

returned they are entered in the book provided for the purpose—a book such as the one before me. The number of each voucher returned and the amount of it are entered in this book, with the date on which returned. I should expect to find an entry in that book of any voucher paid at Christchurch on a cheque countersigned by the Chief Postmaster. An omission is possible. One voucher might stick to another without being noticed. An omission might have happened of a voucher in this way while I was dealing with them; still, I should expect to find an entry of any such paid voucher as might be inquired about. I have never seen a voucher in the Christchurch Post Office for or receipted by R. J. S. Seddon, and I first heard it said there was such a voucher after reading in the papers about what was said in Parliament. I have not heard anything more, and I do not know anything more than what has been reported. Mr. McBeth's memory is not, to my knowledge, very good. I do not think it at all possible that he could recollect the persons who come in and out of his office to get Treasury cheques countersigned.

JOSEPH WILLIS re-examined.

*The Controller and Auditor-General:* You have now seen, according to the Chief Postmaster's record of Treasury vouchers for payments made by Treasury cheques countersigned by him, all the vouchers which must have included the voucher for R. J. S. Seddon if it had been paid at Christchurch on a cheque so countersigned and correctly entered in that book. You have seen every voucher entered in that book from the 1st April, 1903, to the 30th June, 1905, for amounts from £70 to £100, and every voucher so entered for amounts from £40 to £70 for the period from December, 1903, to the 2nd September, 1904, inclusive. None of these entries is the entry of a voucher for R. J. S. Seddon?

*Mr. Willis:* As regards the entries in that book, I have seen the vouchers, and certainly none of these is the voucher I saw for R. J. S. Seddon. But I found some discrepancies in the entries. For instance, there was one in particular where a voucher for £7 0s. 4d. was entered as for £70 4s. 0d. There were also several mistakes in the entries of the numbers of the vouchers. This, combined with the slipshod method of dealing with these vouchers in Christchurch, makes me doubt the accuracy of those books as a record of the vouchers for the payments made in Christchurch. As a matter of fact any of those vouchers could easily have been taken away. The public—people—are continually about the table upon which these vouchers are lying loose.

*The Controller and Auditor-General:* But if a voucher were missing—were taken away or lost—if the Chief Postmaster's record omitted a voucher, that voucher would still be in the Audit Office books; and the Audit Office finds that the Chief Postmaster's record contains an entry of every voucher entered in the Audit Office books so far as that record and those books have been compared. There are only two mistakes in the record—one of 1d. entered as 9d., and the other of £7 0s. 4d. entered as £70 4s.?

*Mr. Willis:* I know nothing of the Audit Office books. I can only say that I still swear that I saw a voucher for R. J. S. Seddon, exceeding £70, for the reorganization of Defence stores at Wellington. I held such voucher in my hands for several minutes, commented upon it with Messrs. Larcombe and West, and I am certain that, so far as I am concerned, I could not possibly have made a mistake. For this reason I would ask that the vouchers entered in the Chief Postmaster's record from the 1st December, 1903, to the 31st August, 1904, may be checked by the Audit Office books, as I understand the vouchers from £70 to £100 have been checked. I feel that you and the Audit Officer, Mr. Innis, have been exceedingly kind, and have assisted me to the very utmost. I believe that you have done everything in your power to satisfy me.

THURSDAY, 24TH AUGUST, 1905.

JOSEPH WILLIS further examined.

*The Controller and Auditor-General:* The Chief Postmaster's record of the vouchers for the payments made at Christchurch by Treasury cheques countersigned by him has now been checked with the Audit Office books as you wished yesterday with respect to the vouchers from £40 to £70, and it is found that no voucher has been omitted from the record which could be the voucher you described.

*Mr. Willis:* I am still dissatisfied. What you say only goes to confirm me in my belief that there is some way by which such a payment can be made without your office being cognisant of the fact. To me there seems one very grave defect in your books—that is, the fact of the name or names of the persons to whom payments are authorised, and the particulars of the services for such payments not being recorded in any way. The record kept in the Chief Post Office, Christchurch, is just as incomplete. The Treasury cheque-books and cheques are also apparently useless in this respect. Then the whole case rests upon the original voucher, and I am convinced that there has been some trickery with the voucher that I saw. From what I have seen of the vouchers shown to me as the originals of the Audit Office entries of vouchers for the payments made at Christchurch, the possibilities of fraud are very great. I believe that, considering the importance of the issues resting upon this inquiry, the scope should be extended still further. I would ask that all the vouchers paid at the Christchurch Post-office within the period may be shown to me. I wish to see the voucher for every payment below £40 and above £100.

FRIDAY, 25TH AUGUST, 1905.

JOSEPH WILLIS further examined.

*The Controller and Auditor-General:* The payment was not below £40 nor above £100.

*Mr. Willis:* That is right. But there was a voucher for a sum exceeding £70, and for the services of Captain Seddon as I have already stated, and, as that voucher has not yet come to light, it must have been manipulated in some way, or else there is some way in which your office could be evaded. I believe that if the whole of the vouchers are checked and the names and amounts published, we may possibly discover a fraud.