business because only a few of them practised double-entry bookkeeping, and most of them could not read or write".

Pombal responded to this situation by requiring the Board of Trade to establish the School of Commerce. This would have been opportune too for Pombal in allowing him to transfer the teaching of commerce from Jesuit schools (some of which were forced to close) to the government-controlled School of Commerce – Pombal had a well-documented dislike of Jesuits (Santana 1989, p.27). The establishment of the School could also be regarded as being facilitated by the conducive climate of the Portuguese Enlightenment. The latter was characterised by wide support for belief in human reason to combat ignorance and superstition and to build a better world; and by keen support for mercantilism, a strong merchant class and by the role of a thriving bourgeoisie in creating national wealth.

A feature of the Enlightenment was that Portuguese who had resided abroad in the first half of the seventeenth century, brought back foreign ideas to Portugal – as, for example, according to Rodrigues and Craig (2004), did Pombal from his terms as ambassador in London (1738-1743) and in Vienna (1745-1749).^{7,8} The Portuguese Enlightenment has been portrayed as one of "Enlightened Despotism" and characterised as reformist, pedagogical, nationalist, humanist and with a strong catholic influence (Medina, 1998). The founder of this "Enlightened Despotism" is usually deemed to be Pombal. He is said to have "adopted, in part, the theoretical principles exposed by some Portuguese philosophers and teachers who lived abroad (Verney, Ribeiro Sanches, Sarmiento)" (Oliveira Marques, 1984, p.323). A feature of this Enlightened Despotism "was direct state intervention in public teaching" from which "emerged a School of Commerce in Lisbon for the youth of the bourgeoisie" (Oliveira Marques, 1984, pp.323, 338).

Curricula

Initially, the course of instruction at the School of Commerce was of three years' duration, with a new intake of students every three years. However, on 26 January 1773, the course was reduced to two years and there was an intake of new students each year. This led to the school having two classes: a first year class and a second year class. Annual exams began each July and often continued into August.⁹ There were annual vacations in September, with other breaks for Christmas and Easter. Students were required to attend classes from Monday to Saturday but there were no classes on Thursdays.

The first year course comprised “Arithmetic, Algebra and Geometry”. The second year course taught some essential commercial calculations and the double-entry bookkeeping system. Two prizes of fifty thousand *reis* each were offered for the best student in each year. This was a substantial sum, approximately two-thirds of the annual starting salary of a bookkeeper.¹⁰

Admission policies

Prospective students were required to complete an admission exam to prove they could read, write and count well (Statute 5). Students had to be over fourteen years of age. Preference was given to the youngest candidates over fourteen (Statute 8). But there were exceptions. Younger students who revealed a proficiency in languages, arithmetic or geography were admitted. Preference in admission was also given to the sons of businessmen (Statute 6). The School’s governing statutes restricted the number of students in each intake to 20, with up to 30 others as supernumeraries.¹¹ But as Table 1 shows, rarely was this restriction on student numbers complied with. The School was swamped by demand and it conveniently ignored its own size limits. Although all students were from Lisbon and environs initially, with the passage of time, more students came from other parts of Portugal and from Brazil.

The age range of students was considerable. The majority in the second course (starting in 1763) were 17 years old, but one was 32 years old and several were in their twenties. In the sixth course (1783) the majority were 14 years old, but one student was 44 years old, and ten were between 25 and 31 years old. The average age for the second, third, fifth and sixth courses (1763 to 1783) was eighteen years, while for the seventh to the tenth (1787 to 1794), the average age was seventeen years (Santana, 1989).

Enrolments increased until the fifth course (beginning 1776) but began to decline gradually thereafter. In 1802, there were 303 students – 230 in first year and 73 in the second year. The French invasions in 1807 caused a marked decline in student enrolments, with only 74 students enrolled in 1809. The school ceased operating in 1844, largely due to competition from the opening of new Schools of Commerce in several other Portuguese cities (such as Oporto and Faro). Annual enrolments of first year students from 1839 to 1843 were 63, 79, 58, 67 and 46 respectively – numbers greatly reduced from those of the School’s early years (Santana 1989, p.28).

Table 1: Number of enrolled and graduate students by courses (as compiled from Cardoso (1984) and Santana (1989))

Course	Beginning	Enrolled students (inc. Brazilians)	Graduate students (inc. Brazilians)	Brazilian students
First	01/09/1759	61	30	
Second	11/07/1763	109/116	52	
Third	11/06/1767	288	155/161	3
Fourth	15/02/1771	224	203	
Fifth	21/08/1776	307	54/87	10
Sixth	01/10/1783	193/206	80/83	3
Seventh	01/08/1787	215	152/158	3
Eighth	03/11/1790 ¹²	188	84*	2
Ninth	10/01/1792	174	66*	2
Tenth	10/11/1794	154	96	4
Total		1913/1933	972/1020	27

* There was a change in how these data were registered, rendering these numbers unreliable.

Note: Where the estimated enrolments provided by Cardoso and Santana vary, we cite the range (for example, for the seventh course, 152 to 158, written as 152/158).

Students, facilities and school discipline

Preservation of good discipline in the School was important. In 1767, to control student behaviour, the Board of Trade passed a regulation: *Determinações Particulares para o Governo Económico da Aula do Comércio* (Specific Determinations for the Economic Government of the School of Commerce). It required students to be decent and silent during classes and forbade them from changing their seat without the permission of a teacher (Point 1). Students were prohibited from loitering in the School entrance or passageways and “in the stores or streets nearby” (Point 2). Any student who disregarded the rules of the School was to be cautioned the first time, formally reprimanded the second time, and expelled from School the third time. Class attendance and punctuality requirements were strict. Students absent from the School for more than six consecutive days without justification were severely punished, and could be expelled: those absent on more than 50 days during the year were excluded from sitting for annual examinations.¹³ The emphasis on School discipline was necessary to cope with the large number of students and the problems posed by the wide disparity in their ages.

Surviving historical records, such as correspondence of teachers with the Board of Trade, give some clues as to the facilities of the School. One such letter written by a teacher, Fróis, asked the Board of Trade to repair tables and benches: the detail of his letter helps us to picture the classroom (Santana 1989). We learn that next to the teacher’s chair there was a panel of stone of eight square hand

spans, where the students practised calculation. As well, the expense registers of the School refer to the acquisition of pens, paper, paint, sand, bookbindings, red cloth and a teacher's chair. On the walls of the classroom there was a collection of maps. The classroom also had "a locker where the students kept their accounting books".¹⁴

Among some of the famous students to attend the School were Alexandre Herculano, a romantic poet (best known for having introduced a genre of historical romance literature to Portugal), Francisco Honorato da Costa, (who sponsored the first crossing of Africa from Angola to Mozambique, 1804-1811); and António Julião da Costa who introduced the steam engine to Portugal and Brazil in 1821 and who was Portugal's consul in Liverpool (1810-1833) (Felismino, 1960, Santana, 1989).

Decúrias and Sabatina exercises

Students were subjected to continuous assessment by means of *Sabatina* exercises and *Decúrias*. After the sixth course (1793), *Sabatina* exercises were conducted each Saturday and at the end of each month. Their objective was to reinforce learning by questioning students on the matters taught during the week. The teacher called six students at random: three as "questioners" and three as "answerers". Such exercises were an opportunity to evaluate students: the punishment for missing a *Sabatina* was more severe than for missing a class during the week.

Decúrias were conducted each afternoon in the first four courses (1759-1771). The teacher assigned several of the better students as *Decuriões* to help the other students (*Decuriados*) revise and practise the subject matter of the lessons given in the morning. The objective was to improve understanding of the subject matter, and to enhance memorisation. Whether *Decúrias* were held beyond the fourth course (1771) is unknown. Santana (1989) draws attention to evidence of their operation in 1790: he refers to a letter from the Board of Trade on 27 October 1790 which determined that *Decúrias* would begin thirty days after the beginning of the eighth course (that is, on 3 November 1790). An Order of the Board of Trade on 8 January 1796 emphasised the obligation to attend lessons and *Decúrias*.

Exams and assessment

The conduct of examinations and the opening of each new course were considered as the most important events in the school's calendar. Each year students sat for exams that had been set by their teachers, in a public session, in the presence of the Board of Trade. There were four exams, each of an hour's duration, and chaired by the Deputy Judge Inspector of the School. Admission to exams was open to students who had a satisfactory attendance record and who were deemed by teachers as likely to pass.

King D. José and his Chief Minister, the Marquis of Pombal, had great respect for the School of Commerce. At various times they attended the exams and the

opening of a course, often with all the Royal Court in attendance. Ratton (1813, p.194) draws attention to this practice:

The appreciation that King D. José had about the School of Commerce was such that many times he went to see the students take the exams with all his Court; for that purpose he built special seating for himself and members of his court; and when the King could not attend, his Minister, The Marquis of Pombal, usually attended.

Smith (1843, p.305) makes a similar observation about the public importance of the School of Commerce:

The fruits of this establishment were fully matured and apparent in 1775, when 200 pupils were publicly examined in the presence of the ministers and other public functionaries, and their proficiency in all branches of arithmetic and commercial matters ... did honour to themselves, to the institution, and its founder.

As well, in his *De Sapientia* (Oration of Knowledge) when opening the fourth course, Sales (1771, p.4) urged students to remember that "... the greatest Minister of State that Europe has [Pombal] ... examines you, knows your instruction, and your development very well and ... will award you the prizes your knowledge deserves".

There is no continuous, reliable information about exam results. As Table 1 shows, the number of students who were approved to sit for exams in the first three courses was approximately half of the admitted students. The School's enrolment books¹⁵ reveal that from 1802 to 1806 there were 312 exam candidates, of whom 285 passed (91.3%) and 27 failed. Understandably, exam pass rates were better in the second year than in the first year. Results were classified broadly as "Pass" or "Fail". Pass grades included "Satisfactory", "Good" and "Very Good", and in some exceptional cases, "Excellent". Satisfactory completion of the exam was certified by a diploma.

School operating procedures

Lessons were held between 8.00am and noon in winter, and between 7.00am and 11.00 am in summer. Teachers reviewed the subject matter of the previous day in the first half of each lesson by questioning students. In the second half, new subject matter was taught. Initially, when the school had one class, instruction was conducted only in the morning. Later, when two classes were established they functioned in the morning and afternoon. In addition to formal classes, students had to attend *Decúrias* each afternoon.

The School commenced in the manor-house of Soares Noronha (today this building houses the National Printing Press). In 1769, it moved to the corner of the *Praça do Comércio* (Square of Commerce) with *Rua Augusta* (Augusta Street) – into the building that also housed the Board of Trade. In July 1821, this building burned down and the School of Commerce moved to the *Bou-Hora* Convent, where

it remained until August 1824. From then until its closure in 1844, the School functioned in a store in the *Terreiro do Paço* Arcade, on the first floor of *Rua da Prata* (Silver Street).¹⁶

Teaching staff

The first lesson was conducted on 1 September 1759, by João Henrique de Sousa (Sales, n.d., p.214). Sousa did not take responsibility for the exams of the first course or for the lessons after 1762, because on 29 December 1761, he was appointed as clerk of the Royal Treasury. This was a senior appointment by Pombal who needed Sousa to implement a system of government accounting using the double entry method (Ratton, 1920). Sousa was replaced as a teacher on 14 January 1762 by Alberto Jacquéri de Sales, who began the second course on 1 July 1763. In 1767, because of the growth in student enrolments at the beginning of the third course, the Board appointed another teacher, Inácio da Silva Matos.¹⁷ Later, at the beginning of the fourth course (1771), additional teachers were appointed to cope with increasing student demand and the need to staff the *Decúrias*.

Several former students of the school, such as Guerner and Foucault, were also appointed teachers of the School. On 1 October 1783, the sixth course opened with Guerner presiding. On 30 July 1787 (two days before the commencement of the seventh course) the Board of Trade informed him that Sales would attend classes “in order to direct the method to use in class, and write the *Postilla* (manuscript book) that again will be made and to observe the compliance with *Decúrias* regulations and the governance of the School” [ANTT, Board of Trade, book 125, sheet 4V]. The government resolution containing this news referred to Sales’ “serious illness” as the reason for the low quality and irregularity of his classes, inviting conjecture that perhaps Sales (aged 64 years) might have been infirm, possibly suffering dementia, or that perhaps he was alcoholic. The Royal decision was communicated to Sales on 17 January 1785. Other teachers of the School were Pereira, Fróis, Silva, Zacarias Franco, Roma, Osório Brito, and Garcia Murinelo.

Subjects and textbooks

The degree of formalisation in the course programme was surprising because in other countries at the time, commercial subject matter was taught in a less formal way (Castro, 1982). One explanation is that such formalisation was symptomatic of the Portuguese Enlightenment, with parallels elsewhere in other nations, such as possibly with Scotland. Mephram (1994, p.269) claims that although Scotland was a relative backward country, the Scottish ascendancy in terms of accounting books in the eighteenth century could be “regarded as a part of the more general flowering of the sciences and arts in eighteenth-century Scotland which has become known as the Scottish Enlightenment”.

The four subjects taught were:

Arithmetic, algebra and geometry

According to the School's Statute 11, this was to be the first subject because it was the basis of commerce. It comprised instruction in the four basic arithmetic operations, fractions, arithmetic and geometric progressions, rules for simple and compound interest, discount calculations, and other rules necessary to function as a competent merchant or bookkeeper.

Exchange, weights and measures

This subject involved a study of weights and measures from different countries, but mainly those used in countries with which Portugal had business relations. Also studied were methods for the exchange of currencies and methods for calculating the dimensions and volumes of solids. Knowledge of these methods was important in facilitating the flow of goods to and from the Portuguese colony in Brazil.

Insurance

This involved study of the insurance policies, procedures and practices in force in Lisbon and other European cities; and study of chartering formalities, the practice of commissions, prizes and commercial matters related with insurance activity.

Bookkeeping method

The School's Statute 15 indicated that this subject was to be the last part of the course. It involved teaching wholesale and retail business recording by the double-entry bookkeeping method. It explained how double-entry bookkeeping was applied by companies, factories, noblemen's houses and other businesses. It also outlined the purpose of various accounting books, such as the memorial, journal and ledger book.¹⁸

The first teacher, João Henriques de Sousa, was the author of a book, *Lições da Aula do Comércio* (Lessons of the School of Commerce),¹⁹ based on lessons he had dictated in class. The first 50 lessons were about arithmetic. Then followed lessons about geometry, and then 88 examples of applications of arithmetic and geometry to commerce. To complete these examples it would have been necessary to have knowledge of different subjects, such as interest, exchange, and weights and measures. Next, are the accounting books and registers, and their applications to the silk and wool industries and other different types of businesses of the time. The manuscript finishes with a section that was claimed to be necessary in all business houses – the book of prices of each good.

Sousa also devised an auxiliary teaching aid: an arithmetical table of exchange rates for 36 currencies against Portuguese currency.²⁰ The second teacher, Sales, a Swiss national, wrote a manuscript titled *Notícia Geral do Comércio* (General Information about Commerce)²¹ that broaches the different mercantile styles followed in Lisbon and other European cities. Sales also wrote a

Dicionário de Comércio (Dictionary of Commerce) that was a translation (from the French) adaptation of a dictionary written by Savary des Bruslons.²²

For “Arithmetic, and Geometry”, a frequently used textbook was the Bezout Treatise;²³ for double-entry bookkeeping, the *Guarda-Livros Moderno* (Modern Book Keeper) (1816) of Manuel Teixeira Cabral de Mendonça was used. The latter book was a transcription of Sales’ “General Information about Commerce”.²⁴ *Tractado de Câmbios* (Exchange Treatise) written by José Pedro Coelho Mayer in 1816 was used in the School from October 1816 until August 1820.

Knowledge of non-Portuguese languages was regarded as an important element of course curricula, at least until 1765. On 18 May 1761, the Marquis of Pombal opened a French School to improve the speaking of French by students of the School of Commerce.²⁵ French lessons took place during the afternoon, in spare time (Santana 1989). After learning the basic elements, French was practised in the subjects taught in the School. But, in 1765, French lessons were discontinued, due to the reduced number of students attending classes.²⁶

The economic context of the school

The School of Commerce was established in a period of profound economic change and administrative reforms. It was instrumental in the growth of the bourgeoisie (Santana 1985, p.21) because it sought to make future businessmen more competent and competitive. Nonetheless, the statutes of the School of Commerce did not state that lessons were exclusively for the bourgeoisie – although Statute 6 determined that, in equal circumstances, preference was to be given to the sons of businessmen. This preference was exercised principally in the first courses, but with time, the sons of bureaucrats assumed a larger part in the enrolments of the School (Cardoso, 1984, p.91).²⁷

Graduates of the School helped facilitate the growth in commercial transactions between Portugal and other foreign market-places. The Marquis of Pombal could not have organised government accounting in the *Real Erário* [Royal Treasury] and could not have founded big trading companies if Portugal did not have a steady stream of graduates from the School of Commerce.²⁸ The school significantly improved the cultural level and technical knowledge of merchants, public employees and society in general (Azevedo, 1961) and became a very important stepping-stone to a career in commerce or the public service. Access to various public posts was restricted to students of the School: in the Board of Trade, the Accountant’s Office, the Department of the Secretary of State, as ship’s clerks and in other jobs. Graduate students of the school were employed both in the public and private sectors of the economy. The Letter of Law of 30 August 1770 required bookkeepers, cashiers, ship’s clerks, army clerks, employees of privileged companies, and administrators in the Public Treasury to be graduates of the School of Commerce.

Unfortunately, archival data do not provide reliable insight to the subsequent professional careers pursued by students who attended the School. As Cardoso (1984) explains, only the enrolment books of the third and fourth courses (about 69 and 61 students, respectively) permit the formation of a picture of the vocational destination of students, which he estimates as follows:

- | | |
|---|-----|
| • Accounting and bookkeeping activities | 52% |
| • Emigration activities (Brazil and India) | 21% |
| • Commerce activities | 19% |
| • Other (military and religious) activities | 8% |

If these numbers are representative, they invite belief that many sons of businessmen and large merchants did not finish the course.

Reasons for demise

The beginning of the nineteenth century was a very volatile period in Portugal. The disruptions caused by the French invasions (1807-1811) and the growing support for liberal ideas (especially after the Liberal Revolution of 1820) weakened the appeal of the School of Commerce and ultimately were factors that led to its closure. The Letter of Law of 7 April 1838 relaxed the requirement that bookkeepers must be registered with the Board of Trade or be graduates of the School of Commerce. Consequently, “the profession was invaded by all kinds of people who had failed in other professions and who were trying to get money working in accounting” (Sociedade Portuguesa de Contabilidade, 1953, p.164).

Another important influence was the reduction in the financial strength of the Board of Trade caused by the opening of Brazilian ports (such as Rio de Janeiro and Bahia) and the secession of Brazil (on 7 September 1822) (Santana 1989). Consequently, the Board’s capacity to meet the operating expenses of the School was compromised. Other important factors were the termination of the Board of Trade in June 1834, and the establishment of an education commissary responsible for the conduct of the School.

In 1835, the *Conselho Superior de Instrução Pública* (Higher Council of Public Education) proposed the creation in Lisbon of an *Instituto de Ciências Físicas e Matemáticas* (Institute of Physical and Mathematical Sciences). The teaching of commerce was to be integrated into the new Institute. But the new Institute failed because of the enormous lobbying at the time of the University of Coimbra. The fate of commerce teaching remained uncertain until, by a Decree of 20 September 1844, the School of Commerce was closed and the teaching of commerce was annexed to the High School of Lisbon as the *Secção Comercial* (Commercial Section).

Between 1759 and 1844, the School of Commerce, (metaphorically) a “child” of the Enlightenment and “fathered” by the Marquis of Pombal, was an important

part of the fabric of the Portuguese society. Ratton (1813, p.191), recognised the importance of the School in asserting that “the Nation took very good advantage by using the students who graduated from the School, not only in all the Departments of the Royal Treasury, not just in the kingdom but also in the colonies, and in the houses of merchants”. Graduates of the School who became Portuguese accountants and merchants were influenced strongly by the mercantilist ideas of the time (Cardoso, 1984).

Conclusion

The School of Commerce revolutionised professional and technical education in Portugal, in commerce and accounting, in the second half of the eighteenth century (Caiado, 2000). Prior to its establishment, teaching focused strictly on religious dogma and on servicing the needs of religious institutions. The Marquis of Pombal changed this by establishing an education system which focused on serving the practical needs of commerce. In doing so, the product of his initiative, the School of Commerce, was a reflection of the Portuguese Enlightenment and part of a quest to build a better world -- through strong support of mercantilism and better education of those engaged in business activity.

The School of Commerce taught subject matter that today is basic fare in most accounting courses²⁹ leading to graduation and professional qualification from Portuguese universities and polytechnic institutes. The School’s establishment was a response to practical necessities of the time and to the needs of a growing bourgeoisie: for example, for bookkeepers who were well-versed in bookkeeping techniques and in all of the weights, measures, exchanges and currencies in use in European markets. Many of the students prepared by the school have made important contributions to economic activity and public service in Portugal: in the Board of Trade, in the Royal Treasury and many other private and public institutions. In 1767, the Board of Trade conducted a review and concluded that “the School of Commerce prepared adequate bookkeepers to work in Royal Treasury, Royal College of Nobles, *Santa Casa da Misericórdia* (Hospital), Royal Hospital of All Saints and the Royal Silk Factory; ... other students are working as bookkeepers in the Board of Trade ...” (ANTT; Board of Trade, book III, folio IIIV).³⁰ And although the School existed autonomously for 85 years, it did not survive the liberal reforms of the first half of the nineteenth century. This was unfortunate, according to Caiado (2000), because of the missed opportunity for the school to prepare technicians who might have assisted with the implementation of the second industrial revolution that occurred in the second half of the nineteenth century.

Our study of the Portuguese School of Commerce continues. We are confident that our further enquiries will unlock important insights to improve understanding of how accounting knowledge was propagated in Europe.

Notes

1. Pursuant with Chapter XVI of the Royal Decree of 30 September 1755 which established the Board of Trade.
2. Mercantilism was an economic doctrine in which, “it was commonly presumed that world wealth ... and world power ... were essentially given quantities, so an absolute increase in either for a country meant also an increase relative to, and at the expense of, the rest of the world” (Allen, 1987, p.448). According to Rodrigues and Craig (2004), “under mercantilism, the State exercised control over national economic life and established trading corporations, often with monopoly rights, to exploit commerce with colonies for the benefit of the mother country. Nation states supported strong navies to ensure the safe passage of large fleets of merchant ships. The role of the merchant was considered pivotal in such an economic system”.
3. John Cleland was to become infamous in the 1750’s as the author of the scandalous book, *Fanny Hill or the Memoirs of a Woman of Pleasure*.
4. The difference between the overseas companies created in the seventeenth century by the British (for example, East India Company, 1600) and the Dutch (Dutch East India Company, 1602); and the ones created by the French, was that whereas the British and Dutch companies were a result of merchants’ initiative with a Royal guarantee, the French companies were markedly a governmental initiative (Coornaert, 1967, p.234).
5. According to Ratton (1813), a merchant: “The big companies appeared after the Earthquake. King José I recognized the need to establish the fundamentals of national commerce and founded the School of Commerce where the national merchants, who just practised commerce in Portugal and its colonies, would learn the basics of elements that they ignored”. Although this link is established we have found no empirical evidence that students of the School of Commerce worked in such companies.
6. In 1761 Pombal also founded the *Colégio Real dos Nobres* (Royal College of Nobles). In 1772 he reformed the Universidade de Coimbra [University of Coimbra] and primary school teaching.
7. Another importer of foreign ideas to Portugal in this period was Jacob de Castro Sarmiento, who, when he resided in England, looked for diverse ways to contribute to the reform of education and scientific enquiry in Portugal. He once sent a microscope to the University of Coimbra to help advance the study of medicine in Portugal [http://www.instituto-camoes.pt/evc/ciencia/e26.html, last accessed 22 April 2004].
8. To explore the influence of the stay of the Marquis of Pombal in Vienna, see Forrester (1990).
9. From 1836 to 1844 there was a second exam period, with fewer exams, each October/November.

10. The Letter of Law of 1770 set the annual first year salary of a bookkeeper at 72 thousand *reis* (plus “house, food and clean clothes”, as was customary at that time). The first salary of João Henriques de Sousa as clerk of the Royal Treasury was 1,800,000 *reis* (Ratton, 1920, p.192).
11. This was because of concerns that a teacher could not adequately teach more than 50 students.
12. After this, the course was reduced from three years to two years.
13. An Order in January 1796 (and still in effect in 1822-1823) required three alphabetic lists of students to be kept: first, students who effectively attended all lessons; second, students who missed a few lessons; and third, students who failed to attend lessons and whose parents should be informed.
14. Letter dated 7 May 1822 from the Board of Trade to the teacher of the second year. See Santana (1989).
15. These were books which recorded the names and personal details of students – and in which students promised to comply with the Statutes of the School, and to attend classes.
16. There are no memorial markers to indicate the one-time operation of the School of Commerce on any of these sites.
17. “This teacher must repeat in the afternoon, the lessons that have been taught by the teacher in the morning” *Arquivo Histórico do Ministério das Obras Públicas* (Historical Archive of the Public Works Ministry) AHMOP – *Ministério do Reino*, book 4, sheet 15 v.
18. University of Coimbra Library, Codex 2965.
19. This book can be accessed at the Secondary School of David Mourão Ferreira, Lisbon.
20. A reference to this arithmetical table was found in a letter dated 6 September 1790 by António Lopes da Silva and transcribed by Rómulo de Carvalho, “*Relações entre Portugal e a Rússia no século XVIII*”, Lisbon, 1979, pp.254-56.
21. General Reserve Collection, National Library of Portugal, Codex 7010, dated from 27 July 1810. A different version, dated 1787, is held in the Library of the *Instituto Superior de Economia e Gestão*, Lisbon.
22. Savary des Bruslons died in 1716 and the *Dictionnaire du Commerce* was published in five volumes, for the first time, in 1723 by his brother M. Philemon Louis Savary. There is a copy in the Portuguese National Library.
23. A Board of Trade directive of 7 June 1783 established that “Arithmetic must be taught by the printed translation of Bezout Treatise ...” [ANTT], Board of Trade, Book 123, folio 153.
24. This affirmation was made in the Preface of Volume I and in an advertisement in the *Gazeta de Lisboa* on 15 October 1823.
25. “Aula de Commercio”, in Sales (n.d., p.215).
26. ANTT, Board of Trade, Book 110, folio 94 V.

27. Cardoso's sources were the ANTT – *Ministério do Reino* and ASLPM – *Arquivo da Escola Secundária de Passos Manuel* (Archive of Passos Manuel Secondary School) – *Livros de matrícula da Aula do Comércio* (Enrolment books of the School of Commerce) (2nd, 3rd, 5th, 11th and 13th). Santana (1985) also cites numbers for some courses (2nd, 3rd, 5th to 10th) but they are categorised in a different way to those provided by Cardoso.
28. The Royal Treasury regularly received students from the school as apprentices in its main departments. Some of them progressed to become clerks in the Royal Treasury, some went to other public posts, and some left for jobs in private industry (Public Audit Office, *Royal Treasury*, book 461, p.46).
29. Currently, the specific subjects required for qualification to be a chartered accountant in Portugal are partitioned into *key subjects* (Financial Accounting, Cost and Management Accounting, Portuguese Taxation Law) and *instrumental subjects* (five of eight defined subjects: Other laws, Auditing, Financial Analysis/Business Finance, Business Organisation and Management, Economics, Computing and Information Systems, Statistics, and Financial Matters/Financial Calculation).
30. Santana (1985) believes that initially graduates were essentially employed in the public sector but as time went by more the students were employed in the private sector.

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