

268. You always had a deficit on the 4th of the month?—We always met our liabilities.

269. But, owing to your straitened circumstances as a Municipal Council, the Town Clerk would have to finance and get through as well as he could?—Do you mean financing with the bank?

270. Yes, drawing bills and using deposit money and handling money in an irregular manner?—I do not know as to that. Possibly he might have done so. The accounts were kept in an irregular manner. I never heard, however, of his having any authority to deal with the bank.

271. Could you give the Committee an idea as to your method of conducting the business at the ordinary meetings of the Council when accounts were passed for payment?—These accounts would be passed by the Finance Committee, and then paid by order of the Council.

272. The accounts would come before the Finance Committee with vouchers made out by the Town Clerk, and after they had passed the Council would be paid by the Town Clerk and a receipted voucher taken for them?—Yes.

273. How did you know there was such a large number of vouchers missing if there was no voucher there to correspond with the amounts entered in the cash-book?—Well, I do not know. Vouchers never were produced that I saw.

274. The special auditors say they found the books, documents, and accounts in a very disorderly state?—Yes, I believe they were.

275. The auditors say they succeeded after some trouble in obtaining vouchers, not for all, but nearly all the entries?—I cannot give you details about that.

276. On the 13th November your borough solicitor furnished you with a report wherein he states that he was unable to understand after the special audit had been made, and nearly all the vouchers had been found and computed with the entries in the cash-book except those enumerated in Schedule A, that they should be lost? Could you give us any idea how they disappeared?—I cannot do so.

277. You made a report wherein you stated that a number of vouchers were absent which were said to have been signed by Nathaniel Seddon as having received money? Were there not sufficient vouchers to show that he actually received the money?—The auditor, Mr. Spence, said that when he made the audit the vouchers were there, but afterwards we could never find them.

278. Would it not be the duty of an auditor, in making a special audit, if he found that vouchers were necessary to prove the statements contained in the report, to see that a month afterwards these accounts should be got by the Borough Council?—He had nothing to do with them. The then Mayor who took charge of the office would be responsible for that.

279. Might not the special auditors have kept possession of the vouchers or returned them to any person after examining them?—I do not know what they did.

280. The next thing we learned that within a month some of these vouchers had disappeared?—Yes.

281. You stated you consulted Mr. Seddon in relation to this special audit?—Yes.

282. You talked over the matter privately, and he recommended you, as incoming Mayor, to go on with this special audit, and not to withdraw it?—I wanted to give up the whole thing, but he recommended me to go on with it.

283. To probe the matter to the bottom?—Yes.

284. That did not look as if Mr. Seddon had anything to conceal?—No.

285. Then we come to the point where this stonewall was supposed to be set up by Mr. Seddon. Was he not rather fighting in support of an inquiry in this matter rather than to shield Mr. Wylde?—That was the attitude he took up. He was in favour of setting up a Committee of the Council to inquire into the affair.

286. You do not think he was actuated by a desire to shield Wylde from a prosecution?—I think Mr. Seddon had a friendly disposition towards him, and if he could have helped him he would have done so.

287. He simply wanted fair play?—Yes, I think now we did not give Wylde fair play.

288. There was nothing to support a suspicion that Mr. Nathaniel Seddon got these moneys?—No.

289. *Mr. Massey.*] You have said the financial position of the borough was bad—was it so bad that you were afraid to put money into the bank for fear they would seize it against the overdraft?—That was just before I took office. I believe that was the state of the funds.

290. How long were you a councillor, and when did you take office?—It would be in 1880.

291. When was the trial?—Speaking from memory it was in April, 1883.

292. Shortly before the trial you were not afraid to pay moneys into the bank?—No.

293. In answer to Mr. Graham you said that Mr. Hutchison's statement (*Hansard*, page 63) was incorrect?—Yes.

294. It reads: "That the right honourable gentleman who gave his evidence as an expert so early as this on finance attempted to prove that the two auditors were all wrong, and that there was no such thing as over-payment." In answer to Mr. Graham you said this statement was incorrect. Do you still say it is incorrect?—I never said it was incorrect, or that there was no authority in existence. There was an authority from Nathaniel Seddon to Richard John Seddon to draw his salary in his absence.

295. In answer to Mr. Graham, you said that if there had not been personal animus and party spirit in the Council, the charge against Wylde might not have been pressed. Now, was Wylde, in your opinion, guilty of embezzlement or not?—Yes; he was upon that £5 deposit money.

296. And you said O'Hagan was actuated by strong personal animus against Wylde?—Yes.

297. Are you aware Mr. O'Hagan gave evidence in Wylde's favour?—In what respect?

298. As to the character of the accused. See page 26 [Exhibit D], Supreme Court sittings. Do you think that paragraph is correct?—Yes, I think so.