

169. Do I understand that Mr. McBeth had twice in one day to ask the name of Mr. Morris?—He had on more than one occasion to ask the name of his Chief Clerk; I do not know whether it was twice in one day.

170. *Mr. Kidd.*] Did I understand you to say yesterday that there was evidence that Mr. McBeth had just signed a cheque for the voucher which passed?—The evidence is this: that the voucher had just been placed in this basket containing the correspondence for distribution, and the fact of it being placed in that basket also proves that Mr. McBeth had dealt with the voucher himself and taken the receipt himself, because the usual procedure with these vouchers is that the clerk in Mr. McBeth's room takes the voucher from the file, has it receipted by the payee, and then hands the cheque to Mr. McBeth for countersignature; and Mr. McBeth very rarely sees the voucher at all, and the voucher would then be placed on the clerk's table to be returned to Wellington.

171. With the cheque attached?—No; that is handed to the payee, who can go away and cash it.

172. The cheque was not attached to the voucher when you saw it?—No; it was taken away by the payee.

173. At the time you saw this voucher, have you any knowledge if Captain Seddon was in Christchurch?—I cannot say that he was. The only thing I remember in reference to that was this, that Larcombe said to me, "He has evidently made a special trip to Christchurch to get it." I pointed out to Larcombe the fact that it was sent to Christchurch for payment.

174. Captain Seddon, son of the Premier, would be noted in his travels, and it is reasonable to suppose some one would see him in Christchurch if he was there?—He was in Christchurch several times during the year, which would correspond with our evidence.

175. But none of you have any knowledge that he was there at that particular time?—No, none of us.

176. Do you say that in examination before Mr. Warburton he would not allow you to put certain things on record—what do you mean?—I did not say he would not allow us to place certain statements on record. There were a whole lot of points which he considered of course were really outside the scope of the inquiry. You must remember that he stated that the inquiry was for his satisfaction, and all he wanted was points to satisfy him. For instance, a very important point from the point of view of members of the House of Representatives was the fact of the dissimilarity between the two vouchers. Of course, that, although I gave it to him, did not go into the evidence at all. I also stated in reference to that, that I was not allowed to place on record exactly the same material as if I had been before a judicial inquiry. As I pointed out yesterday, he was quite an hour talking to me—he was half an hour one day and half an hour the next day, as to whether he ought to allow my statement with reference to his books to go on record, and when I started to make that statement he said, "Those are your opinions; I do not know whether it ought to go down as evidence."

177. When you were in the office searching for the voucher, did you not also have a look for the butt of the cheque?—No, I was not allowed, although I say that is the only system by which we could have found it.

178. *Mr. E. M. Smith.*] Are you aware that since the inquiry Mr. Fisher, acting on your behalf, stated that he believes that Captain Seddon never received any such payment?—I do not know anything about that.

179. You are not aware that he made that statement in the House of Representatives?—If he did I certainly do not agree with him.

180. You still believe that the voucher for £70 was presented and paid?—Yes.

181. Providing I had a sum due from the Government and was residing in New Plymouth, is the cheque issued from the office in New Plymouth, or would that cheque be sent to me?—It would be sent to you by the Treasury Department.

182. And therefore there would be no check on that cheque in the Post-office in Christchurch?—There would be no record of the cheque in the Post-office at Christchurch.

183. Supposing a man presented a cheque to the Postmaster there, if he did not know the person he would give him that cheque when he had had proof who he was paying the cheque to?—He is certainly supposed to.

184. Are you still under the impression that this voucher emanated from the Defence Department, although the officers of the Defence Department have stated at your inquiry that there was no such service performed—no authorisation for that particular work, and Captain Seddon did not carry out such duties and no payment had ever been made, and that if such work has been performed and payment has been made, that then they must be committing perjury?—I do not say anything about that. I say I saw a voucher for a payment, and also that three other men saw it, and we discussed it, and they say it did not exist.

185. You are aware that the officers of the Defence Department have denied that any work was authorised or performed, or any cheque presented by that Department for those services?—That is my reason for asking for a further inquiry.

186. Then, the Treasury Department have also denied that any cheque was ever issued from the Treasury Department, where all those cheques are made out and circulated all over the colony for every payment?—Yes.

187. Then, all those Departments and the Audit Department are all labouring either under a delusion or cognisant of fraud?—No; as far as the Treasury Department goes, I should like to say this: that they stated that such payment did not exist, and yet we four men have sworn that we saw a voucher for that payment. As far as the Audit Office goes, I do not impute dishonesty to them; I say the Audit Office books are defective for such an inquiry. The Auditor-General's impartiality and his strict honesty, I think, was a great obstacle and stumbling-block to our having found this payment.