charges are paid with nearly equal punctuality under any system; but in the case of incidental expenditure, and especially in the case of contracts, delays in making payment not only cause great dissatisfaction, but not unfrequently tend to raise the cost of articles supplied to or work done for the Government. The next point of importance is that the money shall be transmitted to the payee with security, passing through as few hands as possible; and the third, but not least, condition should be, that the payment should be brought to charge in the Treasury books with the greatest expedition possible.

The system in force in Queensland of cash credits at the Bank in favour of the officer incurring the expenditure, and in South Australia of cheques or orders on the Treasury drawn by the same officer, is that which, as it appears to me, most fully satisfies the first condition, namely, promptitude of payment, and must, no doubt, be the most popular. Cheques on the Treasury given by a responsible officer of the Government would operate, to a great extent, as a circulating medium, and might pass through many hands before appearing at the Treasury for payment. The objections to the system are—first, that too great power of operating on the Public Account is placed in the hands of subordinate officers: To which it is replied that no further power is vested in an officer under this system, than is given to an ordinary Imprestee to whom money is intrusted for payment; and that an officer is not more likely to use his power of drawing cheques on the Treasury for improper purposes, than he would be to pay away for such purposes moneys which have been placed in his hand as an Imprestee. It may also be urged that the South Australian system has this advantage over the imprest system, that the money does not leave the chest, nor, therefore, cease to bear interest, until after the payment is made to the payee, instead of, as in the case of imprests, some time before. A second objection presents itself, namely, that until the cheques come in for payment the expenditure cannot be brought to charge in the Treasury books; but this difficulty is obviated by requiring the officer drawing cheques to send a daily return to the Treasury of the cheques he issues, together with the receipted vouchers. These would then be immediately entered in the Treasury accounts as payments, and the accounts balanced at any time when required by an entry of outstanding cheques.

A further objection might be raised, applying however, only to New Zealand, namely, that such a system as that under consideration is incompatible with a pre-audit of vouchers and a control over the public expenditure. To send up the vouchers for audit before payment would militate against that which is the peculiar advantage of the whole scheme, namely, its promptitude. It is a fundamental part of the system that the officer drawing the cheque or order is held absolutely responsible for any payment which may be disallowed by the Government or by the Audit. If this were clearly understood, and the vouchers were sent up to audit as soon as they arrived in the Treasury, the delay for a few days in auditing them would not constitute any very important objection. Nor would the officer concerned incur any greater risk of being surcharged with a wrongful payment than he does at present under the system of ordinary imprest. Upon the whole this method of making payments is deserving of favourable consideration, especially as it seems capable of being worked with less trouble, and probably at less expense than any other in use.

The plan of paying fixed salaries and contingencies by an advance to a Paymaster of the exact sum to be paid away has also much to recommend it; and this especially, that it is compatible with a prior audit of the vouchers, and with immediate entry in the accounts of the colony; for it would be quite as correct that accounts should be entered as paid, when the advance to pay them is issued, as that they should be so entered—as they are under the New Zealand system at present—where the individual cheques to each payee are issued.

I cannot but think it well worthy of consideration whether a modification of the present system of drawing all cheques in the Treasury, might not be made in one of the two directions here described, with considerable saving of labour in that department.