

164. Did the special auditors, Mr. Spence and Mr. Palliser, ever tell you prior to their report being sent in that there were overpayments of yours and Mr. Nathaniel Seddon's, and deficiencies in the contractors' deposits?—No; details were not gone into at all.

165. When they said there were discrepancies did they ever tell you the nature of them?—No. I noticed in their report that they made me liable for a certain sum payable to Nathaniel Seddon, and yet they made him liable. If I was the responsible party what had Nathaniel Seddon to do with it? and yet they brought us both in.

166. Was the first time that you were made aware you were charged with overpayments to Nathaniel Seddon when you saw the auditors' report?—That was the first time. I may say that the special auditors seemed to treat me as having no right to be there, and if I went into the room they went on with their work, and never acknowledged me at all. I felt that I could not go in again if I was not wanted. They discussed matters in an undertone, and seemed to make a secret of what they were doing.

167. They say here in their report: "On discovering these large discrepancies we asked Mr. Wylde if he would or could explain them in any way, and he replied that he had been advised not to give us any information with regard to accounts of back years"?—I think now I made a mistake, but I did it honestly. If I remember rightly, I had attached all the auditors' reports and balance-sheets and put them by, and considered them my quittance, and that these other documents were nothing. Having got those, I felt I was perfectly justified in putting the others in the fire. I do the same with my cheque blocks. I get my banker's pass-book, and might put the blocks in the fire.

168. Were you not aware that this special audit had been approved of by the General Government weeks before? I believe the date was in August. Were you not aware that the special auditors had been appointed to inquire into the accounts of the borough, and that there was great dissatisfaction with the accounts?—I do not remember how this special audit came about. I remember Mr. Spence was in the office a long time, and then another man appeared. When I saw him I questioned Mr. Spence, and said, "What is this man doing there," and Mr. Palliser did not like it. I never heard of Mr. Palliser until I saw him in the office.

169. *Rt. Hon. R. J. Seddon.*] After having heard that passage read, in which the auditors say there were large discrepancies, and they asked you to give an explanation regarding them, I ask you again, did they then tell you that there was a large overpayment to Nathaniel Seddon?—They never told me anything. The first I knew about these things was seeing them in the papers in the auditors' report.

170. You say that positively?—That I say positively. It came to me like a thunder-shock when I saw these ridiculous statements, and I laughed at them. They never consulted me about these items.

171. Did they ask in respect to Mr. Kelly or any of the people they have charged you with in the report?—They never asked me anything. They were sitting side by side looking over the papers and books. I went in expecting them to want me to go through the books, but they looked askance at me, and never even said Good-morning, and I went out again.

172. And that statement of the auditors that they told you about the discrepancies?—I say that is a false statement. The first I heard of it was in the report.

173. There is a voucher there I would like you to see with two or three names upon it; a blank voucher. Can you give us any explanation of what that would be? It is not signed by the chairman of the committee or anybody. How do you account for the existence of that paper?—"To wages, £81. Hunt, Kellar, Taylor, Seddon, Hewitt, and

174. What is that?—It is an account made out.

175. It is not a voucher—it is not receipted?—It is undoubtedly not a voucher. It has never been paid, or it would be receipted. It may be a duplicate.

176. Would that be an ordinary voucher you had made out and put before the Finance Committee?—That would be made out, and it is confirmed by my apparently having distributed the amount to various works.

177. That is a rough voucher in the course of preparation to go before the Finance Committee; that is all it is?—Yes.

178. If that has been scheduled as a voucher, would the schedule of that be correct as a payment and as a voucher?—No. How can it be? It could be taken as a rough draft or duplicate.

179. Would you call that a rough draft in the course of preparation?—Yes.

180. There are others besides that among the papers: would they be in the same category?—I think so. It is not at all unlikely that I prepared vouchers in duplicate, but they had no effect before I got the proper name here (at foot).

181. It has not been before the committee?—That has apparently been before the Finance Committee.

182. Would anybody be justified in putting this down as a payment?—Certainly not. Payments would have to be receipted. These vouchers have all been before the auditors.

183. Then, if they put this in Schedule C [Exhibit E], as overpayments to Nathaniel Seddon they are incorrect?—Yes; on the face of it they are incorrect. It is absurd to say they are payments to Nathaniel Seddon. It might be for a thousand pounds, but they are not payments to him.

184. Could it not be explained in this way: that these vouchers were prepared and passed, and subsequently bills were given in payment for them, and these were simply left unpaid and receipts taken?—That would be the very natural explanation; but as to the vouchers being paid, they certainly are not.

185. Were you called in by the auditors appointed by the committee?—I simply heard that they would like to see me, and I immediately went, and was only too glad to meet any inquiry.

186. As far as you recollect, you are of opinion that there were duplicate vouchers prepared?—Yes.