

1304. Well, what length of time is consumed in that extra little period?—You might put that down at two days.

1305. That is, three to four days in the first instance, and say two days in the second. It means really six days, or a working week?—Yes.

1306. Then, for any claim, whether large or small, in the ordinary system as now practised, it takes fully a week before a cheque can be drawn?—Yes.

1307. Now let us come to the time when you draw the cheque. When all previous or overture time has been consumed, and when the time is ripe for drawing the cheque, the cheque is drawn?—Yes.

1308. Then what do you do with the cheque? I want you to place the Commissioners in possession of the system in connection with this Returned-cheque Deposit Account after the cheques are drawn?—Well, a cheque would be drawn, and if it is for a Native who refuses to take his money, we should place it in the Returned-cheque Deposit Account.

1309. And supposing you have to send this cheque away, what process is adopted?—In the case of sending cheques away by post we send them away to the payee, and the voucher for the countersigning officer, who is in most cases the Postmaster nearest to the residence of the payee. The payee takes the cheque to the countersigning officer, receipts the voucher, gets the cheque countersigned, after which he can present it at the bank. In the case of a cheque being unclaimed at the post-office or not delivered by the letter-carrier, it would be returned to the Public Trust Office through the Dead-letter Office. We would then get the voucher back from the Postmaster, pay the money in to the Public Trustee's Account, and credit Returned-cheque Deposit Account to await the claim of the payee. In the case of a person who is known to refuse his money the cheque would be drawn on Wellington and at once repaid to the Public Trustee's Account, credited to the Returned-cheque Deposit Account, and placed to the credit of the payee in the sub. ledger.

1310. Then you would be making two credit entries for one debit?—Yes. Of course, the sub. ledger is only an analysis of the Returned-cheque Deposit Account in the individual ledger.

1311. You would still be making two credit entries into distinct ledgers for one debit?—Yes; but, of course, the sub. ledger is not necessary to form our balance.

1312. Then, from what source do these cheques spring that find their way to the Returned-cheque Deposit Account?—They spring from the accounts in the individual ledger.

1313. But do they not spring sometimes from the Public Trustee's Disbursement Account?—All cheques issued in payment of claims and so on are drawn on the Public Trustee's Disbursement Account.

1314. Then you mean to say that they come from the individual ledgers through the Public Trustee's Disbursement Account?—That is so. The Public Trustee's Disbursement Account is an account started simply for the purpose of disbursing moneys that have to be paid. It is put in credit by cheques drawn for total sums. Instead of drawing innumerable cheques, we draw one cheque for the whole amount for which individual cheques are drawn.

1315. Is the Public Trustee's Disbursement Account used for anything else but payment of claims?—No, nothing else.

1316. Is the Returned-cheque Deposit Account used for anything else but in connection with the payment of claims?—No.

1317. Then there are two distinct accounts that are made the vehicle for the payment of claims—the Public Trustee's Disbursement Account and the Returned-cheque Deposit Account?—Yes.

1318. These are two accounts that have been opened by way of becoming the vehicle for payment of claims?—Well, the Returned-cheque Deposit Account can hardly be described as a vehicle for the payment of claims. It is an account into which the claims for which cheques have been issued and not paid are returned, in order that they may remain until they are claimed.

1319. Would you have opened that Returned-cheque Deposit Account if you had no such things as claims to deal with?—Of course, if we had no payments to make, there would be no necessity for the Returned-cheque Deposit Account.

1320. I think that I am right in my supposition that the necessity of opening that account was in your mind necessary in connection with the payment of claims?—Yes; it was opened with a view of keeping the account in the individual ledger out of which the cheque was drawn free from any complicating money.

1321. It was opened, then, in connection with the payment of claims?—Or, rather, in connection with claims it was desired to pay and for which cheques had been issued.

1322. The same thing. If no claims were made and no claims had to be paid or considered, that account would not have been necessary?—No; it would not have been in existence.

1323. Neither would the Trustee's Disbursement Account have been necessary?—No.

1324. Then these are two accounts that have been opened in connection with your system of payment of claims?—Yes. I may remark that the system of having a disbursement account is the same as exists in the Treasury. Cheques are not drawn on public account, but are drawn on disbursement account. This is following the same practice.

1325. Now, as a practical accountant, what is to hinder these cheques that are drawn against individual accounts on account of claims being forwarded direct without passing through those other two accounts?—Cheques drawn on the Disbursement Account are of course forwarded direct to the payee, but no cheques go through the Returned-cheque Deposit Account unless they have first been returned.

1326. Come, let me put it in this way: Say your office had a claim to recognise, and which you had recognised, on Brown's estate, and consequently a cheque was drawn on Brown's estate, and that cheque had to be paid in satisfaction of the claim you had recognised; why should that cheque go through the Disbursement Account or the Returned-cheque Deposit Account?—It would not go through the Returned-cheque Deposit Account unless the cheque issued was returned to