

from the initiation of the office, and it did not appear to me to be desirable to alter a plan on which Mr. Woodward founded his system of book-keeping.

158. Before you joined this service had you ever any experience in book-keeping?—Yes; I was a double-entry clerk to a merchant for some short time before I joined the service in this colony.

159. What had you been accustomed to before you joined the public service?—I was farming as a youth; then a soldier for years in the Taranaki war. It was at the conclusion of the Taranaki war that I joined this merchant, and when I had been in this merchant's service about twelve months I was appointed to the Sub-treasury at New Plymouth. There the system of accounts was not double-entry; it was single-entry.

160. Have you ever seen a set of commercial books where the ordinary custom has been departed from, and the transactions reversed?—No.

161. Can you point out where its advantages are, in convenience or anything else?—I cannot.

162. I noticed that the same system obtained in your balance-sheets—that is, credit transactions came before debtor transactions?—Yes.

163. Do you not think that is misleading?—No; I should not call it misleading, but it is contrary to the usual practice of merchants.

164. And I have been unable to discover that it is of any use beyond being misleading, unless you can show me that it is the contrary?—I cannot give you any reason for the innovation; but I found it, and have continued it.

165. Would it not be as well if in future the usual custom was followed, that any expert, or person having a knowledge of books, would be able to see at once what the entries in them mean?—I think it would be desirable to conform to the usual practice.

166. Are you aware that in your ledgers, or in a great many of them now in use, there are four columns—that is, a money-column apart from the three usual money-columns?—Yes.

167. What is the object in having that fourth column—which I notice is ruled in blue lines, not in red lines as the others are? So as to make a distinctive mark, it is in blue. What is that column for?—The only reason that I can assign is, that it is meant to contain items the total of which shall be carried into one of the two next columns. I have no knowledge of how it originated.

168. Do I understand, if that is the use of the blue money-column, that both debit and credit transactions are first put into it?—I take it so.

169. Or is it simply for one?—It would apply to both, I should say.

170. Is not that rather misleading when you have a special set of columns for debit entries, and a special set of columns for credit entries, to form another column?—It would appear so to me; but, if I may suggest, the Accountant will be able to give you a much better explanation. They were initiated before I joined, but it is true I sanctioned the continuance of the system.

171. It appears to me that the four columns in the ledger were not commenced until recently?—I am not aware.

172. I have looked carefully through all of your ledgers and other books, and I have noticed the fourth column in your ledgers, of blue lines, has only come into use during the last few years: perhaps you are not aware of that?—I am not aware.

173. I do not seem to have satisfied you that the general cash-book is an unnecessary book in the office, presuming that the daily cash-books were regularly added up, and the balances ruled off day by day, and through that carried directly into your Cash Account and other accounts in the ledger. I believe the law says that the Controller and Auditor-General shall sign the cash-book. I do not think the law contemplates anything but one cash-book. When I speak of one cash-book, I do not wish to confine you to one actual book: it may be a series. Your business may be sufficiently large that you require more than one book during the day—to divide your cash-books, as your ledgers, alphabetically. You might have sufficient business during the day to require three cash-books, dividing the alphabet into three parts. Supposing you find your business sufficiently large to require more than actually one book, can you not use two or three books in the same series, dividing the alphabet?—Or, which is the same thing, dividing the books according to the branches of the office.

174. That appears to be your system, but are you aware that is far more expensive and likely to entail more labour, inasmuch as you require more cash-books in that form than if you used cash-books in one series and divided the alphabet?—Yes; I think it must be conceded it is more expensive.

175. Therefore, is there any objection under the latter system to putting all your daily entries through one series of cash-books?—That system, no doubt, would work well, but it is much clearer, to my mind, to divide the cash-books into branches, and let two or more branches use the same cash-book.

176. Supposing that you were to keep a set of cash-books and a set of individual ledgers, and I were to come to you and want information about an account, where would you go to look for it?—I should call the Ledger-keeper having charge of the branch.

177. Then I take it, and properly so, that your ledgers should contain the record of the entries?—No doubt.

178. Therefore the cash-book is in a manner a mere journal of the debits and credits of the day going through?—Yes.

179. Why, then, would it not be more convenient to put your entries through the cash-book, dividing them, if necessary, into different portions of the alphabet, carrying your totals, after the cash-book had been ruled off daily, into your general or what you are pleased to call "Check" Ledger?—There is no reason why that should not be done.

180. If that system were adopted, cannot you see the general cash-book is really superfluous?