

If he will turn to my report of last year, he will find that I have there remarked that the Public Trust Office officials can now “afford to bestow on *the administration*, which is *the principal business of the office*, much of *the attention which was wanting*, and which has been saved by the *abolition of unwieldy methods of book-keeping*.”

This was the reasoning by which I was led to the further remarks in that report that, “in short, the accounts of the office are now as easy to keep as they are safe, and consequently require in their *relatively subordinate importance* no more than the attention which should be given to them.” . . . “It may, indeed, be confidently pronounced that, though the accounts have required less attention, the business of the office during the last two years has been, in respect both to the work which has been accomplished and the work which is in progress, larger, more arduous, and more important than the business attempted during any such preceding period. But, in estimating the worth of enduring work—work of which the benefit will be lasting—it would be a great error to apply, without regard to indirect and prospective value, the narrow measure of the pecuniary transactions of the period.” And, similarly, it will be obvious to every man who is in a position to judge with impartiality, that the great majority of the officials are required, not for the purpose of *accounting*, but for the work of administration. Of the twenty-seven clerks in the office, no more than four would be employed in the *work of accounting*. Mr. FitzGerald, however, would appear to have concluded that the Public Trust Office staff is employed entirely, as his cumbrous methods of book-keeping would have employed them, in the almost hopeless effort, which they were making under the old Audit arrangements, to find time for anything else than the accounts. The only pecuniary ratio that might be offered with plausibility would be the ratio which the expenditure bears to the income, and to the whole capital value of the estates, &c., in the office. But even this ratio would have to be qualified by a consideration of the work done on account of the past and of the future. The truth of our common experience is often attended, like Fate, by an unfeeling irony, to which may be due the reticence of wise men and their characteristic premeditation; but the conclusion of Mr. FitzGerald—that his return “*is sufficient evidence of how little the statements of the Public Trustee can be relied on*”—displays a precipitation which is too extreme even for the shafts of ridicule, and turns away irony in compassion.

I acknowledge with satisfaction that no cash-book such as Mr. FitzGerald implies a desire to see kept in the Public Trust Office has been brought into use. My intention from the first, as is shown by the correspondence already quoted in this memorandum, was that which I have carried out—to introduce the book to which he objects, and which, in my report of 10th June, 1893, H.—11, I have described as a “book of small dimensions, in which the receipts and payments are balanced daily, and in which all the direct cash transactions, as well as the transfers of journal entries, appear in classified totals.” Wherever this book may differ from “the cash-book, in the sense in which that term is used among professional accountants,” it differs for the better, and for this fact I have the assurance of the accountants of the best ability in the colony. And as to the *loose unnumbered forms* of which he speaks, these are forms of statement similar to those used by Chief Postmasters to support Post Office cash-books—books constructed on the principle from which the Trust Office book is designed. But in my report the whole process is both clearly explained and conclusively shown to be perfect. I state there that “the numbering of forms, whether of receipt or of statement or of account, being understood by all who have carefully studied the subject, and generally acknowledged to be of no service in the prevention of fraud, has, with the duplication of vouchers, been discontinued wherever the discontinuance would not remove a mechanical assistance to the book-keepers.” Mr. FitzGerald should read that report again. I learned a day or two ago from one of our newspapers that General Wolseley, in his work on the great Duke of Marlborough, speaks of the opinion of another distinguished man that one of the qualifications of a good general was the ability to tell what an enemy was doing on the other side of a hill. Mr. FitzGerald could hardly have recollected my report, after concluding his own, without being struck with the possibility that I had divined not only what was taking place over the hill, but what would happen there in a year.

The formal inquiry which Mr. FitzGerald alleges Mr. Ballance, the late Premier, to have made into “the complaint on the part of the Audit” was no more than a meeting in his presence for the purpose of ascertaining whether there was any compromise to which, for the Premier’s peace sake, I could agree. Mr. Heywood, the Secretary to the Treasury, knows and could have informed him that I had expressed myself as determined rather to retire from office than to permit an interference with my arrangement of the accounts. And I had arrived at this determination out of a conviction that Mr. FitzGerald’s control, and the impracticability of his methods, had contributed to bring the office into the disrepute which required my appointment to the Public Trusteeship, and would, if continued, bring my best efforts only to futility. The book now called a cash-book was not opened after that conference. This book was that which I have already described as a part of my design. The only book that I am keeping as the result of the compromise is a book which does not disturb a single one of my original arrangements, and of which the only merits are that the book is not in the way, and is not so unwieldy as are the books usually approved by the Audit.

Mr. Ballance, to whom not a word of my contention with the Audit was ever conveyed by myself, had, weeks before I became aware that Mr. FitzGerald had been endeavouring to unsettle him, pressed me with an anxiety which I could not understand as to my proposed arrangement of the accounts, and also as to the ledgers, which, as might have been expected, were none the more presentable for the invasion by extra clerks during the inquiry by the Royal Commission. To all these inquiries, however, my invariable reply was that everything would be put on a proper footing as soon as possible, and that I trusted him to dismiss the matter, and to leave the entire responsibility to me. I felt then, as I told him, that I would extort approval from the most unwilling, and that I should be prepared to put my work to every test, and to invite every inquiry; and my hopes of that moment have been more than realised, my proposals more than accomplished. Mr. Fitz-