

But not only are the Estimates of the past year kept alive for the services of the present year, but they are also permanently extended for the services of the former year. By the Audit Act of 1870, payments for the service of any year may be made during the first three months of the following year; and, where a contract has been entered into under the authority of any vote, payments in fulfilment of such contract may be made at any time thereafter. And even this limit has been found too narrow; for, by a clause in the Appropriation Act of last year, it is provided that "no appropriation included in this Act shall lapse until the 31st day of "December, 1881." The appropriations of the year are thus kept in force until the end of the year following; and it is thought that such will be made a permanent rule.

This system has the obvious disadvantage, that outstanding liabilities exist which Government may have to meet, but which are not disclosed in the Estimates submitted to Parliament, and for which, therefore, Parliament is not asked to make any provision by ways and means.

It is the more singular that this course should be adopted in a new country, because it is merely a recurrence to an obsolete system which prevailed in England, until the complexity which it caused in the accounts induced Parliament many years ago to abolish it, and to limit the finance of each year to the receipts and expenditure paid in and paid out during the year.

The whole system is fatal to simplicity of account, and to the effective control of Parliament over the expenditure. For accounts must be kept against each Supply Bill on the scale of the votes of the past year, which must be adjusted to the new votes when the Appropriation Act is passed. And, again, an account must be kept against all the votes of the past year, which are still kept alive for the payment of liabilities incurred under them, and against the votes of any former year, however remote, for payments made under contracts entered into during that year until the votes are exhausted. And, as a matter of fact, the public accounts for 1879 contain accounts of expenditure on account of each of the years 1874, 1875, 1876, 1877, 1878, and 1879.

The old wording of the English Acts is still retained, and moneys are voted "for the service of the year," instead of, as has now been the form for a long time, for such services "as shall come in the course of payment during the year"—a change which was made, not only to effect a simplification of the public accounts, but also to secure a more complete control over the expenditure, by showing on the Estimates of the year the whole of the liabilities for which Parliament would have to provide.

The unforeseen expenditure, for which a certain margin must always, especially in a new country, be allowed, is provided for in New South Wales by an annual vote taken on the Estimates for an advance of £100,000 to the Colonial Treasurer, "to enable the Treasurer to make advances to public officers and on "account of other Governments, and to pay expenses of an unforeseen nature, "which will afterwards be submitted for parliamentary appropriation. The whole "amount to be adjusted not later than the 31st December, 1881." Supplementary Estimates are passed every year, which provide for this unauthorized expenditure of the former year, both that which has been paid out of the Treasurer's Advance Account, and that which has not yet been paid. No indemnity clause is therefore used.

The weakness of this part of the system consists in the fact that, whether Parliament sanctions the use which the Treasurer has made of his advance, or not, no result follows. It is left to his discretion to deal with this vote, and if Parliament subsequently refuses to pass the expenditure, it must remain unauthorized, except so far as the original vote may be deemed to legalize any use the Treasurer may make of the money. But, if that be so, of what use is the sanction subsequently asked for in the Supplementary Estimates?

The New South Wales form of the monthly Supply Bills is far more consistent with parliamentary control than the system prevailing in New Zealand of Imprest