

54. On receipt of the special auditors' report there was a statement there about alleged overpayments to Mr. Nathaniel Seddon?—Yes.
55. Was it ever for a moment, by you or anyone else in the Council—or speaking from your knowledge, was it ever suggested that Mr. Nathaniel Seddon got that money?—No.
56. Was it ever hinted or suggested for a moment that I received that money on his behalf?—No, not at all.
57. Any statement that is made now as to that overpayment having been made to me, would it be correct?—No.
58. In respect to this amount, did the special auditors experience some difficulty in framing their report, not having the assistance of the Town Clerk in reference to the documents?—That I do not know. But they were not able to make things clear in regard to the alleged over-payments to Mr. Nathaniel Seddon, but what particular difficulty they had I do not know.
59. Now, in respect to the receipt of this auditor's report. From your memory of the proceedings of the Council, did I do anything to block the adoption of the report?—No.
60. If the statement had been made that I used the forms of the Council to block for hours the adoption of the report, is that statement correct?—No.
61. Are you aware that the report was received and sent to the committee?—It must be received or not received. I cannot say who moved it, but that would be the usual course.
62. After Mr. Wylde was committed in the Magistrate's Court, and tried in the Supreme Court at Hokitika, on the information you laid as Mayor of the Borough Council, for the larceny of £5, do you remember anything in respect to the report submitted by you to the Council regarding the alleged overpayments to Nathaniel Seddon?—Yes.
63. Before you reported had you consulted the borough solicitor?—I saw him a number of times.
64. Do you remember any special circumstance in regard to this matter?—I could not say in respect to any particular matter, but I remember the general facts.
65. Turn to page 35 (Exhibit F1): After you have refreshed your memory, you will see you say there, "I am informed by the borough solicitor"?—Yes.
66. From that it would be inferred you had seen him?—Yes.
67. Was it ever suggested for a moment that proceedings should be taken against Nathaniel Seddon in regard to these moneys having been paid away?—No; there was never serious talk about Mr. Nathaniel Seddon, because no one ever thought he had received the money. The overpayment that the auditors made out had occurred in a certain period to Nathaniel Seddon was not disclosed in the original prosecution. Mr. Perkins was quite unable to make any use of that.
68. Then, there was a doubt from the start in your mind and in the mind of the Council whether there had been any overpayment at all?—Yes, a considerable doubt. The auditors said there were vouchers in the office concerning the account of Nathaniel Seddon.
69. But why were they never able to get them? Did you ever find them in the ledger or cash-book?—No, nor in the bank-book either.
70. The borough fund was never debited in the bank with these payments?—No.
71. Was the borough in financial difficulties?—Yes; just before I joined it there was that trouble in connection with the bills. They had been increasing the bills, and had got into a mess. That was the outcome of Mr. Wylde's conduct. If he did take anything, that was his opportunity for doing so. It was the practice to pay in bills, and afterwards pay by cheque.
72. That led to duplicate receipts for the same payments?—Well, it was a bad form of keeping accounts altogether.
73. Within your knowledge bills had been given for payment of salaries by the Borough Council?—Yes; that was before I joined the Borough Council.
74. And these bills were met by cheque?—That was the way I know that some of them were settled.
75. There would be a receipt for the bill, and a receipt also for the cheque?—I do not remember that, but probably there was. But it occurs to my memory that at the time these matters were gone into it was said that that system of payment had caused a great deal of trouble.
76. In other words, when you came into the position of Mayor you found the finances of the borough in a muddle?—Yes; very much so.
77. You read it in the papers that charges had been made against me in the House?—Yes.
78. Did you immediately take action to refute that?—Yes; I wrote to the *Christchurch Press*, giving my own idea about it. If you have a copy of the paper (26th August) you will see it. It was simply stating what I thought of the matter at the time, and what I think still.
79. *Mr. Morrison.*] When did you write the letter?—On the morning after the charges were made.
80. *Right Hon. R. J. Seddon.*] Your letter reads as follows: "To the Editor of the *Press*. Sir,—In your admirable leader upon Mr. Hutchison's personalities in the House you truthfully remarked that, as a rule, if any individual is charged with having many years before committed some offence, it is almost impossible for the accused to prove his innocence. So far as it concerns the charge against the Premier, which you considered it would be ungenerous to publish, I am in a position to flatly deny Mr. Hutchison's statements. I had the honour of being Mayor of Kumara at the time the incident occurred, and owing to my official position I was thoroughly acquainted with all the circumstances of the case. Could the whole matter be laid before the public, I venture to say that every fair-minded person would admire Mr. Seddon for the way he acted in the case referred to by his political opponent.—Yours, &c., W. BARNETT." You state that is correct, Mr. Barnett?—Yes.
81. You took action immediately the report appeared in the *Press*?—Yes.
82. Was that action taken voluntarily without consulting with me or any one else?—Yes.