

230. How many folios does it go through?—Three and a half folios in this ledger.

231. Is that ruled off?—It is not.

232. There are no balances brought down?—No.

233. Should those pencil memoranda be there?—No.

234. In this account you see a red-ink memorandum, "Balance corrected." Above that there is another, "Balance corrected for error in extension." And there is another ruled out of order by re-entry below. Do you know the meaning of those memoranda?—I do not.

235. Then, in this account, folio 126, some of the balances are in the usual form in black ink, and a good number are in red ink. What is the meaning of that?—The usual meaning of a red-ink balance is that it is a debtor balance, and I apprehend there that it has been overdrawn.

236. Then, I understand your custom to be that where a debtor balance occurs at any time in your books it is shown in red ink?—That is so.

237. So that the Ledger-keeper must change his pen and ink whenever the balance changes from debit to credit in order to carry out the last balance?—That must be so.

238. Turn to folio 223. There is an account there which will be familiar to you, as it belongs to Wellington. It is a large account. Look through that, and tell me how you think it has been kept?—Well, the writing is perfection, but my own impression is, there is a want of finish about it.

239. What do you call "finish"? Would you call that a cleanly-kept or even a carefully-kept account?—If I may except the pencil figures and the absence of ruling, I should call it carefully kept.

240. You have not yet gone through all the accounts in this ledger. Go to the account at folio 223. Do you see all these smearings?—The smearings cannot be helped, as our ledgers are overhauled for parliamentary returns, and subjected to usage which private ledgers are not subjected to.

241. Now, looking at the summations, if I were to say that these accounts have been kept in a slovenly manner, do you think it would be correct?—No; I would not term it "slovenly manner." It is an incomplete manner, because the rulings and summations ought to be there.

242. Would you term it a very incomplete account?—No; I should not use the superlative.

243. However, it is incomplete, as it wants the summations, and the balances are not carried out?—Yes.

244. Look at folio 267 and tell me whether you notice in folio 268 the pencil memoranda. Do you think those memoranda ought to be there in pencil?—No.

245. There are some red-ink memoranda at folio 267. Can you tell me whether, when the balance is transferred to the new ledger, these memoranda also are transferred with the balance to the new ledger?—No; I cannot say that. When I said just now that our ledgers were knocked about in a manner which no private merchant would permit, of course I must be understood to mean that the ledgers are knocked about through constant reference to them consequent on questions which require to be answered for the Government or Parliament, and in every manner, which no private merchant is called upon to disclose—that is to say, that these ledgers are necessarily in a worse state than a private merchant's ledgers are.

246. Why should that interfere with the proper and correct mode of keeping them?—That does not, of course.

247. Parliamentary returns have nothing to do with the proper mode of keeping your ledgers?—Nothing at all. I was merely referring to the state of the ledger where it is smeared over.

248. Does not the smearing and pencilling occur in the process and place of keeping the ledger?—Yes.

249. Look at folio 304. That is a large account. There you see again pencil memoranda. Would you say that that account is kept carefully? Will you look at folio 306 of that account, and also look at the red-ink alterations and the transactions as they have been crossed through and through. Would you say that account was even decently kept?—No, I should not.

250. Would you not say that account was very slovenly kept?—I should call that slovenly kept.

251. Would you have tolerated that account to have been kept in that form and state if you had seen it before?—I should not.

252. Now look at folio 300. It is ruled off for your last balance. The balance is marked off as carried to new ledger, 416. Do you observe that the balances are not brought down there?—I do.

253. Do you observe that summations are not made?—I do.

254. So that the balances cannot be checked by the ledger itself?—That is so.

255. Turn to folio 357. Is that a large account?—Yes; a very long account.

256. Are there any summations in that?—No.

257. Would you say that account is approaching to carefulness in the way it is kept?—As regards the summations and ruling-off, no.

258. Do you think it would be received in evidence in a Court of law?—I do.

259. In that incomplete state, without the summations?—Yes.

260. That is not my experience. How would you say this account at folio 360 was kept?—The balance is carried out, and there is a summation in pencil.

261. Do you not observe that the summations in pencil are incorrect?—No, it is correct.

262. Had you seen that account, would you have allowed it to be kept in that way?—No.

263. Here is an important ledger—the Native Reserves and West Coast Settlement Reserves Ledger No. 1—which commenced in January, 1883. Just have a look through that ledger and see how that is kept. Will you tell me where the first balance, or any of the balances commencing in that ledger, are brought from, by looking at that ledger?—It cannot be done at a glance, as it ought to be, but it is absolutely correct in figures.

264. That is a very large account, is it not?—Yes.

265. One of the largest accounts in that ledger?—Yes.