

100. *Hon. J. G. Ward.*] With regard to an indorsement upon a cheque received by a bank, it does not necessarily follow the cheque should have been paid to the person who indorses it?—No.

101. If a cheque were issued to Nathaniel Seddon by Mr. Wylde, or if a cheque were issued by Mr. Wylde for anybody else and an indorsement appeared upon it of any signature, it does not follow the person having signed received the money?—No.

102. Then, in reality, so far as the tracing of the operations on these cheques goes, there is a certain amount of doubt?—Yes.

103. Would it be possible to obtain from the Union Bank's books whether Mr. Wylde paid cheques into his account indorsed: whether they went to the credit of his account?—The Union Bank would turn up their lodgment-slip of the date when the cheque passed through their hands, and if they had not more than one cheque of the same name they would be able to say that was the cheque.

104. *Mr. Duthie.*] Would you be so kind as to compare these signatures of Nathan Seddon and say whether you consider they are all the same handwriting?—Yes; I think there can be no doubt about it.

105. These here are vouchers presumably signed by Nathan Seddon. Would you consider that they are all the one man's signatures?—They appear to be all the same, but some of them look a little bit more shaky than others. Of course, if a man had been hard at work, and his hand was shaky when he signed them, that might account for it, but they appear to be much the same.

106. *Mr. Graham.*] What do you suppose to be the object of these initials on these cheques?—If they were paid into the Union Bank to the credit of some account, probably the initials "J.W." would be the clerk's.

107. And that would be done by the clerk of the bank?—Yes, by the teller.

108. That might have been paid into anybody's account?—Yes, at the Union Bank at Kumara.

THURSDAY, 3RD NOVEMBER, 1898.

HENRY KEMBER, sworn and examined.

1. *The Chairman.*] What is your name?—Henry Kember.

2. What is your profession, Mr. Kember?—Accountant, at Wellington.

JOHN SCOTT, sworn and examined.

3. *The Chairman.*] What is your name?—John Scott.

4. What are you?—Accountant, resident in Wellington.

5. Mr. Kember and Mr. Scott, you received a notification asking you to attend here again, viz.: "That the attention of Messrs. Kember and Scott, the reporting auditors, be directed to the fact that the date of payment on vouchers placed before them is generally long after the voucher date, and that the bank pass-book shows payments at similarly later dates of amounts approximately corresponding with Schedule C; that like amounts are regularly debited to 'streets' and other works, and that as early as possible after production of the cheques for amounts referred to the auditors be requested to further report as to the payments; that the cheques having now come to hand, the Committee will be pleased if the auditors will examine these in connection with their report this afternoon, and attend the Committee to-morrow morning, at 10 o'clock, and furnish a further report"?—Yes.

6. As to these payments: since then you have had the cheques presented to you, and the Committee will be pleased to receive any further statements you have to make.

7. *Mr. Kember:* I see by the minute, "That the attention of Messrs. Kember and Scott, the reporting auditors, be directed to the fact that the date of payment on vouchers placed before them is generally long after the voucher date, and that the bank pass-book shows payments at similarly later dates of amounts approximately corresponding with Schedule C; that like amounts are regularly debited to 'streets' and other works, and that as early as possible after production of the cheques for amounts referred to the auditors be requested to further report as to the payments." That would read, it seems to me, as if we had not already called the attention of the Committee to the fact that these vouchers were wrong in the dates. It was specially noted in our report, and we also marked each on Schedule C with the actual date of receipted voucher. However, the only new things are the cheques. The cheques are now produced. The only point gained from these cheques is this—that is, as far as we believe it: that on the 25th June there was a cheque given which is indorsed "Nathaniel Seddon, 26th June, 1880." If you look at our prepared account you will find that we said that in all probability the Council owed Nathaniel Seddon on the 25th March, 1880, a sum of £96. We state that the vouchers, or, rather, Schedule C states that these payments were made in February and March for this amount, £96. There are no payments at all out of the bank- or cash-book for any vouchers of this period. Mr. Duthie says there were vouchers. I do not say there are vouchers, but if there are there is no payment in cash—being paid by a bill which became due on the 10th July, 1880. Therefore, why again, including in Schedule C the payment of the bill? If the vouchers are paid by a bill, why put in a bill when it is paid? There has been no fresh payment; therefore I say distinctly that Schedule C is incorrect from start to finish, and ought to be taken no notice of whatever. Nothing has been produced to show how it is possible to have been constructed. It is utterly incorrect; it says, "paid to Nathaniel Seddon on these dates," and there is not a single date in which cash has been proved to have been paid. The bill has been duplicated: what is the use of that? We therefore say Schedule C is unreliable. Then we come to cheques. 25th June, 1880: This is indorsed by Nathaniel Seddon. If you will take the trouble to find out the amount of wages due 25th March to 25th June you will see there is owing to Nathaniel Seddon £36, so this cheque clears that payment up to this date. That seems to our mind to clearly prove that Nathaniel Seddon was paid by bill and this