

line, whose terminus is at Newcastle. All the collections on the western and southern systems are sent up in bags, by the first train every morning, to Sydney. The guard of the train gives each Stationmaster a receipt for the bag, and drops it into an iron box in the guard's van, from which it can only be taken out by the Cashier at Sydney, who alone has the key. The Cashier has also duplicate keys to all the bags, from which he takes the moneys, and immediately pays them into the Bank to the Commissioner's account. Remittance-notes are prepared by the Stationmaster in triplicate—one he keeps, and the two others he places in the bag, of the latter, one is returned to the station, receipted by the Cashier, the other is filed in the Accountant's Office. The Stationmaster attaches the receipted note to the one he has retained in his office. The Bank gives receipts in duplicate for all lodgments, of which one is filed in the Accountant's office, the other is sent to the Traffic Auditor.

The Accountant is not supposed to have any knowledge as to the cash remitted being the correct amount collected. It is the business of the Traffic Auditor to see that the proper freights have been charged and collected, and that the whole of the money has been paid into the Commissioner's account, as shown by the Bank receipts.

The collections on the northern line are sent up to the head station at Newcastle in the same manner. The Manager pays them into the local Bank, which at once transmits the balances to the Commissioner's account at Sydney.

The railway staff is paid in the same manner as all other Government servants—salaries monthly, wages fortnightly. The vouchers for the former are sent in to the Accountant's office three days before the end of each month, the wages pay-sheets a few days after the end of each fortnight. The vouchers are put into an abstract and sent to the Treasury, which issues the money to the Commissioner. The payments are made by pay-clerks, who travel down the lines for the purpose. Salaries are thus paid by the first of the month, and wages about eight days after the end of each fortnight. The money for payments on the northern line is sent to the Manager by telegraph, and the men are paid within ten days after the money is due. The receipted vouchers are returned to the Accountant, and are finally sent, like all others, to the Auditor-General for audit.

In the Accountant's office the whole of the receipts and payments are charged by a simple and effective system of account by double entry, consisting of cash-book, journal, and ledger. In the cash-book all receipts and payments are entered according to date, the Treasury being treated as the Bank, and the book is balanced monthly. A monthly abstract is made of all the entries in the cash-book, the receipts being carried to their proper headings, and the expenditure grouped under the headings of the votes or other parliamentary authorities, and the totals are carried into the journal, and thence posted to the ledger.

The expenditure upon capital account, whether supplied by loan moneys or by Consolidated Fund votes, is kept under distinct headings, so as to show the cost of each line and section of a line, and the working expenses of each section are shown in the same manner.

The ledger is balanced yearly, the accounts closed, and the balances carried forward. Appended will be found the scheme of the ledger, and a memorandum by Mr. Vernon, the principal book-keeper in the Accountant's office, describing the subsidiary books kept.

The business of the Railway Traffic Audit Office consists in ascertaining that the proper charges have been collected for the traffic on the railways, and in the preparation of the various traffic returns required for statistical purposes, for the management of the lines.

Railway tickets are printed at the Government Printing Office upon the Commissioner's order, given upon requisitions sent in by the Stationmasters. The tickets are sent to the Commissioner's office, where they are counted by a counting