

respect of salary, travelling-allowance, travelling-expenses, sessional allowance, and a couple of small amounts due to him for service in South Africa.

38. Let me see these vouchers?—I produce them.

39. How have you proved these to be all the vouchers for payments to him?—By the registers already described, and by having the entries verified by another Treasury officer.

40. I observe that the largest payment was of an amount of £32 17s. 6d. Were any of these payments made or authorised to be made at Christchurch?—No. All these amounts were paid to him in Wellington.

41. It would follow, then, that no payments out of the Public Account were made to him at Christchurch?—Yes. I am satisfied that no such payment was made to him in Christchurch for any service.

42. In your memorandum to the Right Hon. the Premier of the 3rd August, in which you report that a complete search had been made in the Treasury books, and there is no record of a payment to Captain Seddon of between £70 and £80 for the organization of Defence stores as having been made and passed through the Treasury, or of any other sum for the service mentioned above, have you since taken any steps to confirm that report and to make a search of wider scope?—Yes. I have personally examined the entries in the Treasury Abstract-books, and, in order to confirm the accuracy of the investigation, I had a list made out from the bank ledgers of all Treasury cheques issued and paid at Christchurch of sums between £50 and £90 during the two years ended the 31st March, 1905, and found that none of these cheques were issued for payment to Captain Seddon. I also referred to the alphabetical register kept in the Defence Office, and made out therefrom a list of all claims authorised by that Department for payment to Captain Seddon, compared it with the list compiled from the Treasury books, and found them to agree.

43. Then, you are satisfied that no voucher, passed for payment to Captain Seddon for reorganization of Defence stores, could have been dealt with by the Treasury and escaped your search?—Yes. If any such voucher had been issued it would have been impossible for it to escape discovery, as the entries would be sufficient to identify and disclose the payment.

44. Could there be a payment made out of the Public Account before it is entered in a requisition sent to and approved by the Audit Office?—Certainly not, as no moneys can be withdrawn from the Public Account except by means of the bank order which the Audit Office signs as required by the Public Revenues Act.

MONDAY, 28TH AUGUST, 1905.

ROBERT JOSEPH COLLINS further examined.

1. *The Controller and Auditor-General.*] Through how many hands of Treasury officers does a claim for payment of money out of the Public Account pass in the course which the claim must take through the Treasury?—Under the Treasury routine, vouchers for payment pass through the hands of at least nine different officers, from the time the vouchers reach the Department till they leave it again. There would also be the clerks of the Department who authorised the voucher as well as those of the Audit Office who passed it, so that a voucher would have to pass a scrutiny of at least a dozen different officers before payment is made.

2. But do not the officers deal with the vouchers in such a mechanical manner that they would be unlikely to recollect a voucher or claim for any particular service or sum?—A voucher of the exceptional character of the alleged one could not fail to escape observation or remark, and would in the course of its transit through the Treasury or Audit Office naturally be commented upon by the clerks dealing with it, and the existence of such a voucher could not therefore be easily forgotten by them.

3. Now, the Chief Postmaster himself pays claims against the Government out of the balance of cash in his hands on Post Office Account; and the moneys which he applies to these payments may not be moneys issued out of the Public Account at the time?—If a payment was made by the Chief Postmaster out of post-office moneys, it would be found charged in the Treasury books. The post-office otherwise would not receive credit for the moneys so expended.

BURNET MURRAY LITCHFIELD sworn and examined.

4. *The Controller and Auditor-General.*] What is your name and occupation?—Burnet Murray Litchfield, manager of the Bank of New Zealand at Christchurch.

5. How long have you occupied that position?—I have been in charge since January, 1900.

6. Do you know, or does the bank record, the names of the persons to whom money is payable at Christchurch, by cheques of the Paymaster-General, countersigned by the Chief Postmaster or other Government officers there?—No. I do not know, and the bank does not record the names of the payees.

7. Does the Treasury not advise you of the particulars of each such cheque?—The Paymaster-General furnishes schedules of his cheques drawn on Christchurch, giving the number, countersignature, and amount. On a cheque being countersigned in accordance with the schedule it is payable to bearer, and cashed by the bank to the presenter.

8. There are occasionally payments to be made by Treasury cheques countersigned by the bank. In the case of these, would not the bank record the names of the payee?—Yes.

9. What is the course of the bank's procedure with a voucher for a payment by Treasury cheque to be countersigned by the bank?—The proceeds of the cheque are passed to the credit of the payee in accordance with the Treasury instructions accompanying the voucher.

10. Then, the bank is appointed to countersign only in cases where that is the procedure?—Yes.