

2. That in the years 1903-4 no voucher was 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, or any other service.

3. That Captain Seddon has never claimed or received any such payment or signed any such voucher.

The Commission authorises us to make such recommendations as we think fit respecting the costs of the parties and witnesses in the inquiry.

We recommend that the costs of the Departments represented at the inquiry and of Captain Seddon be paid out of the Consolidated Fund.

We recommend that the witnesses, Messrs. Larcombe, West, and Lundon, be paid their expenses of attendance, including their steamer fare, such expenses to be allowed at the rate of 12s. a day, with an extra allowance of 3s. per night for each night on which they were necessarily absent from their respective homes.

Mr. Willis was in a peculiar position. He was made a party to the inquiry, and he has failed to establish or in any way justify the allegations made by him. Considering, however, the fact that the inquiry was of a public nature, and that he was a necessary witness, whose attendance and presence was required by the Court, and that his salary has ceased, he having been suspended from his office, we recommend that he be paid at the rate of 12s. a day from and including the 21st October, 1905, until and including the 7th November, 1905, with an extra allowance of 3s. for each night during that period that he was absent from Christchurch, together with his railway and steamer fares from Christchurch to Wellington and from Wellington to Christchurch.

We forward with this report a copy of the minutes of evidence taken at the inquiry.

We have, &c.,

J. E. DENNISTON, J.

W. B. EDWARDS, J.

THEO. COOPER, J.