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DAVID YOUNG'S "THE FARMER'S ACCOUNT-BOOK," 1790

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The full title of David Young's book, "The Farmer's Account-Book of Expenditure and Produce for Each Day, Month, and Year" [Young, 1790] is unlikely to capture the attention of the casual reader. *Historical Accounting Literature*, [1975] describes the work as "a book published for the purpose of having accounts entered in it." This description, although accurate does not do full justice to Young's attempts to develop an effective farm management and accounting system.

The Account-Book

The book contains three sections, an introduction, the *pro forma* accounts, which take up most of the pages, and an appendix. None of the pages are numbered. The appendix contains three disparate sections. In the first, Young offered a brief history of his own farming experience at Woodhead Farm, near Perth, Scotland, which forms the basis of his examples. The second section comprises Young's reasons, with diagrams, for his annoyance that his plan of some twenty years earlier, for the improvement of the town of Perth, had been rejected in favor of an inferior scheme. In the third section, under the heading "The Despicable Reviewer Reviewed," he accused an anonymous reviewer of his earlier book of essays¹ on agriculture [Young, 1785] of a "pedantic pomposity of... and... total ignorance of the subject he pretends to review."

Modesty was not, it seems, among Young's virtues. He claimed to have been encouraged to publish the book by "many of the most intelligent farmers in Britain," who have "gained considerable sums by adopting that system of husbandry which I have recommended, or methods similar to it." He argued that if all farmers were to use his system, "the greatest advantage would accrue to the nation in general."

However, he noted that most farmers were "so much wedded to their own opinions and so much attached to antiquated methods of farming that they will not take the trouble to read, far less put into practice, what is recommended to them." His accounting recommendations fall into two categories: the need to keep regular and detailed accounts, and the need for national statistics for comparative purpose.

Regular and Detailed Account

Young appears to use the term "regular" to mean "routine" although he may also be using the term in the sense employed by North [1714 p. 12], that is, as a synonym for double-entry accounting, or "the Italian Method."² Young's argument was as follows:

"There are a number of capital mistakes that most farmers commit every year, and many are so ignorant and confident of their own judgment that it is very difficult to convince them that they are both injuring themselves and ruining their farms; and although many will own they are wrong, yet through indolence, they never attempt to alter their method. To convince them of their improper conduct, nothing appears more suitable than the keeping of regular accounts of expenditures and produce [revenue] for every article, the continuation of which for some years would prove to a demonstration, which was the best mode of culture, and that the present schemes practiced by the most of farmers are very bad and unprofitable."

Further, Young observed:

"If a farmer was in considerable arrears for rent to the proprietor, or to other creditors, his keeping accurate books, would show to everyone concerned from whence that proceeded. Humanity and self interest would dictate to his creditors and friends, the duty of enabling him to rectify his errors, and to support him upon the express condition, that he adopted a regular system of cropping, and kept regular books. If the farmer did so, in a few years, he would not only be able to pay off all his debts, but the farm would be worth perhaps double the value it would have let for before, and thereby both the proprietor and tenant would be much benefitted."

National Statistics

Young argued in favor of his system not

just for individual farmers, but as a way of systematically collecting national statistics, which would help each farmer to judge his own performance:

"It would be the greatest advantage if every member of Farmers' clubs were to keep such accounts, and compare them with one another...Nothing would so powerfully stimulate...[the farmer's pursuit of profit]... as the certain knowledge from facts of his neighbor having gained three, or even five times more than formerly, by adopting and pursuing another and better system of cultivation."

The Accounts

The first item in the account book was not an "account" in the normal sense of the word. It was a tabular diary or register of daily temperatures, barometric pressure, weather conditions and any "remarkable occurrences," to be kept both "as a mean of adding greatly to the stock of science" and as additional data, which, when related to the financial accounts, would assist the farmer in decision making.

The remaining accounts were also in tabular form and comprised inventory accounts, and a general, analyzed, cash-based receipts and payments accounts, from which a receipts and payments account was derived for each crop. Figures were aggregated and summarized monthly, and annually, and the annual profit or loss and return per acre were calculated. Young recommended an annual physical inventory, saying "no farmer is confined to one particular month, but may take it in any month he finds most convenient."

The inventory account contained details of the:

"Whole stock and utensils upon the farm, with the value thereof, and additional money columns for each month, wherein should be inserted the cost or value of new articles purchased, or made, during the course of the year; and by subtracting the produce of any article sold from the inventory, it can easily be shown how much of that article is in stock any day."

It is clear from his description of a particular inventory account, the granary account, that Young intended the physical quantities to be used for control purposes:

"The advantage of keeping a granary account is obvious to every person. *First*. It is satisfactory to know that quantity of each type of grain growing upon

each different field. *2ndly*. This account shows not only the quantity of all the different grains put into the granary, but likewise the quantity of grains delivered out, and by the adding of each table, will show what quantity remains in the granary of each different grain...It is likewise an advantage to know the quantity of grain developed for feed, to strangers, to servants, and for the maintenance of bestial, each distinctly by themselves. When its account is properly kept, it will show the whole quantity of corn produced in the different fields, and if any embezzlement, will prove it. This will likewise be a check for every month's expenditure and produce, when both should agree together."

Young developed a specimen set of accounts for a farm of one hundred and twenty acres, divided into six fields. Each crop was identified with a particular field, with spaces for notes on manuring and soil conditions. The balance on each crop account was the profit or loss on that crop, with inventories being taken annually at what seem to be transaction values. These values were used for subsequent additions to, or removals from, inventory. As noted earlier, he also proposed that a granary account be maintained to control quantities bought, harvested, sold and used with the farm, as a check against cash received or paid. Each of these accounts was kept on a daily basis, and one double page (folio size) was allowed per month.

Young's Defense of his Accounting System

There is little doubt that Young recognized that his scheme might appear to be too cumbersome containing, as it did, some thirty-nine accounts or "tables." In its defense, he argued first on the basis of his own experience:

"It is now about twenty years since I made out the table of expenditure and produce, for the first eight years upon my farm at Woodhead; and after deliberately viewing this table, I was fully convinced, that if I had followed this plan at first, of keeping my farm accounts, it would have saved me several thousand pounds...I received more instruction, by carefully perusing this table, than from reading many volumes, as I saw things quite in a different light from what I understood before; and I may venture to assert, that every farmer even the most intelligent, by following the example of keeping a minute register of his daily transactions, will likewise be of the same opinion...There are a multiplicity of schemes, wrote by different authors, many of which tend to mislead rather than instruct the farmer. It

is only by practice that any farmer can know which is best; yet nothing is more common, than to hear a great number of farmers highly extolling some authors, but never attempting to practice what they recommend."

Young's second argument was based on private and social cost-benefit grounds:

"The keeping of accounts in the manner proposed, would be attended with very small expense, but the increase in profit and knowledge would be great to individuals and the nation at large."

The third argument advanced by Young was on stewardship and control grounds:

"Any gentleman, though some hundred miles distant from his farm, could judge whether every field was plowed and sown in proper season, by having a copy of the state of the weather and monthly expenditure sent him... As these tables not only exhibit a mode of keeping accounts for the expenditure and produce of any farm in general, but also how the expense and produce of each field or decision in particular may be known, with the general or distinct gains arising therefrom."

Finally, Young used the argument familiar to all teachers of accounting, that accounting is fun:

"Some farmers at first may think the keeping of these tables very difficult but, by a little practice, they will find it very easy, especially when every article is marked down in its proper time, which in place of a labor, will make it an agreeable amusement to see the transaction of each day properly arranged."

Conclusion

Young's "Farmer's Account-Book" has rested in obscurity for almost two centuries. He did not establish a full and elaborate double-entry accounting system as did, for example, North [1714], Drummond [1718], Malcolm [1718], Hayes [1714], Dodson [1750], and Hamilton [1777]. He did not offer the very detailed discourse on farming technique and management of North [1726]. Nor did he carry out Bradley's [1727] comparative profit studies among different farms and among different enterprises in the same farm. However, he did identify the need for decision and control mechanisms which are tailored to the requirements of the farmer rather than made to conform to a standard double-entry bookkeeping format. The importance of the account book lies more in Young's explanation of the need for regular and detailed record

keeping and in his ability to blend practical experience of farming with the managerial accounting needs of farmers, individually, and collectively through his call for the compilation of national statistics.

¹In addition to his 1790 and 1785 books, Young published books in 1788 and 1791, also on agricultural topics.

²See, for example, Hayes [1714] p. 2.

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