

tents. The vouchers I then place on a letter-clip in numerical order of the cheques. On the payee presenting the cheque it is taken by me from the payee, and, after I find the relative voucher, I hand the cheque to the Chief Postmaster and the voucher to the payee for the payee's signature. The Chief Postmaster relies upon me to see that the vouchers are properly received by the persons presenting the cheques. The Chief Postmaster very seldom sees the vouchers or is informed by me of the name of the person presenting the cheque. After the voucher is receipted it is taken by me and placed on a letter-clip. The next step is to take it from the letter-clip when it is to be returned to the Treasury, and to enter the number and amount in a Treasury Voucher-book, and to enclose them in an envelope which I address to the Paymaster-General, Treasury, Wellington. Though Mr. McBeth and I sit in the same room where the cheques are presented and countersigned and the claimant receipts the voucher, Mr. McBeth does not know the persons presenting the cheques, unless they are frequent visitors or he asks particularly who the persons are. I am absolutely positive of this being the case. I do not recollect the payment by myself of the voucher I saw made out in favour of R. J. S. Seddon. It may be that I was out of the room at the time of the payment. But the payment would then be made by the countersigning officer. If he made it he would place the voucher after payment in a letter or paper tray which stands in front of him. It would be removed from that tray to my clip by myself, or by one of the clerks in the Chief Clerk's room, and the clerk would place it on my table for me to deal with. I have no recollection of having mentioned the payment to any one in the Post-office, though I may have done so. And the first mention I made of it to Mr. Fisher was on his application to me for the information, when he was in Christchurch, after the report was published in the newspapers of the particulars which he gave of the voucher, which turned out to be the voucher for the payment to Richard Sneddon, as authorised for Messrs. J. and A. Anderson (Limited), Christchurch. This was on Monday evening, 31st July. After the report in the newspapers I discussed the matter with Messrs. Larcombe and Willis. But, with these exceptions, I repeat that I have no recollection of having mentioned the matter to any one. I do not recollect the month of the payment of the voucher I saw. I believe it to have been in the early part of the calendar year 1904. All the particulars I can give of the voucher are that it was for a payment made at the Christchurch Post-office by a Treasury cheque to be countersigned by the Chief Postmaster, or other countersigning officer of the Chief Post-office, and that the amount was for a sum exceeding £70. My impression is that the amount did not exceed £80, and that, though I cannot say positively, it is such an amount as is recorded in the Chief Postmaster's Treasury Voucher-book as No. 93470 for £76 5s. I do not distinctly recollect how the voucher was charged, but believe it was charged against the Defence vote. I am familiar with the distribution of votes, and am satisfied that it was a Defence vote. With regard to the telegram of the 1st August from Mr. McBeth, the Chief Postmaster, to the Hon. the Premier, that there has never been at any time payments to Captain Seddon, and he has never been in my office, I do not think that Mr. McBeth, from what I know of him, is in a position to positively state what is stated in that telegram. I am certain that his memory cannot be relied upon to enable him to say positively what the telegram states as to a transaction so long ago. No; I am in no doubt as to Mr. McBeth's memory. In giving this evidence I wish to say that I have the greatest respect for Mr. McBeth, and, if my evidence is at any time to be given to the public, I would wish it to be given with this explanation if it cannot be withheld. In giving this evidence it is only in reply to questions which I am bound to answer.

WILLIAM JOHN LARCOMBE sworn and examined.

*Witness:* I am a clerk employed in the General Post Office, at Christchurch. At some date in the year 1904 there passed through my hands a voucher made out in favour of R. J. S. Seddon for the reorganization of the Defence stores at Wellington; such voucher was for an amount exceeding £70. I showed the said voucher to Joseph Willis, a clerk in the Chief Clerk's room at the Christchurch Post-office. The amount of such voucher was charged against the Defence vote, but I cannot remember which part of such vote; that at the time I showed the said voucher to the said Joseph Willis we both remarked on the fact of such voucher being made payable in Christchurch. I was at the time when the voucher passed through my hands a clerk in the Chief Clerk's room of the Chief Post-office. The voucher passed through my hands from the fact that Mr. West was out of his room—Mr. West being the clerk who ordinarily dealt with the vouchers. In this case the Chief Postmaster would deal with the payee himself—he would take the receipt, countersigning the cheque, and then place the receipted voucher in a basket on his table. That basket is for all correspondence taken in to him to sign, and which it was my duty to clear. I first saw the voucher after it was receipted and placed in that basket. I very distinctly recollect that under the head of "Particulars" in the voucher were the words for "Reorganization of the Defence stores at Wellington," and that the amount of the voucher was charged to the Defence vote. The vote did not interest me; but my attention was drawn to the vote by Mr. Willis, who was a Volunteer. He pointed out the vote to me when I had drawn his attention to the voucher. I took the voucher from the Chief Postmaster's room to the Chief Clerk's room to show it to Mr. Willis before I placed it on Mr. West's table in the Chief Postmaster's room. I did not afterwards see the voucher, and I took none of the particulars of it as to date, number, or precise amount. But when Mr. West returned to his room I mentioned the voucher to him, and told him to go and have a look at it. It was a receipted voucher for a Treasury cheque countersigned by Mr. McBeth. I do not remember the month when this happened, but I think it was in the early part of the calendar year 1904. From that date, whenever it was, the matter of this voucher was not mentioned by me outside the office till the 31st July. It was alluded to between us inside the office now and again. On the 31st July Mr. Fisher called on me to ask me if the voucher mentioned by him in the House of Representatives had anything to do with a voucher for a payment to Captain R. J. S. Seddon, and I said No, it had nothing whatever to do with it. He