ION IONESCU DE LA BRAD – PROMOTER OF THE USE OF ACCOUNTING IN THE ROMANIAN AGRICULTURE

ION IONESCU DE LA BRAD – PROMOTOR AL UTILIZĂRII CONTABILITĂŢII ÎN AGRICULTURA ROMÂNEASCĂ

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Abstract: *Ion Ionescu dela Brad lived during a period of intensive socio-economic changes in Romania, so that his works are a combination between the creative assimilation of economic and agronomic knowledge available to date and the originality resulting from the realities of those times and places. This paper aims to identify the contribution of this scientist in accounting theory and practice in our country. He was the first Romanian author interested in applying accounting principles to agriculture. In his opinion, the accounting has both the role of reflect the results of economic activity carried out at present and the role of guide the manufacturers in their future activity.*

Key words*: Ion Ionescu de la Brad, agriculture, accounting, great ledger, accounting ledger*

INTRODUCTION

The Romanian agronomist and economist, Ion Ionescu de la Brad is one of the major figures of the nineteenth century. He studied at home, at the Mihaileana Academy, and then followed in France agronomy, natural sciences and economics. He participated actively in the revolution of 1848 as vice-president of Property Commission and, through its interventions, supported the demands of the peasants. After the return (1857) from the exile in Turkey, required for the suppression of the revolution, Ion Ionescu de la Brad was the first director of Statistics of Moldova, then professor of accounting, economics and finance in Iasi. To support the rights of peasants, he founded four newspapers, the best known being *Ţeranul român* (1861-1863). Very familiar with the rural issues, Ion Ionescu de la Brad was consulted by Alexandru Ioan Cuza in drafting the law on the agrarian reform and was appointed inspector general of agriculture for the whole

country (1864-1869). For 22 years he headed the farm-school from Brad, where he practiced an agriculture-model, applying the most advanced methods for that time.

MATERIAL AND METHOD

Ion Ionescu's creation illustrates his profound erudition, a creative appropriation of the knowledge accumulated until then the agronomic and economic sciences. At the same time, it bears a strong stamp of originality, drawing on the sap of the realities of our country. With equal justification claimed by agricultural and economic sciences, the work of Ion Ionescu de la Brad stands out not only through his encyclopedic character, through its scientific level similar to that existing in the world at the time, but also through its rich content of ideas unaltered since then.

This paper aims to identify the contribution of scientist Ion Ionescu de la Brad in accounting theory and practice in our country. To this end we made a qualitative analysis of the most important of his works in the field: *Calendar pentru bunul gospodar (*Iaşi, 1845*), Compte rendu de l'administration des domaines de son Altesse le Grand Vizir Réchid Pacha, depuis le 1-er Mars 1853 jusqu'au 1-er Mai 1854 (*Constantinople, 1854*), Curs special de economie politică, finanţe şi contabilitate (*in *Tribuna română,* Iaşi, 1859*), Un mic tratat de contabilitate (*part of the course *Lecţiuni elementarii de agricultură,* Bucharest, 1970).

RESULTS AND DISCUSSIONS

Since 1845, in his work *Calendar pentru bunul gospodar* printed in Iaşi, Ion Ionescu de la Brad present accounting issues, in the paragraph entitled: *Despre socotele.* Thus, he offers a definition of accounting: "register of calculations showing all changes in money used in households, crafts and merchandise" and notes that it was used both simple entry accounting and double-entry accounting: "are two types of accounting, one called simple, in which is no connection between what is taken and what is given, and one double (*en partie double*) in which any journal entry consists of two parts: debit and credit and is based on the fact that no one receives than what another gives" (Ionescu de la Brad, 1845: 245).

Proving a good knowledge of accounting techniques existing in Europe in that period, de la Brad, accentuate, since 1845, that: "The foundations of accounting are: 1. The journal, which chronologically records all the operations and shows the various transformations that capital is suffering every day. 2. The great ledger is intended to receive all journal entries in an order that allows seeing how anything can be used and what

help bring, so that the sum of all debits therefore must equal the sum of all credits; such is developed so-called "balance sheet in air". At that time, the balance sheet in air meant the trial balance which is compiled based on the systematically record register called great ledger. De la Brad notified the role of the trial balance in understanding the values movements that occur in an economic unit or institution: "With this (balance in the air) we can see at any time what the situation of the capital is" (Ionescu de la Brad, 1845: 245).

During the exile imposed on him, Ion Ionescu developed activities in the organization and management of agricultural production on the lands of Grand Vizier Mustafa Resid Pasha. These were summarized by him in an interesting report with a rich content of ideas on accounting practice and theory. This study, entitled *Dare de seamă*, published in "Journal de Constantinople," no. 521 9. June 1854 under the title: *Compte rendu de l'administration des domaines de son Altesse le Grand Vizir Réchid Pacha, depuis le 1-er Mars 1853 jusqu'au 1-er Mai 1854*, was reprinted in a booklet published in 1866 in Bucharest under the same title, signed J. Ionesco, ancien élève de Roville.

The author reports that for the domains that he managed, he held double-entry accounting and his exposure is based on data taken from the journal and from the great ledger. The first reflects all changes in the elements of wealth, in chronological order, and the second groups the operations so as to reflect their action on the benefit.

Studying this work, we conclude that Ion Ionescu was not only a good knowledge of practical accounting problems, but also a deep thinker in this science (Rusu, 1991: 209). In his opinion, the accounting have both the role of reflect the results of economic activity carried out at present, and the role of guide the manufacturers in their future activity. "With the numbers provided by the accounting statements - he wrote in *Darea de seamă* - can be done many calculations to get lessons about what happened in the year ended, and guidance on what to do in the future to increase the production revenues" (Ionesco, 1866: 9).

In the Romanian specialized bibliography this paper is considered "the first work of economic analysis in which are put in a special way, theoretical and practical accounting problems" (Rusu, 1970: 33).

Always present with writing and act in the social life of the country, he published in the first editions in 1859 of the newspaper *Tribuna Română* the articles about credit and bank. Also, Ion Ionescu offered to take a public course in accounting, economics and finance, for free. Through his exposure, he aimed to provide training to those working in state

administration, in institutions and ministries of Iasi and did not having sufficient knowledge to understand and apply the new reforms introduced by the Convention of 7 / 19 August 1858.

The accounting course schedule developed by Ion Ionescu, in 1859, presents not only a documentary interest for the history of the Romanian economic education, but also reflect its effort to adapt the theory and the practice of this science to the conditions and needs of the Romanian economy in that period. Further, we present the structure of the accounting course designed by de la Brad and systematized in 15 lessons (Slăvescu, 1942: 11):

„Lesson I. The Bookkeeping; overview of accounting.

Lesson II. Inventory, journal, great ledger, cashier, bordereau.

Lesson III. Double entry accounting. How to draw up journal entries.

Lesson IV. The books format.

Lesson V. Writing in the registers.

Lesson VI. Elaboration of the balance sheet in the air.

Lesson VII. Closing the accounts.

Lesson VIII. Elaboration of the balance sheet, assets and liabilities.

Lesson IX. The accounting reports.

Lesson X. The accounting year.

Lesson XI. Method of keeping books according to Regulation, its critics and the proposal for replacement with the rules from France.

Lesson XII. Act of 1831 for keeping books in France.

Lesson XIII. The books of the telegraph, the Post Office, the Public Ministry, the army and the trusteeship.

Lesson XIV. The books of the customs.

Lesson XV. The books of the Court of Accounts."

The accounting lesson - the second lesson exposed by de la Brad in 1859 in the special course on economics, finance and accounting - proves not only their solid knowledge in the field but his beliefs about the great utility of this science in a country's economic life: "Not only rural communities, but the treasury of a country with all its army services of, post offices, customs, should keep a regular and systematic accounting because only through a regular accounting can one realize how public funds are used and only in this way taxpayers can investigate and can entrust on the proper administration of public revenues and expenditures" (Slăvescu, 1942: 15).

In the opinion of Ion Ionescu de la Brad the object of accounting is the totality of the values movements expressed in money. Accounting records not only the movements of values, but allows the economic analysis,

giving to the manufacturer the image of his present economic situation and a development perspective. "Accounting shows to the producer which is his present situation, what he has to give and he should to receive. Replacing hazard and confusion with calculation and order, the accounting provides to the manufacturer truths expressed by numbers, which helps him in all its actions". He also signaled the usefulness of accounting in terms of preventing and detecting damage that would occur in the economic or administrative activities.

De la Brad grouped the accounting books in: principals – "the general journal" and "great ledger" or master - and auxiliary: cash receipts journal, storage register. In his opinion, the journal is a kind of pool of accounting in the sense that he, as a chronological listing of the firm's transactions reflects the movements that occur in the economic activity of the entities). About the great ledger, he noticed that this systematically register shows the movements of the elements of wealth, according to their contents, in accounts.

Referring to the accounts, Ion Ionescu de la Brad says: "... Each account is divided into two parts: the left is the part of what is received, or the inputs, and the right is the part of what is given, or the outputs". So, he considers the account as a method of accounting calculation for the current record. Each account reflects the movements of the corresponding element of wealth, i.e. the movements of each means and process economic and of each resource.

Sensing that, with the development of society, the practice and theory enrich with new achievements, that "science has made great progress", Ion Ionescu de la Brad elaborated in 1861, a new edition of the paper *Calendar pentru bunul cultivator* in which, in the paragraph entitled *Socotelile*, he repeats and develops some accounting issues.

Referring to the knowledge function of the loss and gain account which is made at the end of a particular period of accounting calculation and in which are systematized all the results of an entity, Ion Ionescu record the following: "With the calculation of loss and gain, we close all the accounts that have given gain or loss and in this calculation we have on the one hand the losses and on the other hand the earnings. Here we can see the results of the activities from one year ..."

The concerns of Ion lonescu de la Brad in accounting theory and practice were summarized by him in the course of the agricultural and economic sciences, which he exposed to the Normal-primary School in Bucharest, where he worked as a teacher between 1867-1870. In the course entitled *Lecţiuni elementarii de agricultură* printed in Bucharest in 1870, he

published *Un mic tratat de contabilitate* (Ionescu de la Brad, 1968: 408), comprising three chapters, namely: *I. The general principles of the single entry bookkeeping; II. Special simplified accounting. For small and middle culture; III. The transition from single entry bookkeeping with a single register to double entry bookkeeping.* Ion Ionescu highlighted the role of inventory in knowing the exact situation of the assets and liabilities of an economic and administrative entity. "Before start keeping regular records, the first thing to do is inventory. Make an inventory means draw a statement of what someone possess estimated in money, which total value consist the Asset ("Activ"); such a statement is draw for what due someone, whose total is called Liabilities ("Pasiv"). However, although he used the term "Activ" with the sense of all the means, expressed in money, at the disposal of an administrative or economic entity and the term "Pasiv" with the sense of all the resources expressed in money, he does not consider the need for being equality between the total value of the assets and the total value of the liabilities, as is required by the specific methodology of the accounting science (Rusu, 1991: 223).

Ion Ionescu de la Brad noticed the need for a simplified accounting for the small and medium agricultural culture, especially in the conditions that the number of small and medium households increased considerably after the agrarian reform of 1864. At the same time, taking into account the socio-economic realities existing in our villages at that time and the state of ignorance of the peasantry, he proposed that the simplified form of accounting to be made using a single record - the unique Register of the grower. "In the small agricultural culture, it will take all accounting books place. He is both a cash receipts journal, a register of the materials accounting, and finally, a register of current accounts or ledger". De la Brad show that at the end of the year, the farmer must make simple accounting calculations, using a small number of accounts. He proposed a number of eight accounts in that are reflected the movements of the main elements of wealth specifics to the small agricultural production. The final result of all economic and household operations they carry out the small manufacturer must be reflected in the "account no. 9, the summary of accounts or the account of loss and earnings".

It works like this: "shows the final result of all accounts; the Credit consists of all earnings of the eight previous accounts and amounts to...; the Debit includes all expenses or losses of the eight accounts and amounts to... The difference between the total of the gross benefit and that of the costs and losses is the pure benefit, which amounts to...".

In Chapter III of its small *Tratat de contabilitate*, Ionescu de la Brad aims to present "the principles underlying the double entry accounting". Although he noticed the essence of double entry accounting, he did not understand that through the accounts are made two sets of calculations, one with effect on the dynamics of assets and another with effect on the dynamics of liabilities. However, given the period in which he wrote this paper, we can say that he succeeded in large part, to present the principles of double accounting, at least in terms of the form of realization (Rusu, 1957: 20).

CONCLUSIONS

Studying his work, we conclude that Ion Ionescu de la Brad has managed to identify the main problems of the simplified accounting necessary for the small producers in agriculture. He had a clear vision of double entry accounting as a method of control and monitoring of the movements of values occurring in the economic and administrative entities. Thus, we can say with certainty that he "...is a pioneer of the accounting thought and of the application of accounting in our country's agriculture"(Rusu, 1970: 383). Ion Ionescu de la Brad looked the accounting in terms of its role in nurturing and educating the moral principles of social conduct: honesty and fairness that must underlie relations between people. In the lesson entitled *Accounting*, presented in October 1859, he noted that with honesty "are made more important things than with the cash".

His progressive thinking and the concern for introducing the accounting in agriculture - so the accounting simplified calculation can be used by the small farmers - were driven by his beliefs about the educational role of accounting. In this regard, he underscored the need and usefulness of the introduction of accounting as educational discipline - both in normal schools and in primary schools. His developed and published works and his correspondence with other contemporary scientists illustrates his permanent information in the literature of that time and that he was a consistent promoter of accounting theory and practice.

We noticed that he has consistently combined the theoretical and practical activities in accounting. He understood the undisputed truth that all sciences are developed in close connection with the requirements of practice and is checked by the economic and social practice of people.

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