

claim or payment, that no voucher existed for any such claim or payment, and that the payments to Captain Seddon supported by the vouchers already referred to are the only payments made to him during the period in question. Captain Seddon gave evidence before us, and was cross-examined by both Mr. Fisher and Mr. Willis. He stated emphatically that he had never performed any such service as that alleged, that he had never claimed for any such service, that he had never signed any acquittance to any voucher in Christchurch, nor received any cheque countersigned by any Christchurch official. Mr. Fisher without hesitation admitted that he was satisfied with Captain Seddon's evidence, and that he now fully believed that Captain Seddon had never received any payment for, nor made any claim for, the reorganization of Defence Stores, and also that, if he (Mr. Fisher) had had prior to the 28th July, 1905, the information he had obtained during the course of this inquiry, he would not have made the charge made by him in the House. Mr. Willis also admitted, but not so freely, that no such claim or payment had been made to or by Captain Seddon.

During the early part of the inquiry it was suggested that the voucher alleged to have been seen at the Christchurch Post-office might have been for a payment made out of Imperial moneys, and that, therefore, the searches made could not, however careful, have been exhaustive.

Payments made on behalf of the Imperial War Office during the years 1903-4 were not audited by the Audit Office of this colony, an arrangement having been come to between the New Zealand Government and the Imperial authorities by which this audit was dispensed with. Full particulars of this arrangement, and of the reasons for it, appear in the printed paper, 1902, B.-2, "Imperial War Office Expenditure (Report of Controller and Auditor-General as regards Audit of). Laid on the Table by Mr. Speaker." Payments on behalf of the Imperial War Office were, however, although a New Zealand audit was dispensed with, made by cheques upon the Public Account, and all claims and vouchers were duly recorded. Up to the 1st December, 1903, the claims upon this fund went through the Defence Department, and a record of each claim with its accompanying particulars was entered in the Register of Claims and in the Expenditure-book of that Department. Since the 1st December, 1903, there has been a separate office for such claims, known as the Imperial Pay Branch, in charge of Mr. B. F. Mabin, and every claim received from that date is recorded, with its accompanying particulars, in a register kept by Mr. Mabin. Every claim, both before and since that date, certified and approved is also recorded with particularity in the Register of Abstracts kept by the Treasury Department. Mr. Willis has been allowed the opportunity of inspecting the entries in these books. These registers have been examined, and it has been proved that the only payments made out of Imperial funds to Captain Seddon between the 1st December, 1903, and the date of this inquiry are the sums of £4 5s. on the 27th February, 1905, for an amount due for field allowance in South Africa, and £22 0s. 1d. on the 24th June, 1905, for arrears of Imperial pay while in South Africa. If any other payments had been made they must have been recorded, and the record could not have escaped discovery. The suggestion, which was not strongly insisted on, is moreover irreconcilable with the purely local nature of the service alleged to have been the subject-matter of the alleged voucher.

It was also suggested that the payment alleged to have been made might have been out of an imprest account, and so have escaped discovery.

This is an impossible contention. An imprest account is created where a sum of money is placed by the Treasury to the bank credit of an imprestee by Bank Advice. No cheque is used for the purpose of opening such an account. The amount so placed to his credit at the bank is debited against him in the Treasury books. The imprestee operates on the bank account by his own personal cheque, as on a private account, and this cheque requires no countersignature. His expenditure is accounted for by voucher prepared, certified, approved, and audited in the ordinary way, but he does not receive a cheque for the amount, he having already drawn it from his imprest account, and the amount of such voucher is credited to him in the Treasury books, and any balance remaining of the amount imprested to him is accounted for by him, either by repayment into the Public Account, or by subsequent expenditure, supported by proper vouchers. Every voucher supporting a payment out of imprest money is recorded in the Register of Claims and Expenditure-book of the particular Department, and in the books of the Treasury. Such a voucher is never forwarded to a countersigning officer, inasmuch as no cheque on the Public Account is drawn for the payment. But the voucher alleged in this case was, if it existed, clearly not one supporting an imprest account, the allegation being that it was a voucher forwarded to a countersigning officer for the purpose of obtaining an acquittance by the claimant, and countersigning the cheque. It has also been proved that Captain Seddon never had an imprest account.

We therefore find that it has been established that no voucher was in the years 1903-4 issued in favour of Captain Seddon for payment to him at Christchurch out of the Public Account of a sum of between £70 and £80 (or any other sum), for the reorganization of Defence Stores at Wellington, or for any other service, and that Captain Seddon has never claimed or received any such payment, or signed any such voucher.

Having come to this conclusion upon evidence which has demonstrated the impossibility of the existence of a genuine voucher, such as has been alleged to have been seen by Messrs. Willis, Larcombe, and West, it is not actually necessary to deal with the evidence by which the existence of such a voucher has been endeavoured to be substantiated, but we think it advisable to refer to such evidence. This evidence has been given by Messrs. Willis, Larcombe, West, and London.

Mr. London states that some time in the year 1904, at what particular period he cannot say, but he thinks it was in January, and while he was employed in the Chief Postmaster's room at Christchurch, he saw a voucher, and that the receipt purported to be signed "R. J. S. Seddon." He remembers nothing else. He cannot state the amount of the voucher, nor for what service it was made out, nor any of the details connected with it. He says that in the signature the "R," "J," "S," and "Seddon" were all clear and distinct, and were not run together at all, and that the signature, although possessing some similarity to Captain Seddon's signature when he signs