

THACHER ON COLUMBUS'S FIRST VOYAGE:

How Much Did It Cost From a Forensic Accountant's Perspective?

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Over one hundred years ago Thacher (1903) put together one of the most detailed cost analysis schedules regarding the cost of Columbus's first voyage, so much so, that his calculations continue to be cited one hundred years later. The purpose of this paper is to evaluate Thacher's numbers for reasonableness as well as to review historical events overlooked by Thacher when he prepared his cost figures. Events that Thacher overlooked were the lifetime annuity awarded to the first person who spotted land in the new world, the bonus given to Columbus upon his return, and the fact that the Santa Maria sank while in the new world and was converted into a fort and a moat for the 39 men who did not return with Columbus back to Spain. This paper will conclude by providing a revised set of cost figures to Thacher's figures for Columbus's first voyage to the new world and evaluate Thacher's overall effectiveness.

Introduction

On August 3, 1492, Christopher Columbus set sail with three ships and some 90 men to search for a trade route to the East Indies. While he never found the East Indies, he instead found San Salvador, Cuba, and the North American continent. Columbus and his first voyage have intrigued scholars for centuries, so much so, that hundreds of years later historians are still dis-

cussing the issue of how much the first voyage cost (Brooks, 1892; Phillips and Phillips, 1992; Pickering, 2000). The actual story of Columbus's first voyage is fascinating from a historical as well as from a forensic accounting perspective.

Columbus's first voyage is surrounded by myths and misinformation and contains overlooked historical events that may affect the accounting for it. For example, one present myth is that Queen Isabella pawned her jewels to cover the cost of the first voyage. Actually, the truth of how the first voyage was financed is far more interesting and brings to light the importance of accounting professionals when it comes to venture financing. Determining the costs of the first voyage presents some intriguing challenges for the forensic accountant. In fact, Thacher (1903) states that the complete original accounting records do not exist and Phillips and Phillips (1992) conclude that it is impossible to reconstruct all of the transactions for this voyage. Davidson (1997) contends that the financing of the first voyage of Columbus is perplexing at best.

In 1903, Thacher put together one of the most detailed cost analysis schedules regarding the cost of first voyage, so much so, that his calculations continue to be cited nearly a hundred years later (Fusion, 1987). Thacher's figures included

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