

Finance Committee, and the amount had to be passed by the Council. They had the signing of the cheques.

42. First of all, there was the Works Committee, then there was a Finance Committee who would have to pass the account, and then it had to be passed by the Council?—Yes.

43. What next?—Then it had to be signed.

44. By whom signed?—I think by the Mayor and the chairman of the Finance Committee.

45. There were two Councillors to sign the cheque?—Yes.

46. Before any payment could be made the account had to run through that course?—Yes.

47. Did you pay accounts for wages in cash—say, a voucher for £12 was passed for payment?—It is so very long ago, but my recollection is that in many cases the Finance Committee passed accounts for wages. They had the details, and they passed them in a lump-sum. Then a cheque was drawn for the wages, and I distributed them. In many cases I think the wages were not paid by cheque direct to the persons to whom they were due, but were distributed.

48. Where more than one name was on a voucher that would be the course?—Yes; that is my distinct recollection of what was done.

49. At the time Nathaniel Seddon was employed on wages was he paid by separate voucher?—I think so.

50. Did I ever receive any of Nathaniel Seddon's wages, or any of these amounts alleged by the special auditors to have been overpaid?—Certainly not.

51. If such a statement was ever made is it correct or otherwise?—It is a falsehood. You had nothing to do with Nathaniel Seddon. I believe you were a relation of his, but you had nothing to do with him as a servant of the Council. I was authorised to employ all the labour that was required. In Nathaniel Seddon's case he was paid by the week, but after a certain time that was stopped, and I continued to employ him at daily wages—10s. a day—for a long time afterwards, and, although his salary of £3 a week was stopped, he still got £3 a week as a day-labourer, men always being wanted.

52. If the special auditors said that Nathaniel Seddon was paid up to the 25th September, 1879, and that he ceased work for the borough on the day that the formal resolution was passed determining his appointment as a permanent day-wages man, would that be correct?—That is positively incorrect. I continued to employ him in my right as engineer and surveyor of the borough, and when the accounts were passed there was no question raised as to my authority to do so. It was simply an alteration from weekly wages to daily wages. I believe I got the ill-will of a certain section of the Council for doing that, but it was nothing to me. I employed the best men I could get, and I certainly could not get a better man than Nathaniel Seddon. He was known in the district as "Honest old Nat," and he was certainly very honest.

53. Were there payments made at any time by bills? Was the Borough Council in financial difficulties?—Yes.

54. Was that in the years 1880 to 1883?—It would be about that time, within two or three years of my resignation; and some of those who were willing to take bills were paid by bills.

55. Was Nathaniel Seddon paid by bills?—He was paid a certain amount by bills. I do not know the amount.

56. Supposing you gave him a bill in 1880, that would be for wages that had been earned?—Yes, some time anterior to that date; certainly not in advance. Such a thing neither I nor the Finance Committee would have dreamt of.

57. Did Nathaniel Seddon unduly press the borough for wages?—No; I do not think he ever asked for his wages. He was a very independent old fellow.

58. Was interest allowed in cases where bills were given?—Yes; according to the best of my memory, I think they were allowed interest. [Promissory note for £98 10s. shown to witness.]

59. Is that bill properly signed?—Yes. It is drawn apparently by Nathaniel Seddon, and that is his own handwriting. I remember it perfectly after all these years. It is signed "John Pearn, Mayor."

60. If £2 10s. of that was for interest and £96 for wages, how many weeks would that be for?—Thirty-two weeks.

61. That would be for thirty-two weeks' wages anterior to the date of the bill?—It looks like it.

62. Or it might be wages up to the month previous?—Yes.

63. It would not be for wages subsequently or in anticipation?—Certainly not.

64. If it was for thirty-two weeks' wages up to the 7th April the wages could not have been paid in full up to the 25th December, 1879?—Certainly not.

65. If the special auditors have stated that, it would be incorrect?—It is a false report, and the result of the persistent talking of these two men that I speak of, and probably others. If I remember rightly, these auditors were about three weeks at Kumara.

66. Had these men the run of the office at that time?—Yes; I was out of it, and had nothing to do with them.

67. They were in charge of the office, and you were away?—I was away during the special audit.

68. Can you recollect at any time going there and finding the office open, and no one there at all?—Yes, I remember going there after the audit was over and finding the office wide open. I cannot remember what date it was, but I went to see some paper or something there, and it could not be found; and I made inquiry as to who could have been there, and I found that Mr. O'Hagan, at any rate, had been in the office repeatedly, and I attributed the loss to him. I spoke to him about it, and there was a very violent scene between us, and he claimed the right to be there. That was