3. Double entries in the accounts of the financial years 1816-1866

3.1 Shortcomings in the pre-1867 statistics

Before the introduction of the ‘Indische Comptabiliteitswet’ (ICW, Public Accounts Act) in 1867 the statement of accounts was not very clearly explained. Considering the fact that it was only towards the mid-nineteenth century that data concerning the Netherlands Indian financial administration were gradually made public for the first time, then it is explicable that not much attention was paid at the time to a well-set out accounting system. Internal changes were also repeatedly made in the accounting method. Moreover, the competency of the accounting service in the first years after the Restoration in 1816 must have left something to be desired.

For data from before 1846 one is chiefly dependent on archival sources. It is therefore not surprising that there are still considerable differences in those times, but also afterwards, among the several sources on which can be drawn in compiling these financial statistics. Wherever possible those sources which are most recent have been used, in the hope that, after corrections have been made ex officio, a more accurate picture will have been given.

The oldest series are the least reliable. Upto 1826 the accounting administration - still bearing traces of the United East India Company’s bookkeeping - can not have met, as mentioned above, the demanded requirements. Later improvements contributed to a more reliable statement of accounts (Van den Bosch 2; Money 39). For a greater usability of the statistics one has to wait, however, until such time after 1840 when the States General began to obtain more influence on the financial management of the ‘Overzeesche Bezittingen’ (Overseas Possessions), as they were then called. But only since the early 1860’s, when the ICW was in preparation, do the public accounts begin to be put into some semblance of order.

3.2 Constitutional requirements

From the Restoration in 1816 upto 1840 the management of the ‘Overseas Possessions’ was an exclusive prerogative of the King. After the revision of the Constitution in 1840 the King was required to submit an annual statement of Estimates for the financial management of these ‘possessions’ to the States General.

The ‘balance of accounts’, i.e. the balance of the revenue and expenditure of Netherlands India in The Netherlands, and the allocation of this balance, had to be enacted by law. A committee from the Second Chamber examined the documents supplied for this purpose and presented a report hereon to the Chamber (Commissie van Onderzoek van de Indische begroting 17). No account was submitted of the revenue and expenditure in Netherlands India which had been effected according to the Estimates previously presented.

The next Constitutional amendment in 1848 provided for the statutory enactment of the Netherlands Indian Estimates, for the finances in both Netherlands India and The Netherlands, as well as - at the end of each financial year - the accounts, i.e. the statement of the revenue and expenditure actually effected in that year according to the statutory budget. These statements were as a rule submitted after the passing of several years, since the accounting services needed some time to square the final accounts.

The rules for the management of the government finances were laid down by law in 1864 and took effect as of the beginning of the 1867 financial year. Since then the figures of the government finances, properly ordered, were published regularly, after some initial years of teething troubles.

3.3 The first statements on Territorial finances

While upto 1840 the management of Netherlands India remained the exclusive prerogative of the King, ex officio no regular data concerning the management of Netherlands Indian finances were issued. Beginning 1840 the Estimates and the accounts of the revenue and expenditure of the Netherlands Indian government in The Netherlands were made public. The Estimates had only a relative value in that several big items...
Double entries in the accounts of the financial years 1816-1866

were impossible to estimate beforehand with any degree of certainty. This applied especially to the so-called produce accounts, i.e. the revenue and expenditure arising from the cultivation of crops on high authority.

After the introduction, in 1832, of the 'consignatie-stelsel' (consignment system) regulating the consignment of all government products to the 'Netherlandsche Handel-Maatschappij' for sale in The Netherlands, the revenue deriving from this was accounted for in The Netherlands. After deduction of the expenses incurred (shipment, storage, commission and auction expenses) the proceeds of the sales - at auctions in Amsterdam - were paid into the National Exchequer to the account of the Netherlands Indian government. These were the so-called net proceeds of products received from Netherlands India.

This account, kept since 1816, was released after 1839 as the basis for the statutory enactment of the balance of Netherlands Indian finances in The Netherlands, and was popularly referred to as the 're­mise-rekening' (remittance account). On this account were also entered, besides the said net proceeds, other (insignificant) revenue of the Netherlands Indian government in The Netherlands, as well as its expenditure in The Netherlands on, e.g., the purchase of goods, pensions, and the like. In addition, the allowance of the public treasury in Netherlands India to cover the deficits of the Netherlands Indian service and the expenditure of the Netherlands Indian loan service were also entered on the remittance account. The balance of the remittance account was written back in the National Exchequer as 'Batig Saldo' (Surplus Balance), later called 'Bijdragen aan 's Rijks Schatkist' (Contributions to the National Exchequer from the Netherlands Indian finances). After 1875 and up to 1903 this item was entered pro forma in the Netherlands Indian budget yet never effected (CBNI 16 No. 5, Chapter I; see also 2.3).

3.4 First complete accounts 1846-1866

In 1851 the first complete accounts of the Netherlands Indian finances were published, covering the 1848 and 1849 financial years. Later (1861) the accounts from 1846 and 1847 were added to the series which, after 1851, was continued more or less regularly as an Appendix to the 'Koloniaal Verslag' 35 (Colonial Report; see 1.9). After the introduction of the 'Indische Comptabiliteitswet' the accounts were presented to the States General as an Appendix to the Explanatory Memorandum to the Netherlands Indian draft budget.

Upto 1866, however, the old accounting rules remained in force, and up to that time double entries, which with the introduction of the ICW were abolished, must still be taken into account. Nevertheless one does get the impression that, especially after 1862, the accountancy department was gradually working towards the pattern of the new rules which were then in preparation.

3.5 Indications as to accounting rules

Included in the 'Handelingen' (Proceedings) of the Second Chamber, session 1861-1862, Appendix LI, under E No. 7, is a letter dated 30 August 1861 from the General Accountant in the Department of Finance, in which a series of changes in the public accounts from 1817 to 1857 is listed. A reference to this is also to be found in the 'Handelingen' of the 1866-1867 session, Appendix E, note 1, subsection 2. Furthermore, there are still other indications to be found in details of the accounts themselves. In this way the following seriously erroneous method of booking entries was discovered with respect to the figures from 1833 to 1845. During this period a copper guilder (paper money), fixed at 100 duiten (1.7), was in circulation. These copper guilders were added together in the public accounts with silver guilders which were valued at 120 duiten each. Had the copper guilders been converted into silver guilders for accounting purposes (as then should have been), the