

the receipts and the paid accounts for the payments—are completed as they arrive, and formed into books, to show the details of every transaction. The lodgment-slips and the paid accounts, sorted into classes, supply a ready means both of checking the entries in the cash-book and posting the ledgers, which are afterwards checked by the statements themselves. In methods of book-keeping there is rarely to be found a more complete check.

It was provided in section 16 of the Act of 1891 that “It shall be lawful for any officer or agent of the Public Trustee to pay out of any balances in his hands any claims upon the Public Trust Office which he shall be directed by the Public Trustee to pay,” and by an Order in Council of the 13th January, 1892, all the regulations are made which have up to the present been deemed necessary. Under that provision I have arranged with the Postmaster-General for the payment by Postmasters of the accounts against the Public Trust Office out of the Public Trust Office money which the Post Office may receive.

The old system of accounts—if we can so call a system in which the great economy of proper accounting was impossible—required that every shilling received for the Public Trust Office in any quarter of the colony should be lodged in a bank for remittance to Wellington, and that every amount payable should be remitted back from Wellington. Under this system, so complete in its simplicity, a sum, for instance, of £100 received at Auckland or Dunedin could not be retained there and applied to the authorised payment of that amount, and the receipted voucher returned in settlement of the two transactions. No; it was necessary to go through the form of remittance to Wellington, and remittance back from Wellington, and not only to incur the expense necessary to the maintenance of such a system, but to pay exchange as for a double remittance. The absurdity, or rather the extravagant operation, of the system may be better understood, perhaps, if illustrated by an example of two persons far apart, each receiving a ton of coals for transmission to the other. The rule which regulated the transport of the money would require these two persons to settle their obligations not by a simple acknowledgment, and leaving the coals alone, but to transport the ton of coals in each direction. The carriers of the coals would rejoice, and might be excused, perhaps, if they should encourage the folly. We ought no more to have tolerated the unnecessary carriage of money than we should tolerate the transport of the coals in the foregoing example. In lodging money with the bank for remittance from one of its branches to Wellington, and directing the remittance of the money from Wellington back to the branch, we have been wanting in a clear conception of what we were doing. The bank, which is the carrier of money, really did what we thought it wrong in principle to do ourselves. The bank simply used the lodgments of money to make the payments, satisfied us by book-entries and vouchers, without transporting any money, and made a charge as for a double carriage. Bankers, the carriers of money, must see as clearly as the carriers of the coals the extravagant folly of requiring superfluous remittances of money. But to the carriers of money, as to the carriers of the coals, the acquisition of gain is an object, and they could not be expected to expose the extravagance. The most scrupulous of them might, as business men, be excused for their approval of a system so profitable to their principals.

But, in truth, the faults in the methods of accounting for money have for many years been of the same character. Speaking from my own experience of a quarter of a century ago, a Government official whose cash transactions were of different classes understood it to be his duty to keep the money of each class to itself.

I recollect the case of a cashier then, a man of middle age and some intelligence, keeping the cash belonging to his seven different classes of pecuniary transactions in seven different match-boxes. Such was his care that the cash in one match-box should not, under any circumstances, be applied to the business to which another match-box was allotted, that it never entered his head to infringe that rule. The consequence often was that, with plenty of money in his hands, he could not make his payments. It was on one occasion explained to him that accounts were designed not to occasion all this difficulty, but to save it, and, as example sometimes helps precept, the explanation was followed by the throwing of the cash from all the match-boxes into one heap, this heap being, of course, the balance arising from his business generally. The man was for the moment lost in a sudden despair; but he soon recovered from the shock to understand and appreciate the value of a proper account. I relate this incident because many to whom it is known have regarded it as affording so apt an illustration of the method of those times that they to this day, in speaking of that method, distinguish it as “the Match-box system.”

Postmasters in charge of money-order offices have, as already explained, now become agents for the receipt of money and the payment of accounts of the Public Trust Office, and many acknowledgments have been received from persons resident in country places of the satisfaction which, in this respect, the Post Office affords. By this arrangement, too, the payments of the office are made, and the deposits received in cash, with a result, especially in places far remote from any agency of the bank, as satisfactory to the office as to the persons who have dealings with it. The rule, which taxed the office seriously, of making every payment by means of a bank cheque, and which was without a speculative recommendation, had not the merit of public convenience.

It often occasioned a serious exertion and loss of time to secure the payment of money for which a cheque was issued requiring a counter-signature. It happened sometimes that a person resident in a country place, to whom such a cheque was payable, had to travel far in one direction for the counter-signature, and far in another direction to the bank, or sometimes that the person came to exchange the cheque at the Public Trust Office for—another cheque.

The disbursement account kept by the bank for the office, after the fashion of a similar account kept for the Treasury, has now disappeared. This account, to which all the money required to pay the cheques throughout the colony was transferred before the issue of the cheques, and to which there were obvious objections, alone imposed upon the bank and the Public Trust Office more than twice the work of the arrangement with the Post Office for a more efficient service.