Modern Mesopotamian accounting

Douglas Garbutt

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by
Douglas Garbutt
Guildford, Surrey, United Kingdom

All accounting historians know that the Ancient Mesopotamians were the first bookkeepers, but little attention has been paid to more recent history. In 1915-1917, the colorful character of Harry St. John Bridger Philby played a significant part in the importation of British approaches to accounting in the southern part of Mesopotamia, which at that time began to adopt the Arab name for the Country, AlIraq.

Philby is best known as an explorer of Arabia, a friend of Ibn Saud and, perhaps less happily today, the father of Kim Philby, the Soviet spy who headed British Intelligence. In 1915, the elder Philby was a talented member of the Indian Civil Service. He went to Mesopotamia as a political officer and skilled linguist, having a good command of French, German, Hindustani, Urdu and Persian, but on arrival he was assigned by Sir Percy Cox to study the finances of the territory occupied by the British Mesopotamian Expeditionary Force around Basra, and by 1917, up to Baghdad. Although the previous occupiers, the Turks, were criticized for their poor administration, they had retreated in good enough order to take with them all their files, land registers and accounts, all of which were essential records to any governmental tax system.

According to Elizabeth Monroe, Philby's biographer, Philby was delighted with the assignment because he thought this to be his "best line" and he settled down with the immense energy for which he is renowned to devise a system of accounts. He was scornful of the previous efforts which drew heavily on the Indian Civil Service Accounts code, and in fact devised a system which would cover both civilian and military expenditures and which, after the first seventeen months of work had resulted in a gain to the military of more than eighteen lakhs of rupees (about £120,000). It is said that Philby worked day and night to finalize his system in time for its introduction in January 1916, a few months after his arrival, and that when he grew weary from overwork, he practiced his Arabic by reading the New Testament (in Arabic) to his servant.

Philby's system enabled the occupying administration to tax the merchants who were profiting from the occupation. He also used a local bank to act as Treasury for the Administration and saved the constant shipping of bullion to and from India by introducing a system of promissory notes. Later in 1916, after he was appointed Revenue Commissioner at the relatively junior age of 31, he used a plane to fly him on revenue inspections, and to decentralize his administration. Despite, or perhaps because of, his talents, Philby was an overbearing character and by 1917 Cox was glad to be able to get rid of him for a time by sending him on a mission to Ibn Saud. This gave Philby the opportunity to make his first journey from East to West across Arabia which won him great fame. It also started his lifelong support of and attachment to Ibn Saud which dominated his life thereafter, even though Philby was often very critical of the King's lack of interest in financial administration! But that, like Philby's contribution to the discovery of pre-Islamic inscriptions in Arabia, is another story . . . or, in this case, several stories . . .