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Introduction

THE VALUE OF RARE BOOKS

FEDERICO BOTANA
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A MARKET FOR rare or unique objects desired by a relatively small group of individuals, whether buying for themselves or for institutions, can be difficult to predict.¹ Rare, or antiquarian, books fall into this category. Auction estimates for such material have always been unreliable, and reserve prices prevent items from being sold for sums deemed too low. Similarly, books may remain in a dealer's stock for many years before a buyer is found. What appeals to a consumer, and how much they are willing to pay for it, is influenced by many factors and these change over time. When a group of consumers desire the same things, these become fashionable and prices can soar. In the late nineteenth and early twentieth centuries rare books were popular collectors' items. By the end of the nineteenth century auction houses held sales dedicated to books, and booksellers specializing in rare books were established throughout Europe and on the East coast of the United States. Book auctions were regularly discussed in newspapers and high prices made headlines. "Rare books" was (and is) a broad category, encompassing approximately 1,500 years of written and printed works from around the world. Books that sold for large sums might be valued for their textual content, age, decoration, place of origin, or association with a previous owner. Bookselling has therefore been seen as "different from all other forms of retailing," both because of the nature of its merchandise and because of the special trading conditions sometimes applied to it.² For example, throughout the period of this study books older than twenty years were exempt from import duty in the US.³ However, the peculiarities of this market are important because the fates of the rare books that were bought and sold in the late nineteenth and early twentieth centuries have played a significant part in shaping the research collections we use today.

In the late nineteenth century a desire to better understand the market for books prompted the publication and study of prices, both for the trade and as a subject of interest in its own right.⁴ From 1887 auction prices in Britain were published as *Book-Prices Current*, the preface to the second volume declaring:

1 White, "Obscure Objects of Desire?," 59–60.

2 Bailey, *Economics of Bookselling*, 18–19; see also Joy, *Truth About Bookselling*, 1; Roberts, "Book Collecting," 291–92.

3 Carson, *Tariff Act of 1890*, 42.

4 See Wheatley, *Prices of Books*.

It is only from a careful comparison of the prices realized at auction that the value of a given book can be estimated with any degree of certainty. The auction-room is a market in which everything falls at last to its level; and it is there also that popular fancy and the decrees of fashion acquire a degree of solidity which may be looked for in vain elsewhere.⁵

However, an auction only reveals what at least two people were prepared to pay for a book on a particular occasion. Moreover, the early records of *Book-Prices Current* were often incomplete, and auctions were not the only occasions on which books were bought and sold.⁶ Among the challenges facing those conducting research in this area, therefore, have been locating accurate sales figures and understanding the contexts in which these were created.

The work of the Cultivate MSS project has collected financial data from a wide range of sources, including auction records, dealers' catalogues, account books and indices, correspondence, library registers, and newspaper reports, focusing on the late nineteenth and early twentieth centuries.⁷ This was an era of growing demand for rare books, but also one with periods of widespread economic instability, including the First World War (1914–1918) and the impact of the Wall Street Crash in 1929. From the records of book sales it is possible to reconstruct trends in the market for rare books and to analyze the activities of particular buyers and sellers. As Henry Wheatley observed in 1898, the subject is vast (even for a restricted time period), and this book does not attempt to provide a comprehensive overview.⁸ Instead, the aim is to offer an introduction to the economics of the rare book trade, some of the surviving source materials, and the questions that they can be used to address, designed for those working in the humanities, in the hope that it will facilitate further research in this area.

In this study, rare books are defined as books that existed in small numbers, were principally traded second-hand, and for which there was demand.⁹ In a letter of 1888, the London bookseller Bernard Quaritch told his son that he would “try to make you acquainted with the value of old books—and their demand by the public. A book is bad, when not wanted by the public.”¹⁰ Similarly, in 1977, Fiammetta Olschki Witt reported that her grandfather, the dealer Leo S. Olschki (1861–1940), whose business was largely based in Italy, used to say: “as long as it remains on a shelf, a book is worth only the weight of the paper on which is printed.”¹¹ She concluded her article by stating a universal truth: “as with everything else, the value of a book is in our desire to possess it.”¹²

⁵ *BPC* 2 (1889), v.

⁶ McKitterick, “Second-hand and Old Books,” 647.

⁷ For pre-modern manuscripts this data has been included in the Schoenberg Database of Manuscripts <https://sdbm.library.upenn.edu/>.

⁸ Wheatley, *Prices of Books*, 1.

⁹ See also Hyams, *Careers in Bookselling*, 35–37.

¹⁰ Oxford, Bodleian Library MS Eng. Lett. c. 435, fol. 37. Letter dated May 1, 1888.

¹¹ Olschki Witt, “La valutazione,” 100: “Credo che fu mio nonno a dire che un libro, finché se ne stà sullo scaffale vale solo il peso della carta sulla quale è stampato.”

¹² Olschki Witt, “La valutazione,” 106: “il valore determinante, credetemi, sta, come in ogni altra cosa, nel nostro desiderio di possederlo.”

Examining the prices for which books were sold provides one means of measuring how much buyers wanted to possess them.¹³

Within the market for rare books, manuscripts (as unique books with distinctive contents, size, and number of leaves) are often easier to trace, and pre-modern European manuscripts are the focus of most of the case studies presented here. Before the invention of the printing press in the middle of the fifteenth century all European books were handwritten, and manuscript codices (as well as handwritten documents created as rolls or single sheets), with diverse content and decoration, continued to be produced in significant numbers into the sixteenth century. As unique, handwritten objects, manuscripts were obviously rare, but the prices paid for them varied widely and were often lower than those for early printed books.¹⁴ In June 1899 at the sale of part of the enormous library amassed by the British collector Sir Thomas Phillipps some manuscripts sold for just a shilling. In contrast, in 1919 the fourteenth-century Hours of Jeanne de Navarre set a new record for a manuscript at auction when it was bought by Baron Edmond de Rothschild for £11,800, but in December of that year a printed copy of Shakespeare's *Venus and Adonis* and *The Passionate Pilgrim* (1599) sold for £15,100.¹⁵

The earliest printed books, produced before 1500, are known as incunables. These were highly prized in the late nineteenth and early twentieth centuries, appealing to collectors as a discrete category of material that was already well-studied and documented. However, then as now, rare books did not have to be old: the works of the Kelm-scott Press and other private presses, as well as the manuscripts of modern authors, and books with small print runs could all be rare.¹⁶ Although the highest prices paid for particular books, such as early copies of works by Shakespeare and the Gutenberg Bible, have traditionally attracted most attention, this study seeks to understand such prices in the context of the wider trade.

Between 1890 and 1939, London was the principal centre of the international rare book trade. Dealers, and occasionally collectors, congregated at auction houses, of which Sotheby, Wilkinson & Hodge (later Sotheby & Co., known as Sotheby's) dominated the market for books.¹⁷ Other auctions were staged by Messrs. Christie, Manson & Woods (Christie's), Messrs. Puttick & Simpson, and Messrs. Hodgson. In Paris, major auctions took place at the Hôtel Drouot, and in New York at Anderson's Auction Galleries and the American Art Association.¹⁸ Catalogues were produced for these sales, and at least one copy was annotated by a representative of the auction house with the prices achieved

13 See also Throsby and Zednik, "Economic and Cultural Value of Paintings," 84–85.

14 See Wheatley, *Prices of Books*, 49–78; McKitterick, "Second-hand and Old Books," 648.

15 The manuscript is now BnF MS NAL 3145. The Shakespeare is in the Huntington Library. Herrmann, *Sotheby's*, 190, 199–200; for the relative prices of books and manuscripts at auction see also Cleaver, "Charles William Dyson Perrins," 9.

16 On Kelm-scott see McKitterick, "Second-hand and Old Books," 664.

17 Herrmann, *Sotheby's*.

18 For the New York auction houses see Towner, *Elegant Auctioneers*; for Paris see Rouge-Ducos, *Le crieur et le marteau*.

by each lot. A set of catalogues from Sotheby's with details of sale prices and buyers is deposited in the British Library. The prices for some sales were later published by the auction houses. Dealers and collectors would also sometimes annotate their copies of catalogues. This process enabled the creation of *Book-Prices Current*, and from 1903 of the similar project: *Book-Auction Records*, edited by Frank Karlake and later by Henry Stevens, Son & Stiles. Inspired by *Book-Prices Current*, from 1895 Luther S. Livingston compiled some of the results of book auctions in the US, which were published as *American Book-Prices Current*. Prices deemed of particular interest, including those that set new records, were reported in the press. In addition, some dealers leaked details of sales to newspapers to enhance their reputations, even when they had promised their clients confidentiality.¹⁹ However, figures published in newspapers need to be treated with caution as they are not always accurate. Moreover, the publicly declared prices achieved at auction were often subject to immediate revision, as in Europe groups of dealers (known as rings) had arrangements whereby they agreed not to compete for items at auction unless they were acting on commission for a client, thereby suppressing prices.²⁰ They would then stage further private auctions to determine what they believed was the real market value of the items they had acquired for stock, dividing any profit (or loss) among themselves.

If a dealer bought a book on commission for a client, the customer would pay the auction price, plus a pre-arranged fee, typically of 10 per cent. The archive of Bernard Quaritch Ltd. preserves commission books for the period, which list all the items a buyer wanted and the prices they were prepared to pay for them, providing insights into books on which they were outbid and what they estimated they might achieve at auction. The commission records also reveal when Quaritch had multiple bids for the same item from different clients, hinting at the challenge of keeping many customers satisfied.

Books that were not bought on commission entered a dealer's stock and usually soon appeared in the bookseller's catalogue. Here they were given new prices, which can be understood as the maximum price a dealer expected to raise for an item at that time. Some booksellers annotated copies of their catalogues with the names of buyers and sale prices (if these differed from the published price). Surviving examples include catalogues annotated by the London bookseller Charles J. Sawyer (1875–1931) and by one of the leading Munich dealers, Jacques Rosenthal (1854–1937).²¹ Germany had an apprenticeship system for booksellers, and manuals were produced covering all aspects of the business including the valuation of books and creation of catalogues.²² These guides discussed the many intrinsic features of books that could be taken into account when assigning a value to them. One of the most popular was Max Paschke and Philipp Rath's *Lehrbuch des deutschen Buchhandels* (1908), which was translated into French

¹⁹ See Dickinson, "Mr. Huntington and Mr. Smith," 378.

²⁰ Freeman and Freeman, *Anatomy of an Auction*; Herrmann, "The Role of Auction Houses."

²¹ Jacques Rosenthal's annotated catalogues are in Munich, Stadtarchiv; Charles J. Sawyer's archive is held by The Grolier Club, New York.

²² Barbier, "La librairie ancienne"; Jäger and Wittmann, "Antiquariatsbuchhandel," 195–205

in 1912. However, in Britain, there was (and is) no formal training for booksellers, and only in the second half of the twentieth century did the Booksellers Association of Great Britain and Ireland begin to publish similar guidance.²³

Books bought for stock were usually also listed in a stock-book and this too could be annotated with revised valuations as well as information about the sale price and buyer once an item sold. Dealers maintained these records in slightly different ways, but the documentation potentially enabled booksellers to keep track of profits, how quickly an item sold, and who bought it. Books could be purchased in a dealer's shop for cash, but the international and specialist nature of the trade also meant that many items were bought from catalogues, prompting the generation of invoices. Some booksellers maintained sales ledgers organized by client name to keep track of orders and invoices. This had the advantage of creating a record of most (if not all) of an individual's purchases, which could be consulted before offering them further items. It now also allows for analyses of individuals' spending habits.

As an alternative to recording information in books, many dealers used card indices. Typically, when a book was acquired by a dealer, a description was written or a cutting from a catalogue pasted onto a small card, on which its accession number and purchase price were also noted. The latter was often recorded in code.²⁴ These codes usually consisted of a word of ten letters (but could extend to twelve or more) representing the numbers one to ten (or more). The codewords are generally easy to reconstruct through cross-references with other sources. The London dealer J. & J. Leighton's code was the self-referential MARKLEIGHTON, Olschki's was ZUVERSICHT, meaning confidence or trust in future success, while the London dealer James Tregaskis's code appears to have been MAYFLOWERS. Cards could then be updated with additional relevant information, including the name of a buyer and a sale price. Indeed, Tregaskis seems to have maintained a card file of sales, using a cutting from the last catalogue in which a book appeared, annotated with the price for which he had purchased it (in code) and sometimes the buyer's name.²⁵

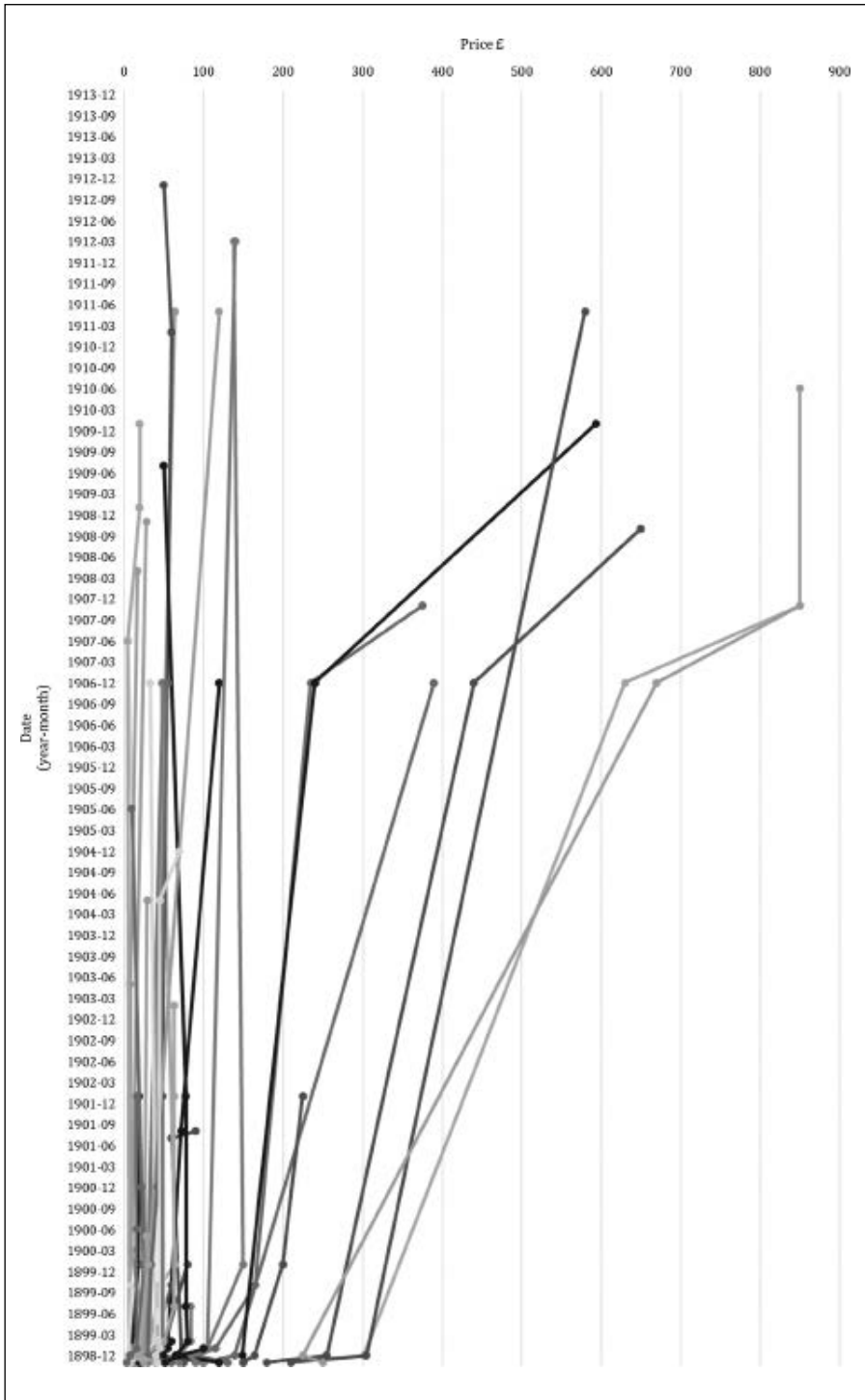
In addition to dealers' records, collectors often and public libraries always documented their purchases. The British collector Henry Yates Thompson recorded the date, source, and purchase price (in code) on a bookplate inserted into the front of his acquisitions. Library records typically document the date of acquisition, name of seller or donor, the author and title of the book, date of creation (occasionally with a very summary description), price paid, accession number, and sometimes the assigned shelf-mark. Some registers include valuations made by curators when a new book arrived and additional notes about the transaction.

Library archives sometimes preserve correspondence about purchases, occasionally with details of negotiations over price. Some dealers' archives also include corre-

23 See Joy, *Truth About Bookselling*; and the series of pamphlets Bartlett, ed., *Better Bookselling*.

24 See Kidd, "The Use of Price-codes."

25 This card index is now in the San Marino, CA, Huntington Library. We are very grateful to Nigel Ramsay, William P. Stoneman, and Stephen Tabor for discussion of this index.



Graph 0.1. Manuscripts from the collection of William Morris, valued in 1896 and on the market 1898–1914 (not adjusted for inflation)

spondence and other documentation, providing insights into sales that did not happen as well as those that did. For example, the papers of the Polish-Lithuanian-born dealer Wilfrid Voynich (who traded principally from London and New York) include records of books sent to clients on approval that were returned unpurchased.²⁶ Voynich's papers also include the valuations assigned to books when presented to US customs and provide clues about the wider costs of the trade, including packing, shipping, travel, entertaining clients and other booksellers, postage, and tips to porters, messenger boys, the elevator girl, and the man who weighed the luggage.

Finally, the books themselves can provide information about the prices for which they have been advertised or sold. In addition to Yates Thompson's unusual bookplates, the pastedowns and flyleaves of books were often used to record prices, typically in pencil and sometimes in code, and occasionally stock numbers. Sometimes twentieth-century owners wrote an account of a book's provenance or sale history onto the flyleaves or on an inserted piece of paper. For example, the British collector, writer, and from 1908 director of the Fitzwilliam Museum in Cambridge, Sydney Cockerell, added a series of notes to a manuscript now in the Bodleian Library.²⁷ On the flyleaf of the book he recorded its purchase in April 1902, and a previous sale in 1890. On the same page he documented the recent sales history of another manuscript from the same monastery, which Cockerell had bought for £62 in 1899 and "foolishly parted with" for £70. All these sources can be used to reconstruct the provenance of individual books, but collectively they also document the market within which they were traded.

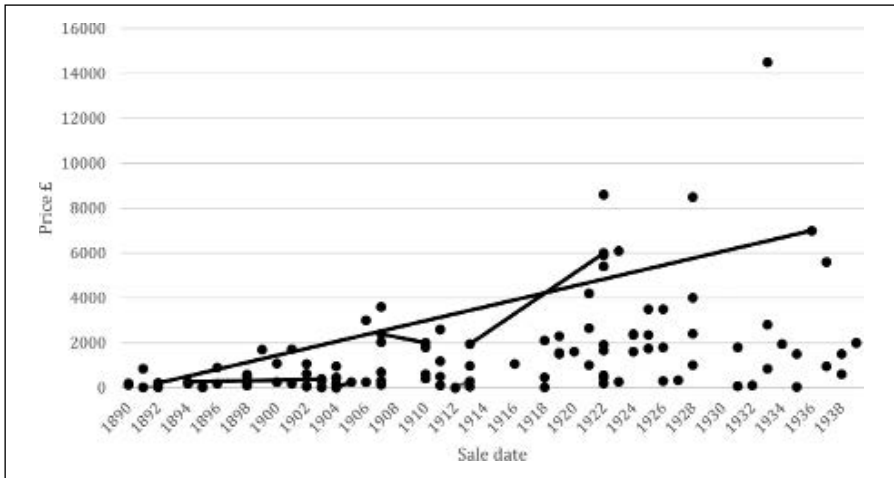
Working with Prices

From the types of sources outlined above it is often possible to reconstruct sets of figures for the business of a dealer, the formation of a collection, or the fluctuating prices associated with a particular book or type of book over time. The key variables in a sale are the book being sold, the buyer, the seller, and the occasion on which the sale took place. The major challenge is that, since no two rare books are identical, we cannot rely on the sale of two books, even of the same edition of a text, sold by the same seller to the same buyer at the same time to achieve the same price. In such a case it seems reasonable to consider the possibility that differences in price might be linked to the intrinsic qualities of the books, however purchases are not always rational.²⁸ Similarly, when an individual (whether buyer or seller) gives different prices to their books we can use those valuations to investigate how that individual assigned value to books, although in such a case we should also consider evidence of change over time. An example of the importance of the chronological sequence of valuations even within the period of an auction is provided by the Quaritch commission books, where clients sometimes specify

26 New York, The Grolier Club, Voynich archive.

27 Oxford, Bodleian Library MS Lat. th. c. 31.

28 Roberts, "Book Collecting," 291; Grampp, *Pricing the Priceless*, 16.



Graph 0.2. Sales of Shakespeare's First Folio (1623), 1890–1939 (not adjusted for inflation). Lines connect sales of the same copy

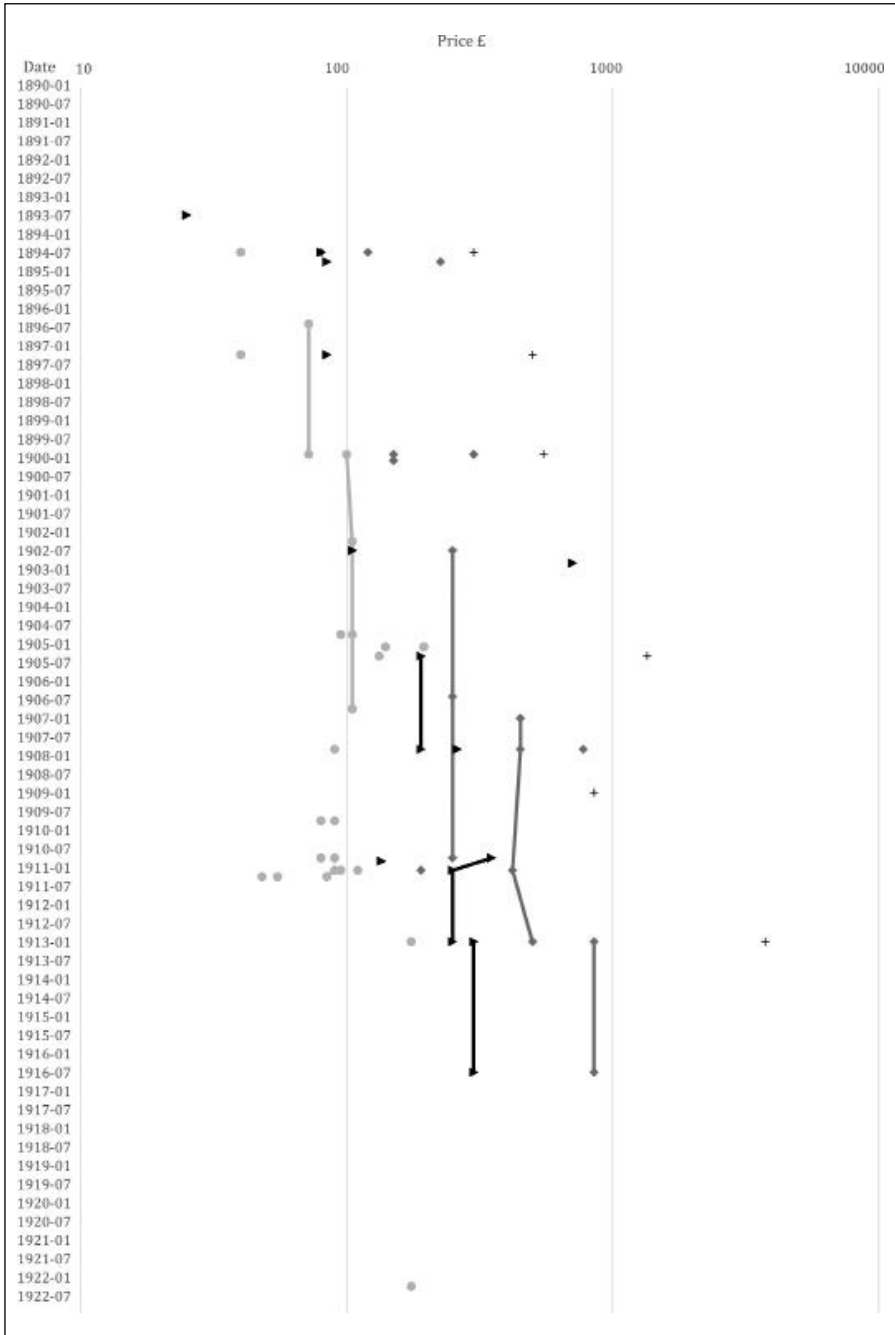
that if an item is “lost” (i.e. sold for more than their maximum commission) the sum designated for a later lot can be increased or another item bid for.

Tracing the fluctuating value of books over time can also provide clues about broader trends in the market, against which we may eventually be able to contextualize individual purchases. For example, Graph 0.1 shows the prices for forty-three pre-modern manuscripts owned by the socialist, poet, and designer William Morris when they appeared in catalogues or at auction, from the valuation of the collection shortly after his death in 1896 until 1914.²⁹ In 1897 Morris's collection was bought by Richard Bennett, who sent part of the library to auction in December 1898. Some of the books quickly found long-term homes, but others were repeatedly returned to the market. The data includes both maximum prices of dealers' catalogues and minimum prices recorded at auctions. It suggests that while the manuscripts at the upper end of the market (valued at £100 or more) dramatically increased in price over the following decades, those valued at lower prices tended to stay below £100. (The decreasing number of entries over time indicates that manuscripts gradually left the market, increasing the rarity of those that remained, or ceased to be identifiable as those from Morris's collection).

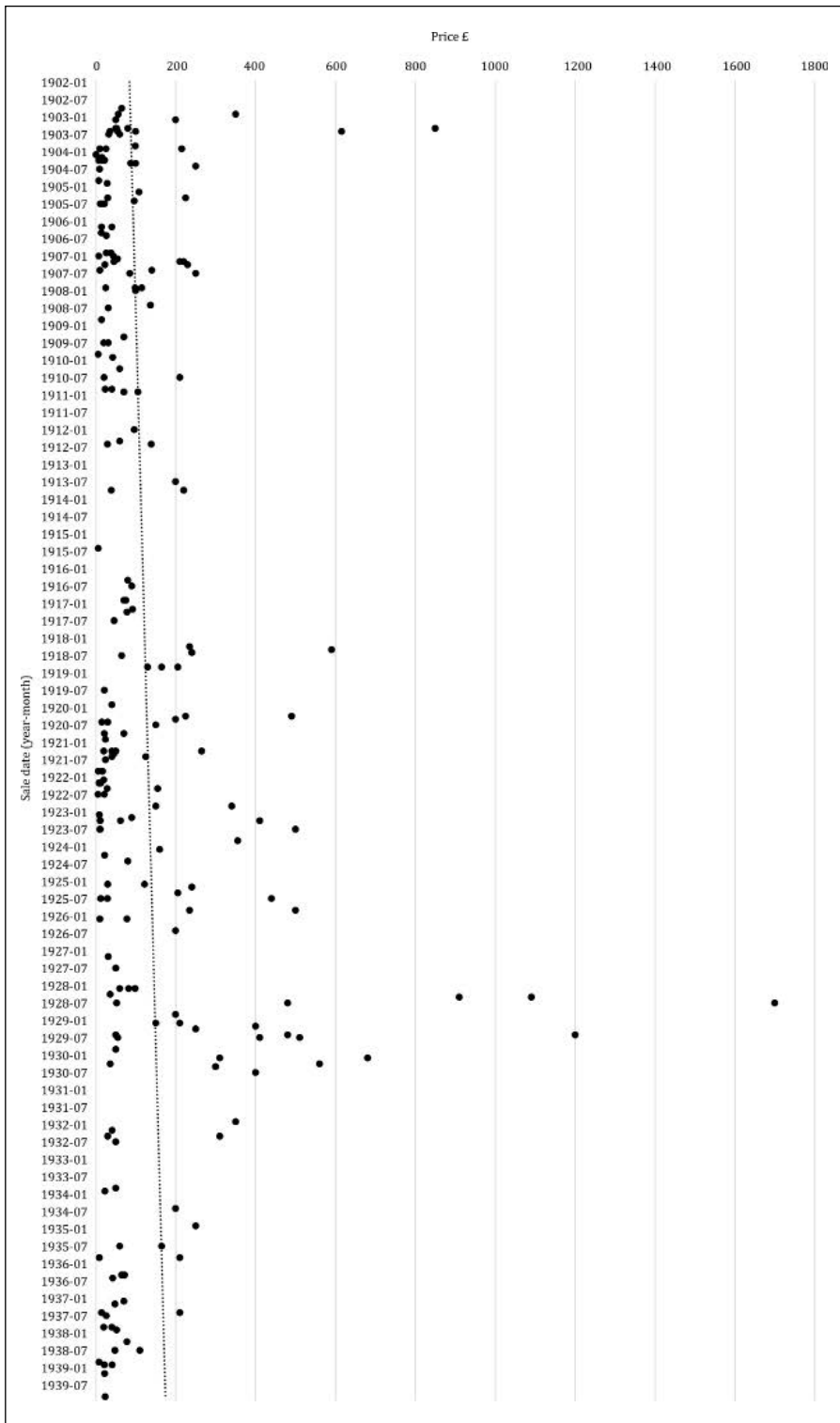
Sales of Shakespeare's First Folio (1623) show a similar pattern of rising prices at the top of the market, but with a large number of copies (considered imperfect or incomplete) selling for relatively low prices throughout the period of this study (Graph 0.2, using figures compiled by Anthony J. West).³⁰ The evidence of Morris's manuscripts and the First Folios serves as a reminder that highly valued material was exceptional in

²⁹ See also Cleaver, “William Morris' Medieval Manuscript Collection.” Sales for which a year but not a month has been recorded have been entered in January.

³⁰ See West, “Sales and Prices ... (Part One);” West, “Sales and Prices ... (Part Two).”



Graph 0.3. Shakespeare Folios in Bernard Quaritch's catalogues, 1890–1922 (not adjusted for inflation). + First Folio; ▲Second Folio; ◆Third Folio; ● Fourth Folio



Graph 0.4. Sales of Shakespeare's Second Folio (1632), 1902–1930 (not adjusted for inflation). Trendline shows average price. (No attempt has been made to connect sales of the same copy)

a market dominated by lower-priced books. The limited reappearance of First Folios on the market reinforces the unusual nature of these books, which once purchased tended to stay in a collection for a long time. Indeed, for many books in this period the high price paid for them may have been achieved, in part, because of an awareness that they were unlikely to return to the market, becoming part of collections where it was intended that they should remain for at least the owner's lifetime.

Analysis of records of sales of the four Shakespeare Folios, published in 1623, 1632, 1663–1664, and 1685, sheds further light on the nature of different types of sources and the movements of different books within the market. Fifty-five individually priced copies of the folios were included in Quaritch's catalogues between 1890 and 1922 (Graph 0.3). Of these, First Folios were the rarest and each copy only appeared in one catalogue, suggesting that these books sold quickly, despite their high prices. Copies of all the other Folios remained in stock for several years. Although some copies of the Second Folio were advertised at high prices, overall the rarer Third Folio was advertised for greater sums. The Fourth Folio was typically offered for lower prices and appeared in the largest number of copies (twenty-six), with at least four copies in Quaritch's stock in 1911. However, the highest prices for all Folios rose over time.

The Second Folio may provide a more typical example of a rare printed English book on the market than the First. Graph 0.4 shows prices recorded for sales of the Second Folio in *Book-Auction Records* (which included some American sales) from 1902 to 1939. This demonstrates that Quaritch's business focused on more expensive books, as most copies at auction were sold for less than £100 until about 1918. The Graph also shows the impact of wider economic conditions, with a break in sales at the start of the First World War in August 1914, followed by high prices before the end of the war lasting into the early 1920s. The highest prices stayed fairly consistent until 1928, though the average continued to rise. A set of very high prices in 1928 appears to have been checked by the economic shock of the Wall Street Crash, but in 1930 further copies appeared on the market selling for well above average prices, before relatively low prices were recorded throughout the later 1930s.

Rising prices for antiquarian books in the period ca. 1890–1939 can be considered against inflation rates that describe changes in the prices of essential goods, although Gerald Reitlinger declared that “the value of a work of genius bears no relation at all to the cost of living,” and the immense wealth most of the buyers paying the highest prices insulated them from financial hardship.³¹ From the late nineteenth century until the First World War inflation in Britain, Europe, and America was low (see Appendix 1). Indeed in the 1890s increased agricultural production led to cheaper food, but as grain prices fell so did the income from landed estates in Britain, encouraging some owners to sell their libraries.³² One of the advantages of an international trade is that local downturns or rises in taxation that may discourage consumers in one region can often be offset by purchases from elsewhere. The start of the First World War in August 1914 cre-

31 Reitlinger, *The Economics of Taste*, 2:1.

32 Purcell, *Country House Library*, 248.

ated an economic shock in the London book-trade as demand decreased and auctions were halted. However even during the first months of the First World War, the London bookseller Bertram Dobell's diary recorded his relief that orders for books continued to arrive from America.³³ Indeed the anticipated drop in rare book prices failed to materialize and before peace was declared the London trade had largely returned to pre-War levels.³⁴ Yet as a result of the War, inflation soared and exchange rates immediately after the War favoured American customers (Appendices 1 and 2). While the London market prospered, in the early 1920s Germany and Austria experienced hyper-inflation, prompting institutions and private collectors to sell items from their libraries.³⁵ The Wall Street Crash in 1929 triggered a deep and lasting depression in Europe as well as the US, with high profile sales in the early 1930s demonstrating that some books were now selling (or failing to sell) for less than the prices they had achieved in the previous decade.³⁶ In December 1930 J. P. Morgan's librarian Belle da Costa Greene wrote to the Quaritch firm to explain that "Mr. Morgan finds it quite impossible at this time to purchase any expensive books for the Library."³⁷ It appears from her letter that this was as much a matter of reputation as finances, as she added "the situation in this country is more than serious, and it is an actual fact that every penny that can be spared must be used to feed and employ destitute people."

To calculate changing valuations over time the authors of this study have used the datasets available at measuringworth.com and historicalstatistics.org (which compares other currencies with historical data for Sweden). While most currencies in the period were decimalized, Britain used pounds, shillings and pence (£ s d), with 12 pence making 1 shilling and 20 shillings in £1.

Profit and Loss

A bookdealer aimed to sell a book for more than they had paid for it. The percentage of the sale price a dealer kept (the gross profit) is calculated as:

$$\text{Gross profit} = ((\text{sale price} - \text{cost price})/\text{sale price}) \times 100$$

However, in the case studies presented here we sometimes only have a purchase price and a catalogue price, from which we can calculate the maximum gross profit (since the final sale price may be less than the catalogue price). In some cases, therefore, it is helpful to calculate the percentage markup price (in which the gross profit (or potential profit) is expressed as a percentage of the purchase rather than the sale price):

$$\text{Markup price} = ((\text{sale price} - \text{cost price})/\text{cost price}) \times 100$$

33 Oxford, Bodleian Library, MS Dobell e 34, fol. 115v.

34 W. M., "Bookworms in War," *The Times*, January 4, 1916, p. 11.

35 Kaska and Egger, eds., *Dass die Codices*.

36 Reitlinger, *The Economics of Taste*, 2:261–62.

37 New York, Morgan Library, ARC 1310 MCC Quaritch XI, letter from Belle da Costa Greene to Frederick S. Ferguson, December 12, 1930.

Whatever the sums raised from sales, there were, of course, other costs to be taken into account when determining the price of merchandise, including rent, salaries, taxes, and running costs for the business.

Books and Economic Theories

Studies of the art market (past and present) provide insights that can be applied to the trade in rare books.³⁸ Like paintings, rare books and manuscripts have little intrinsic value; the gold used for illuminations, even in the most lavish of manuscripts, does usually not exceed a few ounces. Since the eighteenth century, thinkers have attempted to rationalize the value of works of art. David Ricardo (1772–1819), whose economic theories formed the basis of Karl Marx’s (1818–1883) concept of capital, struggled to produce a theoretical explanation of the value of artworks, since, as commodities, they are not reproducible and when traded second-hand they have minimal labour costs. Adam Smith (1723–1790) was the first to explore how the qualities of objects that give us pleasure have a bearing on their economic value; yet those qualities—for example, colour, form, rarity and singularity—do not, according to Smith, affect their real substance.³⁹ The most important breakthrough, however, was brought about by William Stanley Jevons (1835–1882), who formulated the law of marginal utility. For Jevons value was linked to utility; once someone has enough of a commodity to meet their needs, the value of any further (marginal) quantity decreases. In one of his experiments, Jevons replaced utility with pleasurable effect.⁴⁰ The result was that the pleasure produced by a commodity could now be quantified.

In the twentieth century, economists equated the concept of utility with the satisfaction that consumers draw from the goods they acquire, including aesthetic pleasure.⁴¹ Economists measure satisfaction in terms of “utils” (units of utility).⁴² The utility a collector can obtain from a work of art in terms of aesthetic pleasure can be calculated with a numerical formula, as demonstrated by James Heilbrun and Charles Gray.⁴³ For example, a collector buys a painting for \$5,000, which he or she believes would resell in a year for \$6,000. Whilst the painting is in the possession of this collector, he or she will derive aesthetic pleasure worth \$1,000. The return is then calculated as:

$$R = (6,000 - 5,000 + 1,000)/5,000 = 0.40 \text{ or } 40\%$$

By contrast, if this person is buying art just as investment, the gross profit will be:

$$R = (6,000 - 5,000)/5,000 = 0.20 \text{ or } 20\%$$

38 Reitlinger, *The Economics of Taste*, 2:xiii–xiv; De Marchi, “Introduction,” Fletcher and Helmreich, *Rise of the Modern Art Market*.

39 De Marchi, “Reluctant Partners,” 101.

40 De Marchi, “Reluctant Partners,” 106–7.

41 Heilbrun and Gray, *Economics of Art and Culture*, 61; Grampp, *Pricing the Priceless*, 16–17.

42 Heilbrun and Gray, *Economics of Art and Culture*, 61–62.

43 Heilbrun and Gray, *Economics of Art and Culture*, 178–79.

For William Grampp, aesthetic value incorporated “beauty, historical importance and any other attribute other than price,” but he believed that “the value the market puts on works of art is consistent with their aesthetic value.”⁴⁴ If we borrow Grampp’s concept of aesthetic value and apply it to rare books and manuscripts, their value does not just rely on their physical attributes—for example, the quality of the paper or parchment and the binding, the beauty of their illustrations and decoration—but also the texts they contain, their history, and provenance, which may provide enjoyment to their possessors. In a similar vein, David Throsby and Anita Zednik have addressed the potential relationship between cultural value and economic value, concluding that “the two concepts of value (i.e. economic and cultural) are strongly but by no means perfectly related.”⁴⁵ However, their analysis was based on a survey about paintings in a public art gallery, rather than in the context of a marketplace.⁴⁶ In that context, it is notable that they also concluded that “individuals could express some cultural values in terms that went beyond their own personal utility and attributed what they saw as possible value to others.”⁴⁷ While this may have relevance for those buying for public collections, Throsby’s and Zednik’s findings underline the complexity of measuring value: aesthetic pleasure or utility derived from a book will vary from person to person and may change over time in ways that are difficult to generalize (and do not necessarily correlate with the price paid); as William Roberts observed in 1902, book collecting is, often, “a matter of sentiment.”⁴⁸ In the case studies in this volume the authors have chosen to focus on books as traded objects without trying to assign monetary value to the potential enjoyment or cultural value derived from them.

Yet the economic value of books had (and has) social as well as financial significance and these too can be related.⁴⁹ The prices examined in this study were generated by a small and close-knit network of collectors and dealers.⁵⁰ Thorstein Veblen’s *The Theory of the Leisure Class* (first published in 1899) included discussion of the idea that acquisition of non-essential objects could be a sign of wealth and status (“conspicuous consumption”). Veblen related this to class and social etiquette: “Closely related to the requirement that the gentleman must consume freely and of the right kind of goods, there is the requirement that he must know how to consume them in a seemly manner.”⁵¹ Veblen also touched on the idea that the development of a “leisure class” facilitated scholarship through its patronage.⁵² This can be seen both directly and indirectly in the

44 Grampp, *Pricing the Priceless*, 15, 21, 37

45 Throsby and Zednik, “Economic and Cultural Value of Paintings,” 92.

46 See also Grampp, *Pricing the Priceless*, 11, 15.

47 Throsby and Zednik, “Economic and Cultural Value of Paintings,” 96.

48 Roberts, “Book Collecting,” 291.

49 See Appadurai, *Social Life of Things*, 6; Zelizer, *Economic Lives*, 373–75.

50 See also Beckert, “Where do Prices Come From?”

51 Veblen, *Theory of the Leisure Class*, 75.

52 Veblen, *Theory of the Leisure Class*, 382.

context of book collecting, as collectors sponsored publications about their libraries and dealers employed experts to help write their catalogues.

For economists, goods of social distinction are those highly valuable goods whose supply is very limited—in other words, luxury items. Rare books, like any other expensive collectable objects, fall into this category. The French philosopher Jean Baudrillard described consumption as “a system which assures the regulation of signs and the integration of the group: simultaneously a morality system (a system of ideological values) and a system of communication, a structure for exchange.”⁵³ The American economist Gary Becker defined social capital as the recognition, respect, acceptance, and power conferred to individuals by their families, friends, and others.⁵⁴ According to Becker, social capital “incorporates the influence of past actions by peers and others in an individual’s social network;” moreover, “while individuals do not have much direct influence over their social capital, they often have an enormous indirect influence over it, since they try to become part of social networks that benefit rather than hurt them.”⁵⁵ The recurrence of the names of collectors and dealers throughout the case studies presented here speaks to the dense network of the rare book trade, through which information about books and prices was generated and disseminated.

Culture consists of values and traditions handed on from one generation to another through families and other groups.⁵⁶ It forms part of an individual’s social capital and enhances the capacity of this individual to deal with social values and to stick to social norms.⁵⁷ As noted by Becker, people have less control over their culture than over other kinds of social capital; it can only be changed slowly and with difficulty.⁵⁸ The relatively slow pace of changing culture (as opposed to changing fashions) may help to explain how the rare book trade survived the economic shocks of the First World War and the great depression.

The Dutch economist Arjo Klamer adopted an interesting approach to the trade in luxury items: cultural goods are exceptional because of the conversations that make them “cultural goods;” they are “discursive constructs.”⁵⁹ Klamer uses the term “conversation” in the sense of “the action of associating or having dealings with others.”⁶⁰ For example, an unknown work by Shakespeare is discovered: its existence as a work by Shakespeare is defined in conversations between scholars, curators, and students who would now use the book as a research subject. When cultural goods are offered for sale, they are subject to conversations typical of markets, and price becomes a major subject.⁶¹

53 Baudrillard, “Consumer Society,” 49.

54 Becker, *Accounting for Tastes*, 12.

55 Becker, *Accounting for Tastes*, 4, 13

56 Becker, *Accounting for Tastes*, 16.

57 Becker, *Accounting for Tastes*, 16; Klamer, “Lives of Cultural Goods,” 258.

58 Becker, *Accounting for Tastes*, 17.

59 Klamer, “Lives of Cultural Goods,” 250; see also Appadurai, *Social Life of Things*, 45–46.

60 Klamer, “Lives of Cultural Goods,” 251.

61 Klamer, “Lives of Cultural Goods,” 262–64; see also Velthuis, *Talking Prices*.

When they enter the market, cultural goods serve to affirm the values that are held in common by those who participate in the market.⁶² This can be applied to dealers as well as collectors. For example, in 1890 the dealers A. J. Bowden and George D. Smith bought Martha Washington's Bible at a sale in Philadelphia for the relatively modest sum of \$760 because it had been omitted from a catalogue of "Washington relics."⁶³ The dealers informed the trade press that they would offer the book to the British Museum, invoking and addressing the wider cultural community who might be interested in such a book. The following year *Publisher's Weekly* reported that the book had been sold to a Chicago collector for \$5,000.⁶⁴ Such large profits, achieved through a combination of luck and dealers' networks contributed to the mythology of the trade and enhanced a dealer's social standing.

For Klamer satisfaction from cultural goods depends more on their social than economic significance.⁶⁵ Issues of identity, heritage, and culture—in other words, cultural values—contribute to the social value of a cultural good. Therefore, in the case of a book, its significance in the context of scholarly debates, national pride, and so forth would procure utility to its owner. For an expert on Dante, possessing a manuscript of one of his works would procure him utility by enhancing his place in the network of Romance literary scholars. A book such as Martha Washington's Bible, which is strongly linked to the history of a nation, would procure utility to a public collection by raising the importance of the institution amongst the citizens of that nation. A manuscript produced for a noble family would procure utility to an owner with recently acquired wealth by procuring him an indirect association with that family. For a bookdealer, the inclusion of an important manuscript in one of his sale catalogues would procure him utility by enhancing his reputation amongst bookdealers and collectors. Being able to assess such potential value and convert it into a monetary sum was a key skill for a bookseller.

Supply and Demand

The success of the rare book trade in the late nineteenth and early twentieth centuries was, in large part, the result of growing demand for early printed books and manuscripts matched by increased supply. In Britain a series of Settled Land Acts passed by parliament in the 1880s allowed the sale of items that formed part of an entailed estate, with the permission of the Court of Chancery.⁶⁶ A slump in agricultural prices and the costs of maintaining large houses encouraged the owners of country estates to sell off their libraries. Social change also contributed to supply. For example, in Italy the suppression of religious congregations prompted manuscripts that had been in monastic libraries for

⁶² Klamer, "Lives of Cultural Goods," 264.

⁶³ *PW*, 20 December 1890, p. 990.

⁶⁴ *PW*, 27 June 1891, p. 902.

⁶⁵ Klamer, "Lives of Cultural Goods," 259; see also Appadurai, *Social Life of Things*.

⁶⁶ Mandler, *Fall and Rise of the Stately Home*, 123–24; Purcell, *Country House Library*, 250–52; McKitterick, "Second-hand and Old Books," 661.

centuries to be offered for sale. As the fortunes of some owners declined, new fortunes were being made through industry, trade and banking, and the newly wealthy sometimes turned to collecting as a means of consolidating their social status or for pleasure because they had the disposable income. Many of these collections returned to the market on their owner's death.

In addition to European collecting, the rise of American millionaires provided a new outlet for the market. Some of these collectors, most famously Robert Hoe III, sold their libraries, fuelling the trade in the US, while others, such as J. P. Morgan, Henry Folger, and Henry Huntington founded libraries that bear their names. The taste of such men (and occasionally women) supported by unmatched riches contributed to new record prices for the material they wanted and shaped what was available to those with lesser means, including public libraries.

Case Studies

A wealth of price data survives from the rare book trade of the late nineteenth and early twentieth centuries, but the records for individual buyers and sellers are often incomplete and not always easy to compare. To begin to make sense of this evidence, the authors in this volume were asked to examine a particular type of source and the questions it might be used to address. The first three case studies focus on material produced by dealers: catalogues, card indices, and stock-books and ledgers. The final two studies tackle the purchase authorization records (*autorisations d'achat*) of the Bibliothèque nationale de France and the evidence for the acquisitions and sales of the American collector Herschel Vespasian Jones.

The case studies were chosen on the basis of surviving archival materials, in order to examine practices in different countries, but the selected dealers and buyers were all involved in international trade. Jacques Rosenthal of Munich was part of a dynasty of German booksellers.⁶⁷ Rosenthal supplied rare books to wealthy collectors around the world, including J. P. Morgan and Henry Walters in the US, and to prestigious public and national libraries, including the Staatsbibliothek of Berlin, and the Bibliothèque nationale in Paris. Rosenthal was related by marriage to the Prussian-born, but Italian-based dealer Leo Olschki, who in 1899 was proposed as likely to be the greatest bookseller of his generation.⁶⁸ Olschki founded another major dynasty of antiquarian bookdealers and a prestigious publishing house that still operates today. Like Rosenthal, Olschki sold manuscripts and books to the richest collectors and to major institutions worldwide. Both Rosenthal and Olschki visited London and did business with London dealers including Quaritch and Leighton. By coincidence, similar stock-books and ledgers survive from the turn of the century for Leighton's business and for the Parisian firm run by Édouard Rahir, with whom Leighton sometimes traded. While Leighton had a lower

⁶⁷ Angermair et al., *Rosenthals*.

⁶⁸ Thacher, "Successor to Quaritch," 19.

profile as a dealer in rare books than Rosenthal, Olschki, Quaritch, or Rahir, therefore, the firm's records demonstrate the wider networks through which books moved.

The first case study examines the extent to which the intrinsic qualities of manuscripts can be related to the prices given to them in Rosenthal's catalogues. The second study then uses information about purchase prices and catalogue valuations to examine the markup sought by Olschki at two moments in time, when prices were rising in 1910 and at the beginning of the Second World War. The third study uses figures for purchase and sale prices recorded by Leighton and Rahir to explore the extent to which profits correlate with the length of time a book remained in stock and the identity of the buyer. The fourth study shifts the focus to the buyer, analyzing the purchase authorization records in the *Bibliothèque nationale* to ask what these reveal about the forces driving and limiting purchases by a national institution in the first decade of the twentieth century. The final study examines an American collector, Herschel V. Jones, who sold books at various points in his life and seems to have treated the market as an opportunity for speculation as well as deriving pleasure from his books.

Together these studies shed light on the complexities of the market for rare books and manuscripts. They provide insights into the turnover of stock, the criteria used by dealers to advertise books, the importance of a dealer's client list and position within the community of the trade, and how all these factors could have a bearing on price. They also demonstrate the varied motives and interests of those collecting books. While the market was rightly seen by contemporaries as difficult to predict, collecting and combining different datasets sheds light on the activities of the trade and provides a basis for further analysis in future.

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