Introduction

There is a fertile connection between the history of accounting systems and that of European state-formation. John Brewer has already drawn attention to the central role of bookkeeping in the development of the fiscal-military state:

Its key technology was not derived from the arts of war but from the counting-house – slips of paper rather than shot and cannon, slide-rules rather than the blades of swords. Its ethos was that of bookkeeping, penmanship and political arithmetic, its ambiance entirely compatible with commercial society. Yet its unobtrusiveness did not preclude remarkable powers of surveillance: basic measuring skills, aided by calculus, the measuring rod and the slide-rule, together with exacting standards of bookkeeping, enabled the state and its functionaries to observe and record an astonishing amount of activity.1

A growing emphasis on the continuing role of capitalist entrepreneurs in the organization of warfare during the 'long eighteenth century', replacing, or at least bringing important nuances to an older narrative of the triumphant march of the national state, raises new questions on the ways accounting was applied as an instrument for power. How exactly could states use accounting to increase control over their burgeoning numbers of suppliers and subcontractors? How and to what extent did sustained interaction between merchants and state officials influence the methods of accounting that the state itself relied on? To what extent did the evolution of state accounting in the organization of warfare exhibit the ‘rationalizing’ tendencies that Max Weber famously ascribed to the advent of state bureaucracies and to that of capital accounting?

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This chapter will briefly explore such questions on the basis of one concrete example: the accounting practices of the Dutch Admiralty Boards. In particular, it will show how the adoption of standardized and regularly audited bookkeeping helped to infuse Dutch naval administration with a set of managerial approaches derived from its highly commercialized surroundings, and geared towards increasing budgetary efficiency through cost-comparisons, the use of strict inventories for raw materials, stocks and waste, and hierarchical control over the labour process. There were severe limits to the level of rationalization attained in Dutch naval administration – some pertaining to the low level of accounting technique, some institutional. But the conscious way in which accounting was used to promote efficiency was, nevertheless, exceptional for the early modern world. Only for the Venetian arsenal did historians note a similarly early awareness of the usefulness of commercial accounting practices for increasing efficiency in naval management. In Great Britain, naval accounting remained notoriously chaotic throughout the eighteenth-century surge in naval spending. In 1806, the Chancellor of the Exchequer noted £80,000,000 in naval accounts that were still outstanding, as part of state arrears that ‘amounted to the enormous sum of £455,000,000 of public money unaccounted for’. The problems in naval accounting loomed large in the decision for a thorough transformation of state accounting by the adaptation of ‘the mercantile system of double-entry’, commenced in 1828. While complaints about arrears abounded in the Netherlands as well around the same time, these were dwarfed by the arrears suffered by the suppliers of the British state, even if the far smaller proportions of state expenditure are taken into account. A long history of proficiency in accounting mitigated the problems that the Dutch state inherited from its seventeenth- and eighteenth-century predecessors.

Accounting is about much more than the technique of state administration alone. Since the rise of ‘new accounting history’ in the 1980s especially,