

1898.  
NEW ZEALAND.

# ALLEGATIONS BY THE MEMBER FOR PATEA COMMITTEE

(REPORT OF THE), TOGETHER WITH THE MINUTES OF PROCEEDINGS, MINUTES OF EVIDENCE,  
AND APPENDIX.

(MR. A. SLIGO, CHAIRMAN.)

*Brought up on the 4th November, 1898, and ordered to be printed.*

## ORDERS OF REFERENCE.

*Extracts from the Journals of the House of Representatives.*

TUESDAY, THE 27TH DAY OF SEPTEMBER, 1898.

*Ordered*, "That a Select Committee be appointed to ascertain whether all or any of the allegations reflecting personally on the Right Hon. R. J. Seddon or his relative, the late Nathan Seddon, made by Mr. Hutchison, member for Patea, in his speech in the House on Tuesday, the 23rd ultimo, are in substance true or false, and to report their opinion thereon; with power to call for persons and papers; the Committee to report within fourteen days: three to be a quorum. The Committee to consist of Hon. Mr. Rolleston, Mr. Duncan, Mr. Duthie, Hon. Mr. Ward Mr. Massey, Mr. Morrison, Mr. Sligo, Mr. Graham, and the mover."—(Hon. Mr. J. MCKENZIE.)

TUESDAY, THE 13TH DAY OF OCTOBER, 1898.

*Ordered*, "That an extension of time for fourteen days be granted to the Allegations by the Member for Patea Committee within which to bring up their report."—(MR. MASSEY, for Mr. Sligo.)

FRIDAY, THE 23TH DAY OF OCTOBER, 1898.

*Ordered*, "That an extension of time of one week be granted to the Allegations by the Member for Patea Committee within which to bring up their report."—(MR. SLIGO.)

## REPORT.

Your Committee, appointed to inquire into the allegations made by the member for Patea on the 23rd August as affecting the Premier, has held sixteen sittings, and examined the following witnesses:—

George Harper, law clerk, Christchurch.

A. R. Guinness, M.H.R.

W. Barnett, surgeon-dentist, Christchurch, ex-Mayor, Kumara.

William Nicholson, accountant, Palmerston North, ex-Local Auditor, Borough of Kumara.

George Rudkin, Town Clerk, Kumara, an ex-member of Kumara Borough Council.

Henry Burger, storekeeper, Kumara, member Borough Council, Kumara.

A. C. Campbell, ironmonger, Kumara, ex-member Kumara Borough Council.

James Wylde, engineer, Kumara, ex-Town Clerk.

Rt. Hon. R. J. Seddon.

Marcus F. Marks, *Hansard* Supervisor, Wellington.

James McEnnis, clerk, Warden's Court, Kumara.

Peter Douglas Todd, draper, Kumara.

Joe Tie, Chinese storekeeper, Wellington.

Joe Gett, Chinese storekeeper, Wellington.

King Foo, Chinese storekeeper, Wellington.

Wong Foo, Chinese storekeeper, Wellington.

James Alexander Murdoch, solicitor, Kumara.

H. W. Moss, salesman, Wellington.  
 H. M. Woodward, assistant accountant, Bank of New Zealand, Wellington.  
 E. T. D. Bell, barrister and solicitor.  
 Henry Kember, accountant, Wellington.  
 John Scott, accountant, Wellington.

The Committee also received letters from the following :—

George Hutchison, M.H.R. for Patea.  
 William Perkins, ex-Crown Prosecutor for Westland, and solicitor for the Borough of Kumara.  
 Reuben Toms, ex-Local Auditor, Borough Council of Kumara.  
 James MacKay, ex-R.M. and Warden, Kumara Courts.  
 John Hogg, commercial traveller.  
 G. E. Tolhurst, inspector, Union Bank of Australia.

The Premier was requested to attend, which he did, and gave in a list of witnesses to be called, as also of documents and papers he desired to be produced, and he put in a copy of *Hansard* with the passages marked of which he complained. These were made the basis of the inquiry, and a copy was sent to Mr. Hutchison, who was requested to attend to conduct the case and give evidence, which he declined to do, for reasons which are stated in his letter appended hereto. The Committee summoned Mr. Hutchison to attend and give evidence. He attended, and made the following statement: "I attend the Committee because it might appear discourteous not to respond to the request addressed to me by the Chairman; but I do not attend to give evidence or take any part in the proceedings of this Committee. I claim that I am not answerable to any Court or any Committee for what I have said in my place in Parliament. The Committee is already aware that I have stated I would appear before any fair tribunal to investigate the allegations now before the Committee; or, if Mr. Seddon will forego his advantage on this Committee, I will repeat outside the privilege of Parliament the material allegations I made in the course of the financial debate. More than that I will not do. The Committee must therefore excuse my further attendance now, or at any future time."

Your Committee considered the refusal and determined by a majority that it would not report this to the House until after all the evidence had been taken. We now draw the attention of the House to this refusal.

The allegations may be divided into two subjects—one, the alleged payments to Mr. Nathan Seddon and Mr. R. J. Seddon; and the other, Mr. R. J. Seddon's connection with the Chinese.

Amongst the papers produced was the special auditors' (Messrs. Spence and Palliser's) report, dated 13th October, 1882, of their investigations, and the charges against Mr. Seddon must necessarily be largely based thereon.

In reference to Mr. Nathan Seddon, it is stated,—“Nathaniel Seddon, Day-labourer: We find on most careful examination that this man was paid in full up to the 25th December, 1879, after which date confusion begins. This man received wages at the rate of £3 per week up to the 5th November, 1881, when his weekly engagement terminated by order of the Council.

“From 25th December, 1879, to 5th November, 1881, ninety-seven weeks at £3 per week	... ..	£291 0 0
“Amount actually paid, <i>vide</i> Schedule C attached	... ..	510 10 0
“Excess paid, according to cash-book and ledger	... ..	219 10 0.”

And by Schedule C attached to the report the various alleged payments, amounting to £510 10s., are set forth. The auditors further say, “All the back documents and vouchers were in a very mixed and disordered state, but we commenced our operations by checking all payments from the cash-book with the corresponding vouchers, and, after considerable trouble, succeeded in obtaining vouchers for nearly all the entries in the cash-book, except those enumerated in List ‘A,’” so that it may fairly be concluded that vouchers for these various payments were produced to these auditors on their audit, and that they found such vouchers to correspond with payments as per cash-book and ledger.

The custody of these documents after the audit made early in October until his resignation on 6th November was left with Mr. Wylde, and soon after it was found that a number of vouchers were missing, and for the payments of 1880 to Mr. Nathan Seddon only four can now be produced. An examination of these shows that the dates quoted by the auditors are the dates of the vouchers, and that in all cases payment as per receipt on bottom of vouchers was only made months afterwards. Your Committee submitted the question of these payments to Messrs. Kember and Scott, two certificated accountants, whose report on this point is as follows:—

“For the information of the Committee we furnish a statement of what we consider the amount of wages payable to N. Seddon from the 7th April, 1880, the time of his settlement by bill, up to 27th October, 1881, about the time of his leaving the permanent employ of the Council.

“7th April, 1880, to 27th October, 1881, eighty-two weeks, at £3	£	s.	d.
“Vouchers produced by us, as marked on Schedule C, enclosed	246	0	0
	198	0	0
“Amount of difference not supported by voucher	...	...	£48 0 0

“So far the papers would go to show the Council still indebted to N. Seddon for this amount, but you will find in the discredited Schedule C the dates of 15th May, £24, and 8th July, £24. We find in cash- and bank-book paid out 16th July, wages, £24; 29th July, wages, £36. In all probability N. Seddon was paid the £48 out of these sums. We therefore conclude that N. Seddon only received from the Council the amount of cash he was entitled to, and then only, as the vouchers show, in most cases at long intervals after the due date.”

Their examination on the position will be found in the evidence. These gentlemen are of opinion that Schedule C in the report of the special auditors is valueless, since they hold that the vouchers must have been duplicates.

Various payments being shown of approximately equal amounts at later dates both by bank pass-book, cash-book, and ledger, a difference of opinion arose as to their identity with those under the Schedule. Your Committee therefore caused sixteen cheques for corresponding amounts to be obtained from the bank; of these, only five bear the indorsement of Nathan Seddon, while the others appear to be paid to Mr. Wylde either by cash or through his private account.

At this interval it seems to be impossible in the absence of reliable evidence to arrive at any certainty, but your Committee is agreed that there is no evidence of overpayment to Mr. Nathan Seddon.

#### CHARGES AGAINST MR. R. J. SEDDON.

Of the passages complained of in reference to Mr. R. J. Seddon, the principal statement by Mr. Hutchison is on page 63 of *Hansard*, where, referring to Mr. Seddon's examination in Court as a witness for Mr. Wylde, he says, "In the course of his examination, however, a document was put into his hands; it was an authority in his own favour from his uncle, Nathan Seddon, under which the right honourable gentleman had to admit that he himself had been the person who had drawn the moneys so paid and overpaid." Your Committee is, of course, ignorant as to the evidence by which Mr. Hutchison would seek to establish this, but the authority referred to, bearing date the 7th March, has been produced. Mr. Barnett in his evidence stated that he thought two payments were made under it when Mr. R. J. Seddon was Mayor of Kumara. If such payments were made, they were quite in order. There is no evidence that any payment was made under it in the years under review—namely, 1880–81. The special auditors make no allusion to Mr. R. J. Seddon in this connection, and your Committee is of opinion that on the evidence before them Mr. Hutchison is in error on this point.

The part taken by Mr. R. J. Seddon in opposing a special audit at the prolonged meetings of the Council when deciding as to a course of action, and generally in championing Mr. Wylde, laid him open to adverse criticism, but, after a very full investigation, your Committee is of opinion that this is explainable by party zeal.

#### Re MR. SEDDON'S REPUTATION.

That the allegation that Mr. R. J. Seddon was held in indifferent repute on the West Coast is disproved.

#### Re MR. R. J. SEDDON'S ASSOCIATION WITH CHINESE.

In reference to the further charge of Mr. Seddon's connection with the Chinese: Briefly, Mr. Hutchison's charges were that Mr. Seddon was once connected with them in business on the West Coast, and that he was there a partner with certain Chinamen, and known amongst them as Bun Tuck.

It was elicited that Mr. Seddon practised for years as a mining advocate, and was in that capacity employed by the Chinese.

The Committee finds that at one time Mr. R. J. Seddon was the registered owner of a share in a mining claim along with a party of Chinamen; but the explanation of Mr. Seddon in his sworn statement is that he took a transfer of this share in trust from a Chinaman who was going home on a visit, and that he held it only on this client's account. This is corroborated by other witnesses.

Evidence was given that this Chinaman (Tum Shum) left a man to work his share, and that the proceeds were not paid to Mr. R. J. Seddon.

In regard to Mr. Hutchison's charge that Mr. Seddon was known as Bun Tuck, your Committee has had no evidence placed before it in support of it. There is evidence of the existence of a Chinaman of the name of Bung Tuck, who was one of the shareholders in the mining claim referred to, which mining party was variously known as the Tum Shum and Bung Tuck party, and your Committee has little doubt that Mr. Hutchison in his statement concerning this is in error.

In reference to a document read to the House by the member for Patea, the evidence leads to the conclusion that the original was written in English, and that the member for Patea procured the translation of the document into Chinese, a clerk having taken the original in English to a Chinese place of business in Wellington, and had it translated into Chinese there.

The names in the document are not, so far as could be ascertained, the names of individuals connected with the party of Chinese alluded to, with this exception: that one of the Chinese was named Bung Tuck (not Bun Tuck). It is right to state that Mr. Seddon admits the fact of his name appearing as it does in the transfer was not unlikely to lead to a misapprehension.

Of course, in an investigation where there is no prosecutor, and the defendant has first to state the case against himself, and then to disprove it, the result must always be inconclusive and unsatisfactory; but in the present case, since the questions raised are in the main so dependent upon documentary evidence, your Committee advances the opinions expressed in this report with a good deal of confidence that the case is fairly put before the House.

Wellington, 4th November, 1898.

ALEX. SLIGO, Chairman.

## MINUTES OF PROCEEDINGS.

TUESDAY, 4TH OCTOBER, 1898.

THE Committee met pursuant to notice.

*Present* : Mr. Duncan, Mr. Duthie, Mr. Graham, Mr. Massey, Hon. Mr. J. McKenzie, Mr. Morrison, Hon. Mr. Rolleston, Mr. Sligo, Hon. Mr. Ward.

The Clerk read the order of reference.

*Resolved*, on motion of the Hon. Mr. J. McKenzie, That Mr. Sligo be appointed Chairman of the Committee.

*Resolved*, on motion of Mr. Morrison, That the evidence of witnesses be taken down in shorthand.

The Right Hon. the Premier attended the meeting, and made a statement indicating the course he was prepared to take in regard to calling witnesses and tendering evidence. He also indicated, in a marked copy of *Hansard* No. 17, the passages which contained the allegations reflecting on the character of himself and his uncle, the late Nathan Seddon.

The Clerk was instructed to obtain copies of *Hansard* No. 17, and mark as in copy supplied by the Premier.

A reporter took down the Premier's statement in shorthand.

*Resolved*, on motion of the Hon. Mr. Ward, That the Justice Department be requested to supply copies of the notes of the Resident Magistrate in the case of the charge of embezzlement against the Town Clerk of Kumara in 1882; also notes of the Supreme Court Judge in Hokitika in 1883, when same accused was charged in Supreme Court.

*Resolved*, on motion of Mr. Morrison, That the Committee do now adjourn to Wednesday, the 5th October; that Mr. G. Hutchison, M.H.R., be asked to attend the next meeting; that he be supplied with a copy of *Hansard* No. 17, marked showing the portion containing the charges implied against the Premier; and that, provided Mr. Hutchison attends the meeting, the proceedings be begun *de novo*.

The Committee then adjourned to Wednesday, 5th October.

WEDNESDAY, 5TH OCTOBER, 1898.

The Committee met pursuant to notice.

*Present* : Mr. Sligo (Chairman), Mr. Duncan, Mr. Duthie, Mr. Graham, Mr. Massey, Hon. Mr. J. McKenzie, Mr. Morrison, Hon. Mr. Rolleston, Hon. Mr. Ward.

Minutes of previous meeting read and confirmed.

Letter from Mr. G. Hutchison, M.H.R., in reply to letter from the Committee desiring his attendance, declining to attend the meeting.

Motion made and question proposed—(1) That the Committee regrets Mr. Hutchison declines to attend to furnish facts and details of the charges implied against the Right Hon. the Premier; (2) that, as the whole evidence is to be taken in shorthand and recorded with the minutes of proceedings and laid upon the table of the House, the Committee regrets that Mr. Hutchison has seen fit to reflect upon the presumed impartiality of the Committee.—(*Hon. Mr. Ward.*)

A point of order was raised by Mr. Duthie as to whether the Chairman could not refuse to put the motion, and Mr. Sligo ruled that he could not refuse to put the motion.

A point of order was raised by Mr. Massey as to whether the motion fell within the order of reference, and Mr. Sligo ruled that the motion did fall within the order of reference.

On the question being put, the Committee divided, and the names were taken down as follow :—

*Ayes*, 4.—Mr. Duncan, Hon. Mr. J. McKenzie, Mr. Morrison, Hon. Mr. Ward.

*Noes*, 4.—Mr. Duthie, Mr. Massey, Hon. Mr. Rolleston, Mr. Sligo.

The numbers being equal, the Chairman gave his casting-vote with the "Noes."

So it passed in the negative.

*Resolved*, on the motion of Mr. Duthie, That the following books, documents, and papers be obtained, to be put in as evidence: Special audit report (Kumara Borough); all books of Kumara Borough Council—cash-book, bank-book, ledger; documents in reference to the sum of £510 10s. alleged to have been paid to Nathaniel Seddon during the period covering from the 25th December, 1879, to December, 1881; depositions before the Resident Magistrate in the case of James Wylde, December, 1882; authority by N. Seddon to R. J. Seddon to draw moneys due to N. Seddon; and files of the *West Coast Times*, *Grey River Argus*, and *Kumara Times* of the dates involved.

The Right Hon. Mr. Seddon made a further statement supplementary to that made by him yesterday.

A reporter was present, and took down the statement in shorthand.

*Resolved*, That the allegations by Mr. Hutchison be taken under two headings: A, Personal reflections on the Right Hon. the Premier and the late Nathan Seddon; B, Allegations as to the Right Hon. the Premier having been a partner of Chinese, and having borne a Chinese name.

A. *Resolved*, That the following witnesses be summoned to attend next meeting of the Committee: Mr. Wylde, ex-Town Clerk, Kumara; Messrs. Burger and A. C. Campbell, ex-Councillors, Kumara; Mr. Rudkin, present Town Clerk, Kumara; Mr. W. Barnett, chemist, Christchurch, ex-Mayor of Kumara; Mr. George Harper, barrister, Christchurch; Mr. Guinness, M.H.R.; Mr. W. Nicholson, Palmerston North; Mr. Marks, *Hansard* Supervisor.

**B. Resolved**, That Mr. James McEnnis, Clerk of the Warden's Court, be summoned to attend and produce register or roll of miners' rights issued by him, and to give evidence as to the existence or otherwise of the Chinese mentioned by Mr. Hutchison.

*Resolved*, on the motion of the Hon. Mr. Ward, That Mr. George Hutchison be asked to attend and give evidence before the Committee at next meeting.

*Resolved*, on the motion of Mr. Graham, That all the following matter be printed and circulated to the members of the Committee: Copy of the special audit report of the Borough of Kumara, 1882; depositions taken before Dr. Giles, R.M., in the trial of James Wylde, Town Clerk, of Kumara, 1882; Judge's notes in the trial of James Wylde in the Supreme Court, Hokitika, 1883; extracts from *West Coast Times*, 1882-83, containing reports of above cases.

The Committee then adjourned to Tuesday, 11th October, at 10.30 a.m.

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TUESDAY, 11TH OCTOBER, 1898.

The Committee met pursuant to notice.

*Present*: Mr. Sligo (Chairman), Mr. Duncan, Mr. Duthie, Mr. Graham, Mr. Massey, Hon. Mr. J. McKenzie, Mr. Morrison, Hon. Mr. Rolleston, Hon. Mr. Ward.

Minutes of last meeting read and confirmed.

Letter from Mr. George Hutchison stating his inability, owing to absence from town, to attend to-day's meeting, but stating that on his return he would be glad to consider any further communication.

Moved by the Hon. Mr. Ward, That Mr. Hutchison be requested to attend and give evidence before the Committee at next meeting. Resolved accordingly.

*Resolved*, on the motion of the Hon. Mr. Ward, That the Clerk examine and compare Exhibits A, B, C, D, and E with the originals, and certify as to whether they are correct and complete copies.

The Clerk reported having examined and compared the exhibits, and found them correct and complete copies of the originals.

The following extracts were ordered to be printed and circulated: Extracts from *Kumara Times*; borough solicitor's opinion of the special audit report; Mr. Seddon's letter upon the prosecution of Mr. Wylde, and on the special audit report; report of meeting of the Kumara Borough Council.

Mr. George Harper was called, sworn, and gave evidence.

Mr. Guinness, M.H.R., was called, sworn, and gave evidence.

A reporter was present, and took down the evidence in shorthand.

The Committee then adjourned to Wednesday, the 12th, at 10.30 a.m.

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WEDNESDAY, 12TH OCTOBER, 1898.

*Present*: Mr. Sligo (Chairman), Mr. Duncan, Mr. Duthie, Mr. Graham, Mr. Massey, Hon. Mr. J. McKenzie, Mr. Morrison, Hon. Mr. Rolleston, Hon. Mr. Ward.

Minutes of last meeting read and confirmed.

Mr. George Hutchison attended and made a statement, saying he would not give evidence or take any part in the proceedings, attending now merely as a matter of courtesy.

Mr. Guinness was called and further examined.

A reporter was present, and took down the evidence in shorthand.

The Committee adjourned to Thursday, 13th instant, at 10.30 a.m.

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FRIDAY, 14TH OCTOBER, 1898.

The Committee met pursuant to notice.

*Present*: Mr. Sligo (Chairman), Mr. Duncan, Mr. Duthie, Mr. Graham, Mr. Massey, Hon. Mr. J. McKenzie, Mr. Morrison, Hon. Mr. Rolleston, Hon. Mr. Ward.

Minutes of last meeting read and confirmed.

The Hon. Mr. Rolleston drew attention to Standing Order No. 247, and asked for the Chairman's ruling as to whether the Committee could go on without acquainting the House with Mr. Hutchison's refusal to give evidence.

Moved by Mr. Massey, That the Chairman acquaint Mr. Speaker with Mr. Hutchison's refusal to attend, and obtain his ruling.

Moved by the Hon. Mr. Ward, by way of amendment, That all the words after "That" be omitted, with a view of inserting in lieu thereof the words "Mr. Hutchison having attended and having stated he would not give evidence, the matter stand over until the evidence of the other witnesses has been taken."

On the Hon. Mr. Ward's amendment being put, the Committee divided, and the names were taken down as follow:—

*Ayes*, 5.—Mr. Duncan, Mr. Graham, Hon. Mr. J. McKenzie, Mr. Morrison, Hon. Mr. Ward.

*Noes*, 4.—Mr. Duthie, Mr. Massey, Hon. Mr. Rolleston, Mr. Sligo.

So it was resolved in the affirmative.

Question amended.

The original question having been so amended, it was proposed by Mr. Duthie, by way of further amendment, That all the words after the words "would not give evidence" be omitted, with a view of inserting in lieu thereof the words "the matter be reported to the House this afternoon."

On Mr. Duthie's amendment being put, the Committee divided, and the names were taken down as follow :—

*Ayes*, 4.—Mr. Duthie, Mr. Massey, Hon. Mr. Rolleston, Mr. Sligo.

*Noes*, 5.—Mr. Duncan, Mr. Graham, Hon. Mr. J. McKenzie, Mr. Morrison, Hon. Mr. Ward.

So it passed in the negative.

The Hon. Mr. Ward's amendment carried.

Mr. Guinness, M.H.R., further examined.

Mr. W. Barnett, of Christchurch, ex-Mayor of Kumara, called, sworn, and examined.

A reporter was present, and took down the evidence in shorthand.

The Committee adjourned at 1 o'clock.

The Committee met again after 3 o'clock p.m., leave to sit having been granted by the House.

The examination of Mr. Barnett was continued.

*Resolved*, on the motion of the Hon. Mr. Rolleston, That the Committee obtain from the Under-Secretary of the Colonial Secretary's Office copies of the two petitions (in 1882) for a special audit of the accounts of the Kumara Borough Council, together with copies of any correspondence relating thereto.

The Committee then adjourned to Wednesday, 19th October, at 10.30 a.m.

#### WEDNESDAY, 19TH OCTOBER, 1898.

The Committee met pursuant to notice.

*Present* : Mr. Sligo (Chairman), Mr. Duncan, Mr. Duthie, Mr. Graham, Hon. Mr. J. McKenzie, Mr. Morrison, Hon. Mr. Rolleston, Hon. Mr. Ward.

The minutes of last meeting, with an amendment, were read and confirmed.

Letter and telegram from Dr. Giles, of Mauku, Auckland, in reply to the Chairman's request to him to attend. Dr. Giles stated that he had no information to furnish to the Committee, and referred them to the depositions. He asked to be excused from attendance.

*Resolved* not to take any action in the meantime.

A reporter was present, and took down the evidence in shorthand.

Mr. William Nicholson, accountant, Palmerston North (an ex-auditor of the Borough of Kumara), was called, sworn, and examined.

The Committee adjourned till 10.30, Thursday, 20th instant.

#### THURSDAY, 20TH OCTOBER, 1898.

The Committee met pursuant to notice.

*Present* : Mr. Sligo (Chairman), Mr. Duncan, Mr. Duthie, Mr. Graham, Mr. Massey, Hon. Mr. J. McKenzie, Mr. Morrison, Hon. Mr. Rolleston, Hon. Mr. Ward.

Minutes read and confirmed.

Letter from Colonial Secretary's Office, covering copies of two petitions in 1882 for a special audit of Kumara Borough Council accounts, together with copies of all correspondence relating thereto.

Mr. W. Nicholson was further examined.

Mr. George Rudkin, Town Clerk, of Kumara, was called, sworn, and examined.

*Resolved*, on the motion of Mr. Duthie, That the books and vouchers of the Kumara Borough Council produced, together with the special auditors' report, be submitted to two certificated accountants, to inquire into and report on the evidence there contained as to amounts due and reputed payments to Nathan Seddon, and as to whether any evidence is disclosed in the books, documents, and vouchers as to any payments having been made to Mr. R. J. Seddon for Nathan Seddon; and that the accountants be Messrs. Henry Kember and D. T. Stuart.

The Committee then adjourned until 10.30 a.m. Monday, 24th instant.

#### MONDAY, 24TH OCTOBER, 1898.

The Committee met pursuant to notice.

*Present* : Mr. Sligo (Chairman), Mr. Duncan, Mr. Duthie, Mr. Graham, Mr. Massey, Hon. Mr. J. McKenzie, Mr. Morrison, Hon. Mr. Rolleston.

Minutes read and confirmed.

Examination of Mr. Rudkin continued.

*Resolved*, That Mr. Rudkin be requested to stay in Wellington at the Committee's pleasure.

Mr. Henry Burger, storekeeper, Kumara, called, sworn, and examined.

Mr. A. C. Campbell, ironmonger, Kumara, called, sworn, and examined.

A reporter was present, and took down the evidence in shorthand.

The report of the accountants, Messrs. Kember and John Scott, was handed in. The Chairman stated that, Mr. D. T. Stuart having been unable to attend, Mr. John Scott had been asked to act, and had consented.

*Resolved*, That the report of Messrs. Kember and Scott be printed as an exhibit.

*Resolved*, That Mr. Peter Todd, draper, Kumara, be summoned to give evidence.

The Committee adjourned till 10.30 a.m. on Wednesday, 26th instant.

WEDNESDAY, 26TH OCTOBER, 1898.

The Committee met pursuant to notice.

*Present* : Mr. Sligo (Chairman), Mr. Duncan, Mr. Duthie, Mr. Graham, Mr. Massey, Hon. Mr. J. McKenzie, Mr. Morrison, Hon. Mr. Rolleston.

Minutes of last meeting read and confirmed.

Mr. George Rudkin was recalled and further examined.

Mr. James Wylde, engineer, Kumara, was called, sworn, and examined.

*Resolved*, on the motion of the Hon. Mr. Rolleston, That application be made to the Supreme Court for the document, produced in Court at Hokitika on the 4th April, 1883, purporting to be an order from Nathan Seddon to pay all moneys coming to him to Mr. Richard John Seddon.

*Resolved*, That this document be telegraphed for to the Registrar, Supreme Court, Hokitika, who shall be asked to send certified copy by advance telegraph. If not in possession of Registrar, he to be asked to indicate where it can be obtained.

*Resolved*, on the motion of the Hon. Mr. Rolleston, That application be made to the Audit Office to state if there is any correspondence with Mr. Palliser or other information upon the subject of the special audit in that office, and, if so, to furnish it; and similarly to the Colonial Secretary's Office.

Notice of motion by Mr. Duthie: 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 these payments.

The Committee adjourned until 10.30 a.m. on Thursday, 27th October.

THURSDAY, 27TH OCTOBER, 1898.

The Committee met pursuant to notice.

*Present* : Mr. Sligo (Chairman), Mr. Duncan, Mr. Duthie, Mr. Graham, Mr. Massey, Hon. Mr. J. McKenzie, Mr. Morrison, Hon. Mr. Rolleston, Hon. Mr. Ward.

Minutes read and confirmed.

The Premier, the Right Hon. R. J. Seddon, was sworn and examined.

The evidence was taken down in shorthand by a reporter.

The Committee adjourned to Friday, 28th, at 10.30.

FRIDAY, 28TH OCTOBER, 1898.

The Committee met pursuant to notice.

*Present* : Mr. Sligo (Chairman), Mr. Duncan, Mr. Duthie, Mr. Graham, Mr. Massey, Hon. Mr. J. McKenzie, Mr. Morrison, Hon. Mr. Rolleston, Hon. Mr. Ward.

Minutes of last meeting read and confirmed.

Moved by the Hon. Mr. Rolleston, That the telegram from the Registrar of the Supreme Court, Hokitika, be forwarded to the Police Department, asking that department to endeavour to trace the document purporting to be an order from Nathan Seddon to pay moneys due to him to R. J. Seddon, and said to have been produced in the Supreme Court, Hokitika, in the trial *Regina v. Wylde* in April, 1883; also, asking what had been done with all the exhibits in the case, said to have been placed in the hands of the police at the finish of the trial. *Resolved* accordingly.

The Right Hon. the Premier was in attendance.

Mr. Marcus F. Marks, *Hansard* Supervisor, was called, sworn, and examined.

Mr. Massey moved, That Mr. George Simmons, of Brunswick, Victoria, be summoned to attend and give evidence before the Committee.

The Hon. Mr. J. McKenzie moved, That the examination of the witnesses now present be at once proceeded with.

The Hon. Mr. Rolleston moved, That Mr. Massey's motion take precedence.

On the Hon. Mr. Rolleston's amendment being put, the Committee divided, and the names were taken down as follow:—

*Ayes*, 4.—Mr. Duthie, Mr. Massey, Hon. Mr. Rolleston, Mr. Sligo.

*Noes*, 5.—Mr. Duncan, Mr. Graham, Hon. Mr. J. McKenzie, Mr. Morrison, Hon. Mr. Ward.

So it passed in the negative.

Examination of witnesses proceeded with.

Mr. James McEnnis, clerk of the Warden's Court, Kumara, called, sworn, and examined.

Mr. Peter Douglas Todd, draper, Kumara, called, sworn, and examined.

A reporter was present, and took the evidence of all the witnesses in shorthand.

*Resolved*, That Dr. Giles, of Auckland, be informed that it is not the intention of the Committee to call upon him to attend.

The Committee adjourned to Monday, 31st October, at 10.30 a.m.

MONDAY, 31ST OCTOBER, 1898.

The Committee met pursuant to notice.

*Present* : Mr. Sligo (Chairman), Mr. Duncan, Mr. Duthie, Mr. Graham, Mr. Massey, Hon. Mr. J. McKenzie, Mr. Morrison, Hon. Mr. Rolleston.

Minutes of last meeting read and confirmed.

Letter from the Under-Secretary of the Colonial Secretary's Office, stating that no correspondence with Mr. C. W. Palliser existed outside of what has already been supplied in connection with the copies of petitions and correspondence relating thereto.

Letter from Controller and Auditor-General on same subject, covering copies of six telegrams to and from Mr. Palliser.

Moved by Mr. Massey, That Mr. George Simmons, of Brunswick, Victoria, be summoned to attend and give evidence before the Committee.

Moved by the Hon. Mr. J. McKenzie, by way of amendment, That the question of the calling of Mr. Simmons be postponed, and that the examination of several witnesses now in attendance be gone on with.

On the Hon. Mr. J. McKenzie's amendment being put, the Committee divided, and the names were taken down as follow:—

*Ayes*, 5.—Mr. Duncan, Mr. Graham, Hon. Mr. J. McKenzie, Mr. Morrison, Mr. Sligo.

*Noes*, 2.—Mr. Duthie, Hon. Mr. Rolleston.

So it was carried in the affirmative.

Examination of witnesses proceeded with.

The Right Hon. the Premier was further examined.

Joe Tie, a Chinese interpreter, was called, sworn, and examined.

Joe Gett, storekeeper, Wellington, was called, sworn, and examined.

King Foo, storekeeper, Wellington, called, sworn, and examined.

Wong Foo, storekeeper, Wellington, called, sworn, and examined.

Mr. H. Moss, who had been summoned, did not appear.

*Resolved*, That Mr. Moss be written to again, requesting him to attend before the Committee to give evidence to-morrow at 10.30 a.m., and also requesting him to state to-day whether he would so attend, Mr. Moss to be informed that, in the event of his refusal to attend, the matter shall, this evening, be reported to the Hon. the Speaker of the House.

Mr. James Alexander Murdoch, solicitor, Kumara, was called, sworn, and examined.

A reporter was present, and took down the evidence of all the witnesses in shorthand.

The Committee adjourned to Tuesday, 1st November, at 10.30 a.m.

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TUESDAY, 1ST NOVEMBER, 1898.

The Committee met pursuant to notice.

*Present*: Mr. Sligo (Chairman), Mr. Duncan, Mr. Duthie, Mr. Graham, Mr. Massey, Hon. Mr. J. McKenzie, Mr. Morrison, Hon. Mr. Rolleston.

Minutes read and confirmed.

Moved by the Hon. Mr. Rolleston, That there be obtained from the Warden's Court, Kumara, certified copies of all documents relating to Mr. Seddon's connection with the Tum Shum party of Chinese working in the Greenstone Creek in the years 1885 and 1886.

On the question being put, the Committee divided, and the names were taken down as follow:—

*Ayes*, 3.—Mr. Duthie, Hon. Mr. Rolleston, Mr. Sligo.

*Noes*, 4.—Mr. Duncan, Mr. Graham, Hon. Mr. J. McKenzie, Mr. Morrison.

So it passed in the negative.

Mr. H. W. Moss, salesman, Wellington, called, sworn, and examined.

The Right Hon. the Premier further examined.

A reporter was present, and took down the evidence in shorthand.

The Committee adjourned to Wednesday, the 2nd day of November, at 10.30 a.m.

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WEDNESDAY, 2ND NOVEMBER, 1898.

The Committee met pursuant to notice.

*Present*: Mr. Sligo (Chairman), Mr. Duncan, Mr. Duthie, Mr. Graham, Mr. Massey, Hon. Mr. J. McKenzie, Mr. Morrison, Hon. Mr. Rolleston, Hon. Mr. Ward.

Minutes of last meeting read and confirmed.

Mr. Ollivier, solicitor, representing the Bank of New Zealand, attended and gave into the possession of the Committee two parcels of cheques of the Kumara Borough Council, one parcel containing 211 and the other sixteen cheques. The Chairman gave receipts for the cheques.

Joe Tie and Joe Gett, storekeepers, Wellington, were further examined.

Mr. H. M. Woodward, assistant accountant of the Bank of New Zealand, was called, sworn, and examined.

Reporter present, and took evidence in shorthand.

Motion made and question proposed, That Mr. George Simmons, of Brunswick, Victoria, be summoned to attend and give evidence before the Committee.—(*Mr. Massey.*)

On the question being put, the Committee divided, and the names were taken down as follow:—

*Ayes*, 2.—Mr. Massey, Hon. Mr. Rolleston.

*Noes*, 6.—Mr. Duncan, Mr. Duthie, Mr. Graham, Hon. Mr. J. McKenzie, Mr. Sligo, Hon. Mr. Ward.

So it passed in the negative.

Mr. Duthie moved the motion notice of which had been previously given, 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 these payments.

The motion, having been amended by the addition of the following words after the word "payments," was carried in the affirmative: "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."

*Resolved*, on the motion of the Hon. Mr. J. McKenzie, That the Chairman, Mr. Duthie, Hon. Mr. Ward, and Mr. Morrison be appointed a sub-committee to draw up a report, and submit the same to the Committee.

The Committee adjourned till 10 a.m. to-morrow, Thursday, 3rd instant.

THURSDAY, 3RD NOVEMBER, 1898.

The Committee met pursuant to notice.

*Present*: Mr. Sligo (Chairman), Mr. Duncan, Mr. Duthie, Mr. Graham, Mr. Massey, Hon. Mr. J. McKenzie, Mr. Morrison, Hon. Mr. Rolleston, Hon. Mr. Ward.

Minutes of previous meeting read and confirmed.

Mr. Henry Kember, accountant, Wellington, was called, sworn, and examined.

Mr. John Scott, accountant, Wellington, was called, sworn, and examined.

A reporter was present, and took down the evidence in shorthand.

Mr. E. T. D. Bell, solicitor, representing the Union Bank of Australia, was sworn and examined.

Mr. Bell handed to the Chairman a list asked for, showing how certain cheques had been dealt with.

The Committee then adjourned, time of next meeting to be fixed by Chairman.

FRIDAY, 4TH NOVEMBER, 1898.

The Committee met pursuant to notice.

*Present*: Mr. Sligo (Chairman), Mr. Duncan, Mr. Duthie, Mr. Graham, Mr. Massey, Hon. Mr. J. McKenzie, Mr. Morrison, Hon. Mr. Rolleston, Hon. Mr. Ward.

Minutes of last meeting read and confirmed.

A letter was received from the Commissioner of Police, covering the documents asked for by the Committee, obtained from the police at Greymouth. Amongst these documents was an order from Nathan Seddon to pay to R. J. Seddon all moneys due to Nathan Seddon by the Kumara Borough Council, bearing date 7th March, 1878.

*Resolved*, That the above-named order be printed as an exhibit in the Appendix of Minutes of Evidence; also transfer of share from Tum Shum to R. J. Seddon.

The following report of the sub-committee was brought up, and was read by the Chairman:—

DRAFT REPORT OF THE ALLEGATIONS BY THE MEMBER FOR PATEA COMMITTEE.

Your Committee, appointed to inquire into the allegations made by the member for Patea on the 23rd August as affecting the Premier, has held sixteen sittings, and examined the following witnesses:—

George Harper, law clerk, Christchurch.

A. R. Guinness, M.H.R.

W. Barnett, surgeon-dentist, Christchurch, ex-Mayor, Kumara.

William Nicholson, accountant, Palmerston North, ex-Local Auditor, Borough of Kumara.

George Rudkin, Town Clerk, Kumara, an ex-member of Kumara Borough Council.

Henry Burger, storekeeper, Kumara, member Borough Council, Kumara.

A. C. Campbell, ironmonger, Kumara, ex-member Kumara Borough Council.

James Wylde, engineer, Kumara, ex-Town Clerk.

Right Hon. R. J. Seddon.

Marcus F. Marks, *Hansard* Supervisor, Wellington.

James McEnnis, clerk, Warden's Court, Kumara.

Peter Douglas Todd, draper, Kumara.

Joe Tie, Chinese storekeeper, Wellington.

Joe Gett, Chinese storekeeper, Wellington.

King Foo, Chinese storekeeper, Wellington.

Wong Foo, Chinese storekeeper, Wellington.

James Alexander Murdoch, solicitor, Kumara.

H. W. Moss, salesman, Wellington.

H. M. Woodward, assistant accountant, Bank of New Zealand, Wellington.

E. T. D. Bell, barrister and solicitor.

Henry Kember, accountant, Wellington.

John Scott, accountant, Wellington.

The Committee also received letters from the following:—

George Hutchison, M.H.R. for Patea.

William Perkins, ex-Crown Prosecutor for Westland, and solicitor for the Borough of Kumara.

Reuben Toms, ex-Local Auditor, Borough Council of Kumara.

James McKay, ex-R.M. and Warden, Kumara Courts.

John Hogg, commercial traveller.

G. E. Tolhurst, Inspector, Union Bank of Australia

The Premier was requested to attend, which he did, and gave in a list of witnesses to be called, as also of documents and papers he desired to be produced, and he put in a copy of *Hansard* with the passages marked of which he complained. These were made the basis of the inquiry, and a copy was sent to Mr. Hutchison, who was requested to attend to conduct the case and to give evidence, which he declined to do, for reasons which are stated in his letter appended hereto. The Committee summoned Mr. Hutchison to attend and give evidence. He attended and made the following statement: "I attend the Committee because it might appear discourteous not to respond to the request addressed to me by the Chairman; but I do not attend to give evidence or take any part in the proceedings of this Committee. I claim that I am not answerable to any Court or any Committee for what I have said in my place in Parliament. The Committee is already aware that I have stated I would appear before any fair tribunal to investigate the allegations now before the Committee; or, if Mr. Seddon will forego his advantage on this Committee, I will repeat outside the privilege of Parliament the material allegations I made in the course of the financial debate. More than that I will not do. The Committee must therefore excuse my further attendance now or at any future time."

Your Committee considered the refusal, and determined by a majority that it would not report this to the House until after all evidence had been taken. We now draw the attention of the House to this refusal.

The allegations may be divided into two subjects—one, the alleged payments to Mr. Nathan Seddon and Mr. R. J. Seddon; and the other, Mr. R. J. Seddon's connection with the Chinese.

Amongst the papers produced was the special auditors' (Messrs. Spence and Palliser's) report, dated 13th October, 1882, of their investigations, and the charges against Mr. Seddon must necessarily be largely based thereon.

In reference to Mr. Nathan Seddon, it is stated,—“Nathaniel Seddon, day-labourer: We find, on most careful examination, that this man was paid in full up to the 25th December, 1879, after which date confusion begins. This man received wages at the rate of £3 per week up to the 5th November, 1881, when his weekly engagement terminated by order of the Council:—

“From 25th December, 1879, to 5th November, 1881, ninety-seven weeks, at £3 per week ... ..	£	s.	d.
“Amount actually paid, <i>vide</i> Schedule C attached	...	291	0 0
“Excess paid, according to cash-book and ledger	...	510	10 0
	...	219	10 0”

And by Schedule C attached to the report the various alleged payments, amounting to £510 10s., are set forth. The auditors further say, “All the back documents and vouchers were in a very mixed and disordered state, but we commenced our operations by checking all payments from the cash-book with the corresponding vouchers, and, after considerable trouble, succeeded in obtaining vouchers for nearly all the entries in the cash-book, except those enumerated in List ‘A,’” so that it may fairly be concluded that vouchers for these various payments were produced to these auditors on their audit, and that they found such vouchers to correspond with payments as per cash-book and ledger.

The custody of these documents after the audit made early in October until his resignation on 6th November was left with Mr. Wylde, and soon after it was found that a number of vouchers were missing, and for the payments of 1880 to Mr. Nathan Seddon only four can now be produced. An examination of these shows that the dates quoted by the auditors are the dates of the vouchers, and that in all cases payment as per receipt on bottom of vouchers was only made months afterwards. Your Committee submitted the question of these payments to Messrs. Kember and Scott, two certificated accountants, whose report on this point is as follows:—

“For the information of the Committee, we furnish a statement of what we consider the amount of wages payable to N. Seddon from the 7th April, 1880, the time of his settlement by bill, up to the 27th October, 1881, about the time of his leaving the permanent employment of the Council:—

“7th April, 1880, to 27th October, 1881, eighty-two weeks, at £3	...	£	s.	d.
“Vouchers produced to us, as marked on Schedule C enclosed	...	246	0 0	
	...	198	0 0	
“Amount of difference not supported by voucher	...	£48	0 0	

“So far the papers would go to show the Council still indebted to N. Seddon for this amount, but you will find in the discredited Schedule C the dates of 15th May, £24, and 8th July, £24. We find in cash- and bank-book paid out 16th July, wages, £24; 29th July, wages, £36. In all probability N. Seddon was paid the £48 out of these sums. We therefore conclude that N. Seddon only received from the Council the amount of cash he was entitled to, and then only, as the vouchers show, in most cases at long intervals after the due date.”

Their examination on the position will be found in the evidence. These gentlemen are of opinion that Schedule C in the report of the special auditors is valueless, since they hold that the vouchers must have been duplicates.

Various payments being shown of approximately equal amounts at later dates both by bank pass-book, cash-book, and ledger, a difference of opinion arose as to their identity with those under the schedule. Your Committee therefore caused sixteen cheques for corresponding amounts to be obtained from the bank; of these only five bear the indorsement of Nathan Seddon, while the others appear to be paid to Mr. Wylde, either by cash or through his private account.

At this interval it seems to be impossible, in the absence of reliable evidence, to arrive at any certainty, but your Committee is agreed that there is no evidence of overpayment to Mr. Nathan Seddon.

*Charges against Mr. R. J. Seddon.*

Of the passages complained of in reference to Mr. R. J. Seddon, the principal statement by Mr. Hutchison is on page 63 of *Hansard*, where, referring to Mr. Seddon's examination in Court as a witness for Mr. Wylde, he says, "In the course of his examination, however, a document was put into his hands: it was an authority in his own favour from his uncle, Nathan Seddon, under which the right honourable gentleman had to admit that he himself had been the person who had drawn the moneys so paid and overpaid." Your Committee is, of course, ignorant as to the evidence by which Mr. Hutchison would seek to establish this, but the authority referred to, bearing date the 7th March, 1878, has been produced. Mr. Barnett in his evidence stated that he thought two payments were made under it when Mr. R. J. Seddon was Mayor of Kumara. If such payments were made they were quite in order. There is no evidence that any payment was made under it in the years under review—namely, 1880–81. The special auditors make no allusion to Mr. R. J. Seddon in this connection, and your Committee is of opinion that, on the evidence before them, Mr. Hutchison is in error on this point.

The part taken by Mr. R. J. Seddon in opposing a special audit at the prolonged meetings of the Council when deciding as to a course of action, and generally in championing Mr. Wylde, laid him open to adverse criticism, but, after a very full investigation, your Committee is of opinion that this is explainable by party zeal.

*Re Mr. Seddon's Reputation.*

That the allegation that Mr. R. J. Seddon was held in indifferent repute on the West Coast is disproved.

*Re Mr. R. J. Seddon's Association with Chinese.*

In reference to the further charge of Mr. Seddon's connection with the Chinese: Briefly, Mr. Hutchison's charges were that Mr. Seddon was once connected with them in business on the West Coast, and that he was there a partner with certain Chinamen, and known amongst them as Bun Tuck.

It was elicited that Mr. Seddon practised for years as a mining advocate, and was in that capacity employed by the Chinese.

The Committee finds that at one time Mr. R. J. Seddon was the registered owner of a share in a mining claim along with a party of Chinese; but the explanation of Mr. Seddon, in his sworn statement, is that he took a transfer of this share in trust from a Chinaman who was going home on a visit, and that he held it only on this client's account. This is corroborated by other witnesses.

Evidence was given that this Chinaman (Tum Shum) left a man to work his share, and that the proceeds were not paid to Mr. R. J. Seddon.

In regard to Mr. Hutchison's charge that Mr. Seddon was known as Bun Tuck, your Committee has had no evidence placed before it in support of it. There is evidence of the existence of a Chinaman of the name of Bung Tuck, who was one of the shareholders in the mining claim referred to, which mining party was variously known as the Tum Shum and Bung Tuck party, and your Committee has little doubt that Mr. Hutchison in his statement concerning this is in error.

In reference to a document read to the House by the member for Patea, the evidence leads to the conclusion that the original was written in English, and that the member for Patea procured the translation of the document into Chinese, a clerk having taken the original in English to a Chinese place of business in Wellington, and had it translated into Chinese there.

The names in the document are not, so far as could be ascertained, the names of individuals connected with the party of Chinese alluded to, with this exception: that one of the Chinese was named Bung Tuck (not Bun Tuck). It is right to state that Mr. Seddon admits that the fact of his name appearing as it does in the transfer was not unlikely to lead to a misapprehension.

Of course, in an investigation where there is no prosecutor, and the defendant has first to state the case against himself, and then to disprove it, the result must always be inconclusive and unsatisfactory; but in the present case, since the questions raised are in the main so dependent upon documentary evidence, your Committee advances the opinions expressed in this report with a good deal of confidence that the case is fairly put before the House.

Wellington, 4th November, 1898.

, Chairman.

*Resolved*, on the motion of Mr. Morrison, That the report be adopted by the Committee.

*Resolved*, on the motion of the Hon. Mr. J. McKenzie, That the report, together with the minutes of proceedings, minutes of evidence, and appendix of exhibits, be presented to the House by the Chairman, and be printed.

*Resolved*, That the Chairman be authorised to sign the minutes of this meeting.

On the motion of the Hon. Mr. J. McKenzie, a hearty vote of thanks was accorded to the Chairman, Mr. Sligo, for the courteous and able manner in which he has conducted the business of the Committee.



## MINUTES OF EVIDENCE.

TUESDAY, 4th OCTOBER, 1898.—(Mr. SLIGO, Chairman.)

The Right Hon. R. J. SEDDON in attendance.

1. *The Chairman.*] I understand you wish that a certain course should be defined?—I desire the Committee should follow the same course as was adopted in respect to an inquiry of a similar character in 1890, and when the then Premier (Sir Harry Atkinson), Mr. Mitchelson, and Sir Frederick Whitaker had been attacked by Mr. Hutchison. That course, which I think was fair to all parties, was that the *Hansard* containing Mr. Hutchison's speech was taken into consideration, and the paragraphs which reflected upon the then Premier and his colleagues were agreed upon as between the parties. That having been done in this case, then I should ask that I might be permitted to call witnesses in rebuttal of the charges made. At present I am placed at a disadvantage in one respect. I look upon it as a disadvantage, inasmuch as the member—Mr. Hutchison—who made the allegations is not in attendance, and in the House has signified his intention of not being present to cross-examine witnesses or prosecute the charges he made. I prefer he should be present to cross-examine the witnesses or myself; or if he has anything in support of his charges that it should be produced here. However, it is my intention, with the approval of the Committee, of course, to proceed to take the *Hansard* containing the charges, and then to bring evidence to refute them. Luckily for me, the then Town Clerk is still alive, one of the local auditors is at Palmerston North, and the gentleman who was then Mayor is at Christchurch. Of the two Government Auditors I think one is dead and the other is in London; but we have the report they made, which of course will speak for itself. I think from the evidence now procurable the Committee will have no difficulty whatever in coming to a unanimous decision. I would suggest that to-day the Committee should ask me what paragraphs in Mr. Hutchison's speech I take exception to as reflecting upon myself and my relatives, and, if the Committee infer there is any reflection, that I should be allowed to call evidence to refute it.

2. Where is the Town Clerk?—He is at Kumara still.

3. *Hon. J. McKenzie.*] Where is the Mayor?—He is in business as a chemist at Christchurch, and Mr. Nicholson is at Palmerston. There is also Mr. G. Harper, who was brought over to Hokitika specially to assist the Crown Prosecutor as leading counsel. In a matter of this kind he would know as much as any one else you can get.

4. *Mr. Duthie.*] Who was the Judge on that occasion?—It was the Chief Justice who sat on the bench when the Town Clerk was tried.

5. *The Chairman.*] When was the case tried?—The committal took place in the Resident Magistrate's Court, Kumara, before Dr. Giles. I should ask that he be brought here, because if there was any suspicion of wrong-doing on the part of my relative or myself it must have come before him. He ought to be able to produce his notes. The depositions are obtainable from the Resident Magistrate's Court, and the Judge's notes are obtainable as to what took place in the Supreme Court, Hokitika. The newspaper reports of the time are also obtainable; and I have asked that a file of the *Kumara Times* and the *West Coast Times* be placed before the Committee.

6. The case was tried before the Chief Justice?—Yes, before the Chief Justice.

7. You said you intended to submit to the Committee the portions of the *Hansard* which you specially desired should be inquired into?—I produce *Hansard* No. 17, page 63. I take exception to the following, which appears therein: "If one were to consider the public antecedents of the Premier as leading to this debasement of parliamentary and public life, we may trace in the course of an indifferent repute in an obscure part of the colony the explanation of much that otherwise may appear surprising." I say there is an imputation there in the reference to "indifferent repute." Then, further down, he says, "There was one deficit in the Kumara financial statement in connection with the Town Clerk's own salary, and there was another in connection with the wages of an employé, whose name was Nathaniel Seddon. A special examination by two of the staff of the Audit Office had been made of the borough accounts. One paragraph of their report reads thus: 'Nathaniel Seddon . . . we find, after most careful consideration, that he was paid in full up to 25th December, 1879, after which confusion begins. He received wages at the rate of £3 per week up to 5th November, 1881, when his weekly engagement was terminated by order of the Council.'" On the same page, further down, he quoted an extract from the report of the Auditors, which I have just read, but he keeps from the House a portion which explained that part. The Auditors said they took this from the cash-book and the ledger, but they had not been able to give the dates from which they started. Assuming that the date was 1879, Mr. Seddon had been paid in full, but taking it forward from the date he left the service of the Council he had been overpaid by no less than £219 10s. Mr. Hutchison went on to say, "The trial of the Town Clerk followed, and the right honourable gentleman, who gave his evidence as an expert so early as that on finance, attempted to prove that the two Auditors were all wrong, and that there was no such thing as overpayment. In the course of his examination, however, a document was put into his hands. It was an authority in his own favour from his uncle Nathaniel Seddon, under which the right honourable gentleman had to admit that he himself had been the person who had drawn the money so paid and overpaid. That was only one incident in his West Coast career." The

gravamen of the accusations is contained in that passage. There are other portions of the charges contained in page 64, in which Mr. Hutchison alleges that I have been known on the West Coast by a Chinese name. If members will look at the order of reference they will see that it embraces that. It says, "The references contained in the speech by Mr. George Hutchison." There are two points, one respecting the alleged overpayment and that I had received the moneys, and the other as to my being known by a Chinese name and being a partner with Chinese.

*The Chairman:* I did not quite understand we had any occasion to inquire into that.

*Mr. Morrison:* There was no reference.

*Rt. Hon. R. J. Seddon:* The order of reference infers and embraces that. It must be taken as an accusation that a certain name had been applied to me and that I had been a partner with Chinese. There are a number of persons connected with Chinese in mining rights and other matters who might not look upon it as objectionable, but I say this was intended to be so. I will quote again from *Hansard*, page 64. Mr. Hutchison said, "But would it be believed that the right honourable gentleman, while denouncing Sir Robert Stout for being associated even in so remote a way with Chinese labour, was himself once connected with Chinese in business on the West Coast?" Hon. Member, No. Mr. G. Hutchison, Of course not. Bun Tuck was supposed to be a Chinaman, but he was not; he was a politician." What is implied there is pretty clear. It is to say that I was a partner with Chinese. I quote again from page 64: "He (Wong) said Bun Tuck was very clever, but not clever enough. We had plenty of provisions then, and we had much joy, and our perspiration ran very free. One day Wong went away because the constable was looking for him. I went to Bun Tuck, but he raised the wrath matter, and told me I was descended from stupid people. He said, moreover, Wong Shung Wai had got the best of the squeeze. Nevertheless, he gave me 20 taels. This narrator then went far away. I went to China, but have since returned. Bun Tuck is much changed since then, but I know him when I see him. Declared by Tsai Chung as a true history, and signed by him." That letter, which I hope to be able to prove has been a pure fiction, was drafted in an office here in Wellington and sent to a Chinaman to translate, and as it appears in our public records it is a reflection of a very serious character upon me.

9. *Mr. Morrison.*] Are you able to prove that statement, that the document was manufactured in Wellington?—I shall try to prove how and wherefrom Mr. Hutchison obtained this document, and I hope to be able to obtain the names of the persons who gave it to him. There is an innuendo in the portion I have quoted from *Hansard* that I went to the Chinese camp, became partners with them, and gave Wong so many taels—gave him money—to hush the matter up. Of course, some people may think it is a laughable matter. Some portions will be considered as fun, but other portions contain a serious reflection as purporting to come from one who has been a partner with me. I shall be able to prove that there never was such a Chinaman on the West Coast as Tsai Chung, and that I never was a partner with Chinamen, and that the whole thing is a fabrication. At the first reading you might think there was nothing serious in it, you might take it as a mere joke, but perusing it carefully and calmly you would see it contains a very serious reflection. I would suggest now that the Committee should allow me to call witnesses, and should invite Mr. Hutchison to attend the next meeting of the Committee, and, of course, if he proposes to go on with these charges we ought to follow the ordinary course. Let him produce evidence in proof of his allegations, and I will bring my evidence to rebut it.

10. *Hon. J. McKenzie.*] How long would it take for the witnesses to come here?—One is in Kumara; probably we may bring the present Town Clerk. One material point is to get the order referred to by Mr. Hutchison, and find out whether I had signed any vouchers, and for what value, and when that order was given.

11. *Mr. Massey.*] What year was it?—My recollection is that it was in 1879, some time before the audit took place.

12. *Hon. J. McKenzie.*] Before the prosecution?—Yes; that is my recollection.

13. *Mr. Duthie.*] Are any of the Councillors living?—Yes; Councillor Campbell is living.

14. *Hon. W. Rolleston.*] I believe Mr. O'Hagan is dead?—Yes; but his evidence was reported before the Supreme Court at Hokitika. He said there was nothing against us in connection with this matter. I never heard of these charges until Mr. Hutchison made this speech. I never heard of a breath of suspicion upon myself or relative.

*Mr. Morrison.*] It would be better that Mr. Seddon should hand in a list of the witnesses he would like to call.

*Rt. Hon. R. J. Seddon:* Mr. W. Perkins, the Crown Solicitor, is in Tasmania, but I have written to him.

15. *Hon. J. McKenzie.*] Mr. George Harper is still in Christchurch, is he not?—Yes. You can also get the evidence of Mr. Guinness, who was counsel for the prisoner. Those two would know as much as anybody else of the matter.

WEDNESDAY, 5TH OCTOBER, 1898.

Right Hon. R. J. SEDDON in attendance.

*Rt. Hon. R. J. Seddon:* I want to make it clear that there was a Bun Tuck; but my remarks were that there was no such Chinaman as Tsai Chung, the man who was supposed to have signed the letter produced by Mr. Hutchison. I would suggest that the Committee divide the charges into A and B, as I have marked them in the *Hansard*. A goes down to page 63, and the last interlined portion of B commences at page 64, and goes on to page 65. The whole thing is summed up by Mr. Hutchison when he uses these words: "I wish to say that this is no skit at all. It is a statement of actual fact. . . . I say that the right honourable gentleman was a partner with the Chinese on the West Coast, and that he was known among them as 'Bun Tuck.'" The whole

of the charges under the head of B are summed up in that paragraph. When asked to withdraw the statement Mr. Hutchison said, "I cannot do so. I cannot deny a fact which I am satisfied myself is capable of substantiation." With respect to charge A, I would suggest to the Committee that if you take the evidence of the two Councillors who are now living, and who took opposite sides at the time of the trial of Mr. Wylde, you should also take the evidence of the Town Clerk, of the auditor, Mr. Nicholson; the Crown Prosecutor, Mr. Harper; and Dr. Giles, who took the depositions in the Magistrate's Court. If you take the evidence of the counsel on one side, I would suggest you also take that of Mr. Henry Burger and Mr. A. C. Campbell, ironmonger.

16. *The Chairman.*] Have you Mr. Campbell's address?—Yes; Kumara. You should also have the evidence of the present Town Clerk, Mr. George Rudkin; and outside Kumara you will get the evidence of the Mayor at that time, Mr. William Barnett, now a chemist at Christchurch.

17. *Mr. Masson.*] Was he Mayor at the time referred to?—Yes. Mr. George Harper is a barrister at Christchurch. I have written to Mr. Perkins, who is in Tasmania, and who was solicitor and Crown Prosecutor, and as soon as I have his reply I will hand it to the Committee. That is all with reference to charge A. Of course, these witnesses I have named may be able to give evidence as to the existence of Bun Tuck, and as to whether I was ever known by that name. I think you might also bring the Clerk of the Warden's Court, at Kumara, in respect to charge B. He will prove by the records of the Court of the issue of miners' rights whether Bun Tuck was in existence. Mr. James McEnnis was Clerk of the Warden's Court.

18. *The Chairman.*] Do you expect him to produce the rolls of miners' rights?—Yes; the Register of Miners' Rights.

19. And to give evidence as to the existence, or otherwise, of the Chinese names?—Yes; as to whether they appear in the records of the Court, and in what capacity. We should also get the evidence of Mr. Guinness, who was counsel for Mr. Wylde. Mr. Hutchison says: "We may trace in the course of an indifferent repute" (page 63). The charge made there is as to my being of indifferent repute. Next, on page 63, he charges me with what is verbally known as "building a stonewall," with the object of preventing the adoption of the auditors' report. Then the charges culminate in the following statement of Mr. Hutchison, who says: "In the course of his examination, however, a document was put into his hands. It was an authority in his own favour from his uncle Nathaniel Seddon, under which the right honourable gentleman had to admit that he himself had been the person who had drawn the moneys so paid and overpaid." I swore before the Supreme Court that neither my uncle nor myself had received the money. The next statement is a supposition that the supposed Chinaman named was a myth, and that I was the person.

20. *Hon. W. Rolleston.*] Is that a reflection upon you?—It would be treated outside Parliament in an English fashion. The serious part of the charge is contained in the statement that Wong Shung Wai "had got the best of the squeeze, and that Tsai Chung received 20 taels to clear away." Then the charges are summarised by Mr. Hutchison, on page 65, in the remarks which I have quoted. I want the Committee to note this further statement by Mr. Hutchison on page 65: "Sir, I never intended to cast the least reflection on Nathaniel Seddon; but it is to be remarked that the explanation of Richard John Seddon was not given to the Court at the time it might have been of service, and when the unfortunate Town Clerk got twelve months." "I never intended to cast the least reflection on Nathaniel Seddon." Reading that with what he says at page 63, that I had drawn the money which was so paid and overpaid, he leaves the inference that, while he withdraws the reflection against my uncle—he leaves the accusation against me that I drew the overpaid money, £219, and put it in my pocket.

*Hon. J. McKenzie:* I presume the *Hansard* report of Mr. Hutchison must be taken as correct?

*Mr. Duthie:* What appears in *Hansard* is ordinarily taken as correct.

*Rt. Hon. R. J. Seddon:* I want you to summon Mr. Marks, the *Hansard* Supervisor, in connection with both charges. It was agreed by the Committee on Sir Harry Atkinson to take the *Hansard* as correct.

21. *Hon. W. Rolleston.*] What is Mr. Marks to be summoned for?—He is to be summoned to give evidence and produce a letter which he received from Mr. Hutchison respecting the *Hansard* report.

22. *The Chairman.*] There was mention made of a Mr. William Nicholson. What was he?—He is at Palmerston North. He was the local auditor at the time, and gave evidence in the case.

23. Was not mention made of a Mr. O'Hagan yesterday?—Yes; he is dead.

TUESDAY, 11TH OCTOBER, 1898.

GEORGE HARPER, Law Clerk, sworn and examined.

1. *The Chairman.*] You have been called as a witness in connection with certain allegations made by the member for Patea against the Premier in the House of Representatives. The Committee desires any information you may be able to give on the subject?—I have seen it, casually, in the newspapers.

2. *Rt. Hon. R. J. Seddon.*] You appeared as leading counsel and Crown Prosecutor with Mr. Perkins, who was the local Crown Prosecutor at Hokitika?—Yes, I was specially retained at that time.

3. That was in Hokitika in 1883?—Yes, in April, 1883.

4. You remember the Supreme Court sitting at that time at Hokitika?—Yes.

5. Did you attend the Court, and in what capacity?—I assisted Mr. Perkins, the local Crown Prosecutor, on behalf of the Crown, in the prosecution of James Wylde.

6. What were the charges against him?—The indictment was one for embezzlement of certain

small sums of money belonging to the Kumara Borough Council, in his capacity as Clerk of the Council.

7. That was a charge of larceny, was it not?—The indictment was framed in such a way that it could be turned into larceny in the course of the trial if it was thought necessary to do so.

8. What was the result?—The result was he was found guilty of larceny on the first set of charges. The Crown had to abandon the charge of embezzlement.

9. There was a second indictment, was there not?—Yes, but he was found not guilty upon that.

10. He was found guilty upon the first charge, was he not?—There was a third indictment, but that was withdrawn by the prosecution after the result of the second indictment.

11. You followed the usual course in respect to your brief, and in that brief certain information was supplied to you. Was there anything said in respect to moneys that had been overpaid to a person by the name of Seddon?—I worked up the case on my arrival on the Coast, but I have no recollection whatever of any suggestion of any moneys being overpaid to anybody named Nathaniel Seddon.

12. In the course of the trial you remember my giving evidence on behalf of the prisoner?—Yes, you gave evidence on behalf of the prisoner.

13. On page 63 of *Hansard* the following appeared: “In the course of his examination, however, a document was put into his hands. It was an authority in his own favour from his uncle, Nathaniel Seddon, under which the right honourable gentleman had to admit that he himself had been the person who had drawn the moneys so paid and overpaid.” Was such a document handed to me?—I have no recollection of it at all.

14. Have you any recollection that I stated I had received moneys overpaid to Nathaniel Seddon, or was there any question asked in respect to such money?—I have no recollection of that taking place.

15. Was there anything said, or did anything transpire, reflecting upon my uncle or upon myself?—I am not aware that anything transpired. That was no part of the case in any sense, and no such a suggestion at all was made. I am not aware of anything happening of that kind.

16. Do you think it likely you would forget a thing of that sort if it had occurred?—I do not think so, and my memory is clearer now after reading the *Hansard* and the papers.

17. *Mr. Duthie.*] Mr. Seddon has asked you about a document put in. I see in the course of the examination of Mr. Seddon he said, in answer to a question, that a document had been produced in the form of an order from Nathaniel Seddon to pay the moneys. There must have been some mention of the matter, because I think you will find the auditors mentioned something about it in their report. Did you produce the document?—I cannot recollect whether any document was produced or not.

18. Turn to page 19 [see Exhibit D], where you were cross-examining, and it is stated, “The overpayment I referred to was not paid to Mr. Seddon, the councillor, but to his uncle.” So that question must have been before you?—It was in the auditors’ report, which was not taken into consideration by the Court at all. I have read these depositions that occurred in the Court, but I have no recollection at all outside them. I see the auditors’ report was referred to in the course of the case, but that report was not taken into consideration by the Crown or by the Judge in his summing-up.

19. *Rt. Hon. R. J. Seddon.*] In page 28 [see Exhibit E] the document produced is said to be an order by Mr. Nathaniel Seddon to pay the moneys to me. Do you remember the contents of that document?—I have not the slightest recollection. I do not know whether the Crown had it, or whether it was in Mr. Guinness’s possession. I have no recollection of the fact.

20. *Hon. J. G. Ward.*] You stated, in answer to a question by Mr. Duthie, that your recollection was that in the brief there was no charge or reflection made upon Mr. Seddon?—None whatever, to my recollection.

21. If, in your recollection or experience as Crown Prosecutor, that was a material point it would have been briefed if there was any proof in that direction or in the direction referred to?—Most certainly.

22. Then it does not imply that there was a reflection upon any one?—No; but another point in the case occurs to my mind. I may point out that Mr. R. J. Seddon was called as a witness for the defence, and we followed the usual course. The Crown had closed its case some time previous to this, and it had not made the document a part of its case, directly or indirectly, so far as I recollect.

23. Then there was no charge whatever so far as Nathaniel Seddon was concerned, implied or direct, as to anything improper?—Certainly not. I am speaking with recollection of matters which occurred some years back. It would be a wrong thing for the Crown in prosecuting not to confine the matter to the issue before the jury so far as the prisoner himself was concerned. It would be a wrong thing to cast a reflection upon any person outside, and it would necessarily weaken the case for the prosecution.

24. But if the Town Clerk was in collusion with any other person, and had done something improper, it would be your duty to sheet it home?—Not upon the indictment as framed. That would have been a matter more of conspiracy between the other parties and the Town Clerk.

25. But they were not mixed up?—No; the issue was confined to the charges against the Town Clerk.

26. *Hon. W. Rolleston.*] Who produced the document?—That I cannot recollect.

27. What was the object of producing this document?—It may have been to clear up something that had taken place before, so as not to allow the jury’s attention to be called away from the issue, because this witness was called for the defence, and Mr. Guinness was doing his best for his client, and any suggestion of there being any collusion between Mr. Nathaniel Seddon and the



Town Clerk had to be displaced by the Crown, and probably that was the reason the document was produced to show that Nathaniel Seddon had not been overpaid.

28. *Mr. Massey.*] What were the charges against Mr. Wyld on the occasion referred to?—The sums are mentioned on page 18. He was charged with stealing sums of £5, £2, £5, and there was also a cheque for another amount of £5.

29. Then the alleged overpayment to Nathaniel Seddon was no part of the charge?—None whatever. I am quite clear about that, and I am speaking as an expert without taxing my memory, and I could say that it could not have formed any part of the case.

30. Have you read the report from the *West Coast Times*, page 23?—Yes.

31. And, having read it, do you believe it to have been correct?—So far as I can recollect, it is quite correct.

32. I am referring to the production of the document?—I have no doubt this is a correct report of what took place at the time.

33. You produced the document, and asked a question?—Yes, so far as my memory serves me.

34. *Hon. J. McKenzie.*] You did not produce that document as part of your case?—No.

35. *Mr. Morrison.*] Did you produce the document at all?—I have no clear recollection whether I produced the document. At any rate, it formed no part of the case. It might have been referred to in the case for the Crown, which was closed at this period. It might have been produced or it might not, but it formed no part of the case for the Crown. In the Supreme Court the prosecution is confined very strictly indeed to the issue upon which the prisoner is to be tried, and if there is any attempt to go outside that issue it necessarily weakens the Crown's case against the prisoner, and the indictment would not cover it.

36. It appears to me this document is the one referred to by the auditors. The question was put to Mr. Seddon, who said, "I saw the special auditors' report as published in the paper before the meeting of the Council on the 10th November. I know its contents. I am a relation to the Mr. Seddon referred to in the auditors' report. I went through the books on my own account. I am certain that the auditors are wrong. The amount stated as overpaid to Seddon is not correct. Seddon has been paid what was due to him. The document produced is an order from Nathaniel Seddon to pay all moneys coming to him to me." It appears to me this document might have been referred to in the auditors' report?—I cannot say whether it was merely a document or a report, but we should have had the auditors' report before us whilst getting up the case. The Chief Justice in sentencing the prisoner stated that he had not taken the auditors' report into consideration, or words to that effect.

37. No doubt the auditors' report was referred to in your examination?—I have no doubt that in putting the question at that time it was for the purpose of clearing up any doubt there might be as to other people having been mixed up in the matter, because otherwise the jury might be confused as to the issue they were called upon to try.

38. *Hon. Mr. Rolleston.*] Where is it that the Judge's summing-up is referred to?—It is at page 23, at the bottom, "His Honour summed up briefly."

39. Do you recollect the points of the Judge's summing-up?—It is contained in a copy of the *West Coast Times*, but I do not know whether it is a correct copy or not, but it contains the remarks which the Judge made on sentencing the prisoner. His Honour's remarks are on page 26, at the bottom [see Exhibit D]. In these remarks the Judge said he would not take into account the report of the auditors or other matters outside the case.

40. Was the indictment confined to these smaller matters?—We had to find out such as we could sheet home, and confine ourselves to them. We went through the papers and documents, and these were the only ones we expected to get a conviction upon. The indictment was prepared before I got over to the Coast, and I merely worked up the case from the material I had. The Crown Prosecutor had prepared the indictment. I believe these were the only cases connected with these small sums upon which we could expect to get a conviction.

41. *Mr. Duthie.*] Did any of the items in the indictment have any reference to the supposed payments to Nathaniel Seddon?—No, nothing whatever. These items being deposit-moneys there was a difficulty in proving embezzlement, because embezzlement supposed that the Town Clerk had received the money from some outsider, whereas this money had been paid to him on deposit from contractors, and had been put into the borough's safe, and taken out by him, therefore that constituted larceny. We failed in proving embezzlement, and had some difficulty in proving the other cases. We just succeeded on that. The jury recommended him to mercy, and he got twelve months.

42. Then the prosecution had no reference to Nathaniel Seddon?—None whatever. I can say that without wanting to refresh my memory. I can say, as an expert, we must have confined the prosecution to the particular items, and to those alone. I am quite clear about that.

43. *Hon. J. G. Ward.*] Do I understand that if the Town Clerk had paid double the amount due to Nathaniel Seddon any mention of that would appear in your brief?—I do not think so, except any suggestions in the auditors' report that might have been alluded to or otherwise. At any rate, it was a mere passing matter, and did not relate to the charges at all.

44. *Rt. Hon. R. J. Seddon.*] Mr. Harper has stated the auditors' report was not taken into account. In going through the report of the brief prepared for the Crown Prosecutor did you come to the conclusion that the report was not sufficient evidence to go upon?—We did, and the Judge held that the auditors' report was not before the jury.

45. In going through the auditors' report and getting evidence in support of it did you put the report on one side and go upon outside matters?—We had to go to outside matters to sheet home these particular charges, but the auditors' report covered a great deal more ground.

46. You will see, on page 23 [see Exhibit D], I swore: "The amounts stated as overpaid to Seddon are not correct. Seddon has been paid what was due to him." If you had the auditors

present you could have called them to rebut that evidence, could you not?—If I could possibly have been allowed by law to do so, but I could not do so at that stage of the case, because my case was closed, and we had to stand or fall by our case. We had to deal with the case as prepared on the indictment, and whatever had occurred outside that had nothing to do with the case.

47. But if you had thought it necessary you could have called evidence for the Crown in rebuttal?—Yes, if it opened up any other charge, if it was thought necessary to do so in order to contradict anything connected with that charge.

48. If you had questioned the accuracy of my evidence would you have proceeded further with the examination, and if the auditors' report had been considered sufficiently strong would you not have referred to their statement?—I feel sure if the Crown had attached any importance to the matter it would not have let the matter rest there, whether it formed part of the case or otherwise.

49. Were the two auditors present assisting the Crown?—Yes, they were there assisting the Crown.

50. *Hon. W. Rolleston.*] You mean as affecting that particular indictment?—As affecting that particular indictment.

51. *Rt. Hon. R. J. Seddon.*] You said you had worked up this case with Mr. Perkins, the Crown Prosecutor, at Greymouth, after your arrival on the Coast?—Yes.

52. In going through the case and taking evidence, did you see anything that would in the slightest degree reflect upon Nathaniel Seddon or myself?—I have no recollection whatever. I am sure if I had done so I should remember, especially as my memory has been refreshed by the accounts I have seen, but I have no recollection whatever.

53. *Mr. Massey.*] Do you wish to convey that the auditors' report was not put in as evidence?—The auditors' report was not put in. The auditors themselves had been called.

54. Then it was not questioned?—No. The auditors' report was never in evidence. The report could not be put in evidence under any circumstances, but Mr. Spence's evidence was given.

55. *The Chairman.*] He would be examined in connection with the preparation of his own report?—Yes; he would be a living witness instead of a report.

*Mr. Duthie:* The answer to Mr. Seddon's question just now is rather misleading. He asked you if you came across anything in framing the indictment with Mr. Perkins—

*Rt. Hon. R. J. Seddon:* I said in working up and preparing the brief.

56. *Mr. Duthie* (to witness).] Well, put it in preparing the brief. In doing so you would confine yourself to matters in the indictment?—Yes.

57. It would have been foreign to you to take up any charge in connection with Nathaniel Seddon?—Yes, it would be. Of that I can speak positively, without troubling my mind as to the past. It is more than a recollection as to that.

58. It would be your duty to ignore it, but that would have nothing to do with the case. The suggestion of Mr. Seddon is that in framing your brief you would take notice of such a case as this inferentially. He conveyed the idea you attached no importance to that which was not part of the business?—It was not my business to deal with anything but what was proper to the indictment. I was not going beyond anything which was charged in the indictment and the evidence in support of it.

59. *The Chairman.*] That is to say, it would not strengthen the case by referring to anything outside the indictment itself?—Yes.

60. *Mr. Morrison.*] I would like to ask the witness a question. In consulting with Mr. Perkins in preparing the brief for the items that were stated in the indictment, if you had come across evidence of the existence of a document, or of evidence that the Town Clerk had, in conspiracy with Nathaniel Seddon or Richard John Seddon, been overpaid £219 out of the borough funds, but if that was not in the indictment, you would feel it your duty as Crown Solicitor not to bring out the points in the Supreme Court?—I think so.

61. It would have been your duty if it was not in the indictment?—I think it would have been my duty.

62. But if you were satisfied no such conspiracy existed?—That is my belief so far as I can tell at this distance of time.

63. *Hon. J. McKenzie.*] You had the auditors' report before you?—Yes.

64. And if there was any truth in this statement there was no reason why that case should not be gone on with as well as the other?—Yes; either then or subsequently.

65. *Mr. Duthie.*] Would not the Judge have stopped you if you prejudiced the case by going into outside matters?—Most certainly; it would have been a substantive charge.

66. You had nothing to do with the charges in the Magistrate's Court?—This charge was not made in the Magistrate's Court. The Judge would have stopped me. It would have been dealing with a substantive charge. I said either then at that session or subsequently.

67. *Hon. W. Rolleston.*] Were there not a number of other charges in the auditors' report which were not dealt with?—I am not aware that they were. I have not looked at the auditors' report since then.

68. You are aware there was a large sum of money involved, but you could only deal with the smaller charges?—Because they were the only ones that we could sheet home.

69. And you only dealt with them?—Yes. We had a great deal of difficulty in obtaining this conviction, and we had to confine the case to those small charges.

70. Would you be in a position to express any opinion as to these fresh charges, whether you thought there was anything in them or not?—Oh, no. I would not be required to do that.

71. *Hon. J. G. Ward.*] If there was a statement in the report that the Town Clerk had paid away £219 improperly to any one else, would not that have appeared in your notes as Crown Prosecutor?—It would; but in my recollection that indictment was prepared before I got to the West Coast, and we only dealt with those small matters.

72. *Hon. W. Rolleston.*] Did you not assist in preparing Mr. Perkins's brief?—Yes. We worked it up in connection with these charges in the indictment.

73. But there were other charges of large overpayments to Mr. Wylde himself?—Yes.

74. Were they not material to the brief?—No, they were not. There were other charges upon which he was found Not guilty. They were all small sums of twenty shillings and ten shillings, and so on. There was great difficulty in confining the case to any particular charge upon which he could be convicted. There was also a general assertion of his having misappropriated moneys generally. That is very often the case in matters of this kind.

75. *Mr. Duthie.*] Were you consulted upon what items he should be prosecuted in the Magistrate's Court?—I was not connected with the charges in the Magistrate's Court. I happened to be going over to Hokitika in connection with civil business in the Supreme Court, which is more in my line than criminal business, and Mr. Perkins asked me to take part in the prosecution.

76. You were not consulted, then, as to the items in the Magistrate's Court?—Certainly not.

77. You have stated in your evidence that the only charges you dealt with were those you could sheet home?—That is in the Supreme Court.

78. A case does not go to the Supreme Court until it has been first dealt with in the Magistrate's Court?—No.

79. You have stated they were the only charges that could be sheeted home. Does that imply that there were others that could not be sheeted home?—I was not consulted upon that. To the best of my recollection, the indictment would have been prepared when I got to the Coast. I only arrived on the Saturday, and the indictments were prepared at that time. In working up the case with Mr. Perkins we found a difficulty in sustaining those charges upon which Mr. Wylde was indicted.

80. Your answer implies you thought, as a skilled professional man, there were other charges that could not be sheeted home?—It would be the duty of the Crown Prosecutor to bring forward other charges if he thought he could have supported them, but evidently there were no other charges that could be sheeted home to the prisoner.

81. If a prisoner is charged in a Court, and there are twenty charges against him, would it be considered the duty of a professional man to select the strongest cases and go no further: would that be the line he would adopt?—That is always done as a rule. The Crown Prosecutor bases his indictment upon such charges as he thinks he can prove in the higher Courts. If there were other cases I certainly think the Crown Prosecutor would have brought forward such other charges if he had been able to support them.

82. Were there not other charges against the man?—There were other charges, but the most of them were small, and there were suggestions of larger embezzlement other than those small ones.

83. I presume you took those cases that were easy to prove?—Yes.

84. That is the limit of your evidence on that point?—Yes, that is the limit.

85. *Mr. Morrison.*] I suppose you are thoroughly conversant with the Crown Prosecutor's duties?—Yes; but I have been more on the civil side than in criminal prosecutions; but I have taken a Crown Prosecutor's business in his absence.

86. You have stated it would be a Crown Prosecutor's duty to go through the cases and see what charges you would be able to prove?—Yes. He would go through everything in the depositions, and pick out those charges he would be able to substantiate.

87. If the Crown Prosecutor had gone through the cases against Mr. Wylde he would have officially decided only to bring those small charges?—I should think so. I should think that would be the ordinary duty of the Crown Prosecutor.

88. *Rt. Hon. R. J. Seddon.*] Was the auditors' report before you when you were preparing the brief with the Crown Prosecutor?—I certainly think it must have been of necessity before us. It formed part of the brief. The depositions would have been before us regarding the auditors' report.

89. If you thought you could bring home defalcations to the extent of £500 would you have confined yourselves to charges of £5, and so on?—No.

90. The greater the offence the greater the chance of conviction if you had the same evidence?—Yes.

91. You still say, after going through the depositions which contained the auditors' report, so far as myself and my relatives are concerned, there was no reflection upon either of us?—I have not the slightest recollection of any.

92. *Hon. W. Rolleston.*] Are you aware that the depositions contained the auditors' report?—I have not seen them lately.

93. They might have been taken before the auditors' report?—The auditors were called as witnesses. Mr. Spence was called. That is his evidence. His evidence is reported, but the report was not put in as evidence in writing. That did not form part of the case.

94. *Mr. Duthie.*] You, in preparing the indictment with Mr. Perkins, were confined to the allegations made in the Magistrate's Court. Mr. Seddon asked if you could have brought a case of £500 would you have preferred one of £5? You say you had no power to take up one of £500. You had to take what was prepared in the brief?—Yes, unless in the depositions there were larger charges against the prisoner.

95. But there was nothing of that sort?—Not that I am aware of. It would have been the duty of the Crown Prosecutor to have preferred the larger charge, rather than the smaller ones, if he could have supported it.

96. Then the depositions contained nothing about that?—That would tend to show there was no larger charge.

97. What I want to make clear is that at the stage you came upon the scene the Crown Prosecutor could only deal with the charges the prisoner was committed upon?—That is all, sir.

98. Mr. Seddon asked you if a case of £500 had come out you would have preferred to bring a

charge upon that?—In this case we had no such power on the depositions. I am only speaking of what the Crown Prosecutor would do generally. It would be his duty to prefer the larger charge if he had the material for it.

99. But there was none in this case?—From start to finish there was no larger charge made in this case.

100. But in your case you had no discretion. Mr. Seddon suggests that you, in preparing the brief, would have preferred the larger charge if there had been any capable proof: if you could have brought one of £500 you would not have preferred one of £5—that is what he said.

*Rt. Hon. R. J. Seddon:* I said if there was a defalcation of £500 and one of £5 he would have taken the larger amount.

101. *Mr. Duthie.*] But what we understand was that there was nothing more than £5 that could be proved. I say that had nothing to do with it, because the Crown Prosecutor had simply to deal with the depositions in the Resident Magistrate's Court, and to make up his case upon that?—That is the practice. The procedure is that the Crown Prosecutor has to confine himself to what is in the depositions in the Magistrate's Court in formulating charges for the higher Court.

102. So that suggestion of Mr. Seddon's is incorrect?—As to these depositions it would be so.

103. *Rt. Hon. R. J. Seddon.*] During the course of the preparation of the brief was it suggested to you by Mr. Perkins, the Crown Prosecutor, that there were larger amounts than those mentioned in the depositions?—I have no recollection of his making such a suggestion to me.

104. When you were conducting the case with him, if any such larger amount had existed in the defalcations would it not have been your duty to make him acquainted with them?—Most certainly. And it was his business to tell me everything, if I was to assist him properly in the case.

105. It would have assisted the prosecution if there had been larger sums, but you had merely taken the small amounts in the course of the depositions?—No doubt that would have followed, but we took the depositions and framed our charges on them.

106. *Mr. Morrison.*] Are you aware that Mr. Perkins tried to prove twelve charges in the Magistrate's Court?—I am not aware of it, but if it is there it is correct. That was some months before, and I had nothing to do with it in that Court.

107. If the Crown Prosecutor had brought twelve cases in the lower Court, and if he dropped nine of them, and simply brought three charges, does not that show that he was satisfied that he could not prove the other nine charges?—I presume so, and it would be his duty to take that course.

108. That did not imply that the Crown Prosecutor had exhausted all the charges before you arrived?—So far as my recollection serves me, the indictment would be prepared before I got there, because the Court was to sit on the following Monday, and I got there on the Saturday, and I remember Mr. Perkins telling me he was going to send the indictments to the Judge. He would have left out all the charges in them he could not prove.

109. But if there were twelve charges that he could have proved he would have done so?—I presume so.

110. *Mr. Massey.*] Are you aware that overpayment to Mr. Nathaniel Seddon was not one of the charges in the Magistrate's Court?—I am aware on reading the depositions it was not so.

111. Referring to page 23 see Exhibit D], can you give us any idea what would be the object in asking that question from Mr. Seddon?—I cannot tell at this distance of time. I think, speaking as a professional man, it was for the purpose of clearing up matters, as other people might have been considered to have been involved in the case. Mr. Seddon was called as a witness for the defence.

112. Do you think Mr. Seddon's answer did clear it up?—I should think it did, as I read it, and it was not contradicted.

113. Would you explain in what way you think it cleared it up?—It cleared it up by showing that Nathaniel Seddon was not implicated in the charges against Wyld.

114. The overpayment to Nathaniel Seddon was no part of the case?—It was no part of the case.

115. *Hon. J. G. Ward.*] If there had been overpayment would it not have been the duty of the Crown Prosecutor to charge the Town Clerk with that?—In the Magistrate's Court it certainly would, but I know nothing of what took place there.

116. It would have transpired in the ordinary way in the Supreme Court?—Yes, it would have come up there.

117. And the fact that it does not appear in the evidence in the Supreme Court is a proof that it did not appear in the Magistrate's Court?—That would be so. If it did not appear in the lower Court it would not appear in the higher one.

*Rt. Hon. R. J. Seddon:* The witness states that if there was nothing to sustain it it would not have been the duty of the Crown Prosecutor to have brought it before the Supreme Court.

Mr. A. R. GUINNESS, Barrister and Solicitor, sworn and examined.

118. *Rt. Hon. R. J. Seddon.*] You are a barrister and solicitor, Mr. Guinness?—I am.

119. You appeared to defend the Town Clerk of Kumara in the Magistrate's Court and Supreme Court, in 1883?—Yes, I did.

120. Will you state to the Committee whether, in the course of the trial in the Magistrate's Court or the Supreme Court, anything came out in the investigations reflecting upon Mr. Nathaniel Seddon or myself?—From my recollection of the facts I believe there was nothing suggested or stated in the evidence in either Court that in any way reflected upon Mr. Nathaniel Seddon or upon yourself.

121. During the examination in the trial before the committal in the Magistrate's Court or Supreme Court, were you aware there had been a special audit of the accounts of the Borough of Kumara?—Yes; the fact was given in the evidence.

122. Was it before the lower Court or the Supreme Court?—The fact that the report had been made was stated to be the best of my recollection in both Courts, but the contents of that report were not given in the evidence; and I think if the contents had been attempted to be given in evidence, it would have been my duty, as counsel for the prisoner, to have objected.

123. You are aware of this schedule in the report which says that large sums of money had been overpaid to Nathaniel Seddon?—Yes.

124. Are you aware that was admitted to be the case by Mr. Wylde while you were defending him? Was that referred to, and did he admit there had been such?—I think it is my duty, as counsel who acted for Mr. Wylde, not to disclose any confidential communications made by him to me without his consent. I have not the least objection to answer the question if I had his consent, but, being an officer of the Court, it is my duty not to divulge anything communicated to me by a client; but, if Mr. Seddon wishes me to ask Mr. Wylde for his consent, I will do so.

125. During the course of preparing his evidence, or during the trial, or at any time, was the auditors' report in respect to the overpayment admitted as being incorrect or correct as to the overpayment having taken place?—I should say that from the evidence that was called for the defence, and which became public property, the fair inference to be drawn would be that it was not admitted as correct.

126. *Mr. Duthie.*] You are referring to the report?—Yes; the report of the auditors states that overpayment had been made. I refer to the evidence elicited from Mr. R. J. Seddon, who was called by me as a witness for the defence in the Supreme Court. He was cross-examined by Mr. Harper, counsel for the Crown, and he gave definite evidence on that point, which, to my mind, contradicts the statements contained in the auditors' report. I refer you to a paragraph in page 23, Exhibit D: "I saw the special auditors' report as published in the newspaper before the meeting of the Borough Council on 10th November. I know its contents. I am a relation to the Mr. Seddon referred to in the auditors' report. I went through the books on my own account. I am certain that the auditors are wrong. The amount as stated to be overpaid to Mr. Seddon is not correct. Seddon has been paid what was due to him." In that connection I may add that, if the Crown thought they could have sustained the accuracy of the auditors' report, and the statement upon this point, and that there was an application to do so in order to sheet home the charge to the accused on the trial of the first indictment, the Crown could have obtained the necessary leave from His Honour the Chief Justice, who was the presiding Judge, to call evidence in rebuttal to contradict this evidence which was given by Mr. Seddon. The document referred to is the one which was produced; it is an order from Nathaniel Seddon to pay all moneys due to him to R. J. Seddon. That document was not in possession of the prisoner or his counsel, but must have been in possession of the Crown, and must have been handed to Mr. R. J. Seddon by the cross-examining counsel, Mr. Harper, when eliciting this evidence. That document should be an exhibit in the Magistrate's or Supreme Court.

127. *Rt. Hon. R. J. Seddon.*] You will see on page 63, *Hansard* No. 17, it is stated by Mr. Hutchison, "The right honourable gentleman, who gave his evidence as an expert so early as that on finance, attempted to prove that the two auditors were all wrong, and that there was no such thing as overpayment. In the course of his examination, however, a document was put into his hands. It was an authority in his own favour from his uncle, Nathaniel Seddon, under which the right honourable gentleman had to admit that he himself had been the person who had drawn the moneys so paid and overpaid." As to the statement that I had drawn the moneys, was there in the evidence, or anything to your knowledge, to support that contention of Mr. Hutchison's?—No, distinctly not.

128. *Hon. W. Rolleston.*] But payments were made to him?—Yes. This order was a general order, to the best of my recollection, to receive the moneys coming from the Borough Council to Nathaniel Seddon.

129. *Rt. Hon. R. J. Seddon.*] Then you say that this statement is not supported by any fact within your knowledge?—It is not.

130. Were you in the House when this statement was made?—I was on that occasion acting as Deputy-Speaker during the absence of Sir Maurice O'Rorke, the Speaker of the House.

131. Had you been free and in the House, what would have occurred?—As I have already stated in the letter which I wrote to you, I should have taken the earliest opportunity of contradicting so far as I could the assertion made by the member for Patea.

132. Did you call upon Mr. Hutchison to withdraw those remarks?—No, I did not. In fact I did not see at the time that they had any connection with the accused, or cast any reflection upon yourself, and no objection or exception being taken by any member of the House at the time, I did not do so.

133. Look at page 65, *Hansard* No. 17, you will see this:—"The Deputy-Speaker: The honourable member for Patea must accept the denial made by the Premier. Mr. Seddon: I must insist upon the statement being withdrawn. Mr. G. Hutchison: I cannot do so. I cannot deny a fact which I am satisfied myself is capable of substantiation." You remember asking Mr. Hutchison to withdraw?—Yes; this refers to the time when the Right Honourable Richard John Seddon was replying on the debate.

134. After he had made that speech, I rose and called upon him to withdraw, and you ruled that the honourable member must accept the denial made by the Premier?—Yes. You referred to those charges made on page 63, and asked me whether I did anything to check the honourable member at that time. I said I did not, and gave reasons. It is recorded in the *Hansard* of the time.

135. In respect to another matter, you did call upon the honourable member to withdraw?—Yes.

136. He did not do so?—He did not.

137. Coming back to page 63; on the top of that page are these words: "If one were to consider the public antecedents of the Premier as leading to this debasement of parliamentary and public life, we may trace in the course of an indifferent repute in an obscure part of the colony the explanation of much that otherwise would seem surprising." What was the repute of the right honourable gentleman referred to? Was it indifferent or otherwise? Do you consider that a reflection in your opinion upon myself?—Yes, it certainly is.

138. How long have you known me?—I think I became personally acquainted with you in 1870 or 1871, when we first met as members of the Provincial Council of Westland. I had heard of you for one or two years before that, but had not been personally introduced to you. We have always had an intimate acquaintance since that time.

139. Was the repute I bore on the Coast indifferent or, what?—I have not the least hesitation in saying that the repute you bore on the Coast, and so far as I know throughout the colony, was the best, and it could not be fairly called indifferent.

WEDNESDAY, 12TH OCTOBER, 1898.

Mr. GEORGE HUTCHISON attended and made a statement.

I attend the Committee because it might appear discourteous not to respond to the request addressed to me by the Chairman; but I do not attend to give evidence or take any part in the proceedings of this Committee. I claim that I am not answerable to any Court or any Committee for what I have said in my place in Parliament. The Committee is already aware that I have stated I would appear before any fair tribunal to investigate the allegations now before the Committee; or, if Mr. Seddon will forego his advantage on this Committee, I will repeat outside the privilege of Parliament the material allegations I made in the course of the Financial Debate. More than that, I will not do. The Committee must, therefore, excuse my further attendance now, or at any future time.

*Rt. Hon. R. J. Seddon.*] May I ask whether Mr. Hutchison will object to produce the document—the original in Chinese which he produced in the House?

*Mr. Hutchison.*] That would be recognising the Committee, and I must decline to produce anything.

(Mr. Hutchison then withdrew.)

Mr. A. R. GUINNESS, Barrister and Solicitor, further examined.

1. *Rt. Hon. R. J. Seddon.*] You have stated that you appeared in the Magistrate's Court at Kumara and Supreme Court at Hokitika as counsel for the defence in the prosecution of the Town Clerk at Kumara?—I did.

2. How many charges were there before the Magistrate's Court?—Presuming that this Exhibit C, page 16, is correct, there were about twelve different items, amounting in all to between £29 and £30, which the Town Clerk was charged with having embezzled.

3. Were those counts brought before the Supreme Court?—Yes; he was committed for trial for embezzling each of these items, and the Crown Prosecutor selected nine of them, and prepared three indictments. The rule is that you cannot include in one indictment more than three acts of embezzlement. Apparently, the Crown Prosecutor selected three items for each indictment. The first indictment which was proceeded with contained three counts. The Crown had to abandon the counts for embezzlement and fall back upon the alternative count for larceny as a bailee of a cheque of £5. On this latter count the jury brought in a verdict of guilty; but on the counts for embezzlement they brought in a verdict of not guilty. I may say that it was under the direction of the Chief Justice that the verdict of not guilty was given by the jury.

4. Of the three indictments there was a conviction upon one, but upon the others he was found not guilty, and discharged?—That is so with regard to the first indictment. Then the second indictment was proceeded with, which also contained three counts, and upon that indictment the jury brought in a verdict of not guilty upon all the counts. The third indictment also contained three counts, and the Crown entered a *nolle prosequi* after the verdict of acquittal on the second indictment.

5. Now turn to Exhibit C, in the examination of Mr. O'Hagan, the then Mayor of Kumara; was reference made by him to the overpayment to Mr. Nathaniel Seddon?—Yes. I find it came out during the cross-examination by myself.

6. Go a little beyond that: "I spoke to Mr. Wylde about the auditors' report on the 6th November. I did not show it to him. I did not advise him to resign his appointment. I told him it contained some damaging statements. I did not tell Mr. Wylde to resign temporarily. Mr. Wylde said it would be better to resign until the matter was cleared up. I told him he could please himself. I told him that he was charged with having overdrawn his own salary to the amount of £119, and having paid Mr. Seddon £219 over what he was entitled to; also with having stuck to deposit moneys. I took the report to Greymouth to show it to Mr. Perkins. I did not tell the Council that Mr. Wylde had resigned on my recommendation. I was directed by the Council to take steps with regard to the report"?—Yes.

7. Was Mr. Perkins, the Crown Prosecutor, present in the Magistrate's Court conducting the case on behalf of the Borough?—He was Crown Prosecutor for the Westland Provincial District, and also Borough Solicitor, and he acted in that dual capacity in the Resident Magistrate's Court at Kumara.

8. Then this reference was made in the Magistrate's Court?—It was.

9. Now turn to the evidence of Mr. O'Hagan before the Supreme Court?—It starts at page 18 (Exhibit D). This is a report of the proceedings taken from the *West Coast Times*, of the 4th April, 1883.

10. Will you look at the top of page 20: "I gave him an outline of what the report contained. I did not show him the report. I told him I was sorry to say that the report contained some damaging statements against him. I told him the report charged him with having paid away a sum of £220 to a man named Seddon; also a further sum of £164 to himself, besides keeping several deposits on contracts; and I said, if these things were true, it involved a question of suspension, or something worse. Accused said these were a parcel of monstrous lies. I told him we had the report containing these statements from the special auditors, who said they were true. Defendant then asked what was the best for him to do under the circumstances. I replied that I did not know, but I would not like to submit him to the indignity of reading the report to the Council. Defendant then said that he had better resign until the matter was cleared up. I said perhaps so. This was all that took place on this occasion. The defendant did resign. Defendant has never accounted to me for any discrepancies in the matter of deposits"—I may say that evidence was adduced by the Crown in the charge against the accused in the Supreme Court. After that I particularly cross-examined this Crown witness on that point, which you will see mentioned in the same page.

11. Will you go further down the page, to Mr. Harper's re-examination?—Yes: "The special auditors' report was published in the Kumara district on November 8. The information against prisoner by Simmonds was laid after the report was printed. I recollect Keenan paying his deposit of £2 in the Town Clerk's office. There was a meeting on that occasion. The over-payment I refer to was not paid to Mr. Seddon, the councillor, but to that gentleman's uncle."

12. Then this evidence with respect to over-payment, notwithstanding what Mr. Harper said yesterday, was brought out by the Crown Prosecutor?—It was.

13. In the prosecution on the first day of the trial before the Supreme Court on the trial of the first indictment?—It was. I may add also that, in my opinion, the Crown acted most unfairly, as I thought at the time, and still think, in using that report, which was circulated in the district where the jury were empanelled from in order to prejudice the defence of James Wylde; and that is one of the reasons why Mr. Richard John Seddon was called as a witness to show the incorrectness of the report.

14. Was ever any attempt made, either in the Magistrate's Court—notwithstanding this was used in both cases—was any attempt made to prove the correctness of the allegations with respect to the over-payment?—No evidence was brought to prove that.

15. Mr. Spence gave evidence?—Yes; he was one of the special auditors, and Mr. Palliser was the other.

16. Did the Crown ever ask them any questions as to the correctness of paragraph in "C"—as to the over-payment to Mr. Seddon?—To the best of my recollection, they did not; because, I think, some note of it would have been found, either in the notes of the evidence taken by His Honour the Chief Justice, or in the report of the trial in the *West Coast Times*, which gave full and accurate reports of what took place. I may add that there was a great deal of feeling in regard to the case at that time, and the newspapers took special interest in the case by publishing full reports of the proceedings.

17. Are there any points upon which you would like to give evidence with respect to that part of the proceedings on the other counts?—No; I think not. But there was a point mentioned yesterday upon which I said that I could not give evidence without the consent of the client I acted for.

18. Are you in a position to give material evidence about it?—I could give his explanation as to how the auditors made a mistake in the statement about these alleged overpayments to Nathaniel Seddon.

19. *Mr. Massey.*] Whose explanation?—Mr. Wylde's. I am referring to the overpayments with regard to Nathaniel Seddon.

20. *Rt. Hon. R. J. Seddon.*] Do you remember Mr. Wylde himself being called upon before sentence. Turn to page 26, Exhibit D?—Yes.

21. Will you give that to the Committee? I want you to verify whether that is a correct statement of what took place, as far as you recollect?—I have read the report. "James Wylde was brought up for sentence. In answer to the usual questions, the prisoner said he was sixty years old. He also, in a voice broken by emotion, said: 'I wish to say a few words, your Honour. I believe the jury acted conscientiously, according to their interpretation of the evidence brought before them; nevertheless I am perfectly innocent of the crime for which I have been tried. I am the victim of party spirit, carried to an extreme. It is useless for me to enlarge upon the artifices used to get rid of me and place a tool of some of the councillors in office. The abstraction of my paper, to prevent my defending myself, was only one of the means used. I wish to say that I was appointed to the Borough Council because I was a skilled engineer and all the public works had to be done—not because I was an accountant. I have nothing more to say. I shall be grateful for leniency.'" As far as I recollect, that was what the accused stated to His Honour the Chief Justice when he was called upon to make a statement.

22. Did Mr. Wylde complain of papers which would have materially helped in his defence having been taken away, or that he was not allowed to have them?—Well, there were different books and vouchers. He made one suggestion or statement that Mr. O'Hagan had taken them, because he had heard that he was in the habit of going in and out of the office when he (Mr. Wylde) was absent, and it was clearly proved in the course of the proceedings that certain memoranda and books which Mr. Wylde had kept in his office were missing, and could not be found. Mr. Wylde said that they would have assisted him to clear up many of the discrepancies which the auditor found.

23. On this allegation (A) I have nothing further to ask, Mr. Guinness, so I will go on to (B).

24. *Mr. Massey.*] Mr. Guinness stated just now that Mr. R. J. Seddon was called to prove the

incorrectness of the auditors' report. Was it in the Supreme Court or the Resident Magistrate's Court?—It was in the Supreme Court. The prisoner in the Resident Magistrate's Court reserved his defence and called no witnesses.

25. Did Mr. Richard John Seddon manage to prove the incorrectness of the auditors' report—it is on page 23, Exhibit D, I think? Will you repeat what you referred to?—Yes, this is what Mr. Seddon swore: "I saw the special auditors' report as published in the paper before the meeting of the Council on the 10th November. I knew its contents. I am a relative to the Mr. Seddon referred to in the auditors' report. I went through the books on my own account. I am certain that the auditors are wrong. The amount stated as overpaid to Seddon is not correct. Seddon has been paid what was due to him. He received all the moneys due to him. The document produced is an order from Nathan Seddon to pay all moneys coming to him to me."

26. Do you consider that proved that the auditors' report was wrong?—Yes, in respect to the alleged payments to Nathan Seddon, because no other evidence was tendered than that of Mr. Seddon upon the point; and as the Crown had the opportunity of calling witnesses who were then in Court to rebut that evidence, and they did not do so, I am of opinion that the Crown accepted Mr. Seddon's assertions as correct.

27. Was the matter of the overpayment to Mr. Nathan Seddon before the Court at all?—It was not part of the charge. It was brought in incidentally in order to, in my opinion, prejudice the minds of the jury against the accused. It was brought out by the Crown in Mr. O'Hagan's evidence, in his evidence-in-chief, and in re-examination by Mr. Harper.

28. Was it necessary to call evidence in rebuttal of Mr. Seddon's evidence?—Not necessary to support the charge of embezzlement then being tried.

29. *Hon. W. Rolleston.*] If you will look at page 20 you will see in the cross-examination by Mr. Harper that he says "The overpayment I refer to was not paid to Mr. Seddon (the Councillor), but to that gentleman's uncle." Do you know on what ground he made that statement?—I believe Mr. O'Hagan was simply giving his evidence upon the auditors' report, and the documents that the auditors had before them.

30. Why was that not reconciled in the Court with the statement that the payment was made to Richard John Seddon? He says: "Seddon had been paid all that was due to him. He received all the moneys due to him. The document produced is an order from Nathaniel Seddon to pay all moneys coming to him to me"—I think that Mr. O'Hagan meant that Mr. Nathaniel Seddon was the person legally entitled to receive. The mere fact of the moneys going through the hands of Mr. Richard John Seddon was really a payment to the principal, though they went through the hands of an agent.

31. *Rt. Hon. R. J. Seddon.*] If they had gone through?—Yes; supposing they had gone through your hands.

32. *Hon. W. Rolleston.*] Did not Mr. O'Hagan absolutely deny the statement attributed to him just now?—The charge of abstracting the documents? Yes, I think in some portion of the evidence he did.

33. Was it stated in the Court or anywhere else that he had abstracted the documents?—The Mayor denied that he had removed documents, but he does not appear in this portion of his evidence to have denied the fact that he was often in the office in the absence of the Town Clerk.

34. Is Mr. O'Hagan still alive?

*Rt. Hon. R. J. Seddon.*] No; he is dead. It is a very strange thing, that part of the case—some of the prime movers in the accusation are dead.

35. *Hon. W. Rolleston.*] Mr. Skelton, the new Town Clerk of the Borough of Kumara, said in his evidence in the Supreme Court: "I was present at a committee-meeting of the Council held respecting the special auditors' report. I took down in writing the prisoner's statement on that occasion. I have not got the minutes of that meeting, nor the prisoner's statement. I have looked for them. I looked last night, but I could not find them. I could not say when I saw them last. I did not destroy them."

36. Do you know anything of those papers? Have you ever seen them?—No; I have never seen them. The Crown at Hokitika wanted to put them in, and I believe they sent Mr. Skelton post-haste on horseback to Kumara to try and find them, but he came back and said he could not find them.

37. Was the loss of these papers attributed to anybody at the time?—Not that I remember. I know it could not have been attributed to Mr. Wylde, because this statement was taken down by his successor, and it must have been either in the custody of the new Town Clerk (Mr. Skelton), or that of the Mayor, or the Crown Prosecutor.

38. With regard to the vouchers of the alleged overpayment to Mr. Nathaniel Seddon, is their loss accounted for in any way?—I do not know that it was ever suggested that the vouchers were lost.

39. You look at page 35, Exhibit F, and you will see a report from Mr. Barnett, the Mayor. He says, "In accordance with resolutions passed I have made inquiries into that part of the special auditors' report which states that Mr. Seddon received the sum of £219 10s., overpayment of wages, and I find that there are not sufficient vouchers to show that he actually received the money, although the special auditor, Mr. Spence, informed me that they were in the office when he made the audit." Where is it supposed these vouchers have gone?—I cannot say where they are supposed to have gone. No evidence was given at the time, nor was it suggested that any one in particular had taken them.

*Rt. Hon. R. J. Seddon:* If you will turn to page 28, Exhibit E, you will see that the auditors have not said that the vouchers were in existence.

*Hon. W. Rolleston:* The evidence says, "Mr. Spence informed me that they were in the office." That was on the 8th April, after the trial.



*Rt. Hon. R. J. Seddon* : On page 28, Exhibit E, you will see the words, "Excess paid according to cash-book and ledger." They never said the vouchers were there.

40. *Hon. W. Rolleston*.] You say the papers gave the fullest reports?—The *West Coast Times* gave a very full report of the proceedings in the Supreme Court.

41. Did any other papers report very fully too?—There was a paper called the *Hokitika Evening Star* or *Guardian*, an evening paper published at Hokitika at the time, and I have seen copies of that newspaper since the trial. Both the Hokitika papers, as a rule, reported the Court proceedings very fully and correctly.

42. Where will the Committee find the account of the proceedings of the Borough Council in this matter?—In the *Kumara Times*.

*The Chairman* : I think it should be remembered that it has been stated in evidence that the records of the Council—a considerable number of them—were missing also.

43. *Hon. J. G. Ward*.] In the auditors' report, which formed part of the evidence, or had been used in connection with the indictment, was any reference made to the absence of the voucher that was supposed to be signed by Nathaniel Seddon?—I think not. I believe the report is here. It starts on page 27, Exhibit E. The only paragraph that relates to the payment of Nathaniel Seddon is on page 28, Exhibit E: "Nathaniel Seddon, day labourer. We find on most careful consideration that this man was paid in full up to the 25th December, 1879, after which date confusion begins; so we had to adopt a similar method with regard to his wages. This man received wages at the rate of £3 per week up to the 5th November, 1881, when his weekly engagement terminated by order of the Council."

44. Nothing appears to have been said in the evidence as to the loss of the vouchers. Both the auditors were examined on oath?—Yes, in the Supreme Court, and I think also in the Magistrate's Court.

45. Would it not have been material to your client, who was the accused, that you should have been enabled to have shown that the double payment had been made to any person by voucher if such had taken place?—Not on the trial of the indictment for the embezzlement of the particular sums charged.

46. In the evidence of O'Hagan is there any reference to the £219 said to have been twice paid to Nathaniel Seddon?—Yes, there is.

47. If that had been so, would it not have been your bounden duty, in the interest of your client, to have relieved him of the imputation of having embezzled £219, which is a straight way of putting it? (*The Chairman* : By showing he had consequently been paid twice?)—Not on the trial of this indictment for embezzlement, because that had nothing whatever to do with the question of the alleged overpayment to Nathaniel Seddon. It was incidentally brought into the trial in order, as I said before, to prejudice the prisoner in the eyes of the jury, and in performance of my duty I called evidence to show that he had been paid no more than what he was entitled to; and I consider I did that effectively by Mr. Richard John Seddon's evidence.

49. Who prosecuted in the Magistrate's Court?—Mr. Perkins, who was Crown Prosecutor and who was also Borough Solicitor.

50. Did he lay the information as a borough councillor or as a private individual?—It does not appear from the evidence here who were the informants. It is difficult to tax one's memory so many years back. To the best of my recollection one George Simmons, then a member of the Council and an agitator in municipal affairs, and an opponent of Mr. Wylde in the position he held, took a very prominent part in getting a special audit made, and directly the matter came before the Council the majority were in favour of taking steps. I think he swore the first information.

51. Who was Simmons?—George Simmons was a tinsmith in Kumara.

52. Would it not have been the duty of Mr. Perkins, as solicitor for the Corporation—especially as he held the dual position of Crown Prosecutor—assuming that £219 was improperly paid, to have prosecuted him or obtained a refund of the money on behalf of the Corporation?—I should say most decidedly it would have been his duty to have recommended the prosecution of the accused for the misappropriation of that large sum of money if in his opinion any evidence could have been brought to support such a charge. I should say Mr. Perkins was very well known as a very cautious, careful, and able man, and I have not the least doubt if he could have obtained a tittle of evidence to support the charge, that would have been one of the charges laid against the accused.

53. If there had been vouchers showing a duplicate payment of £219 had been paid to Nathaniel Seddon, would not that have been sufficient evidence to warrant a prosecution or a demand for a refund of that £219?—It would, without explanation.

54. There was no prosecution against Nathaniel Seddon?—None.

55. Supposing the vouchers had been found signed by Nathaniel Seddon in the possession of the Town Clerk, or a duplicate of that £219 improperly paid to Nathaniel Seddon, would that have been sufficient evidence to have warranted a prosecution against the Town Clerk or against Nathaniel Seddon, if he had improperly obtained that money?—That fact, without explanation, would have warranted the Crown Prosecutor in prosecuting both parties. It would have amounted to a charge of conspiracy to defraud.

56. Was any charge of that kind made by the Corporation or the Crown against either Mr. Wylde or Nathaniel Seddon? Can you say whether any refund of the £219 was made to the borough by any one?—Well, I think the fact of such an important item as that for so large a sum having been refunded to the Borough of Kumara would have been so generally known that I must have heard of it, but I did not hear of it.

57. Would not the special auditors have mentioned it to clear up the overpayment of £219? Would they not have stated the refund had been made for that amount?—They would have done so if it had been paid. But they distinctly say there was no explanation of it. They distinctly say no such refund has been made.

58. Then it would have been the duty of the Crown Prosecutor to have prosecuted the Town Clerk and Nathaniel Seddon for conspiracy for the overpayment of that £219, supposing it had been made to Nathaniel Seddon?—Yes, I think so, if it had been paid, and could have been proved.

59. And if there had been vouchers in the Town Clerk's office they would have been *prima facie* evidence?—Yes.

60. Referring to the indictment, Mr. Guinness, Mr. Harper stated that he had nothing to do with the preparation of the indictments, but that they would have been prepared by Mr. Perkins. Is it unusual in cases of that serious nature for the Crown Prosecutor to make application to the Judge to have the issues extended?—I do not understand that expression—"issues extended."

61. Well, to have fresh issues included in the indictment?—It is not unusual to have indictments amended, but it must be confined to the subject-matter of the charge. If you refer to altering an indictment so as to include a charge with regard to embezzlement or larceny as a bailee of borough money by making improper payments to Nathaniel Seddon, I do not think the Court for a moment would allow such an important amendment in the charge to have been made.

62. Supposing in the course of the procedure there was discovered sufficient evidence to support a charge against the Town Clerk of large embezzlements, is it unusual in such a case as that, where strong ground is shown, to have the indictment altered or amended?—Well, no; it would be a more proper course to prepare a fresh indictment.

63. If well-founded charges arose, a fresh indictment would have been prepared?—Yes, but the prosecution would have to be commenced in the Magistrates' Court.

64. Was there any reason at this particular time, assuming that a larger sum than that mentioned in the indictment against Mr. Wylde had been reasonably shown to have been improperly paid away, was there any reason why a fresh indictment should not have been applied for, for a fresh trial?—Certainly not. Other informations could have been laid at any moment, either before the Supreme Court sat or after.

65. *Mr. Duthie.* You have cleared up this point, that in the charges before the Supreme Court they could not in any way be extended to include the over-payment to Mr. Nathaniel Seddon?—No. That offence was a different thing, and could not be brought, in my opinion, under the head of embezzlement or larceny as a bailee.

66. The alteration could not form any part of the charge; it was only a suggestion, but could be made part of the charge in the Supreme Court?—No, it was only brought out, in my opinion, to prejudice the prisoner in the eyes of the jury, or to show that the accused, Mr. Wylde, was not keeping proper accounts.

67. There are two other points Mr. Ward has suggested: that it would have been the duty of the Borough Council to have prosecuted if there had been a stronger case?—They could have prosecuted if they had sufficient grounds.

68. As a matter of fact, would it not be regarded as persecution if a public body, having succeeded in getting a man punished on one charge of larceny, and having him sentenced to twelve months, laid a fresh charge—and would not the accused have had the public sympathy?—That would be so with regard to any criminal act on the part of James Wylde, but not so with regard to Nathaniel Seddon. Under the circumstances it would no doubt have been regarded as persecution after having presented three indictments and got him convicted on one, found not guilty on another, and withdrawn the third, that they should have started another prosecution on another class of crime.

69. Mr. Ward suggested that they did not seek to recover the moneys overpaid to Mr. Seddon, but they could have taken a civil action in that direction. Would not that have been regarded as compounding a felony?—I think it might have been urged that the criminal law should be first set in motion, and exhausted, before the civil law was resorted to. That is to say, if the facts were true, and there was sufficient evidence to warrant a criminal charge being preferred, that should have been preferred before a civil action could have been taken.

70. You made a statement in reply to Mr. Seddon that the auditors' report was freely circulated to Mr. Wylde's prejudice, and you thought at the time it was unfairly so used. To what did you refer? The report, I understand, was a public document published in the proceedings of the Borough Council: did the Borough Council take any special steps in circulating that report?—No special steps; but the officers of the Borough Council who gave evidence in the case, to my mind, improperly brought this report before the Court and under the notice of the jury.

71. Were they not justified in doing so when both auditors had been before the Court for examination?—Not on that particular charge of embezzlement, because if they had confined the evidence to the acts of embezzlement there would have been nothing unfair about it; but they endeavoured to go and did go beyond that.

72. The report was before the Court in evidence, was it not?—No, I would not allow it to be put in.

73. Were alterations made, or was evidence admitted outside the charges with the exception of this matter of Mr. Seddon's?—I cannot say for certain at this period unless I carefully reperuse the whole of the evidence. The only point of importance, in my opinion, which was admitted is evidence extraneous to the charges, or this fact of overpayment to Nathaniel Seddon. That was also brought in with regard to the overdrawn salary.

74. Your remark was that the report was freely circulated to Mr. Wylde's prejudice. Well, now, there was no special circulation. All that you complain of now was that an allusion was made to it in the Court?—It was freely circulated. They did not stop the publication of it. It was published in the report of the proceedings of the Council, and in the newspapers.

75. Just so; but that would have been as ordinary news. Your suggestion is that the Borough Council, or the parties prosecuting, went out of their way in freely circulating the report?—Well, it was freely circulated by being published in the newspaper.

76. That would have occurred as a matter of course. Was there anything specially done?—Well, it need not have been published, because they could have kept it back if they desired to be fair.

77. You know that when a report is read at a table of a Council it is public property?—If read at the table, but not if read in committee.

78. This report was laid on the table?—Yes, I believe it was.

79. Was there anything exceptional in that?—Nothing, except that it was read at the Council table, but not in committee.

80. It was their duty to read it at the Borough Council table—a report of that class?—I have a different opinion in respect to the duty of the local body. The counsel for the Crown drew particular attention to these paragraphs in the special auditors' report relating to extraneous matters, and brought them under the notice of the Court and jury, which extraneous matters must, in my opinion, have prejudiced the cases against the accused.

81. This is a matter we cannot criticize. I wanted your statement whether there was on the part of the Borough Council undue circulation; but you do not now say that there was more than that this was read at the Borough Council table. You called evidence upon the information against Wylde as to this payment to Nathaniel Seddon?—Yes; but I cannot give the Committee my client's explanation without his consent.

82. You made a suggestion in regard to O'Hagan, the Mayor. You say he went in and out of his office?—That is what Mr. Wylde said. You will see it is in the evidence.

83. And you had your own opinions about it. You further said that O'Hagan denied that he was often in the office in the absence of the Town Clerk?—I do not recollect his saying so. To the best of my recollection he never denied it, and my memory is refreshed by the report of his evidence of this exhibit.

84. You make that suggestion. Was it in any way the duty of O'Hagan to make a denial where there was no charge against him?—There was Mr. Wylde's assertion as to that.

85. Why was the assertion made? In page 15, Exhibit C, of the evidence given before the Magistrate's Court you will find the following: "Mr. Wylde accused me in the presence of Mr. Spence that I had removed some documents. Mr. Spence said to Mr. Wylde, 'The Mayor informs me he knows nothing of those reports of the finance committee.' Mr. Wylde said it was rather strange. I asked Mr. Wylde why he should think I had taken the documents. He said he heard I was often in the office during his absence. I have not removed any documents from the office. I received the auditors' report from the Government. I saw Mr. Wylde and asked him for an explanation, and to come with me and see Mr. Spence. He said the matter was in the hands of his solicitor, and he could not interfere. He has never accounted to me for his deficiencies" You will see that Mr. O'Hagan denies that he took the documents?—But he does not in that evidence quoted by you deny the assertion that he was often in the office.

86. You said often in the office in the absence of the Town Clerk?—Well, that was the meaning of it.

87. Mr. O'Hagan denied that he took away the documents, but your suggestion, drawing attention to his being there in the absence of the Town Clerk, is that it was probable or possible that he removed these documents. What motive could have induced O'Hagan to do such a thing? You know solicitors always look for a motive?—Do you press me to give my reason?

88. Yes, because the suggestion has been made against a dead man's memory that while he was one of the principal parties in the prosecution and desired to oust Wylde from his office, and that there was very bad feeling between the two. Well, Mr. O'Hagan denies that in his evidence, and, so far as the prosecution is concerned, he was performing a public duty which may have been very painful to him. Have you any knowledge that there was any exceptional bad feeling on O'Hagan's part towards Mr. Wylde as would induce him to take such action?—I think if you will read the *Kumara Times* and the different speeches made by Mr. O'Hagan, you will see that considerable feeling did prevail.

89. Can you tell us the nature of the speeches?—I cannot now, but I remember very well in connection with the case that there were two antagonistic parties in the borough, one being led by Mr. O'Hagan against the Town Clerk, and another supporting the Town Clerk. Local feeling ran very high between the two parties.

90. It is a terrible suggestion that a man would abstract documents and get a man illegally convicted. You must have strong evidence to support such a charge as that?—I do not think my suggestion goes that far.

91. You say in the absence of the Town Clerk these documents were missing. That seemed to convey a suggestion?—I do not think it goes that far, but it shows that Mr. Wylde heard that Mr. O'Hagan visited the office, and that Mr. Wylde inferred from that fact that Mr. O'Hagan had something to do with the removal of the documents.

92. If I understand you aright, this was your opinion; but it was not established that the documents were abstracted by him?—I do not think that is so.

93. You do not mean to assert that Mr. O'Hagan had any motive in doing this thing?—I would not assert from the mere fact of his being in the office that he took the documents; but Mr. Wylde seemed to think that there was some evidence to justify him in believing Mr. O'Hagan had something to do with taking the documents.

94. But still you draw attention to the fact?—Well, I have carefully read all the evidence, and I find that Mr. Wylde's assertions amount to that.

95. *The Chairman.*] Of being often in the office?—Yes. It may have been an omission on the part of the Crown Solicitor not to ask him point blank upon that. He may have denied or admitted it.

96. Were things kept very strictly in the office under the new Town Clerk or in the Council generally; was there not a great deal of freedom in going in and out on both sides?—I think it was generally stated at the time that Councillors had a good deal of freedom in going in and out, and things were conducted in a very loose way. Mr. Wylde was Borough Engineer and Surveyor. The township started in a dense bush, and there were roads and streets to be made, so that he was very often away for hours on this work. Sometimes he collected moneys in the street, sometimes in publichouses, or wherever a person gave it to him. He would say, "You send for a receipt, or come to the office." The jury recommended him to mercy on the ground that the Council had allowed the business to be conducted in a very loose way.

97. Not only the Mayor and the Councillors generally, but others had free access to the office, and would go in and out?—Yes. The Mayor might have a duplicate key, but I do not know that every Councillor would.

98. Do you know who were the members of the Finance Committee of the Council?—I do not.

99. *Hon. J. McKenzie.*] From your knowledge of the whole circumstances of this case, was any attempt ever made to prove the correctness of the auditors' report?—In either of the Courts?

100. Yes?—No.

101. That is with regard to the overpayment to Mr. Wylde and Nathaniel Seddon?—It was not.

102. I see the auditors, on page 29, Exhibit E, wind up their report by saying, "We have had considerable difficulty in arriving at a satisfactory conclusion, and even now are of opinion that we have not discovered all the discrepancies, as in the absence of important documents, we had to take things for granted." If they had been put to the test as to the correctness of their report, could they have proved it?—I have not the least doubt that the auditors accepted a good deal as proved without having any evidence, documentary or otherwise, to support same.

104. *Mr. Duncan.*] Mr. Harper stated in his evidence that Mr. Perkins made out the indictments some time before he was called upon to assist in the case?—I have no reason to doubt the accuracy of that statement.

105. That being so, was Harper in a position to alter the indictment in any way at the stage in which he came into the matter?—Certainly. The matter of the preparation of the indictments is only a question of increasing the writing on a piece of parchment.

106. Could it have been amended in any way?—If the Grand Jury found a true bill on the indictment it could only have been amended by leave of the Judge. But before it was presented on the Monday morning when the criminal proceedings commenced, it could have been altered by Mr. Harper in any way he wished.

107. That being so, from your legal knowledge, if this over-payment to Nathaniel Seddon had been proved to be true, would it not have formed grounds for an indictment for conspiracy or something in that way?—Not at that sitting of the Supreme Court, because neither Mr. Nathan Seddon nor Mr. Wylde had been charged with any criminal act, but they could have been indicted in my opinion by laying an information on the Saturday preceding in the Magistrate's Court in the usual way.

108. But in the first instance, from your own knowledge of Mr. Perkins, do you think that this being one of the larger sums, and containing a charge of misappropriation, would not that form the indictment if there had been evidence to sustain it in the first instance?—Well, in my opinion, Mr. Perkins would have taken it as one of the charges against the accused if, in his opinion, there had been sufficient evidence to support the charge.

109. Then, in your opinion, this matter was overlooked, and only formed part of the proceedings to prejudice the jury against the accused?—Yes, it was brought out as a fact as if it were connected with the charge of embezzlement, and that would have the effect of prejudicing the jury, and to my mind it did do so.

110. *Mr. Massey.*] Mr. Guinness in his evidence just now told us there was very bad feeling between O'Hagan, the Mayor, and Wylde (the Town Clerk). Do you recollect Mr. O'Hagan giving evidence in Mr. Wylde's behalf, and stating that outside the present charges accused was a man for whom he had every reason to entertain the highest respect?—I am aware of that having occurred after the prisoner had been convicted.

111. Was it not the bounden duty of the Mayor to prosecute the Town Clerk, and to take a leading part in the prosecutions, one on the report of the special auditors, and the other a charge of embezzlement?—No doubt it was his duty to prosecute if he and the majority of the Council had decided to prosecute; but I think his first duty would have been, considering the lax and irregular way they allowed the Borough Council accounts to be kept, to have given Mr. Wylde every opportunity of explaining any discrepancies that might have occurred. That, in my opinion, was not done.

112. Was not Mr. Wylde asked by Mr. O'Hagan to explain the discrepancies in the accounts; and do you not think Mr. Wylde had every opportunity of making an explanation if he desired to do so?—After reading the case, I do not think he had. Wylde was away from the office very often, and the Mayor went up in the evening to his private residence, which was some distance away from the office.

113. Were you a resident of Kumara?—No, I resided at Greymouth, fourteen miles away.

114. Then, apart from the newspaper reports, you had no knowledge of what occurred in Borough Council matters?—No, but I used to attend some meetings of the Kumara Borough Council, and I was practising in the Courts every fortnight there, and in order to perform my professional duties, I remained there sometimes for several days, and I had a very good idea of what was taking place in the Borough.

115. When Mr. Richard John Seddon was being examined, did you ask him any questions with respect to the alleged overpayment to his uncle?—I think I did.

116. Is there any record of it?—I think not; but there may have been, because Mr. Harper cross-examined on it.

117. But there is no record?—I do not know for certain with regard to that point; but I am pretty certain that I did examine about it, because that was one of the main points Mr. Harper cross-examined upon, which further corroborates my statement.

118. Mr. Guinness' examination is on page 22 (Exhibit D)?—That would be called my examination-in-chief.

119. *Hon. W. Rolleston.*] Would it not be the duty of the Judge to see that extraneous evidence prejudicial to the prisoner would not be brought in—I mean extraneous evidence to that particular indictment?—Yes, it would be.

120. Did you hear the summing up?—Yes, I did.

121. Did not the Judge charge the jury to take no heed of the auditors' report?—In my recollection I cannot say positively one way or the other. I find nothing here reported as to what he said; but, speaking generally as to the duty of the Judge, I say he would certainly direct the jury not to take any notice of the extraneous matters, or of what they had heard outside the Court. But I know as a counsel of considerable experience that the charge of the Judge does not always have the effect of eliminating from the minds of the jurors what they have heard or read outside the Court.

122. You say you have no recollection of the matter?—Yes; but as that is the duty of the Judge, I have every reason to believe that the Chief Justice carried out his duty in his address to the jury.

123. Is not that borne out by what he said in passing sentence (Exhibit D, page 26)? Does not that bear out the fact that the Judge performed his duty?—Yes.

124. *Rt. Hon. R. J. Seddon.*] You said it was necessary to bring a charge in respect to the overpayment in the indictment before the Court if the alleged overpayment had been made?—It was not necessary to prove the overpayment, supposing it was made. On the other hand, if the Crown wanted to prejudice the accused, they would have referred to it; but it would have been to the advantage of the Crown if rebuttal evidence had been brought.

125. In answer to Mr. Duthie, you said it was not necessary to prove the alleged charge of over-payments to Mr. Nathaniel Seddon in respect to the indictment before the Court?—Yes, presuming they had been made.

126. You also said that the reason for bringing in that evidence, in respect to the alleged overpayment, was to prejudice the accused before the jury?—Yes; to prejudice the case for the prisoner.

127. Would not that fact have been supported if evidence had been brought by the Crown in rebuttal of that?—Yes, certainly.

128. And if the Crown was correct in that proceeding they could have brought in the rebuttal evidence?—They had the auditors there. I presume they could have called them. The whole question of giving evidence in rebuttal is one for the Judge to decide whether he will admit it or not. But there was nothing to prevent the Crown from applying to do so. But they did not apply, and therefore the Judge did not decide.

129. In answer to one question you said, if these alleged overpayments were an actual fact, it would be a question of conspiracy between the Town Clerk and Mr. Nathaniel Seddon?—Yes, that would have been the nature of the criminal charge which would have been preferred.

130. Was there a civil remedy—you have said that in your opinion the first step would have been to have commenced criminal proceedings?—Yes, if the Crown Prosecutor thought the evidence would justify such a charge, it would be his duty to advise criminal proceedings, leaving it open to the defendant to urge there was no charge against him at all; but no civil action could be dealt with unless the criminal charge had been decided.

131. Are you aware as to whether the borough solicitor was consulted on this matter?—No; that is the first I have seen of this document (Exhibit G), which is a report from his Worship the Mayor to the members of the Borough Council, and is dated 21st April, 1883. The Borough Council considered the question.

132. Would not all the documents that were in the possession of the Crown have to be retained by the Crown or the Borough Council? Is it likely that important documents, such as vouchers, cash books, and ledgers, if they had existed would have disappeared?—Well, the usual course is that documents used in the trial and produced as exhibits, when done with are handed back to the parties to whom they belonged. In this case they would all belong to the Borough Council, and would, I take it, be in the hands of the Mayor or Town Clerk, or the borough solicitor.

133. Is it not likely they could have got into the hands of the ex-Town Clerk or Mr. Nathaniel Seddon's?—I have no idea where they could have gone.

134. Will you turn to the auditors' report, page 28 (Exhibit E), where they say,—“Nathaniel Seddon, day labourer. We find, on most careful examination, that this man was paid in full up to the 25th December, 1879, after which date confusion begins, so we had to adopt a similar method with regard to his wages. This man received wages at the rate of £3 per week up to the 5th November, 1881, when his weekly engagement terminated by order of the Council.” There is nothing said there about vouchers?—No, there is nothing in that portion of the report which speaks of the statement having been made up from vouchers.

135. They say it is made up from the cash-book and ledger?—Yes, and they also add that Mr. Wylde had been advised not to give any information with regard to the accounts of back years, as they had all been audited and passed.

136. You were asked a question by Mr. Duthie as to ill-feeling on the part of Mr. O'Hagan towards Mr. Wylde, as to what motive he had. Will you look at this column?—Yes. I see there is a letter, Richard John Seddon to the Colonial Secretary; a letter from the Colonial Secretary to Mr. Seddon; a letter from G. S. Cooper to his Worship the Mayor; a telegram from Mr. O'Hagan

to the Colonial Secretary; and a reply from the Under-Secretary to Mr. O'Hagan; another letter from the Colonial Secretary to Mr. O'Hagan; a letter from G. S. Cooper to his Worship the Mayor (Mr. O'Hagan); a letter from G. S. Cooper to his Worship the Mayor; and then a letter in the *Kumara Times* from Mr. Richard John Seddon, dated Wellington, 3rd August, 1882.

137. *Hon. W. Rolleston.*] How does that affect your inquiry—it seems to me to be a violent attack on a man who is dead. Is Mr. O'Hagan's reply there?—No; not in this issue of the paper.

138. *Rt. Hon. R. J. Seddon.*] Mr. Duthie asked what motive Mr. O'Hagan could have had. Was there not ill-feeling?—I am trying to prove that there was. Mr. O'Hagan, behind the backs of the Council, entered into a correspondence with the Colonial Secretary, and never laid it before the Council. When I went to Wellington I found this correspondence, but the Borough Council knew nothing about it. It was kept out of the correspondence-book, and I saw from that Mr. O'Hagan was prejudiced, and had a motive. This was before the auditors' report came down.

*Mr. Duthie:* That does not seem to be a proof of personal feeling against Wylde.

*Rt. Hon. R. J. Seddon:* I am going to show a motive. Simmonds's name had been removed from the roll. Will you read the correspondence in the *Kumara Times*?

[Mr. Guinness read correspondence in the *Kumara Times* of the 14th and 15th August, 1882.]

139. *Mr. Duthie.*] I draw your attention to page 28 (Exhibit E), where it is stated that the excess paid according to the cashbook and ledger was £219 10s.?—Yes.

140. On page 27 (Exhibit E) the auditors state, "All the back documents and vouchers were in a very mixed and disordered state, but we commenced our operations by checking all payments from the cash-book with the corresponding vouchers, and after considerable trouble succeeded in obtaining vouchers for nearly all the entries in the cash-book except those enumerated on List A." So that, inferentially, that payment of £219 10s. did not rest upon the evidence of the ledger and the cash-book alone, but that there were vouchers for these payments. As you are accustomed to interpret language, is not the meaning of that that there are vouchers for those payments in List C?—The word "nearly" makes it rather difficult to understand. If they had vouchers they would have said, "We obtained the vouchers for all the entries in the cash-book." I daresay it as you suggest, that they had obtained vouchers for all payments shown in the cash-book except those which are stated in the list in Schedule A. There is a word missing which would complete the sentence, but it is apparently intended that they had vouchers for all these payments in their hands, and they merely wanted to make it clear that they had the vouchers before them.

141. *Hon. J. G. Ward.*] There was a question put by Mr. Duthie in his cross-examination. He argued that Mr. Nathaniel Seddon had received £219 overpayment?—You mean the £219 excess.

142. The question was asked whether, if a refund had been made, it would not have been regarded as an attempt to compound a felony. What I want to ask you is this: is it not a fact that the Crown Prosecutor, who was solicitor for the Borough of Kumara, did not take proceedings of any kind for the recovery of the alleged £219 which was said to have been improperly overpaid?—Yes, that is so; because, when the proceedings were over in the Supreme Court, he never did anything in the way of civil proceedings, which was the only course open to the Council to make good the moneys.

143. Is it a fact that Nathaniel Seddon was not prosecuted, and no attempt to prosecute was made?—The borough solicitor was of opinion that no criminal charge could be preferred, but he did advise a civil action.

144. Was Mr. O'Hagan Mayor at that time?—Yes, he was.

145. If it had been possible to have taken criminal proceedings against Nathaniel Seddon do you suppose it would not have been done?—I should fancy it would have been one of the principal charges commenced by the Crown, especially as several of the items are very large.

146. In your experience as a solicitor is such a thing impossible as forged vouchers to have been in the office of the Town Clerk of the Borough of Kumara?—Certainly, it is quite possible.

147. On this question of compounding a felony, or an attempt to compound a felony, there was no prosecution in this case. Is it unusual, where from the circumstances surrounding in some cases family or domestic affairs—is it unusual for overpayments to be made in cases of embezzlement and forgery?—I understand it is a very usual procedure. We hear of such cases being fixed up.

148. Do you consider that if the then Mayor of Kumara had any suspicion of £219 having been paid to the late Nathaniel Seddon would he not have insisted upon one of two courses—either a prosecution or a refund of the money?—I think there is not the slightest doubt that the late Mayor of Kumara would have insisted upon either a prosecution or a civil action to recover the amount.

149. But neither course was taken?—Neither course was taken.

150. *Rt. Hon. R. J. Seddon.*] You were, as you say, frequently in the Court at Kumara in your capacity as a solicitor?—Yes.

151. Do you remember an occasion when application was made for an injunction on behalf of a Chinese party for a claim just below the bridge on the Greenstone?—Yes, Bun Tuck was one of the party known as Ah Lee and party.

152. Do you know of your own knowledge whether there was a Chinaman of the name of Bun Tuck?—Yes, there was a Chinese of that name.

153. *The Chairman.*] You will observe that it is stated on page 35 (Exhibit F) that the Mayor is said to have stated that the special auditor, when he made the audit, had the whole of the vouchers there; and is it within your recollection that at the trial the fact that vouchers were missing came out?—Yes, it was so.

154. So that the vouchers did not disappear between the time of the trial and the time they reported to the Council; but prior to the trial the vouchers disappeared, not afterwards?—I think there is some evidence of that.

155. So that the documents had been abstracted prior to the trial?—It would appear that Mr.

Wylde complained that the documents had been abstracted. On page 15 [Exhibit C] Mr. O'Hagan says: "I have not removed any books or documents from the Town Clerk's office, except what the police took charge of. I remember a special audit made by Messrs. Spence and Palliser. Mr. Wylde accused me in the presence of Mr. Spence that I had removed some documents. He said he had heard I was often in the office during his absence. I have not removed any documents from the office. I received the auditors' report from the Government."

FRIDAY, 14TH OCTOBER, 1898.

A. R. GUINNESS, Barrister and Solicitor, further examined.

1. *The Chairman.*] You recollect my drawing attention to the fact that on page 35 we had a statement of what the Mayor said. [Exhibit F 1.] Is it within your knowledge that a statement was made at the trial that the vouchers were missing?—Yes. So far as I recollect it was not stated in the evidence what number were missing.

2. *Mr. Morrison.*] It would be no part of your duty to examine into these vouchers. You were defending a prisoner charged with embezzlement, and it would not form part of his case to go into that matter?—They were not required for the purpose of my defence on the charge of embezzlement.

3. You did not know whether the vouchers were produced at the special audit or not?—No, I have only the statement in the special auditors' report.

4. *The Chairman.*] I think you cross-examined him upon that point?—I do not think there was any minute of the cross-examination as to whether the documents were missing, or what vouchers were missing, as the matter was not in issue at the trial when the accused was charged with embezzlement.

5. *Hon. J. G. Ward.*] Can you say whether or not the vouchers which were referred to were in existence at the time of the trial or not?—I cannot say that they all were, but I understood from the auditors' report that some of them were. It is stated in the report that some of them were not found.

6. Were those vouchers not produced in the ordinary course?—When you spoke of vouchers I understood you were referring to those said to have been received by the Town Clerk for payments to Nathaniel Seddon.

7. Would not all exhibits either in the Magistrate's Court or the Supreme Court remain a record in the Court?—No, the usual practice is to hand them back to the parties who produce them. If the Crown produced them they would be handed back to the Crown or to the officers of the Council.

8. *Mr. Massey.*] There is a man named Simmonds referred to here as having laid the information; who was he?—He was a tinsmith by trade, originally resident in Greymouth, but when the Kumara rush took place he, with others, went and established a business there. He was there from the commencement of the rush, and always took a lively interest in local politics, both in Greymouth and in Kumara, and he was one of those who were strong opponents of Mr. Wylde, and of the party who were Mr. Wylde's supporters.

9. What was his official capacity?—I am not sure whether he was a councillor then or not. That could be got from the records. I know he was a ratepayer.

9A. *Right Hon. R. J. Seddon.*] He was a councillor too?—I know he became a councillor, but how far back I am not certain.

10. *Mr. Massey.*] Is he available now?—I think he is dead.

11. Have you any idea why he laid the information?—He was one of those who were suspicious that the accounts and proceedings of the Town Clerk were irregular, and a petition was got up to have an inquiry, and when he got information as to what was the auditors' report, then, as a ratepayer or member of the Borough Council, he laid the information.

12. *Right Hon. R. J. Seddon.*] When did you find that the vouchers were missing—in the evidence in the Magistrate's Court or the Supreme Court?—I only found it from the report of the auditors.

13. The question was whether these vouchers were missing between the time of the special audit and the trial, or were they missing when the special audit took place?—The auditors say that some of these vouchers were missing when they made the audit.

14. And that is the reason you said vouchers were missing before the trial?—Yes, because some of the witnesses mentioned that fact.

15. But there is no evidence to show that the vouchers were missing between the special audit and the trial?—No; but the same lot of vouchers that were missing when the auditors made their report were the same that were said to be missing after the proceedings were commenced and evidence given of them at the trial.

16. Well, there are two sets of vouchers; were they vouchers for Mr. Wylde's salary or the alleged overpayments to Mr. N. Seddon?—I understand the vouchers related to both.

17. Will you look at the report and show me where you got that from. It is stated in the report that "all the back documents and vouchers were in a very mixed and disordered state, but we commenced our operations by checking all payments from the cash-book with the corresponding vouchers." [Exhibit E.] I draw the inference from that that all the vouchers were not found, but nearly all. They specify these in page 30 in the schedule. They show that some of them are wages—one of them is for "Seddon (no receipt), 10th March, 1878, £15"—It does not say there were no vouchers, but no receipt. The voucher is there, but no receipt. That is the interpretation.

18. *The Chairman.*] Receipts are taken on vouchers, that is the general practice?—He meant that it was an unreceipted voucher.

19. *Right Hon. R. J. Seddon.*] There is only one voucher for £15 paid to N. Seddon, and the receipt is included in schedule A. There is a voucher there without any receipt. But I wish you to notice, Mr. Guinness, that this voucher for which no receipt is given is entered there as for the 10th March, 1878, while the other commences in 1879?—That is so. That is for a period during which the auditors seem to have found no fault with the earnings and the payments.

20. Now, if you will turn to the report (page 28, Exhibit E) you will find these words: "Nathaniel Seddon, day labourer. We find on most careful examination that this man was paid in full up to the 25th December, 1879, after which date confusion begins?"—That covers the period for the £15 for which there was no voucher. As I replied to Mr. Morrison, this question as to the alleged overpayment to Mr. N. Seddon was not a matter of importance to be brought out on a trial of charges for embezzlement or larceny as a bailee.

21. I asked you when you were last under examination whether you knew that there was a Chinaman by the name of Bun Tuck?—Yes, he was well known.

22. You had business with him as a solicitor and with his party?—Yes.

23. Any statement that I was the person implied would be regarded as what?—It would be regarded as a joke, and without any truth in fact.

24. *Mr. Morrison.*] But it might be more serious than a joke; it might be malicious?—Yes.

25. *Right Hon. R. J. Seddon.*] You have gone through the reports, and I ask you whether there was any evidence or anything that came out before and during the trial that would justify you in saying that a reflection was cast upon me or my uncle?—I have already answered that. In my opinion there was not the slightest scintilla of evidence to cast any reflection upon yourself or your uncle, or implicating you in any way in the alleged defalcations of James Wylde.

WILLIAM BARNETT, Chemist, sworn and examined.

26. *The Chairman.*] What is your name?—William Barnett.

27. What are you?—A chemist.

28. Where?—In Christchurch.

29. Do you understand the purpose for which you were called before this Committee?—Yes.

30. *Right Hon. R. J. Seddon.*] You were for some time a resident on the West Coast?—Yes.

31. Where?—Kumara.

32. Were you a member of the Borough Council in 1881?—Yes.

33. Were you also Mayor of Kumara in the latter part of that year?—Yes, from November, 1882.

34. Who was the Town Clerk at the time you were a member of the Borough Council?—Mr. Wylde.

35. Were you Mayor at the time an information was laid against him: was it before or after that when you became Mayor?—Before.

36. Who laid the information?—I cannot remember.

37. Were you Mayor at the time the information was laid?—Yes.

38. Had there been a special audit of the accounts?—Yes.

39. Was a special audit asked for on two occasions?—Yes.

40. Who asked for it in the first instance?—A man named Simmonds.

41. Who was he?—He was a tinsmith.

42. Was he a member of the Borough Council?—He was. I think after that, but not at the time.

43. Did anything occur as to his name dropping off the roll and preventing his being eligible as a candidate?—I know there was something of that kind.

44. Was there a grievance between him and the Town Clerk?—Yes, a considerable grievance.

45. Simmonds asked for a special audit, and obtained signatures to a petition?—Yes.

46. Were there any forged names in that petition?—Yes, I understood that was the reason why the prayer of the petition was not granted. There were some four or five signatures out of thirty-two required by the Act.

47. Taking away signatures signed without consent or forged, there was not a sufficient number required by law?—That was the reason.

48. There was a second petition, was there not?—Yes.

49. Who promoted that?—I did myself.

50. Do you remember my attitude in reference to that petition—do you remember consulting me upon it?—Yes.

51. And what took place?—I was on one of the committees of the Council—I think it was the Finance Committee—and after this first petition had been refused considerable talk took place in the town about the accounts of Mr. Wylde. I did not myself believe there was anything really wrong with his accounts, and I did not take a great deal of notice, but seeing that there was so much talk, I spoke to Wylde in the office, and I said I thought he had better have an audit, and get matters cleared up. He seemed to approve of the suggestion—so much so that I said I would get a petition prepared, and I did so and took it to him thinking he might sign it first. But he demurred, and my opinion was to some extent changed. Before going any further I went and had a long talk with you about these matters. I saw there was going to be a good deal of bother, and I was not inclined to go further with it. That was the simple truth. But you suggested that I could not drop the matter now, and said I had better go on with it. So far as you were personally concerned you did not think there was anything wrong.

52. In other words I said the best thing to do was to go on and have a special audit?—Yes, that was the position at that time.

53. You went on with it, and a special audit was granted?—Yes.



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.

83. *Mr. Duthie.*] When you wrote that letter did you know what the imputations were?—Yes, I went into the *Press* office, and Mr. Triggs read them over to me. I imagined what they referred to as soon as I saw them mentioned in the paper. They were not published in the *Press*, but there was sufficient in connection with the matter to enable me to understand it, and I went to the office and saw Mr. Triggs.

84. Do you remember the date you became Mayor?—I cannot say as to the exact date, but it was about the 14th or 16th of November, I think.

85. *Right Hon. R. J. Seddon.*] About the first Wednesday in November?—I think so.

86. *Mr. Duthie.*] You seem inaccurate in respect to these proceedings. You mention certain things you did as Mayor, but I think at the time you were not Mayor?—Of course, when we could not get the books of the Council for the exact dates we would find a difficulty in going so far back.

87. You were a councillor for about two years before that?—Yes.

88. Were you all the time a member of the Finance Committee?—I cannot tell you now, but I was a member of one of the committees, though I am not sure whether I was on the Finance Committees. You are referring to the evidence when the talk was about the audit. It was after the information was laid that we had that talk about the matter.

89. There was a Finance Committee, and I understand Mr. Campbell was chairman. You are aware that in a Borough Council there is always a standing committee on finance. What I understood was you were a member of that committee?—Yes; I think I was. I do not know for certain, but I am pretty well certain that I was.

90. Now, you say that when you came into the Council bills were given?—Just before I joined, or about the time I joined. I do not think that any bills were given afterwards.

91. What would be the date?—I think in 1880.

92. There were bills in 1880?—Yes, to the currency date they bore; but I think they were for various currency of three and six months. I think I knew some people who were dealing with them.

93. As a member of the Finance Committee, or as a councillor, had you knowledge of the contents of that authority from Nathaniel Seddon to Richard John Seddon to lift all moneys due to him?—Yes, I saw that.

94. Can you tell us the contents of it?—I cannot give you any particulars beyond the fact that there was an authority from Nathaniel Seddon to Richard John Seddon to draw the money. I think his salary was divided into two parts, one being for work done for the Council, and the other for looking after the building.

95. He was paid £3 a week?—Yes, he got that in wages as a day labour man, but he was also caretaker of the building. He would only get a small payment for that. He lived in the building, and acted as caretaker as long as I remember.

96. What amount was paid?—I do not know.

97. It would not amount to these alleged overpayments?—Certainly not.

98. It is stated here in the evidence that the document produced was an order from Nathaniel Seddon to pay all moneys coming to him to Mr. Richard John Seddon?—Yes.

99. The moneys would not be paid to Nathaniel Seddon after that order was made?—It was an order to draw the salary while he was absent and until he came back. I understand he was not feeling very well, and went away.

100. Do you know whether this document is extant?—I do not know where it is now.

101. Do you think it disappeared also?—I cannot say. It is some years since I was on the West Coast.

102. Have you any knowledge of the date of that order?—No, I have not. I think it dated back a couple of years before the audit took place.

103. But, apparently, it was not cancelled at the time it was produced in Court?—I do not think Seddon was out of employment when the case was heard in Court. He died three years afterwards.

104. This engagement as a day labourer at £3 a week had ceased?—Yes.

105. According to this exhibit of the 25th November, his engagement as a day labourer ceased at that date, did it not?—I cannot say. It does not say his salary ended there.

106. Was he not continued in the employment of the Council? “Nathaniel Seddon, day-labourer; we find, on most careful examination, that this man was paid in full up to the 25th December, 1879, after which date confusion begins, so we had to adopt a similar method with regard to his wages. This man received wages at the rate of £3 per week up to the 5th November, 1881, when his weekly engagement terminated by order of the Council.” [Exhibit E.] Do you know whether this order to lift the money lapsed at that date?—Do you mean was the order acted upon by Mr. Richard John Seddon up to that date?

107. I presume Mr. Richard John Seddon lifted all this money?—No, he did not. Mr. Richard John Seddon, I think, lifted moneys monthly while Nathaniel Seddon was away.

108. Then, it was not a standing order which was acted upon for all payments?—No, not at all.

109. But, as reported in the proceedings, it would seem to bear that meaning?—It was not carried out in that way. I think two vouchers were signed by Richard John Seddon; but I cannot remember the dates.

110. You saw in the examination of Mr. Seddon that there seems to have been a suggestion that this special audit was unjustifiable. Do you not think it was a proper thing to have that audit of the borough accounts?—Yes, I think so.

111. And the result justified that action?—Yes.

112. Have you read the charges since made by the member for Patea that we are inquiring into?—I have not read them completely.

113. When was the charge made first that Mr. Richard John Seddon commenced stonewalling?—We rather pride ourselves now that it was there Mr. Seddon learnt to stonewall.

114. There were two occasions. 'What was the object in blocking the business on the first occasion?—It was when there had been a Committee set up, I think, to investigate this report of the auditors and the Council met.

115. I quote from *Hunsard*, No. 17, page 63: "On the motion before the Borough Council for the adoption of the auditors' report, Mr. R. J. Seddon, who was a member of that Council, and also at that time a member of Parliament, took occasion to do what is vulgarly known as 'building a stonewall' so that the proposal might not be given effect to. He began to talk at 1 o'clock at night, and he continued at short intervals until 2 o'clock a.m., when probably realising that he was as yet not really strong in the work, he gave in, and the report was adopted." Your attention being drawn to that, can you give any explanation of what appeared to be the object?—I do not know; but it is quite correct that we had only one long meeting when Mr. Seddon made himself prominent by keeping it going pretty well all night.

116. There had been a committee appointed to inquire upon, I think, the 8th November, but they did not get on very well. Do you remember that?—Yes. We wanted to get a statement from Wylde, but we could not get it.

117. Were you on that committee on the 9th November?—I think I was.

118. You had a meeting on the 8th November, at which Mr. Wylde was present: Do you remember that?—You want to get my memory as to this first meeting.

119. You will find it in the report of the first meeting (*West Coast Times*, Saturday, 11th November, 1882, and *Kumara Times* reports of Borough Council meeting herewith quoted)?—I do not remember this meeting, but there was nothing unusual about it. One does not remember these things after all these years. The next meeting might have been an extraordinary meeting, but this one which sat only till 2 o'clock would not be an extraordinary thing at all. We have sometimes sat very late on ordinary business.

120. Did not the Council adjourn, and afterwards continue? Did not the committee sit until 11 o'clock?—I cannot say whether it was or not. I do not recollect.

121. But the Council sat until 1.40?—Yes. I remember at that meeting Mr. Seddon accused me of being Crown prosecutor.

122. At that meeting Mr. Mulvihill said something with regard to stonewalling: Do you remember that?—Yes, it was quite possible some remark of that kind was made.

123. Would it not be supposed that it was the stonewalling Mr. Mulvihill drew attention to?—If any one drew attention to Mr. Seddon talking at great length, there would be nothing very extraordinary in that.

124. Mr. Mulvihill moved that the Auditor's report be referred to the borough solicitor, did he not?—Yes.

125. Do you remember Mr. Burger stating that the talk of Mr. Seddon was frivolous?—I could not say as to that.

126. Mr. Seddon proposed an amendment to refer the matter to the borough solicitor, and he spoke for more than an hour, did he not?—I cannot say.

127. Do you remember at that meeting Mr. Seddon struck the table and asserted that the auditors' report was false from beginning to end?—No; I do not.

128. Finally, as a result of that meeting, was a resolution carried in favour of referring the matter to the Crown Solicitor?—I think it was carried at the second meeting. Now, I remember, it was the second meeting.

129. On the 9th November, was there an overlapping meeting of the committee as well as the Council, and one was adjourned for the other?—Yes.

130. Was there a proposal to refer it back to the special meeting of the Council? Did not the Council, on the amendment moved by Mr. Mulvihill, decide to refer the matter to the borough solicitor, which amounted to a prosecution?—The result with regard to the prosecution came up at the next meeting.

131. Upon that occasion, do you remember how you voted?—I probably voted to refer the matter to the solicitor, but I cannot say positively.

132. You reported in favour of going on with the case?—Yes; I dare say that is correct.

133. The reference to the solicitor was carried by the casting-vote of the Mayor, Mr. O'Hagan?—Yes.

134. That meeting closed at twelve o'clock?—Some time after twelve. It is all reported in the proceedings of the Borough Council. The *Kumara Times* always reported them fully. The *West Coast Times* did not usually report the proceedings of the Kumara Borough Council at all. You will find a more correct report in the *Kumara Times*.

135. The next meeting was to receive the opinion of the borough solicitor, was it not?—Yes.

136. You met at the usual hour?—Yes.

137. Do you remember what occupied the earlier part of the meeting?—I do not know. The ordinary routine business, I suppose.

138. Was it not mainly occupied by Councillor Seddon addressing the Council from time to time?—Yes, that was the general bearing at the earlier part of the meeting.

139. The object of the meeting, then, was formal business?—Yes, which is not usually reported.

140. You say the proper report would be in the *Kumara Times*?—Yes; you asked me about the preliminary business, the nature of which I cannot now recollect.

141. You say that the *Kumara Times* contained the fullest report?—Yes, and I think that would most likely show how the earlier part of the meeting was taken up.

*Mr. Duthie*: I applied for copies of the *Kumara Times*, but they were not available.

*Right Hon. R. J. Seddon.*] You never asked me for them. No one ever asked me for them. They came to the Clerk.

*Hon. W. Rolleston*: I asked you yesterday to allow me to have them.

*Right Hon. Mr. Seddon*.] I said I would produce them, and then you could refer to them.

*Mr. Massey*.] Would it not be possible to obtain copies of the *Kumara Times* of 1882 for the use of the Committee?

142. *Mr. Duthie* (to witness).] You have heard the explanation about the *Kumara Times*?—Yes.

143. Can you suggest any other paper where the Committee would get a more reliable report than this?—I do not think there are any. You asked me what was the preliminary business at that meeting, and I suggested that the *Kumara* paper would probably give it, as it usually gave the routine business.

*Mr. Duthie*.—I do not like this report because it is incorrect.

*Right Hon. R. J. Seddon*.—If you had asked the Clerk for the file it would have been lent to you.

144. *Mr. Duthie* (to witness).] As regards this stonewalling, would you not recognise it as stonewalling if the meeting were prolonged till 8.30 in the morning by some person?—Yes.

145. Was not the principal business which was expected to come before that meeting the solicitor's opinion in reference to the auditors' report?—Yes.

146. And that did not come on until past six o'clock in the morning; is that not so?—If you say so I believe it. I cannot dispute it. Possibly it is correct.

147. Up to that time the business was in the direction of blocking that report coming on?—The meeting lasted over the night, and *Mr. Seddon* himself, with one or two others, kept the meeting going all night.

148. Was it his desire to have a committee examination into the accounts?—He took that attitude from the first, and eventually a motion was carried to have a prosecution straight out.

149. When that had been decided the solicitor's opinion was then forthcoming?—Yes.

150. Well, then, he could not have been blocking it with a view to acting upon it, since the committee was willing that another course should be decided upon?—Yes; but the other course was not decided upon till half-past 8 o'clock in the morning, when it was resolved to prosecute.

151. The business was to read the solicitor's report?—Yes, I believe so.

152. And the obstruction, which lasted up to that hour, was to prevent that report being read?—The meeting lasted until 6 o'clock, and up to that time the whole question was whether we should receive the solicitor's report.

153. Up to that time the solicitor's report had not been opened?—I cannot say.

154. The question was whether the Council should adopt the solicitor's report?—It was to settle the question. The question which had been raised was if the committee was to proceed with the examination of accounts.

155. You say that that would be considered on the 9th November or the 10th November?—Yes; but they never made any examination. We wanted an explanation.

156. But at that time the committee was non-existent, and the matter could not be referred back to them?—The motion which was carried to refer the matter to the borough solicitor put the committee out of existence.

156A. I see your meaning. You mean that the fact of the matter being referred to the Crown Prosecutor, who was also the borough solicitor, put the committee out of existence?—My impression was, from first to last, *Mr. Seddon* wanted the inquiry to go on into these matters, and to get the Clerk to make a statement.

157. He occupied the Council all the time upon that subject?—Yes.

158. Then, you admit that that might be regarded as stonewalling, even in *Kumara*?—I suppose so. About 8.30 o'clock, after a short adjournment, the motion to prosecute was put, and carried on the voices.

159. In the absence of *Mr. Seddon* and *Mr. Campbell*?—Yes, but I was not there myself.

160. You admit that there was obstruction on the part of *Mr. Seddon*?—Well, preventing the course I desired to take.

161. Was not *Mr. Seddon's* relative charged with being overpaid, and would not the obstruction of the report be to prevent that coming out? If that were done, would you consider it a proper thing?—I do not think that was *Mr. Seddon's* purpose.

162. But that is the effect?—That was one thing the committee might have seen into, as to whether *Mr. Seddon's* relative had any explanation to make; if his relative had received the money, but he never had any opportunity of explaining. The committee never made any inquiries, and never sat to investigate the matter.

163. *The Chairman*.] You mean the matter of *Nathaniel Seddon's* alleged over-payment?—Yes. If *Nathaniel Seddon* had received the money he never had any opportunity of explaining anything about it.

164. *Mr. Duthie*.] The fact is, the Council decided upon taking another course. The majority were apparently satisfied that the committee, after two days' sitting, were not going to elucidate. Is not that so?—You have the resolution of the Council, which it carried at the meeting.

165. To bring things to an issue?—As Mayor, it was my duty, in conjunction with the borough solicitor, on behalf of the Council, to take the necessary steps to deal with the serious matters involved in the auditors' report.

166. The Council agreed to that?—Yes.

167. That was the resolution carried by the meeting?—Yes.

168. In that report were there allegations that *Mr. Nathaniel Seddon* had been overpaid?—They did not assume anything like that, as you put it now. No member of the Council at that time took it seriously that *Nathaniel Seddon* had received a penny over what he was entitled to. I was completely opposed to *Mr. Seddon*, as you will see all through. But there was nothing to

show that old Nathaniel Seddon had got a penny which was not his own, and if the Town Clerk had in any way used Nathaniel's name in vouchers, it would help to an understanding of the case. Nathaniel Seddon was a pretty old man, and if the Town Clerk had asked him to sign a voucher for a hundred pounds he would probably have done so. If he had put a voucher before him and asked him "Sign this" he would have done so. I think if you had known him you would admit that. That was the impression we had in regard to the matter. If there was anything in the report or voucher showing over-payment to Nathaniel Seddon, we found that Nathaniel Seddon had not received any money, but that had probably been the process Mr. Wylde had adopted in committing embezzlement by making use of Nathaniel Seddon's signature.

169. We are here to ascertain these things, and I am very much obliged to you for putting that light upon it, because it is important to know why you acted as you did. That is very satisfactory, but the position, of course, remains the same. I want to bring up your letter in which you refer to these official allegations. You say that the Borough Council decided to act on the advice of its solicitor. Was it a proper thing for Mr. Richard John Seddon, whose uncle's repute was at stake, to obstruct the business with a view to prevent action being taken?—He was not trying to prevent that. He was endeavouring to prevent the prosecution of Wylde. For instance, here in the *Kumara Times* is a resolution which he moved himself. (*Kumara Times*, 4th May, 1883.) [Exhibit F1.]

170. You have incidentally mentioned that Mr. Seddon's object in obstructing was not in respect of the over-payment of his uncle, but that he was trying to prevent the prosecution of Wylde. Had you any reason for thinking that?—He tried to get us to examine into the matter. There was a committee at first, but it did not do any work. He had tried in all ways to get the committee to work unanimously, and see if these charges could not be explained or investigated in some way. The auditors did not make the defalcations clear.

171. *The Chairman.*] You referred to Mr. Richard John Seddon?—Yes; Mr. Seddon tried to get us to work on this.

172. *Mr. Duthie.*] You had discussed the question, and ordered the solicitor's opinion to be taken?—The Council ordered the solicitor's opinion to be taken. Probably in the early part of the evening it was pretty well known what the opinion was, and Mr. Seddon endeavoured to get to work.

173. You say, also, officially it was pretty well known?—I think it was. I think I knew most of it.

174. Was Mr. Seddon endeavouring to prevent it being disclosed?—I do not think you can put that construction upon it at all. He was trying to induce them to get the committee to work.

175. Of course, that was irregular in so far as the Council had resolved, upon the casting vote of the Mayor, to take the opinion of the counsel upon it. Was Mr. Seddon proceeding with a view of getting the Council to reverse its decision and go back?—Yes.

176. In the opinion of the committee he was trying to prevent that coming out?—Logically it was so.

177. The logical conclusion is he was trying to prevent the prosecution of Wylde?—First of all, to make an effort to see if the thing could not be settled by an investigation of the accused. That, I believe, was the stand he took in stonewalling the matter.

178. That the Council should put it aside and call in the public auditor and declare its inability to deal with the accounts until the examination was completed?—Yes.

179. You had the report before you?—Yes.

180. So he was in favour of going back to it, and the Council should undertake these investigations?—No, because the auditors' report was not perfectly clear upon this point.

181. It would be perfectly clear if it was supported?—It was not supported in this case of Nathaniel Seddon.

182. I am dealing with the question of Wylde, since you introduced it. The prosecution did take place?—Yes.

183. And the accused was convicted?—Yes.

184. Which endorsed the report of the auditors and showed that Mr. Seddon was wrong in endeavouring to prevent the prosecution of Mr. Wylde?—Yes.

185. In the report you made to the Borough Council, that in accordance with the resolution you made inquiries and read the special auditors' report, which states that Nathaniel Seddon received £219 over-payment, but you found there was not sufficient evidence. [Exhibit F, page 35.] Did you try to find these vouchers?—We could not find the vouchers. We found some vouchers, but not up to that amount.

186. I presume Mr. Wylde had signed the vouchers for the amount due to Nathaniel Seddon—Yes.

187. It is suggested that Mr. O'Hagan had special access to the office in the absence of the Town Clerk, and he was supposed to have taken those vouchers away?—The Town Clerk accused him of having removed vouchers from the office.

188. You are affirming that circumstance, but can you make that clear as to how it would be to Mr. O'Hagan's advantage to remove these vouchers. He is supposed to have had a quarrel with the Town Clerk, and the production of these vouchers was essential to the prosecution of the Secretary. That would amount to a charge of conspiracy in order to make the case go against the accused, Mr. Wylde?—Not if the vouchers had been forged.

189. Even if they had been forged they would have been essential in the case?—It would have been a more serious matter if the whole of the vouchers were incorrect.

190. Mr. O'Hagan is supposed to have been inspired with ill feeling against Mr. Wylde, and those vouchers were necessary in order to make the case go against Wylde or Seddon for forgery if either of them had been prosecuted. The suggestion against O'Hagan is that he abstracted those documents. I want to know his motives, because to my mind it would seem that these back

vouchers, whether forged or otherwise, were essential to the prosecution of Wylde in that particular charge. Do you recognise that?—Yes.

191. What object could O'Hagan have to abstract them?—I cannot say he would have any object in particular. O'Hagan, who is dead, was a careless sort of person. It was suggested that he may have been in the office, taken charge of these documents, and taken the papers out and lost them. He was not a strictly sober man by a long way. One does not like to say such things about a man when he is dead, but he was particularly careless in that way. I heard Wylde accuse him of taking away the documents out of the office. When he could not find all he wanted he accused O'Hagan of taking them, and refused to go on.

192. Of course, Wylde was proved to be guilty, so that when he hurled charges against O'Hagan I do not think they would go for very much. Do you mean to suggest that he was habitually careless, and that, being addicted to liquor, he would abstract these documents in that way and forget all about it?—Well, he was very subject to liquor.

193. Were many of his vouchers missing?—I cannot tell you how many were missing.

194. Could you assist the Committee to ascertain the number missing?—No, I could not.

195. Then, according to your statement, those vouchers were complete in the office in September, 1882. Have you any knowledge of what early period they were missing?—No, I have not; but probably when Mr. Perkins, the Crown Prosecutor, did not proceed with any of these charges, because when they were investigated the proofs were found to be incomplete. That would have been earlier.

196. It could have been only a few days. Mr. Perkins' opinion was dated 13th November, 1882. On page 3 [Exhibit G], you will find this: "With regard to the amount of salaries overdrawn, and the amount paid to Nathaniel Seddon, until I see the receipts for the amounts and the vouchers upon which the payments were made, and have further evidence to whom the items were paid, I am not prepared to give a decided opinion as to who is responsible in these matters, and, if responsible, in what manner." Well, Mr. Barnett, you became Mayor immediately after, and this is a much heavier charge than the one you proceeded upon. Was not a search then made for these vouchers?—Yes, I think there was.

197. Do you know whether they were missing on the 13th November, when the solicitor wrote?—Well, that is so. Here you have the first evidence of their being missing.

198. I should like to know whether inquiry was made if they were missing at that time?—They probably were, because the solicitor was very often in the office at that time.

199. You cannot assist the Committee with regard to any action that was taken when the documents were known to be missing than the information contained in your letter of April—you have no further knowledge?—No.

200. In November a search was made. Do you suggest any one who could give information? There is at present only Campbell to be called. Can you suggest any one else who had access to the missing documents?—The man who had access to the office was Skelton, who was appointed temporary clerk.

201. Can you suggest any one who could assist?—Both the men are dead, and the man who took charge while Wylde was suspended.

202. I have only one more question as to whether you can make it a little clearer. Was each man involved, or inferentially under suspicion; was there any suspicion against Nathaniel Seddon?—That is where we differ. There never was any suspicion against him.

203. Can you give any reason why the matter was not followed up?—It is a large amount, £219, and you are suggesting, as a business man, that Richard John Seddon, his uncle, and Wylde, robbed the borough of the amount, and divided it between them. You are throwing a doubt upon my intelligence, because I did not suspect Nathaniel Seddon.

204. Was that suspicion ever expressed in any official document?—I take it this way: that the official documents showed the mode by which Mr. Wylde had made those embezzlements.

205. There is Schedule C, page 31 [Exhibit E] setting forth these various payments as having been made in excess to Mr. Nathaniel Seddon. Surely, as a man of intelligence, you can say whether there was any aspersion against him?—No; there was no aspersion against him. I took in my mind to mean that it was easy for Nathaniel Seddon to have embezzled this money, but when we examined for the vouchers they were never found. We could not get at anything by the books.

206. Then, you did make a search for them?—Yes. I cannot give you the date. The date you have here is April; but I am not able from my recollection to give you any earlier date. The amount upon which the prosecution took place would be determined entirely by the prosecutor. He would pick out the items. He must have looked into this, and finding it not strong enough for his purpose, took the other items.

207. You have raised the question of intelligence: do you not think it was a matter of duty to take action so as to clear the character of this working-man?—Yes; as I showed you in my evidence this morning Mr. Seddon moved in committee to that effect.

208. That committee was asked to act in defiance of the decision of the Council, which required notice to rescind. Do you not recognise that a resolution of that kind is binding on a Council until rescinded?—But I was asked to make inquiries into the alleged over-payment to Mr. R. J. Seddon's uncle.

209. Mr. Seddon's action was to get the Council to take the course of acting against a previous decision. After a decision had been come to by resolution these proceedings were taken and the whole night was wasted?—You see that that was a separate action.

210. No, it was on the 16th.

211. *Mr. Graham.*] Mr. Barnett, I do not mean to ask you many questions upon this particular subject, and in asking one or two questions I shall not offer to suggest to you what the

answer shall be, nor shall I attempt to interfere with your replies. I wish your answer to be given clearly and distinctly. We are here to inquire into certain allegations. The first is at the top of page 63, *Hansard* No. 17: "If we were to consider the public antecedents of the Premier as leading to this debasement of Parliamentary and public life, we may trace, in the course of an indifferent repute in an obscure part of the colony, the explanation of much that otherwise may appear surprising." Do these words appear to you to convey a reflection upon the character of the Premier of the colony?—Yes, certainly.

212. You, I understand, were Mayor of the Borough of Kumara in the early days, and knew Mr. Seddon well?—Yes.

213. Do you consider from your knowledge of Mr. Seddon's character during the whole of the time you knew him on the Coast bear out in any way the assertion here made?—No; not at all.

214. What was Mr. Seddon's character during the time you knew him on the Coast?—His character was all right. I never heard anything against it.

215. He never stood in indifferent repute among his fellow townsmen there?—No.

216. You were intimately acquainted with him?—Yes.

217. You consider the statement I have read absolutely incorrect?—Yes.

218. Further down that page it refers to an overpayment by the Borough Council, and Mr. George Hutchison refers to a special audit. Was it ever ascertained that Mr. Seddon was overpaid £219 10s.?—No, it never was.

219. Was he ever accused of it—did any one believe he was so paid?—No, because they knew nothing, and they never questioned him.

220. Not in connection with these moneys he was said to have received?—No, certainly not.

221. With reference to the payment of moneys to Mr. Richard John Seddon on behalf of Mr. Nathaniel Seddon, the inference is that it was an authority in his own favour—that he had drawn the amount of £219 10s. Is that correct?—No, that is not true. He simply drew Nathaniel Seddon's salary for two months while he was away being in ill-health.

222. That is to say, during his temporary absence?—Yes.

223. He authorised Mr. Richard John Seddon to draw that money?—Yes.

224. Consequently this statement of Mr. Hutchison's which appears in *Hansard* is incorrect?—Yes.

225. You have been questioned by Mr. Duthie at considerable length with reference to the meeting of the Borough Council in connection with the adoption of the auditors' report, at which Mr. Seddon is accused of stonewalling as a device against the prosecution of Wylde. Was he doing that so that there should be investigation before prosecution?—Yes; that was the course he took.

226. He did not desire to block the business, but simply that there should be sufficient inquiry before action was taken?—That was the attitude he took up.

227. He simply wished to have a thorough investigation by the committee of the Council before the prosecution was instituted?—Yes.

228. Was not that in accordance with the advice of the borough solicitor that there should be this investigation before the prosecution was taken?—Yes.

229. Then Mr. Seddon, in what he was advocating, was advocating that the Council act in accordance with the advice of its own solicitor?—Yes, as it turned out.

230. He was asking the Council to act in accordance with the legal advice of their own officer?—Yes.

231. The Crown Solicitor recommended that before a prosecution was taken the matter should be left in the hands of a committee to make inquiry into each particular case, and take such action as they deemed necessary, and Mr. Seddon was advising them that this particular recommendation should be given effect to?—Yes; but that was never done.

232. You have been questioned as to the length of the meeting on this particular occasion, and you said it was only about an hour longer than is frequently the case at ordinary meetings?—It was not an uncommon occurrence at all for the meeting to last until 12 o'clock.

233. Under the circumstances, that there was a committee meeting which occupied a portion of the time of this particular meeting, it was nothing more than an ordinary meeting of the Council?—Yes.

234. What time did the ordinary business finish: was it at forty minutes past 1 o'clock, on the 9th November?—I cannot tell you.

235. On the occasion of that second meeting, when you were away, at what time did the ordinary business of the Council finish?—I cannot tell you from memory. It went on very late, but I cannot give you details of that meeting.

236. I suppose, in view of the fact of this opinion of the solicitor, you would consider Mr. Seddon was justifiable in trying to get what he thought was right, and he did not unjustifiably prolong the proceedings of the Committee: do you think he did right in trying to get the solicitor's opinion given effect to?—Of course, according to what he might think was right.

237. It is a matter of opinion?—Yes; though at the time I opposed Mr. Seddon's efforts all through, and if the same thing happened again I should not oppose the line he took.

238. You thought it was not the right course to pursue?—Yes.

239. In other words, you are prepared to say now that on that occasion Mr. Seddon was right in the attitude he took up, or, possibly, he might have been wrong?—I think so. I think if all party spirit had been left out of it and there had been no personal animus in the Council against this man Wylde, and that if the matter had been properly investigated they would have found that really not much money had gone at all, because I do not think the larger sums were robbed from the borough. I would not take the same course that I took then without clear proof that he got these moneys.

240. If the same thing occurred again you, with your knowledge and better experience, would

- act differently? You are prepared to admit that Mr. Seddon took the course that you would take if the same thing occurred now?—Yes.
241. You are of opinion that if that course had been adopted it would have been discovered that the matter was not so serious as it appeared to the committee?—Yes.
242. There was no proof of the suspicion that Mr. Nathaniel Seddon had received more than was justly due to him?—No.
243. None of the Council, nor any of his friends, had any such suspicion?—No. He remained in the service of the Council until his death, and was highly respected during that time.
244. *Hon. J. G. Ward.*] Were you strongly opposed at this time to the attitude taken up by Mr. Seddon?—I think I always tried to take the course that was fair. I was not particularly strongly biassed, but I was opposed to the attitude he took up.
245. If there had been any doubt in the mind of the Council as to the receipt by Nathaniel Seddon of £219 10s. to which he was not entitled, would not proceedings have been taken against him by the Council?—Yes, we would have sought to recover it, and if he had been overpaid we could have recovered it.
246. But no action of that kind was taken?—No.
247. *Hon. W. Rolleston.*] Did I understand you to say that you did not agree with the auditors' reports as to any considerable amount having been taken?—Larger sums were never known to be missing.
248. Do you disagree with the auditors' report where it says these sums were absolutely deficient according to the cash-book and ledger. They say something very similar with regard to Mr. Wylde, if I remember. They certainly say an excess was paid. Do you dispute that?—I do not dispute it; I am not in a position to do so. We never could find any direct evidence of the alleged overpayment.
249. Did not the cash-book and ledger show that it was gone?—No, it did not so appear in the cash-book and ledger, and unless supported by vouchers it was of no use. If he said he had paid Nathaniel Seddon £1,000, and Nathaniel Seddon had given no receipt for it, that would not be proof against Nathaniel Seddon.
250. Do you admit these large sums were gone, and that these sums were paid out of the borough funds during Wylde's term of office?—There always was a doubt in the minds of some of us with regard to this larger amount—that is, that the money had actually gone. Even if Mr. Wylde had embezzled money, there was always a doubt as to whether he had embezzled the larger sum. It never could be shown.
251. Mr. Spence informed you that the voucher showed that sum had been paid out. He saw the vouchers and declared that this had been paid out to Mr. Nathaniel Seddon?—Yes.
252. He also reported to you that when he made the audit the whole of the vouchers were there?—Yes.
- 252A. You implied that the vouchers were forged by Wylde?—That was in answer to a question as to who would have an interest in removing them. The implication was that Mr. Wylde was interested in these vouchers being removed. You must remember Mr. O'Hagan took charge of the office when Wylde had given it up, and Mr. O'Hagan was actuated by strong personal animus against Wylde, so it would not surprise me much to hear of any attitude he took up. Wylde was a man who did not lose his temper much, but on that occasion he got very angry with O'Hagan, and accused him of abstracting documents.
253. You know O'Hagan denied that strongly?—Yes, I believe he did.
254. Do you know that O'Hagan stated that he had never gone into the office alone after the auditors' report? What application to this would your statement have with regard to Mr. O'Hagan being in the habit of drinking?—I do not know it would have any direct application, only I would not put much confidence in a man who drank to excess.
255. Do you think it would injure his veracity or honesty?—Yes; I think he might unintentionally give an incorrect version of what occurred before.
256. Was he not a man who was very much respected on the Coast?—He was, up to a certain point; but, before this time, he began getting into rather bad habits. I think you will find it was so.
257. What members of the Borough Council are alive now who were the councillors then?—I could not tell you.
258. What was the reason Mr. Simmonds laid the information?—He took round a petition in the first place for an audit.
259. That was the petition that was sent to the Colonial Secretary's office?—Yes.
260. That was not the information?—I did not say that Mr. Simmonds laid the information.
261. Who do you say is available now to give information?—The councillors were: Messrs. Mulvihill, Anderson, Berger, Carey, O'Hagan, Barnett, Rudkin, Seddon, Horne, and Campbell.
262. *Mr. Morrison.*] You were Mayor of Kumara Borough in 1882—you were elected to that position in November?—Yes.
263. You had been a member some time previously of the Borough Council?—Yes.
264. Had you been long on the Coast before you became a member of the Kumara Borough Council?—Eighteen years, I think.
265. Residing in the same district?—Within fifteen or sixteen miles.
266. You have stated, in reply to a question, that when you took the position of Mayor you found the affairs of the Council in a very disordered state?—They were a year or so before, when they had to pay accounts by bills.
267. Then the financial business of the Borough was very bad when you assumed the position of Mayor?—Yes, they were in a bad position. The Council had an irregular method of conducting their business. We tried to improve the conduct of the business.



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.

299. If Mr. O'Hagan gave evidence in Wylde's favour, do you think there was any personal animus on his part against Wylde?—There was an imputation in that way.
300. Can you give us any idea as to what was the dividing line between the opposite parties in the Council?—It was much the same as other local bodies. There is always that in these small Councils.
301. In this particular instance?—I could give you details on that. Generally, whatever one side wanted to do the other side did not want, or wanted to do it in another way.
302. Can you remember who was on one side and who on the other?—We were pretty well divided. Mr. Seddon had a strong party before, but about this time he got down to himself and two others.
303. Can you remember the names of the councillors who assisted Mr. Seddon in connection with the stonewall when the Borough Council was kept sitting until 2 o'clock in the morning?—I think Mr. Campbell adopted his views.
304. Did he assist Mr. Seddon?—Yes, I think so. I opposed him.
305. Do you recollect the prayer of the petition that was sent by the Borough Council to the Colonial Secretary?—Yes.
306. Do you recollect the prayer of the petition?—I think there is a form laid down in some Act of Parliament.
307. What were you asking for?—For a special audit.
308. Did the petition go to Parliament or to the Colonial Secretary?—I think direct to the Colonial Secretary.
309. What happened?—Auditors were appointed.
310. There was something wrong in the signatures of the petition?—I had nothing to do with that.
311. I think you stated in answer to a former question that certain signatures to that petition were forged?—Yes. I think there was one of the name of Mrs. Harrison, who could not write at all. I do not say there was absolute forgery, but he had written the names of three or four persons who could not write.
312. You infer that Simmonds in writing these names was guilty of forgery?—Undoubtedly, because when it went to the Colonial Secretary it was refused.
313. Was it made clear to him that these names were forged?—I do not know, but I immediately got up another petition myself.
314. I think the Municipal Act provides that a certain number of names are required to a petition of this nature. Do you remember the number?—I do not, but I think it was thirty-three.
315. Is it not a fact that a number of the petitioners were asked to withdraw their names?—I believe so.
316. Was Simmonds a respectable man?—He was a tinsmith there. I do not know that anything could have been said against his respectability.
317. Do you know whether he is alive or not?—I have not heard of him for ten years.
318. Do you think he could give us information now?—He must be a pretty old man now. He was not in the Council, and I do not know that he would be of much use to you. He was in the Council afterwards.
319. Was he in the Council while you were Mayor?—I think he was elected at the end of my term.
320. Supposing he turns up and gives evidence, will you still adhere to your opinion that he forged these signatures?—The question of forging signatures came from the Colonial Secretary.
321. In the early part of your examination you said that Mr. Seddon never blocked the adoption of the auditors' report. Are you still of that opinion after having had your memory refreshed by the files of the *West Coast Times*, in reference to the stonewalling at the all-night sitting? Was not the question that of adopting the auditors' report? Now, you have told us there was an overpayment to Nathaniel Seddon: are we to understand there was no deficiency through the amount said to have been overpaid to Mr. Seddon?—That I cannot tell.
322. You have told us you have seen the order given by Nathaniel Seddon to Richard John Seddon?—Yes.
323. To collect moneys due to him?—Yes.
324. Do you know whether that order is still in existence?—I do not—it was twelve years ago.
325. In whose handwriting was it?—Richard John Seddon's.
326. And signed by Nathaniel Seddon?—Yes.
327. Was he an educated man?—No.
328. Could he read and write?—Yes.
329. Who were the auditors appointed in response to the prayer of the petition?—Messrs. Palliser and Spence.
330. Were they competent men?—I should say so.
331. *Mr. Duncan.*] It has been said that O'Hagan, without the authority of the Council, communicated with the Government in regard to this affair of Wylde's, and got a special auditor?—I do not know anything about that.
332. You say, party feeling was running very high in the Council between O'Hagan and Wylde?—Yes.
333. Can you tell the Committee what created the ill-feeling in the first instance? Do you know of anything that transpired between them?—No, I do not know of anything.
334. Do you think it was owing to ill-feeling that the Council was determined to prosecute this man without investigation by a committee?—I think now that it might have been so.
335. It might be through ill-feeling that this was done?—Yes.

336. Then, in regard to these moneys said to have been over-paid to Nathaniel Seddon, suppose the vouchers were found, would any blame attach to Nathaniel Seddon, who was working for the Council, and put in vouchers for salary, supposing it happened that there was no receipt?—The voucher would be a receipt if completed.

337. Suppose the blocks of the cheque-book of the Council were in existence, it would show how the money had been paid. Are those blocks still in the hands of the Council?—I do not think so. No cheque-book was produced. The items could not be traced into the bank-book.

338. Would not that prove that the moneys did not pass into the hands of the man who was supposed to have received them?—I cannot say.

339. From your knowledge, as a business man, can you get a cheque from any one without its being shown in the bank-book?—No.

340. The vouchers of Nathaniel Seddon could not be traced in any way?—They could not be found.

341. Then there could not have been any passing of money?—That was the doubt. If the committee had set up an inquiry into the matter, probably the matter would have been cleared up.

342. When O'Hagan spoke favourably of the character of Wylde, was that after the latter had been convicted?—Yes.

343. *Mr. Morrison.*] So that the animus would cease when O'Hagan had got what he wanted?—It would be in the direction of "Save me from my friends!" as it came after the conviction.

344. *Mr. Duthie* (through the Chair).] In whose custody were the borough vouchers from the time the auditors had done with them until they reached the Council on the 4th or 6th November?—They would probably have been in the hands of the new Town Clerk. I knew nothing of the trial. I take it they were left in the office. I do not recollect anything being done about them.

345. *Rt. Hon. R. J. Seddon.*] Were the borough accounts at the bank ever compared with those accounts as shown in the special auditor's report as to the allegation that Mr. Nathaniel Seddon was overpaid?—That we never could show.

346. Then after they had the advice of the Council's solicitor, and passed a resolution, were you then told you had made a serious mistake, inasmuch as you had never asked Wylde to account for the moneys received?—Yes.

347. Did you go with O'Hagan to ask him formally to account for the money?—We went up to his house. He said we had no right to come to his private house and ask questions.

WEDNESDAY, 19TH OCTOBER, 1898.

Mr. WILLIAM NICHOLSON in attendance and examined on oath.

1. *The Chairman.*] What is your name?—William Nicholson.
2. What are you?—An accountant.
3. Where?—At Palmerston North.
4. Do you know the reason of your being called, and what this inquiry is about?—Yes.
5. *Rt. Hon. R. J. Seddon.*] Were you auditor for the Borough of Kumara?—Yes.
6. For what years?—1882, and before that.
7. From 1878 to 1882 you were borough auditor?—Yes.
8. You were one of the auditors?—Yes.
9. Who was co-auditor with you?—Mr. Reuben Toms.
10. Would you know Mr. Toms's signature if you saw it?—I do not know if I would remember it. It is a long time ago—sixteen years.
11. Probably this may refresh your memory [Exhibit H]?—Yes, I should say that that was his signature.
12. Now, do you remember a special audit being made?—Yes.
13. Did you audit the accounts of the borough regularly up to the time of the special audit?—Yes.
14. Did you certify to the balance-sheets being correct as presented to the Council?—Yes.
15. You have the letter from your co-auditor: do you agree or disagree with the contents of that letter?—I quite agree with what Mr. Reuben Toms states.
16. Were any moneys overpaid to Mr. Nathaniel Seddon during the time you were auditor?—Not according to our audit.
17. Had you all vouchers each year put before you?—Yes, we had the vouchers put before us, although I did not see them; Mr. Toms took the vouchers and I took the ledger.
18. But in checking the accounts you compared them with the ledger and cash-book?—Yes.
19. He would have the vouchers before him and you would trace the books?—Yes.
20. That was your system of audit?—Yes.
21. What was the mode of payment by the Borough Council: was it always by cheque?—It was by cheques; there was one time, I think, when cheques were given—I am not sure whether cheques or bills were given first, but I think it was cheques—and afterwards, there not being funds available at the bank, the borough having overdrawn, bills were given for the amount, and there is no doubt that would lead to confusion.
22. You are not sure whether the bills were given first and then cheques paid to take up the bills, or if the bills were to take up the cheques?—I am not quite sure.
23. But you are sure bills and cheques were given for the one liability?—Yes, I am quite certain of that.
24. You say that may have led to some confusion?—Yes, I think so; that was one of the things likely to confuse.

25. Would it be embarrassing to any strangers coming in to audit the accounts not knowing these circumstances—special auditors or outsiders coming in to audit the accounts?—Yes, I believe it would. I recollect at the time Mr. Spence was the first who was asked to audit the books, and he did not seem to manage it. But he brought it out very much like Mr. Toms and I, and I think he then asked for assistance.

26. Mr. Spence, one of the special auditors, made an audit himself first, and brought it out the same way as you and Mr. Toms did?—Yes, so far as I can recollect.

27. And then asked for assistance?—Yes.

28. Then Mr. Palliser came on the boards?—Yes.

29. You remember the special auditors' report, and the result of the special audit?—Yes.

30. You saw the report immediately it became public property?—Yes.

31. You saw the report shortly after it was produced?—Yes, I saw it shortly after it was produced.

32. On seeing that special auditors' report, what did you think?—I was rather surprised. Mr. Toms and I talked the matter over, but we could not make head or tail of it. We thought there must be a mistake somewhere or other.

33. In what direction would the mistake be made—in what respect could they make mistakes: was it in respect to the overpayments?—In respect to overpayments, yes.

34. What was the total revenue of the borough?—That I cannot say; I do not remember.

35. Would it be £1,000 or £1,500?—The rates were very small, but I cannot say what amount was received from licenses, which formed the largest amount.

36. If there were twenty publichouses that would amount to about £1,000, would it not?—It would be about £800.

37. With the rates at £200 and the licenses at £800, the whole approximate revenue would not amount to over £1,500 a year?—I do not think it would amount to as much as that.

38. Was it feasible that you, as auditor, should have allowed such large sums as shown by the auditors' report to have been overpaid and unaccounted for?—No.

39. Was it feasible?—No, I should say not.

40. Now, were you called and asked anything yourself by the Borough Council at the time about the special auditors' report?—No, I do not think I was—not that I can remember.

41. Were you found fault with by the borough, or charged with being careless in carrying out your duties as auditor, after that report?—No, I do not think we were. Of course, some of the Borough Councillors may have thought we were careless, but I do not think they charged us with being so.

42. But were you careless?—No; I audited to the best of my ability.

42A. You are upon your oath, Mr. Nicholson. To the best of your knowledge, after carefully auditing the accounts, was any overpayment made to Nathaniel Seddon?—No; and I may state, in corroboration of that, that Mr. Nathaniel Seddon was in charge of the borough chambers at the time, and from that time up to his death. I do not think it would have been feasible to imagine that the Council would allow a man to receive more money than he was entitled to and to be put in charge of the borough offices afterwards.

43. He was caretaker?—Yes.

44. *Mr. Duncan.*] After 1882?—Yes.

45. *Rt. Hon. E. J. Seddon.*] How many years after?—Up to the time of his death; I do not remember the date.

46. When did you leave Kumara?—In 1891.

47. Was Mr. Nathaniel Seddon there then?—My memory is defective.

48. At all events, for some years afterwards?—Yes.

49. Was Mr. Seddon able to write and sign his name to the receipt of vouchers?—That I would not like to swear to.

50. *The Chairman.*] You cannot say you had receipts signed by him?—I cannot say.

51. *Rt. Hon. R. J. Seddon.*] Did you ever see any vouchers signed by me for Nathaniel Seddon?—No.

52. You have referred to bills: was it before the trouble took place with Mr. Wylde that these bills were given?—Yes, before.

53. From memory, do you think it would be about the year 1880 when this occurred?—Well, I could scarcely say. It is a thing I never thought about until it cropped up just now.

54. Looking at the special auditors' report [Exhibit E], I wish to direct your attention to the part commencing 28: "Here we find some very large discrepancies. Mr. Wylde was appointed by the Governor as temporary Town Clerk at the end of July, 1877, and was permanently appointed by the Borough Council from the 1st November, 1877. He appears to have been paid regularly up to the 30th September, 1879. After this the payments became somewhat erratic and confused, so much so that it was impossible to trace each month's payment in the cash-book; so we were obliged to make up a short statement showing how much he was entitled to and how much he actually did receive." During this period you said bills had been given in lieu of cheques, or cheques had been given and then bills given in payment: did Mr. Wylde receive any bills for salaries?—That I do not remember. I know there were cheques given, and also bills for the same amounts, but whether they were given to Wylde as salary I cannot say.

55. It is said payments were irregular and confusing: was the Council irregular in its payments of salaries—in other words, was it in financial difficulties?—Yes.

56. Was that the reason for the bills?—Yes, that was the reason. We could not cash any cheques at the bank, because the borough had overdrawn amount allowed by the bank.

57. Coming down to Nathaniel Seddon, on the same page it states [Exhibit E], "Nathaniel Seddon, day-labourer. We find on most careful examination that this man was paid in full up

to the 25th December, 1879, after which date confusion begins, so we had a similar method with regard to his wages. This man received wages at the rate of £3 per week up to the 5th November, 1881, when his weekly engagement terminated by order of the Council." Were they correct in saying that up to the 25th September, 1879, he was paid in full: could it be shown by going through the books or the vouchers that a hard-and-fast date could be fixed, such as has been fixed here—namely, 25th September—as being the date up to which he was paid?—I do not think they could fix that date. If I recollect he was employed before that—salaries would be paid before that.

58. Would it not be much more correct if they had started the date he commenced, and taken it up to the time that his engagement terminated?—That would be the proper way.

59. You say as a properly qualified accountant the course taken here would lead to confusion?—It would.

60. If a bill were given on the 8th April, 1880, for £96—taking the first week in April, 1880—and the amount paid being £96—how far back would that take you?—From 1880?

61. Taking Mr. Seddon's salary at £3 per week, and the amount £96, that would be thirty-two weeks; a bill is given on the first week in April: how many weeks would that take you back in 1879?—That would be thirty-two weeks back.

62. There is the month of March?—March, February, January, December.

63. There are four weeks in January, four in February, four in March—that is, twelve weeks. There are thirty-two weeks to be accounted for, and that would take you back into 1879—eighteen weeks—would it not?—That would take you back to the beginning of September, 1879.

64. Are you not aware that after the weekly engagement was terminated he still continued to do work?—He was not, as you call it, discharged; they simply knocked off the day-labour men and just employed men as required.

64A. Then, the auditors would be wrong in taking the entry in the Council's book as being the last payment receivable by Mr. Nathaniel Seddon. Was his weekly engagement terminated by order of the Council?—Yes, but he was employed after that.

65. At the time of this trouble of Mr. Wylde was there any one who ever, after this report of the auditors was placed in the hands of the Council, alleged that Nathaniel Seddon had received this overpayment?—No, I do not think there was any one who believed Mr. Nathaniel Seddon received a single shilling more than he was entitled to. I do not think any one in the Council believed that.

66. Did any one believe or suggest in any way Mr. Richard John Seddon had received any of these moneys?—No; I think all public men have their enemies, and at that particular time, I remember, there were those there who, if they had a shadow of a chance of bringing anything against Mr. Seddon, would have done so.

67. You mean myself, Richard John Seddon?—Yes.

68. Then, as auditor, in so far as your recollection carries you, none of these vouchers were signed by me?—None that I know of.

69. If you will refer to Mr. Spence's evidence, page 28, Exhibit E, I think he says he consulted you?—

70. *The Chairman.*] Was there more than one Nicholson who gave evidence in this case, because I find there was a Henry Nicholson who gave evidence—the Henry is a mistake, I presume?—Yes, it must be so.

71. *Rt. Hon. R. J. Seddon.*] Do you remember, Mr. Nicholson, being consulted by Mr. Spence in respect to the audit either before or after the special audit took place?—I do not remember Mr. Spence asking anything at all. He might have done so, but I do not remember it.

72. Then, you are satisfied of the correctness of your audit as between the years 1878 and 1882 at the time you were auditor of the Borough of Kumara?—Yes, I am satisfied.

73. The Town Clerk was found guilty of irregularity in respect to a deposit?—Yes.

74. How did it escape your attention?—When we audited the books, I have no doubt. It was a stupid idea of the Council to arrange with the Borough Clerk that instead of banking the deposits on contracts he was allowed simply to put them in the safe. In the case of contracts which were not accepted, the money was paid back to the contractor. Now, I have no doubt that when we asked the Town Clerk to produce the money that should be in the safe he did so, otherwise we should have asked him what had become of it.

75. You examined the bank-book, cash-book, ledger, and vouchers when you were making the audit?—Yes.

76. Do you remember, when the result of the special audit transpired, whether the borough had ever been debited with the larger amount which is said to have been overpaid?—In the bank-book?

77. Yes?—It had not been.

78. Do you remember that the bank-manager there, Mr. Connell, was not on friendly terms with Mr. Wylde, the Town Clerk?—No, he was not.

79. Do you think it likely, with that unfriendly feeling towards the Town Clerk, he would advance this large amount, as shown by the auditor's report?—No, I do not think so. Mr. Connell was too careful to allow anything of that sort. He was a very strict bank agent.

80. You say the Borough Council overdraft had been stopped. Do you think it likely that overpayments of £64 in one case and £219 in the other would be taken from the borough fund?—I do not think they had it to take.

81. You have been an accountant and book-keeper all your life?—Since I came to the colony.

82. Was there any overpayment to Nathaniel Seddon, or any overpayment to me for him?—No.

83. *Mr. Duthie.*] You said you were satisfied with the correctness of your audit?—Yes.

84. And you are of opinion that these special auditors went wrong?—Yes, I am of opinion that the special auditors did go wrong somehow.

85. Was not the Town Clerk found guilty of certain defalcations?—Yes; that was in respect of deposits.

86. Do you think he was wrongfully found guilty?—Well, he was not wrongfully found guilty, but I think it should not have gone to the Supreme Court. There is no doubt he was an engineer, but he was not an accountant. He was not well up in keeping books, and there is no doubt things got into confusion with him. To a man of that kind I think it was tempting him to allow him to retain moneys instead of banking them. If he was at all negligent, he might use some of the money under the impression that it was his own; he did not exactly know what he was doing sometimes.

87. You think, then, he did use some of the money?—He must have used the deposit money on a contract.

88. You did not discover that as auditor?—We did not discover it, because, when we told him he should have a certain amount in the safe, and we wanted to see whether he had it correct or not—I do not remember exactly, but I have not the least doubt that he counted it out before us, whatever the amount was.

89. Have you any recollection of his counting that money?—None beyond what I have stated.

90. Then, you have been drawing on your imagination?—No; I remember the circumstances.

91. Do you remember his counting out money in connection with these deposits?—Well, I cannot say from recollection; but I say I have not the least doubt he did. We would not have allowed the thing to pass had he not done so.

92. You simply say that inferentially: you make a statement, simply relying upon your habit?—Exactly; yes.

93. But you have no recollection of having done so?—No; but we would do as would be required by an auditor in auditing the books.

94. Mr. Seddon drew your attention to a clause which states that “here confusion begins”: has he fixed the date at which salaries began?—Yes.

94A. Was there at that time any credit standing in favour of Nathaniel Seddon in the books of the Council—that is, in 1879? At what date was your attention called to the matter?—30th September, 1879.

*Rt. Hon. R. J. Seddon*: Page 28, Schedule C, Exhibit E.

95. *Mr. Duthie*.] “We find, on most careful examination, that this man was paid in full up to the 25th December, 1879, after which date confusion begins.” You have seen this?—Yes.

96. I have no doubt that, as the auditor whose work was being at that time questioned, your attention would have been drawn to the matter, or your attention would be drawn to it when it was published. Would not that clause receive your attention?—I do not exactly understand your question.

97. When the report of these special auditors was published would it not receive your attention?—Well, I do not know that it would particularly take up our attention.

98. An audit that made charges of grave errors in the accounts would surely excite your attention since your professional ability was called in question?—Yes.

99. Did not this report receive your attention when published?—I have no doubt it might have done so at the time, but, taking it as a whole, we could not see where the discrepancies came in.

100. But here is a very positive statement, “this man was paid in full up to that date”: do you know whether the books showed him in credit—that he had a balance standing to his credit? I cannot say.

101. Then the books do not show that?—I cannot say, it is too far back; I do not remember.

102. Do you know whether there was any bill granted in his favour then current?—I know there were bills, but whether they were granted in his favour or not I cannot say—there were bills granted to several, but whether one granted to Nathaniel Seddon I cannot say.

103. So practically you do not know anything about the accounts of Nathaniel Seddon?—Not now.

104. And at the time you did not examine into them?—No doubt we did.

105. Will you tell us the result of your examination?—I cannot remember back for sixteen years.

106. But a matter that reflected so seriously upon your professional character must surely have taken hold of your mind—it must have occupied your attention, and you must have clear memory upon a point of that sort?—It occupied our attention at the time, but neither Mr. Toms nor I could see where it came in.

107. *Rt. Hon. R. J. Seddon*.] Was it overpayment to Mr. Seddon you referred to?—Yes, the accounts generally, including payments to Mr. Seddon.

108. There is a list of these payments [Schedule C, Exhibit E]. Did you at the time examine whether such payments had taken place?—I have already told you Mr. Toms took the vouchers, and as he called out the amounts I ticked them off.

109. I am still dealing with the time that this report was published in November: at that time did you look through the accounts in order to see whether this statement by the auditors was correct or not?—You mean the special auditors?

110. I am referring to Schedule C: did you examine to ascertain whether they were correct?—Not afterwards, we had nothing to do with that.

110A. Were you not auditor afterwards?—No.

111. But you had been auditor up to the time the inquiries were made; when did you cease to be an auditor?—I do not remember.

112. Do you remember the year?—I know that the case before the Supreme Court came off in April, 1883—I had good reason to remember that because my house was burned then.

113. *The Chairman*.] Were you auditor at the time of the trial?—I am not certain whether I was then or not.

114. *Mr. Duthie.*] You had been auditor some years before that?—Yes.

115. So you were auditor at the time?—I think there was a fresh election of auditors just at the end of the year, but I do not remember whether I stood for auditor or not.

116. Mr. Ward tells me you gave an answer you were auditor from 1878 to 1882?—Yes.

117. You have already said so?—Yes, I thought after that—you said at the time of the trial—that was in 1883.

118. I first asked you whether you were auditor at the time this report was made by the special auditors, and you were so according to your evidence?—After the report was made in 1882 I of course would be.

119. Did you not in self-justification compare the books, and see whether these payments which are said to have been made were proved by the books and vouchers, and did you not turn to the books to satisfy yourself you were right and they were wrong?—I had not the chance—the books were sent to Hokitika.

120. That was in April—they were not sent there until 1883. This audit report was laid before the Council on the 6th November, 1882?—Yes.

121. You were then borough auditor. Did you not, seeing that the publication of the auditors' report reflected so gravely upon you, compare the books, and verify your audit as against this statement by the special auditors?—I do not remember.

122. Would not that examination have enabled you to deny any of these payments they reported to have been made as shown in Schedule C, Exhibit E—for instance, they reported that £12 was paid in November?—Yes.

123. Can you say if that is correct or not?—That would be correct, I should say.

124. That payment was made?—Yes.

125. Then this payment of the 1st April—£24: was that paid?—Yes, it might be that was paid.

126. You do not dispute that any of these amounts were shown as being paid, do you?—No, I do not dispute it.

127. As auditor of the borough you believe that £510 10s. was paid to Mr. Nathaniel Seddon, as shown by the books?—I do not know whether these payments are taken from the books or the special auditors' report.

128. You were borough auditor, and should know?—But it is impossible to remember back to that time, and say definitely whether it is correct or not.

129. And did you not think it of sufficient importance to examine it carefully at the time?—There is no doubt I did.

130. Did you dispute it at the time?—Yes.

131. Any items?—No; I had no chance of disputing any items.

132. Why did you not?—I never was asked.

133. Was it not your official duty as auditor to justify your previous certificates of the accuracy of the accounts?—It might be; but it is impossible for me to carry my mind so far back and say anything definite about it.

134. I am not asking you a question as to memory, but I want an opinion whether, as official auditor, it would not be your duty to substantiate your own certificates, having regard for your own credit?—Yes.

135. And if you fail to do so a fair inference is that you could not do so?—Yes.

136. Well now, as auditor, does your memory serve you to tell the Committee who was in custody of those vouchers that have gone missing: is it within your knowledge in whose custody they were after the special auditors had done with them, and up to the 6th November, when they were found to be missing?—Whoever was appointed in Mr. Wylde's place would have the custody of them.

137. But Mr. Wylde did not resign until the 6th November?—They would be in his own custody.

138. Do you know that to be the case?—No.

139. But you infer it?—Yes.

140. You know nothing of their having been taken out of his custody?—No.

141. Do you know whether the vouchers for these payments were there when the special auditors made their audit?—I did not say the vouchers. I am not talking about them, because Toms took the vouchers and I took the books.

142. You say Mr. Toms handled the vouchers and you did not?—Yes.

143. Do you remember whether the corresponding amounts were called over by Mr. Toms?—I cannot say particular items; as he gave them I ticked them off.

144. You can give the Committee no guidance as to the existence of these vouchers?—No.

145. I presume you do not dispute that you signed vouchers in 1882?—I do not dispute that any longer.

146. In connection with these items of overpayment that were not shown in the bank-book: in your experience as auditor, were payments made without passing through the bank—were they made, and not by cheque?—Either cheque or bill. I think these cheques and bills led to a great deal of confusion. For instance, a voucher might have been taken for a bill and then for a cheque for the same amount.

147. Then, the payments were made in cash?—Only deposits paid on contracts.

148. Were there no accounts paid in cash?—There might have been; I cannot say.

149. Do you remember?—I do not remember.

150. Do you remember whether any cheques were actually paid in cash by the treasurer?—No.

151. Your memory is not good, in fact?—Well, I am not a young man now; my memory is not so good as it used to be.

152. *Hon. J. G. Ward.*] Was the special auditors' report submitted to you for consideration after it was sent in to the borough?—I do not think it was. I do not remember it being done.

153. After the special auditors' report was sent in, were any facts adduced to show that your audit was incorrect?—No; except the audit, of course.

154. Were you at the trial of Wylde in the Magistrate's Court or the Supreme Court?—Yes, both.

155. Were either of the special auditors put into the witness-box?—I do not remember.

156. Were you put into the witness-box?—Yes.

157. In which Court?—The Supreme Court, Hokitika.

158. And in the Magistrate's Court?—I do not remember anything at all about the inquiry before the Magistrate. I have tried, but cannot remember anything at all about it.

159. Had you ever any idea in your mind as to the overpayment of £219 having been made to Mr. Nathaniel Seddon?—No; we were perfectly satisfied Mr. Nathaniel Seddon never got one shilling more than he was entitled to.

160. Who succeeded you as auditor to the borough?—I think it was a man named Spiers; I would not like to say definitely.

161. Do you know whether the succeeding auditor would have reviewed the accounts that were covered by the previous audit and that have been reported upon by the special audit?—I do not know.

162. *Hon. J. McKenzie.*] Is it not possible, Mr. Nicholson, that the treasurer might have paid some moneys from the deposits in the safe, instead of paying them through the bank?—The deposits were not supposed to be paid into the bank.

163. I understood you to say the borough was hard-up, and that they had to give bills to the workmen for their wages, &c. Is it not likely they might have used a small amount of money from the deposits?—Yes, it might have been so.

164. With regard to that large sum of £219 alleged to have been paid to Nathaniel Seddon, would it be likely the Town Clerk would pay that out of the safe?—The small sums he might, but not the large.

165. *Hon. W. Rolleston.*] You say you were in the office as auditor during the year 1882?—Yes.

166. Is the report in the proceedings of the Borough Council in which you resigned the auditorship on the 1st October, 1882, and Mr. Barnett was appointed in your place untrue?—That must be true: I suppose I meant Barnett when I said Spiers.

167. What was the reason of your resignation: was it the fact that the special auditors made reflections upon you?—Yes, that would be the reason.

168. The report was not then in?

169. *The Chairman.*] But it would be on that account that you resigned?—I expect so.

170. *Hon. W. Rolleston.*] Was it not on account of the reflections on your audit that you resigned?—I expect so.

171. Did Mr. Toms make any special recommendation?—I do not recollect.

172. You do not recollect his writing a letter suggesting that he should be present at the special audit?—Now that you put it to my mind, I think there was a letter from Toms asking to be present.

173. Then, there is no doubt that the Borough Council, or a majority of it, was dissatisfied with your audit?—Yes.

174. Did not the same feeling pervade the outside world: was not the election of the Mayor—to take place shortly afterwards—an indication of the feeling of the public with regard to the appointment of that audit—was it not taken as such?—That I cannot say.

175. Who was the Mayor then?—I think it was Mr. O'Hagan.

176. Do you know what was the principal ground of Mr. Barnett's election at the time, as stated by himself, and generally admitted to be the cause of his election?—I do not remember.

177. Would you say it was not correct if the papers stated that Mr. Barnett was appointed in consequence of his action in insisting that this question should be referred by the Council to the Supreme Court—would you dispute the statement in the newspapers, or elsewhere, that Mr. Barnett was elected Mayor because of his condemnation of the state of the Borough accounts and his action in getting this question referred to the Supreme Court?—I cannot say, I am sure. I do not know if it was Mr. Barnett that asked for the special audit; I think it was a man named Simmonds, who had a quarrel with the Town Clerk.

178. In the first part of your examination you said that you never heard of political opponents making charges to the effect of the statement made by Mr. Hannan in his candidature—that other people were interested in Mr. Wylde's case: who would that refer to?—I do not know.

179. Was it not the general opinion that the action of the Council in respect to the delay was to defeat the ends of justice?—No; the Council wanted an inquiry to be made.

180. Ultimately; but I mean the delay in the Council in going on with this: was not an impression abroad that the delay was caused with the object of preventing inquiry?—No.

181. Have you ever seen the order that is stated to have been brought up in the Court in favour of Mr. Richard John Seddon to receive moneys for Mr. Nathaniel Seddon?—No, I never saw it.

182. You never saw it while you were auditor?—No; it is not for such a thing to be brought before auditors, it is simply an order to pay money.

183. Would it not be the duty of the auditors to trace to whom the payments had been made?—Yes. I do not think it is a matter for the auditors to see whether Nathaniel Seddon chose to give an order to Wylde to pay one or two sums to any one else. I do not see what the auditors had to do with that.

184. *Hon. W. Rolleston.*] You said there were no vouchers which showed any payment to Mr. Richard John Seddon?—Yes.



185. Whom did they show payments to?—It would be to Nathaniel Seddon.

186. You said you did not know whether he could sign his own name?—I said I did not recollect whether he could or not. But he must have signed in some way or other—either by mark or his name.

187. You said Toms had the vouchers, and you knew nothing about them—you only referred to the books?—Yes.

188. You went through the books as the vouchers were called; surely they would both be before you?—Yes, but Toms was sitting on the opposite side of the table to me. He would go over the vouchers, and I would tick them off the ledgers.

189. You must have ticked off every one and known that they were correct, unless he invented vouchers. Certainly, you cannot say you were ignorant of the matter?—I say I never saw the vouchers, further than that they were on the opposite side of the table.

190. You must have seen them while Toms was sitting there reading them over?—I must have seen them, but I did not handle them.

191. It has appeared in evidence before the Committee that vouchers which were present at the time of the audit were not present at the time of the trial. I find this statement made by Mr. Barnett [Exhibit F.—1, page 35]. How do you account for these vouchers having vanished?—I cannot account for them.

192. I find a statement in a speech by Mr. Hannan, who was candidate for Mayor in the month of November?—I do not remember.

193. Had you not constant access to the office?—I expect I would, as auditor.

194. The audit was done, I presume, under directions from the Mayor at the time?—You mean the special audit?

195. No, your audit?—Yes, at regular intervals of six months.

196. Are you aware that a charge was made by Mr. Wylde implying that Mr. O'Hagan had removed those vouchers?—I think there was a statement of that kind.

197. What would be Mr. O'Hagan's object in removing those vouchers?—Well, I do not like to say anything against a man who is dead and buried, but he had an unfortunate weakness of taking too much liquor, and I have no doubt he did many things in liquor which in his sober senses he would not do.

198. Why should he remove the vouchers?—Why should a man who has got muddled do anything that he should not do?

199. Did not Mr. O'Hagan have a high character for probity and honesty in the community?—He had, but he had that weakness.

200. Are you aware that Mr. Barnett, as candidate for Mayor, stated that Mr. O'Hagan had filled the office of Mayor with credit to himself and honour to the office during his term of office as Mayor?—I have no doubt that might be said.

201. Could that be said of a man who deserved no credit?—I have no doubt Mr. Barnett made that statement, as he found Mr. O'Hagan straightforward.

202. On what grounds did you state that Mr. Spence brought out his audit up to a certain point much the same as you and Mr. Toms did?—Because he was not able to find anything wrong, so far as I remember, and he asked the Government to allow him an auditor from the department to assist him.

203. Because he found nothing wrong a reason why he should apply to the Government to give him further assistance?—Because when he was put on to audit the accounts he had been told that there was something wrong.

204. I want to know on what grounds you made the statement that he brought out the audit much the same as you: have you any evidence of that?—No evidence further than that he was not able himself to find anything, and had to get assistance.

205. *Mr. Morrison.*] You stated in the course of your examination that in your audit of the Kumara Borough Council's books you never saw any vouchers that would support the allegations that Nathaniel Seddon had been overpaid £219 10s.?—Yes.

206. In your audit of these books were there always vouchers to show how money had been paid, and to whom paid?—There would be, of course, the vouchers Mr. Toms called out as I ticked them off.

207. Do you remember any particular audit that took place during the time you were auditor for the Council that showed any vouchers deficient?—I do not.

208. You always received a voucher for every item that appeared in the cash-book and ledger—there were always vouchers to account for the entries?—It is just possible Mr. Wylde may have accounted for something or other without a voucher; I do not remember now.

209. You say in the audit of these books it was your business to take charge of the books and Mr. Toms of the vouchers; as he read out the vouchers you ticked them off in the ledger?—Yes.

210. Was there always a voucher—were any vouchers absent?—I took it for granted that when he called out that there was a voucher.

211. I suppose the Town Clerk was always present at the audit?—Not necessarily; not always.

212. Had you ever occasion during the years you were auditor to draw the attention of the Town Clerk to the absence of certain vouchers corresponding with entries in these cash-books?—No.

213. They always corresponded?—Yes.

214. It would be no part of your duty as auditor to trace to whom the money was paid; all you had to do was to examine the vouchers and see if there was a corresponding entry in the ledger?

215. You have also said in connection with this special audit you felt annoyed?—Yes.

216. Had your term expired, or did you resign on account of this special audit?—I resigned in October, 1882.

217. Your resignation was sent to the Kumara Borough Council in consequence of the setting-up of the special audit?—I do not know that that was the only reason, but it would be a reason.

218. Did you put any reason in your letter sending your resignation?—I cannot say, but I have no doubt of the matter the letter contained.

219. That special audit caused you to resign?—Yes.

220. You also say that you and Mr. Toms were dissatisfied with the special auditors' report when it became public?—Yes.

221. Had you any opportunity of handling the books and vouchers after the special audit was held?—No.

222. In whose possession were the books and vouchers left?—Whoever was appointed.

223. We know Mr. Wylde held possession during the time he occupied the position of Town Clerk, but when these charges were brought against him, and the special audit was being made, do you think the Borough Council would still leave the books and vouchers in his hands?—I think they could not be; they were taken to Hokitika at the time of the trial in the Supreme Court.

224. They were not left in the hands of Wylde after the special audit?—They would be in the hands of the man who occupied his place—the acting Town Clerk, Mr. Skelton.

225. How do you account for the statements made in connection with the loss of vouchers as between the special audit that was held in the latter end of October and the 13th November?—I cannot account for it.

226. You do not know anything about it?—No.

227. You also said it was the usual habit of Mr. Wylde, when an audit took place, if you stated he must have a certain amount of money in hand he generally produced it?—Yes.

228. He always accounted for the money, or produced the vouchers showing that money had been paid to certain parties?—I do not know what you are referring to now. The moneys he held were simply deposits on contracts.

*The Chairman:* Mr. Morrison is inquiring about payments.

229. *Mr. Morrison.*] Suppose you made an audit of the books, and they showed a credit balance of £50, was it the habit of Mr. Wylde to produce that money?—What I referred to was the money Mr. Wylde held in the form of deposits on contracts from contractors. That is the money I said he would have in his safe, and, no doubt, when asked about it he would take it out of his safe and put it back again.

230. That was money received in deposits from contractors?—Yes.

231. You stated in reply to a question you could not make head or tail of the special auditors' report?—It differed so much from ours.

232. What reason had you to arrive at that opinion?—For the reason it was so different from ours.

233. Did you take any steps to support your own audit against the special auditors' report?—Not after that.

234. Your recommendations to the Council showed that you were perfectly certain your audit was correct: were you asked to prove that?—No, we never were asked.

235. I suppose naturally you and Mr. Toms would be slightly annoyed over this special auditors' report?—I should think so.

236. You said you could make neither head nor tail of it, but you made no recommendations to the Borough Council about it?—No.

237. You had been resident there for a number of years?—Yes.

238. How long?—From 1876 to 1891.

239. I suppose you would be thoroughly conversant with the opinions held in the district with regard to these defalcations that had taken place during the period Mr. Wylde was Town Clerk?—Yes.

240. Did you ever hear any resident or Councillor suggest or hint that Mr. Nathaniel Seddon had received £219 overpayment from the funds of the Borough Council?—I never heard anything about it.

241. What is your opinion?—There was no more straightforward honest man than Mr. Nathaniel Seddon.

242. You held strong opinions about that—that he ever received this money?—Yes, that he never received a shilling more than he was entitled to.

243. *The Chairman.*] I find on page 14, Exhibit B, you were cross-examined by Mr. Guinness, and you said, "The way we arrived at the sum of £229 was that we took the amount of rates to be collected and the amount paid." You say you took the statement of the Town Clerk—you had nothing to show what money had been received. I suppose you took the rate-roll, &c.: is that so?—No, I do not think that was the meaning of it.

244. You took the rate-book which showed the amount of rates that should have been paid, and Mr. Wylde's statement of the amounts paid—that is all I can understand. You cannot explain it any further?—No.

245. You say on page 25, Exhibit D, "The prisoner gave me the particulars of the sum of £229 7s. 6d. on the balance-sheet, which is purely for rates. I asked prisoner for the blocks of the rate receipt-book. He gave me one book with one or two block receipts, which were of little use." Have you any recollection of that?—No, I have no recollection of that.

246. That points to the conclusion in the former statement made by you?—Yes.

247. It points to the conclusion that you must have taken the block receipts with Mr. Wylde's statement that he had received the money?—Yes.

248. You say Mr. Toms read the vouchers and you checked them from the books?—Yes.

249. You were able to tick off all the vouchers he read out to you?—Yes.

250. Will you look at page 22, Exhibit D, where you say, "I asked prisoner where the missing sheets of the ledger were. He said it did not matter—it could easily be accounted for. I did notice the sheets missing when I made the audit." How could you check the book if the receipts were not there?—Supposing sheets had been taken out from 16 to 20, I would naturally ask why.

251. You said you checked all the vouchers Mr. Toms read out?—Yes.

252. But if the sheets were not there?—But they were there. If sheets were simply taken out of the ledger I suppose the entries would be made elsewhere.

253. In answer to Mr. Guinness you said you could not swear the leaves were out of the ledger when you made the audit?—Yes.

254. But you had previously stated you did not notice the leaves were missing when you made the audit?—Yes. It often occurs in a Court that counsel say, "Do you say that?" but you cannot always recollect.

255. *Rt. Hon. R. J. Seddon.*] Will you ask him one question? On page 25, Exhibit D, we find the following: "On resuming, Mr. Perkins called William Nicholson, who said, 'I audited the borough accounts with Mr. Toms on the 3rd May, 1882. The prisoner gave me the particulars of the sum of £229 7s. 6d. on the balance-sheet, which is purely for rates.'" You will find that in your evidence before the Supreme Court?—Yes.

256. Is that correct?—It must be when it is here.

257. That is contradictory to what you said on page 14, Exhibit B: "I audited the accounts 1881–82. I see the item £229; Mr. Wylde gave me the particulars for it." He satisfied you as to the rates—that is, he furnished you with particulars?—Yes.

258. Do you find this on page 27, Exhibit E: "In examining the books and vouchers I found many irregularities—for instance, no blocks for receipts given for collected rates were produced; no minute-book of the proceedings of the Finance Committee showing the several amounts passed for payment was produced. Many of the items in the cash-book cannot be traced into the bank-book, and *vice versa*, although the balance at the end of the year's transactions is the same in each. No cheque-book was produced; and, further, I found amounts had been paid in the way of salaries, wages, and contracts in excess of those authorised without any authority; and on asking the treasurer to explain this he informed me they were liabilities on account of the previous year, but on turning to the balance-sheet of the previous year I found the liabilities to be nil; consequently I had to go into the several accounts for wages, salaries, &c., for the previous year, and instead of arriving at a satisfactory conclusion I found the accounts more complicated than before. In consequence I wired to you, asking that Mr. Palliser should be allowed to help me to go into the matter, which was granted; and we now beg to forward our report." Mr. Spence had found himself in a difficulty, and asked for assistance. Does it not strike you as strange that, according to Mr. Spence, no cheque-book was produced, and that there were liabilities of the previous year, according to the treasurer, while the balance for the previous year showed that the liabilities were nil: would not that account for the payment by bill, and the bill still due?—I was going to say that would account for the bills and cheques which had not been honoured.

259. You say that would and did cause confusion?—There is no doubt about it.

260. You say, so far as you know, the entries in the ledger and cash-book corresponded with vouchers read out to you by Mr. Toms?—Yes.

261. Now, taking the Schedule C, Exhibit E, was it possible, Mr. Nicholson, for such a large sum as £510 10s., to be paid between the 5th February, 1880, and 5th November, 1881, without your audit discovering it? Is it possible that these payments could be made and debited to the Borough Council without you knowing something about it?—No, it is not feasible.

262. There are no less than twenty-seven entries here for amounts making up the total of £510 10s.: would you not ask, in respect to the salary, whether the amounts are actually due—you would not give a man double payment?—No.

263. Without casting any reflection on Messrs. Spence and Palliser, you say since the report came out you came to the conclusion that they were in error: how do you account for their getting into these errors?—I can only believe these bills and cheques that were given must have led to this confusion. Mr. Wylde may have put them down twice; even vouchers he might have taken twice; when giving a cheque no doubt he took a receipt for it, and when these cheques were afterwards replaced by bills no doubt he did the same.

264. *Hon. J. G. Ward.*] That is, he took two receipts for the same amount?

265. *Mr. Duthie.*] Then, the receipts would correspond?—Not necessarily; there may be two or three cheques represented by one bill.

266. *Rt. Hon. R. J. Seddon.*] Did you ever come across any case of payment of salaries in cash and by cheque?—Not that I can remember.

267. You were asked a question by Mr. Rolleston, whether or not any attempt to defeat the ends of justice by delay had been suggested?—No.

268. Was it ever suggested for a moment in respect to myself or my uncle?—No. What was suggested to my mind was that you wanted to give Mr. Wylde every chance of clearing himself.

269. Do you remember what the difference was between the two parties in the Council: did one party wish to refer the matter to the solicitor, and did the other party want an investigation by a special committee? Do you remember any request for a committee being set up to inquire into the alleged embezzlements?—Yes; so far as I remember, the Council and auditors were asked to allow an inquiry into the statement of embezzlement.

270. Do you remember being with Mr. Toms at that committee and going into this question of making an inquiry? Do you remember that a select committee was set up?—Yes.

271. Was not that the difference between the two parties—the one wishing to prosecute and

the other to have a committee of inquiry before a prosecution was instituted?—Yes; that caused the Council to sit so long.

272. I want you to come to the balance-sheet and the evidence you gave in respect to these missing sheets from the ledger: did it give you reason to suspect anything wrong, or did you consider Wylde's explanation as satisfactory?—Not at the time. I thought he had made bad entries, and torn out the leaves and entered the amounts elsewhere

273. On page 19 is stated, "Balance-sheet is prepared by the prisoner, and is accompanied by a letter signed by the borough auditors, Reuben Toms and William Nicholson" (Exhibit D). That was the balance-sheet of July, 1882?—Yes.

274. You were auditor when you signed that balance-sheet?—Yes.

275. I want to fix you as the one who signed the last balance-sheet in July?—Yes.

276. Do you still say that you cannot say whether the leaves were out before the audit or otherwise?—I said I had noticed them out, but I would not swear to it.

277. You say the petition for the special audit was instituted by a man named Simmonds?—Yes.

278. I believe proceedings were instituted by Wylde to oust him his seat?—Yes; I think that was done by Simmonds out of revenge.

279. There was bitter feeling between them then?—Yes, there was; Simmonds was a peculiar sort of man.

280. Was this payment to Nathaniel Seddon challenged at the time of the report of the auditors as to the overpayment to him?—I do not quite catch you: do you mean by the borough auditors?

281. Yes?—No.

282. I will put the question again. When this special auditors' report came out as regards overpayment to Nathaniel Seddon, was that challenged by any one?—Well, nobody believed it; nobody believed Nathaniel Seddon had received a single shilling more than he was entitled to.

283. You heard me read the evidence given before the Supreme Court: was not that a challenge as to the correctness of the auditors' report?—Yes, that was a challenge.

284. Do you remember my writing to the local paper giving a specific denial of that report?—I do not remember.

285. Do you remember my moving in the Council that a portion of the report should be referred to Mr. Nathaniel Seddon?—Yes, I remember that.

286. Would not that be considered as a challenge as to the correctness of their statement?—I think there was a motion—I do not know whether it was by you or some one else—that the whole of the affair should be gone into and referred to a committee to find out how it was that the special auditors stated that Nathaniel Seddon had received £219 more than he was entitled to. I do not know whether any report was brought up by the committee that was appointed. I do not know whether there was a report or not.

287. Are you aware whether there was any overpayment to Nathaniel Seddon direct, or through Richard John Seddon to him?—I am positive there was not.

THURSDAY, 20TH OCTOBER, 1898.

WILLIAM NICHOLSON further examined.

1. *Mr. Duthie.* When we left off you were being questioned in connection with the balance-sheets. According to the evidence before the Court the balance-sheets for April, 1881 and 1882, were signed by you and Mr. Toms?—Yes.

2. They were produced in Court signed by you?—Yes.

3. The auditors in their report, page 27, Exhibit E, point out to the Court that the balance for the previous year showed the liabilities to be nil: was that so?—We never went back upon the previous balance; we generally took just one year.

4. You see the page referred to, page 27: "I found the liabilities to be nil." Did you certify that there were any liabilities on that date?—It is difficult to certify that there were any liabilities at that time, because we took only one year.

5. It would be a question whether there were any liabilities at the date of this balance-sheet. To what date were they made up: what was your financial year? You produce balance-sheets in Court for both March, 1881 and 1882. Did you there certify there were any liabilities existing?—That I cannot say, unless they were certified to on that 1882 balance-sheet.

6. If it was so certified, then, as an accountant, you are satisfied there were no existing liabilities?—Of course, there is a certain amount of carelessness. There is no doubt that we were a little careless.

7. You were careless?—Well, it has turned out to be so. No doubt there was a little carelessness, although we audited the accounts to the best of our ability.

8. The audit you made was to the best of your ability?—Yes.

9. You certified there were no liabilities?—I cannot say now, but it is very likely we would ask Mr. Wylde about this, and it may be he satisfied himself in some way that the thing was correct.

10. In certifying the balance-sheet you would not depend on Mr. Wylde's wild statement, when the main object of the audit was to test his word?—Sometimes we had to take his word for some things, and, not being suspicious of his doing anything wrong, we took his word.

11. Then, if he was wrong in any vital point, I presume you will admit that your audit was of very little value?—No, I do not exactly admit that. We may have got reasons from Mr. Wylde that satisfied us that these liabilities were done away with in some way or another.

12. But in examining the balance-sheet you would rely upon entries in the book solely, and not upon any statement or explanation given to you by a man whose accounts you were examining into; you would rely upon what was put before you in the books and vouchers?—Well, to a certain extent.

13. Then, if there were liabilities which you did not discover you will admit it detracts very much from the value of your certificate: is not that so?—Yes, to a certain extent.

14. I have only one more point: are you satisfied now, or have you made any inquiry as to whether there were liabilities existing at that date which you did not discover?—I made no inquiry.

15. You do not know?—I do not know.

16. Do you know anything of this payment of £96 to Mr. Nathaniel Seddon—do you know anything of that special payment and the circumstances of it?—I do not remember the special circumstances of it, but I have no doubt that bill was given for cheques that had been previously given.

17. You say you have no doubt: what is your reason?—Because there were cheques given to several people, and afterwards these cheques would be coming in and bills given in place of them.

18. And you have no knowledge of this specially, but from other transactions you infer it may be so: that is the position, is it not?—Yes.

19. You do not know that this liability was existing at the time when you certified that there were no liabilities?—I do not know.

20. *Rt. Hon. R. J. Seddon.*] Would not a bill current and not met be a liability?—Yes, that would be a liability.

21. We will say a bill was given on the 1st April having a currency of three months, payable in July: that liability must have existed before the 1st April?—Yes, it must have existed.

22. Whatever the amount may have been?—Yes.

23. What were the dates for the balance-sheets?—I think about the end of March and the end of September, so far as I can recollect.

24. What was the reason for giving these bills you say you know were given: was it not that the Borough Council funds would not admit of any more?—The bank would not give more than was allowed by overdraft.

25. Then, to prevent the dishonour of the borough cheques they gave bills?—Yes, they gave bills.

26. You were elected to the Borough Council shortly after resigning the auditorship?—I was a Borough Councillor, and I was also asked to stand for Mayor, but I told Mr. Burger it would be unfair to him, as he was the first asked.

27. By recommending you to the position of member of the Council, and wishing you to stand for Mayor, does that show that the public ever considered you had failed in your duty as auditor?—No, they did not blame me; but, of course, it seemed strange that the two audits should not agree.

28. In respect to this "liabilities, nil," did you ever know a Borough Council or other local body which, at any particular audit, had all their accounts paid?—A great many had got into similar scrapes, and that is the reason why the Government Auditors were asked to audit the books for the future. No doubt at that time we were not perhaps so careful as we should have been. Of course, that tells against the auditors, but there is no doubt about it.

29. Did you ever know a local body on the Coast that when they came to balance up had no liabilities at all?—I think most of them had liabilities.

30. Mr. Spence says that, turning to the balance of the previous year, "I found the liabilities to be nil." The question is, do you say there were no liabilities? It is not you that certified there were no liabilities, it is Mr. Spence who says "I found none" (Exhibit E). You told Mr. Duthie that you certified there were no liabilities, but you will see it is Mr. Spence who says "I found none."

*Mr. Duthie:* No; "turning to the balance-sheet of the previous year I found there were none."

31. *Rt. Hon. R. J. Seddon.*] Did you ever know of any local body on the Coast without liabilities on balancing-day?—No; they never had sufficient money at their command.

32. In the case of the Borough Council of Kumara there must have been a liability to the bank?—Yes, there was a bank overdraft.

33. Would you ever know from memory, as a member of that Council, that it was without liabilities on balancing-day?—I must say I cannot remember, but if you ask me what I think I should say there must have been liabilities.

GEORGE RUDKIN sworn and examined.

1. *The Chairman.*] What is your name?—George Rudkin.

2. What is your position?—Town Clerk of Kumara.

3. How long have you been in that position?—Fourteen years.

4. *Rt. Hon. R. J. Seddon.*] How long is it since you first became connected with the Council?—I was a member of the Council about two or three months before the circumstances took place which you are inquiring into to-day.

5. You remember the Wylde case?—Yes.

6. Who caused the first trouble in connection with these inquiries?—The primary causes of the inquiries were some insinuations or complaints by a man named George Simmons.

7. Who was he: was he a man with a grievance?—He was a tinsmith at that time, and a member of the Council.

8. Was he put out of the Council?—He was ousted, his name having been struck off the roll.

9. There was a special audit held?—A special audit was held.

10. And prior to that special audit had the accounts of the borough been audited?—Yes; they were audited twice a year by the local auditors, and balance-sheets presented to the Council.

11. Who were the local auditors at that time?—Messrs. Nicholson and Toms.

12. When the reports came to hand what was the effect?—The result of the special audit disclosed that there was a considerable deficiency in the borough accounts.

13. Was it considered that the special auditors' report was correct, or that there was an error somewhere in respect to it?—Well, the general opinion was that the special auditors' report was incorrect in various particulars.

14. In other words, owing to the confusion that existed the auditors had inadvertently made a report which was not correct?—Just so.

15. Will you state to the Committee, taking the matter I am more particularly interested in—the overpayment to Mr. Seddon—in your opinion, was that money ever overpaid to Mr. Seddon as certified by the auditors?—Certainly not; no one ever imagined that it was.

16. Was it ever suggested or inferred that it was paid to me for him?—No; I never heard it suggested that it was paid to you, but we were perfectly clear that if the amount had been paid at all it had never been paid to Nathaniel Seddon.

17. Where had it gone to?—The general opinion of the Council at the time was that the accounts were so mixed up and confused, and no proper system of accounts kept, that it was impossible for the auditors or any one else to say where it had gone to. The general opinion was that the Town Clerk who had been tried for the matter was accountable for the whole of the deficiency.

18. In other words, that the Town Clerk had been financing?—That was the general opinion.

19. If there had been any overpayments?—Yes, if there had been.

20. You remember the meeting of the Council in connection with the auditors' report and the solicitor's opinion?—Yes.

21. You recollect the course I took in respect to it?—I do.

22. Was a committee appointed to investigate—a sub-committee of the Council?—Do you mean afterwards or at the time?

23. At the time?—There was a committee appointed at the time.

24. The committee appointed was in respect to the irregularities?—Yes. I think, as far as my recollection serves me, you moved that a committee should go into the matter before any steps were taken.

25. There were two parties in the Council: what was the course the other party desired?—Simply to refer the matter to the Crown Prosecutor and take proceedings.

26. These were the two alternatives?—Yes, they were the two alternatives.

27. It has been alleged that I blocked the adoption of the auditors' report: is that correct or otherwise?—No, nothing of the kind. It was whether or not the matter should be inquired into, or whether at once the solicitor to the Council should be instructed to take steps. That was the position you took up.

28. Ultimately upon the casting-vote of the Mayor it was decided to take proceedings?—I do not think there was a casting-vote—at any rate, a resolution was passed to take proceedings.

29. Now turn to the solicitor's report (Exhibit G, page 36). Just look at the last four lines, and you will find these words: "If it is decided to take steps I suggest that the matter be left in the hands of a sub-committee to inquire into each particular case, and to take such proceedings as the circumstances may warrant." The Crown Prosecutor, who was also borough solicitor, actually recommended the course I had been fighting for?—Yes, exactly.

30. Was Mr. Nathaniel Seddon employed by the Council after these irregularities?—Yes; he was in charge of the Borough Council chambers until the day of his death—in fact, he was never discharged from the service of the Council. The Council passed a resolution that the day-labour man should be only employed casually when required. That did not suit him, and therefore he took constant employment with the County Council; but he still remained caretaker of the Town Hall, and his family were there until the day of his death.

31. Do you mean casual work for the Council after the termination of his regular employment?—Yes.

32. And he was paid for it?—Yes.

33. If the audit assumed no payment was due to Mr. Nathaniel Seddon after the resolution was passed that no day-labour men should be employed they were incorrect?—Yes. I do not know how the auditors made up their report—there was no resolution passed either to put him on or to discharge him.

34. If the auditors say from the minutes and proceedings of the Council they found Mr. Nathaniel Seddon was discharged on the 5th November they were incorrect?—There was no special resolution to that effect, and there would be casual salary going on from the date of the last permanent payment.

35. Then, Mr. Seddon was entitled to receive money for casual labour up to the day of his death?—Yes.

36. The auditors say he was paid up to the 25th December, 1879. You will see in the centre of the page [Exhibit E] the words "Nathaniel Seddon paid in full." Do you remember a bill being given to Mr. Seddon on the 1st April, 1880?—I was not living in Kumara at that time.

37. Have you got any book showing the bills? Can you show from the books of the borough at that time that such a bill was given?—No, there was no bill-book; but I could find from the bank-book whether it was given or not.

38. You look at the date, July?—I find on the 10th July an acceptance, £98 10s., was paid. The bill was for £96, and £2 10s. was added for interest. The auditors put it down as a bill for £96.

39. Could you tell the currency of that bill—when was it drawn?—I have the bill here: "£98 10s., three months after date pay the sum of £98 10s." Drawn by Nathaniel Seddon, and accepted by the Mayor, who was also chairman of the Finance Committee.

40. *Mr. Duthie.*] Was that accepted upon the borough account?—Yes, the Kumara Borough Council. The date of that bill is the 7th April, 1880, and the due date is the 10th July.
41. *Mr. Graham.*] That would be thirty-two weeks at £3 per week?—Yes.
42. When the auditors say he was paid in full to the 25th December, 1879, again they are wrong?—Yes.
43. That must take you back to the end of 1879?—Yes.
44. Then, they are eighteen weeks wrong there?—Yes.
45. You say he was in receipt of money after that date, but did not receive it as a wages-man?—To the best of my belief, he was.
46. Are you aware that three bills were paid to Mr. Seddon?—I am not personally aware, but I believe that to be the case. I have no other bill that I can produce, but the bank-book would show.
47. Will you turn to the bank-book and see whether in February, 1881, there is payment of a bill?—I do not see any bill paid in February.
48. Do you find the entry £36 on the 12th February?—I cannot find about that time any amount paid from the bank of £36.
49. You see here on the 12th February the number of weeks was twelve in 1880?—I do not think a bill for that amount has ever been paid.
50. Will you see whether a cheque for that amount has been paid in February, 1880 or 1881?—On the 29th July, 1880, cheque No. 115, £36.
51. Then, the entry for £36 in Schedule C [Exhibit E] of the 12th February is neither there as a bill nor cheque?—Not in the bank-book.
52. That is, the bank account has never been debited with that amount?—The first entry after that is the 29th July, 1880.
53. That was paid to the number of the cheque and not by bill?—By bill.
54. *Rt. Hon. R. J. Seddon.*] Will you see if you can find the voucher?—On the 13th May, 1880, I have a voucher for £18; on the 22nd July, £6; on the 16th September, £12; 25th November, £18: thus making up the £36.
55. If you turn to Schedule C you will find that £36 is marked 12th February?—Yes.
56. I presume it should be 1880?—The entry in the schedule is the 12th February, 1880, £36.
57. And there is no debit to the bank account in the bank-book of the Borough Council?—Not at that date.
58. There are three vouchers subsequent to the end of September which cover that £36?—Yes.
59. Now turn to the bank-book, 5th February, 1880: do you find a debit there of £12?—No.
60. Do you find on the 1st April £24?—No.
61. Do you find any item corresponding with it which may be a debit?—No.
62. Do you find any debit to the borough account of £18 on the 13th May?—No; the first item I find that might probably be wages was on the 16th July, 1880—£24. I am not able to say some other amount of £24 might be outside wages altogether. There is no payment between the 1st April and July which would be likely to be wages.
63. Here we have on the 8th July £24 in this schedule. Now, looking at the entry, 13th May, £18, do you find anything to correspond with that?—There is no £18 from April.
64. Do you find any entry of £24 on the 8th July?—The entry for that is the 3rd July, £24.
65. Do you find £6 on the 22nd July?—There is one of £24 on the 3rd, and another of £24 on the 16th. All the cheques were payable to numbers, so that it is impossible for me to identify them with any particular class of work.
66. But, at all events, you have got from the bank-book £24 on the 8th July?—No; the 3rd and 16th.
67. Is there any entry to correspond with the £6 on the 19th August?—I find no entry for £6 on or about that date.
68. Now, on the 19th August; there is an entry of £6: is there anything to correspond with that?—I find no £6 on or about that date.
69. Then, as to 19th August, £12; 26th August, £12; 16th September, £12; 12th October, £12; 14th October, £12: you see there is an entry on the 12th October?—Yes. There is no other entry of £12 until the 31st December.
70. The bank-book is debited there £12, and this year it is marked as £14, and there is a voucher of the 25th November for £18: do you find any entry of that?—17th November, £18.
71. 28th February, 1880: I wish you would notice that they started here on the 5th February, 1880.
72. *Mr. Graham.*] Go through the year, and begin again at 1880.
73. *Rt. Hon. R. J. Seddon.*] To the 5th February, 1880, is four weeks; from the 1st April, eight weeks; 28th February, 1880, £24: do you see any entry corresponding with that?—No.
74. 25th March, £12: do you see any entry of that?—No; the first entry of £12 is the 10th May.
75. July, £96: is that the entry of £98 10s.?—That is the date of the bill.
76. What date in July?—The 10th July.
77. Do you find any entry corresponding with £12 on the 22nd April?—There is nothing in April.
78. Is there any entry of £36 on the 12th February?—No.
79. Or on the 11th March, £12?—I find no entry of £36 until the 29th July.
80. Is there any entry of £18 on the 5th January, 1881?—No entry for £18.
81. Then, there is an entry of £12 on the 3rd February; 31st January, £12; and 26th February, £12. On the 3rd February again you find no entry?—No entry for £18.
82. Then, on the 3rd February there is £12?—31st January, £12, and again on the 26th

February, £12. For the 3rd February you have got nothing, but on the 26th February there is £12?—Yes.

84. Is there any entry of £12 on the 3rd March?—The first entry further on is 14th April.

85. *Mr. Graham.*] But you have none for £12 10s. on the 3rd March, as *Mr. Seddon* has asked you.

86. *Rt. Hon. R. J. Seddon.*] On the 14th April you have £18?—Yes.

87. And on the 14th April you have £18?—Yes.

88. And on the 26th May you have £18?—No; on the 30th May.

89. Is there any entry on the 22nd June?—There is £18 on the 2nd July. There is no £12.

90. Is there any entry of £12 on the 21st July?—No further mention of £12 in July, but on the 2nd August there is a sum of £12.

91. On the 29th September there is an entry of £18?—On the 24th September, £18.

91A. On the 27th October, £12?—31st October, £12.

91B. 5th November, £12 10s.?—I find no sum of £12 10s. up to the end of the year.

92. So far as is shown by the bank pass-book, the Borough Council account has been debited with £510 for wages account?—I have never pieced it together, but it appears from that some of the items do not correspond.

93. Is there any record of this voucher having been signed by me?—No; no vouchers by any one else except Nathaniel Seddon.

94. Then, if the statement has been made that I received the moneys and signed for them under the order from *Mr. Nathaniel Seddon*, is it true or otherwise?—So far as the records of the office go, there is nothing to show you made use of any order at all. I inquired of *Mr. Wylde*, and he said it was very long ago, but to the best of his belief he never had received such an amount, and I could not find any such order in the office, though I have searched carefully for it.

95. Do you remember any papers being missing at the time of the inquiry?—Yes. *Mr. Wylde* accused the Mayor of taking papers away from the office for the purpose of the case, and the Mayor denied he had them.

96. Do you remember my challenging the correctness of the auditors' report at the time referred to by my relative?—Yes, both before the trial and afterwards.

97. Did the matter come before the Borough Council on the question whether they should refer to the allegations?—So far as my memory serves me, the matter was discussed by the Council with the object of deciding whether they should recover the amount alleged to have been overpaid. The accounts were in such a state of confusion that scarcely anything could be analysed or shown. It transpired that the Town Clerk had no property at the time, and the expense of trying to recover would involve considerable loss, and so the matter was allowed to drop.

98. Have you got the ledger here?—Yes; I have the ledger and the cash-book.

99. *Mr. Duthie.*] You have given evidence as to no corresponding entries appearing in the bank pass-book?—Yes.

100. Would you expect the entries in the bank-book to correspond with the payments made to *Mr. Seddon*, either in dates or amounts?—No; when a bill was given no doubt the amount would correspond, or should do so.

101. You were searching for cheques?—I was replying to a question by *Mr. Seddon*. So far as I can see, the only acceptance in the bank in the name of *Seddon* was the one I have mentioned.

102. You were searching for cheques, were you not?—Yes.

103. Did you expect to find cheques to correspond?—Yes.

104. Are you not aware many of the cheques were drawn for wages, including wages due to other men, as I think some of them were, and in that case you would find the cheque to correspond with the payment to *Seddon*?—No; it would be a larger amount.

105. Your whole evidence is valueless if that was the practice?—If other amounts were included it would be valueless for the purpose.

106. Here, for instance, on 9th July is a voucher for an amount including one of £3 5s. to *Seddon*, and another of £10 15s. You would expect to find a corresponding amount in the cash-book appearing under Schedule C [Exhibit E]. If a cheque was drawn for £15 would not that make the examination valueless?—No.

106A. *Rt. Hon. R. J. Seddon.*] There is a voucher in 1882. They stopped short in 1881.

107. *Mr. Duthie.*] There was a practice, apparently, judging from these vouchers, to combine wages of different amounts?—Yes, it appears to be so.

108. The practice was that the Treasurer cashed the cheque to pay the men?—I am not aware.

109. I have quoted you one of *Seddon* and *Barry's*. Here is a voucher for £19 15s., which includes *Hunt*, 5½ days; *Keenan*, 4½; *Taylor*, 4½; *Hewett*, 1 day, combined with four weeks from *Seddon*, making £19 15s. altogether?—Yes.

110. It would be quite purposeless to try to examine the bank-book for £12 for *Seddon*. It could not be found; so that evidence you have given is of no value, because it proved nothing?—I think the principal amounts appearing as wages would be drawn alone; it would be only occasionally that other men were employed.

111. But when there are several explanations of that sort your evidence is of very little value?—On these particular occasions it would be of no value.

112. The special auditors did not anywhere assert that these various payments which they set forth are proved by cheque?—They did not assert so, but the borough payments are made by cheque.

113. I am not asking as to the general practice. The auditors do not claim that these payments correspond with the entries in the bank-book?—I do not know.

114. Have you read the report?—Yes, I have read the report, but it is years ago, and I cannot remember any page.



115. You searched just now for cheques to correspond with the dates set forth in the schedule?—Yes.

116. That date is the date of the voucher?—Yes.

117. But it must have been long after that the cheque was actually cashed?—It was probably cashed a short time after. That was the usual practice.

118. I thought the borough was rather short of funds?—Yes, we were rather short of funds at that time, and the cheques were not always paid at once. They were covered, and bills made out for them, sometimes for eight months.

119. So that the entries in the cash-book proved nothing as regards payment?—No, it neither proves nor disproves payments. The payments as they appeared in the bank-book could not be relied upon in the case.

120. You said the blocking by Mr. Seddon was in favour of an investigation?—Yes.

121. Was that at the committee meeting?—I am referring to the Council meeting, which, I think, was held in November, 1882.

122. That was the meeting that lasted until 8 o'clock in the morning?—Yes. The question was whether they would refer the question to the solicitor or the sub-committee should be authorised to inquire into the matter and endeavour to analyse it.

123. What was the object of referring it to the solicitor?—To take criminal proceedings.

124. You took his opinion?—Yes; and it was to institute a prosecution.

125. So far as I remember the evidence it was to take his opinion simply?—I can refer to the exact words. The resolution carried read as follows: "Moved by Councillor Barnett, and seconded by Councillor Mulvihill, that the borough solicitor's opinion be received, and the Mayor be authorised to take such steps and lay such information as he and the borough solicitor may think necessary."

126. Did you know beforehand what the opinion would be?—Yes.

127. What time was that moved?—It was moved early in the morning.

128. What was the question that was under discussion?—The whole of the adjournments were for the purposes of considering the borough solicitor's report. That was the business before the Council.

129. What was the motion?—It was to consider the borough solicitor's opinion, he having advised in writing as to what steps were expedient in the case.

130. *Rt. Hon. R. J. Seddon.*] What is the date of that meeting?—The 16th November, 1882.

131. What business was taken: would you take the report in the *Kumara Times* as fairly correct?—Yes, I would, as fairly correct. The ordinary business was at a later period of the night.

132. *Mr. Duthie.*] Was there that evening an amendment in favour of remitting the subject to a committee?—Not on this particular evening, but some time previously.

133. You did not deal with the opinion until about 6 o'clock in the morning?—Yes.

134. What had occupied your time up to then: was it some motion of Mr. Seddon's?—A resolution at about 5 o'clock in the morning referring to other business quite apart from this. Councillor Barnett moved, and Councillor Campbell seconded, that a committee, consisting of Messrs. Seddon, Burger, Rudkin, and the Mayor, be appointed to investigate the complaints made by Messrs. Davidson for damage done to their section by the removal of gravel, and report to the Council at its next meeting. This was carried, and the Council adjourned for fifteen minutes. That was at 5.30 o'clock in the morning. They were to make such arrangements as would meet the case.

135. Why did you make the remark just now that the blocking was over the question of taking the proceedings: what blocking by Mr. Seddon do you refer to?—The Council adjourned to consider the matter of the borough solicitor's opinion, and that came on after half-past 5.

136. There was another block all night, not upon this particular case. The ordinary proceedings did not usually last until 5 o'clock: what was the special reason for lasting so long?—I could not say. I cannot carry my memory back for fifteen years. There were a number of adjournments for a quarter of an hour and half an hour, which caused the meeting to last all night.

137. Was that as late as the block?—No, I cannot say.

138. There was a charge against Mr. Seddon of stonewalling, and we are as much concerned with clearing his character as we are to make a case against him. You used the words that "the blocking was over taking the proceedings," did you not?—I do not think that applied to Mr. Seddon. He was opposing the resolution to take proceedings. Mr. Seddon was antagonistic to the resolution, and wished proceedings only to be taken after the investigation of the charges against Mr. Wyld; but the Mayor was intent upon getting the resolution passed.

139. So both parties wanted to retard business?—Yes.

140. And did that retardment go on all night?—Various subjects were discussed at different hours of the night.

141. Then, Mr. Seddon wanted time to consider the report, and kept the discussion on that point going from 6 o'clock in the morning until 8.30 a.m.?—Yes; and at 8.30 the Mayor, finding he had a majority, put and carried the motion in Mr. Seddon's absence.

142. I want to clear up this point: Was the ordinary business discussed at undue length on account of the other business to be dealt with?—I cannot say.

143. Do you say that sitting until 5 o'clock in the morning was not an extraordinary thing for the Borough Council?—They were seldom so late as that. I see from the minutes that there was a great deal of business that night.

144. There are certain vouchers missing?—Yes.

145. As between the time the auditors made their investigation and the special audit up to these vouchers being produced in Court, in whose custody were they?—In the custody of Mr. Wyld, the then Town Clerk. The vouchers disappeared directly, so far as we could ascertain, before the result of the special audit was made known.

146. Was it not an extraordinary thing to leave these vouchers in his custody?—I could not go back on that now. The special audit was asked for, and was made. No one knew the result of the audit; but Mr. Wylde continued in charge of the office until the special audit was placed before the Council. On the motion it was read, but Mr. Wylde handed over his keys because he was there no longer as Clerk.

147. But the special audit did go on implying suspicion on Mr. Wylde?—Yes, the charges had been made.

148. The audit was made at the instance of the Mayor by petition?—Yes.

149. Does it not occur to you that it was an extraordinary thing to leave in the hands of the Town Clerk documents which might turn to be proofs against him?—Well, no action was taken at the time.

150. *Hon. J. G. Ward.*] Regarding that blocking, can you remember upon what side Councillor Barnett was in regard to the action that was taken against the late Town Clerk?—I remember perfectly well that Councillor Barnett at that time was in favour of prosecuting Mr. Wylde, and that was the action he took in the report before the meeting of the Borough Council of Kumara. In the *Times* of the 18th November I find that Councillor Barnett moved a resolution that a committee should be appointed to investigate the claims of Messrs. Davidson for the removal of gravel.

151. Was that the ordinary business?—Yes.

152. Is it reasonable to suppose that the blocking had been carried on by Mr. Seddon in order to assist in preventing the solicitor's opinion being read?—I think there was no blocking previous to that.

153. Mr. Duthie has asked the question whether the blocking was not resorted to in order to prevent a particular matter coming under discussion later on?—I remember Mr. Davidson, one of the parties mentioned, was waiting, and Mr. Barnett moved a resolution to enable Mr. Davidson to go home.

154. I find you moved a resolution on the ordinary business of the borough?—On several matters of ordinary business, right up to 4 o'clock.

155. You voted on Councillor Barnett's resolution at about 8.25 a.m.?—No, I did not vote with them; I just took my seat at the table as the Mayor was putting the resolution, and I was too late to say "No." The resolution was carried, and my name was put down with the "Ayes." I did not speak.

156. You were recorded in the report as having supported the resolution that the borough solicitor's report be received, and that the Mayor be authorised to take such steps and lay such information as he and the borough solicitor may think necessary?—Yes.

157. In the report of the *Kumara Times* it is stated that the consideration of the borough solicitor's opinion, and the question as to whether it was to be considered, took place at about 6 o'clock?—Yes.

158. Because the motion was moved that the Council resume at 6.8 a.m.?—Yes.

159. It was adjourned for ten minutes?—Yes.

159A. Resuming at 6.8 a.m.?—Yes.

160. We have heard, according to the report, that the solicitor's communication did not come under consideration until 6 o'clock?—That is so.

161. Many of these resolutions were moved by persons who were opposed to Mr. Seddon?—Yes.

162. The conclusion was that they were in the blocking business to assist Mr. Seddon in preventing the solicitor's opinion coming under consideration?—Yes.

163. The report was considered about 6 o'clock in the morning?—Yes, about that.

164. Is it a fact that Councillor Richard John Seddon was not present when the resolution was carried?—He was not present when the resolution was carried; it was not an amendment, but simply a resolution, the amendment becoming the substantive motion.

165. Is it a fact that Councillor Seddon was not present when the resolution was put?—Yes. He arrived at the door just after the Mayor put the resolution. It was declared carried just as he was coming in at the door.

166. If he had blocked the resolution, was it at all likely he would be absent when the resolution was put?—The Council adjourned for the time, and if he had been anxious to block the resolution he would not have gone away.

167. So that any blocking that took place in the ordinary business had been consented to by motion, and he wanted that resolution carried?—Yes.

168. The consideration of the solicitor's report had taken place early in the morning?—Yes.

169. The Council resumed at 8.25 a.m., when the real vital question of the resolution came up, and Mr. Seddon was not present, so that after the block took place it must have been between 6 and 8 o'clock?—Yes.

170. The man who is accused of doing the blocking was not present when the resolution was carried?—No.

171. What was the general opinion about Mr. O'Hagan?—He was considered as one of the most sensible, straightforward men in the town.

172. Was he addicted to intemperance?—Yes, he was.

173. Had he a feud against the Town Clerk?—I do not think it was a personal matter with Mr. O'Hagan; there were others very bitter against Wylde at the same time.

174. Was he on the side of those who were opposed to the late Town Clerk?—Yes, he was.

175. He took an active part in opposition to him?—Yes.

176. Was Mr. O'Hagan a member of the Council while he had access to the office during the absence of the Town Clerk?—I could not say. I very seldom went into the office except at the ordinary meetings, and I could not say whether he had access to the office or not.

177. Then, was it likely that three persons would be included in one voucher?—Yes.
178. Mr. Duthie asked you whether you would take a cheque corresponding with three items?—I think it would be an extraordinary circumstance for three or four accounts to be in the same voucher. It would not occur very often during my time.
179. Would it be usual for three different vouchers to be given for three different people and a receipt to be given in one document for the whole?—It appears that it was done at that time, but it is not done now.
180. Would it be possible for three independent cheques to be drawn for them and the three different men's receipts to be taken in one voucher?—It is quite possible that could have been done.
181. Then it does not follow because a man's name appeared in one that there were three cheques?—It may have been three different cheques or it may have been included in one.
182. Then your former evidence upon the point that if a receipt were given on one voucher it does not follow that three separate cheques were given is wrong?—They may have received different cheques or one cheque.
183. Were you present at the time that this took place on the West Coast?—I was.
184. If there had been any doubt in the minds of the Council which carried on the business after the special auditors' report had been received as to the integrity of Nathaniel Seddon do you think the Council would have continued to employ him?—Certainly not. There was never the slightest reflection upon his character by the inhabitants of the place, and everyone was perfectly clear that he had nothing to do with it.
185. If the idea had existed among the individual members of the Council as to the fact, and if Nathaniel Seddon had been accused of the offence alleged, could it have escaped your memory?—No.
186. Did you do anything further?—Nothing whatever.
187. Was Simmonds a member of the Council subsequent to the proceedings?—No, certainly not.
188. Was O'Hagan in the Council afterwards?—No, he was not.
189. The Borough of Kumara was in financial difficulties?—Yes.
190. Do you know of your own knowledge that bills were given to creditors of the Council?—Yes.
191. When this bill became due, as a matter of procedure, would the cheque or cash require to be provided to lift it?—No, I think not; it would be presented to the bank, and if the cash was not available another bill would be issued for the same amount. I think the financial position was this: The Finance Committee met every month and passed the accounts, and the borough treasurer drew cheques for them, and they were held over; then, after perhaps three or four months, an acceptance was given for the same amount for which cheques had already been issued. These cheques were not destroyed, and this gave Mr. Wylde opportunity of working under the system as Town Clerk, having that position to issue cheques against bills which he did not hand to the creditors in the first instance.
192. And under that system there would be a duplicate voucher?—Yes.
193. Which would represent one payment only made to the creditor, as far as the Town Clerk was concerned?—Yes.
194. Which you would hold a double voucher for?—Yes.
195. For the overpayment to the extent of £219, which had been made as shown by payments provided by the bank, would it not be the duty of the Council upon the discovery to proceed to recover against those who received the funds?—The matter was discussed at the time on a motion to produce certain vouchers which were missing.
196. Had not that been going on for some time?—That matter was discussed at the time, but the matter of certain vouchers being missing had not gone on. If there had been sufficient moneys referring to accounts from the parties they would probably receive it.
197. What were the vouchers for the amount? Some of Mr. Wylde's and some of Nathaniel Seddon's?—I do not know of my own knowledge. That was reported at the time.
198. *Mr. Duncan.*] How long were you in the Council?—About the time the prosecution took place—about two years.
199. You were in the Council during the time the case was going on?—I became a Councillor about three months before the suit was commenced.
200. And for the remainder of the year from the commencement?—Yes.
201. During that time, or some time after, these discrepancies were discovered, and the auditors reported overpayment to Nathaniel Seddon, did they not?—Yes.
202. Did the Council take any steps to investigate that report?—No, they did not.
203. Did it not look somewhat strange that they did not go further into the inquiry?—There was a resolution that it should be referred to a committee. I believe Mr. Seddon moved that resolution; but nothing ever came of it.
204. Why was not something done to clear the matter up? Did you have a Council auditor whose duty it was to look after that?—Yes.
205. And it was between the two audits that trouble arose?—The committee was appointed for the purpose of making a thorough inquiry into the report.
206. Who were on the committee appointed to investigate the question?—It occurred at the meeting of the Council held on the 3rd May, 1883.
207. Who moved it?—Councillor Seddon moved, and Councillor O'Hagan seconded, "That the question of the moneys said to have been paid to Nathaniel Seddon over and above that due to him, and mentioned in the special auditors' report, be referred to the borough auditors and the Finance Committee; such auditors and Finance Committee to report to the Council." But they never brought up any report.

208. Who were the borough auditors at the time : were they Toms and Nicholson?—No, I do not think so ; Nicholson had resigned. It was two others.

209. Are you aware whether they went into the matter at all, or just stopped there after the resolution was passed?—So far as I know, it was never acted upon ; it was allowed to drop.

210. Can you, as a member of the Council at that time, give any reason why it was not acted upon?—No, I cannot, after this lapse of time.

211. What was your own opinion of the matter at that time?—My own opinion was that, as the special auditors had made a report, and the person who was supposed to be implicated in the discrepancies had been tried and punished, and no one cared to disturb the matter any more, they said, " We have had enough of this business, and we will let it drop."

212. From my point of view the Council should have gone further if there was any suspicion on Nathaniel Seddon?—Looking at it from a local point of view, there was no suspicion against him.

213. The local auditors had suspicions?—Yes.

214. And nothing was done?—No.

215. Did you think it was fair to allow the imputation against Nathaniel Seddon to remain?—No, it was not fair.

216. *The Chairman.*] It was resolved that the Council should take no proceedings at the meeting of the 9th November, and on the next evening a resolution was passed cancelling the appointment of the committee?—That was the previous committee. It could not have been mentioned so long after.

217. *Hon. J. McKenzie.*] Did not Mr. Seddon move a resolution asking the Council to clear up the imputation against his uncle?—Yes ; I have read that.

218. Did they take any action?—No, they did not.

219. *Hon. W. Rolleston.*] Was there not a very strong opinion in the Council that the auditors' report was generally correct?—There was an opinion among the majority that the auditors' report was correct as regards the amount, but that there was a defence on the main grounds stated by them.

220. Who were the Councillors who held that strong opinion there? Is this a correct report in the *West Coast Times* : When Mr. Seddon said at a meeting of the Council that the audit report was untruthful, Mr. Barnett said he could prove otherwise. Mr. Seddon replied, " Yes ; as you are Crown Prosecutor in the business, I shall do my best to defeat it " ?

*Rt. Hon. R. J. Seddon* : You are quoting from the report of the proceedings in the newspapers, where he says I said this, but I do not know that I am here to be bound by a report in a newspaper.

221. *Hon. W. Rolleston.*] I only want to say that there was a difference in the opinions, and ask whether Mr. Burger held the same opinion as Mr. Seddon. I first asked whether Mr. Burger in this same debate stated that the report of the audit was unanswerable?—Mr. Burger was at that time opposed to Mr. Seddon. He was of opinion that the audit was correct, and that proceedings should be taken against the Town Clerk. He was in favour of the Town Clerk being prosecuted at once.

222. Did not Mr. Burger take the ground that the report was generally correct?—The Mayor and he took that line.

223. Was he the person Mr. Wylde referred to when sentence was passed upon him, and he said that there was a desire on the part of the Council to get rid of the vouchers?—I cannot say.

224. Was any effort made to get another audit afterwards : are you aware of a further special audit?—With reference to the amounts alleged to have been overpaid to Mr. Nathaniel Seddon?

225. My question refers to this : Mr. O'Hagan telegraphed to the Colonial Secretary that a petition has been or is being forwarded to the Government asking for another special audit of the Council's accounts, knowing he would strongly protest against such a proceeding until the incorrectness of the other report was disproved. Was its correctness ever established?—There is one man alleged to have been paid too much ; that is a man named Kelly. It was paid in my presence to John Kelly.

226. Was not Mr. Kelly one of the men who was overpaid?—It was paid to his brother. That was one of the amounts said to have been overpaid. I was a storekeeper, and the amount, I think, was about £21. It was paid in my store.

227. *Rt. Hon. R. J. Seddon.*] Any voucher for that payment?—No voucher was made out, so far as my memory serves me. He wrote to the newspapers that he had received the money.

228. *Hon. W. Rolleston.*] Did not the papers which were called upon to verify the letter state that it was not his, but written by some relative of his?—I do not remember that.

229. *Rt. Hon. R. J. Seddon.*] At all events, it was paid in your presence?—It was paid in my store to John Kelly. I am not sure of his name. I think there was another payment to a man named Kelly. I think that might lead to the Council stating that he had not been paid. But the next Town Clerk found his receipt in the office for £30. I have seen the receipt myself ; it was afterwards found in the office when the man had written to the office stating he had not got his money.

230. *Hon. W. Rolleston.*] Was there any occasion in which Mr. O'Hagan appeared in any way corresponding in his position with the Mayor?—No.

231. Never on any occasion was there any idea of his being there as mentioned by Mr. Ward?—Certainly not.

232. What object could Mr. O'Hagan have possibly had in removing the papers?—I cannot say he could have any object.

233. Presuming Mr. Wylde had been guilty of defalcation, would it not have been in his interest that vouchers and papers would have been removed?—It certainly would.

234. I asked you the question, Was not Mr. Barnett elected as Mayor distinctly on the account that the ratepayers approved of his action in bringing this case before the Supreme Court?—I cannot say he was elected on that account.

235. Would you dispute the statement which appeared in the *Kumara Times* that he was hoisted on high after the election as a proof that his action had met with the approval of the electors?—I cannot say whether that statement was correct or not.

236. Had Mr. Barnett previously endeavoured to have an independent investigation in the Council before he took this action with regard to getting the borough solicitor's opinion?—I believe he had taken no previous action.

237. Then, this would be incorrect, as stated in the *Kumara Times*: that Mr. Barnett said that when he discovered it was no use asking the Council for an investigation he then caused a petition to be got up for an audit, because he insisted upon the light of day being thrown upon these borough accounts; and was that the reason why he was stated to have no brains?—I do not remember what action he took, it is so long ago; but, so far as I recollect, the man who was put forward to take action was Simmons, a tinsmith. He was the man who appeared before the Council as leading the matter.

238. *Hon. J. McKenzie.*] Your reply to Mr. Rolleston was that the removal of the papers would be in the interest of Mr. Wylde: is it not possible they might assist to prove his innocence?—It depends what papers they were; they might tell one way or the other.

239. *Mr. Massey.*] I think you told us, in speaking of this petition that was sent to Wellington asking for a special audit, that the primary cause was the insinuations made by Simmons: will you tell the Committee what you mean by insinuations?—So far as I remember, it was the talk about the town that Wylde was making use of borough money.

240. Was Simmons a member of the Council at the time?—Yes.

241. What you want us to understand is this: that Simmons simply voiced the opinion of outsiders when he moved for the petition?—A certain party of outsiders; he was a Councillor at the time reflecting their opinions.

242. I think you told us he was ousted from the Council in consequence of his name having been struck off the ratepayers' roll?—To the best of my recollection, the reason he was ousted from the Council was that he had done some work for the borough, and received payment for it, being a member of the Council.

243. And in consequence of that he lost his seat?—Yes. I think he built one or more chimneys for the Town Hall, and, having received payment on that account, he was considered ineligible for the position of Councillor, and had to resign.

244. In your opinion, was the report of the special auditors correct or incorrect?—I knew of two circumstances in which it was alleged that moneys were short, that those amounts had been paid; and I think there might have been other mistakes which would account for some of the other payments if the matter could have been investigated.

245. Do you know if this man Simmons is available as a witness or not?—I believe he is dead. He went away from the place, and is not known in that district now.

246. You told us Mr. Seddon did not block the adoption of the auditors' report?—The general business of the Council was gone on with that night.

247. I am speaking of the second long meeting—the one that lasted till 8 o'clock in the morning?—Mr. Seddon did not block the business of the Council until 6 o'clock in the morning.

248. But did he not block it then?—Well, I think it could scarcely be called blocking, because the object was to come to some unanimous understanding, and arrange that a committee should consider the matter before any action was taken at all. I do not think that could be called blocking because frequent adjournments were made for the purpose of coming to some definite arrangements.

*Rt. Hon. R. J. Seddon:* That was between 6 and half-past 8.

249. *Mr. Massey.*] Was there ever any other occasion on which a meeting of the Council lasted so long?—I cannot remember any.

250. You say there was a lot of business?—Yes.

251. What did it consist of?—Well, I refer to the minutes being very lengthy. It was unusual that the Borough Council meeting should last such a time.

252. Is it not a fact that the business consisted principally of motions for adjournments?—Yes, principally.

253. By whom were they moved?—By various members; I do not now remember by whom.

254. Do you remember how many motions for adjournments were moved?—No.

255. Do you remember whether Mr. Seddon moved most of them?—No.

256. Were all these motions discussed?—I cannot remember whether they were discussed or not. Probably they were discussed, or the time must have been occupied in some way.

257. Was most of the time occupied by them?—Yes.

MONDAY, 24TH OCTOBER, 1898.

GEORGE RUDKIN further examined.

1. *Mr. Duthie.*] I want you to make a statement as to the half-yearly balances of the Kumara Borough Council, and to give the names of the several Mayors.—Well, I have prepared a statement.

2. I want to know the half-yearly balances, the amount of interest paid, and the names of the different Mayors during five years.

The Chairman : I will read the statement prepared :—

## BOROUGH OF KUMARA.

Date.	Mayor.	Bank Balance on 30th September.	Interest paid for the Six Months.
		£ s. d.	£ s. d.
1878	R. J. Seddon ... ..	Cr. 618 0 8	2 17 1
1879	E. Blake ... ..	Cr. 87 10 5	5 6 10
1880	J. S. Pearn ... ..	Cr. 60 4 3	0 16 9
1881	J. O'Hagan ... ..	Cr. 318 19 11	1 4 5
1882	J. O'Hagan ... ..	Cr. 376 12 11	...
1883	W. Barnett ... ..	Dr. 126 11 1	13 8 5
		Balance on 31st March.	
1878	R. J. Seddon ... ..	Cr. 100 18 8	...
1879	E. Blake ... ..	Cr. 4 12 10	1 4 5
1880	J. S. Pearn ... ..	Dr. 35 18 6	1 0 2
1881	J. O'Hagan ... ..	Cr. 60 12 11	0 6 6
1882	J. O'Hagan ... ..	Dr. 202 10 10	7 7 7
1883	W. Barnett ... ..	Dr. 307 19 2	2 11 3

Mr. Duthie : According to that statement the Council do not seem to have been in any financial straits.

4. Mr. Massey.] Do you know, Mr. Rudkin, anything of an order made by Nathaniel Seddon that moneys due to him should be paid to Mr. R. J. Seddon?—No.

5. Were you present at Wyld's trial?—No; I read the report of his trial.

6. Do you remember this question being asked by Mr. Harper of Mr. Seddon: Evidently a document was produced authorising the Council to pay moneys to Mr. R. J. Seddon on behalf of Nathaniel Seddon? Do you remember anything to that effect?—I remember such a document being spoken of. I questioned Wyld about it. His explanation was that such an order had been given, as Mr. Nathaniel Seddon was to be away for a time, but to the best of his recollection it was never made use of.

7. Mr. Nathaniel Seddon was away for a holiday for a time: is that what you say?—Yes.

8. Were you in the Council at the time?—I was a member at the time.

9. Were you in the habit of giving employés of the Council two months leave of absence on pay?—No, except in cases of sickness.

10. Were his wages paid during his absence?—They would be, I think, but I cannot be certain.

11. Do you always pay by cheque?—Yes.

12. Never pay cash?—Payments by cash were not allowed; it would be irregular.

13. I have asked the question because some of the witnesses told us different to you.—Well, my experience is that payments were always made by cheque.

14. Do you remember anything of an attempt having been made to merge the borough into the county?—Yes, there was a resolution of that nature.

15. Who was the moving spirit?—Mr. Seddon, I think. I do not know what his object was.

16. What was the date of that? That must have been prior to the trial of Wyld?—Certainly.

17. Mr. Graham.] Now look at Schedule C [Exhibit E]. Mr. Seddon, when examining you, took you through that schedule, and asked you to find corresponding entries in the bank-book to the vouchers, and in some cases you could not?—No.

18. There is some confusion as to whether in some instances there were two or more payments?—Well, it might have occurred in this way: that Nathaniel Seddon ceased to be a permanent employé of the Council, and he might have been put on the pay-sheet with other men.

19. You were aware that Mr. Seddon was referring to a voucher of a following date respecting two sums, a credit of £15, partly for Nathaniel Seddon. I think the voucher explains that sum of £15. Did those vouchers include any sums for other people?—I only looked casually through the vouchers, but I did notice there were one or two other names included.

20. But generally the vouchers were from Mr. Seddon alone?—I think so, but I am not positive.

21. Are you positive?—No, I cannot say positively; they are now in the possession of the accountants.

22. Now, I want to refer to these amounts. If the vouchers are given for Mr. Nathaniel Seddon alone, then the position taken up by Mr. Seddon would be established. Now look at the vouchers for 1881—perhaps the witness can—5th January, 1881, the amount £18?—That amount appears here in the bank-book as 6th January.

23. Is that all for Mr. Nathaniel Seddon?—Yes.

24. Now find 3rd February, £12?—Yes, Nathaniel Seddon.

25. Next, 3rd March, Nathaniel Seddon?—Yes.

26. The other items which appear here are 23rd January, 21st July, 18th August, 29th September, and 27th October?—Yes, all those appear here, and are for Nathaniel Seddon alone.

27. Then it was the rule to take vouchers from Nathaniel Seddon alone?—Yes.

28. That is not included in the £510 10s.?—No.

29. Now, having refreshed your memory, your answers to Mr. Seddon were perfectly correct?—Yes.

30. Now, here is a voucher for two amounts—you see this. It shows, does it not, as a matter of fact, that the position does not exist with reference to the payments and vouchers for Mr. Seddon which Mr. Duthie thought?—No, for at that date separate vouchers were taken from Mr. Seddon for his payments, and those are his official vouchers.

31. When you passed amounts for payment in the Council I suppose they were paid within a day or two?—Yes, cheques were generally drawn the next day.

32. Well, here is an account for £18 to Nathaniel Seddon, passed on the 6th January, and yet his receipt is not dated till the 14th April—nearly three months. How do you account for that?—There being no funds in the bank it was useless to issue a cheque until there were funds to meet it.

33. But we read a statement of the funds by the bank that does not bear out what you say now?—At that time no overdraft was allowed by the bank, but special arrangements were made, I think, for temporary accommodation. Whatever it was, it was very small.

34. Three months seems a long time between the time the account was passed and its payment?—Yes, that does seem so, but I cannot explain that any further.

35. Does it not seem a remarkable thing that wages were not paid until so long after?—Yes, but I cannot explain it.

36. Now, on 9th February, 1882, there is another voucher for £15—that is the one Mr. Duthie had in his hand. It was about November, 1881, that Seddon's weekly engagement terminated, was it not?—Yes.

37. Now, these vouchers are for payments after he became a casual hand?—Yes.

38. Take this payment for 6th January for £18: do you find a corresponding entry for that in 1881?—No; I do not find the entry £18 until the 14th April.

39. That would be right, then, as the date upon which they got the receipt. Now take 3rd February, £12?—That appears here as the 26th February.

40. Now, in that case they did not get Seddon's receipt till the 26th April. Could they be as lax as that?—It would be irregular, no doubt. There is a cheque on the 26th April. We were paying to numbers only, so that we cannot identify the cheque.

41. There is no other amount of £12?—No.

42. Then on 3rd March there is £12. Can you see any corresponding entry for that?—I have got that here as £12 on the 28th May.

43. Now find, if you can, 14th April, £18?—I have it here 30th May, when a cheque for £18 comes in.

44. That seems to correspond with the receipt on the voucher. Then on 26th May there is £18: where do you find that?—It is here as 2nd July.

45. It was cashed at the bank at that date. The next is 23rd June, £12?—Yes; I have that as the 2nd August.

46. That seems all right. Now find 21st July, £12?—There is no other £12 except that on the 2nd August.

47. There is no entry. Does it not appear to have been presented at all?—No, not at all.

48. Next look for 18th August, £12: have you got that?—No; there is no entry of that.

49. Then try 29th September, £18?—No; that is not entered in the bank-book.

50. The next is 24th September, for £18?—Yes, I have that.

51. That could hardly be this one?—No, I do not think it can be.

52. Now look for 27th October, £12?—Well, I have it here 31st October, £12.

53. That is right. You are quite clear that in 1881 it was usual to take separate vouchers from Seddon for each payment?—Yes, that is so.

54. He did not become a casual labourer until November, 1881?—No.

55. *The Chairman.*] You have an entry on 5th November for £12 10s.: can you find any corresponding entry for that?—No, there is no entry whatever of that cheque.

56. *Rt. Hon. R. J. Seddon.*] You are aware that I have always contended that there were too many local bodies on the West Coast?—Yes.

57. And you remember the proposal to merge the borough into the county?—Yes; I remember that in the early days you brought that before the Council.

58. I was rather a party to destroy the Borough Council, was I not?—Yes; and it caused some dissatisfaction in the town.

59. And, so far as you know, I still keep to that view?—Yes, I think so.

60. Now, what was your process of passing accounts: were they not first passed by the Finance Committee?—Yes.

61. Then they had to be passed by the open Council?—Yes.

62. Had they all to be certified by the chairman of the Finance Committee?—Yes.

63. And he had to sign cheques?—Yes; he and the Mayor and the treasurer.

64. And the report of the Finance Committee had to come before the Council for adoption?—Yes; then it had to be signed after that.

65. Then there was not much danger of payments being made without authority?—No.

66. And no cheques would be paid unless they were so signed?—No; they had to be signed by the Mayor, the chairman of the Finance Committee, and the borough treasurer.

67. *Mr. Duthie.*] There is a voucher here of the 9th February, 1882, showing Seddon twenty-three days and a half at 10s., and for Barry, the total amount being £15. The voucher is signed by Nathaniel Seddon on the 11th February: what does that mean?—It is a joint—one cheque for the whole sum.

68. Then that is such a point as I have drawn attention to?—Yes; but that was in 1882.

69. Again, here is a voucher for April, 1881, at which time Nathaniel Seddon was a labourer—it is also a joint voucher?—Yes.

70. It is for £19 15s., and that cheque is paid according to the bank-book entry?—Yes.

70A. And that is a joint cheque?—Yes.

70B. The voucher is not signed by any one; but the name, so far as the bank-book is concerned, is evidence of payment?—Yes, that seems so. Nathaniel Seddon was paid according to this; it is a blank voucher, but the cheque is drawn and honoured.

HENRY BURGER examined on oath.

71. *The Chairman.*] What is your name?—Henry Burger.

72. What are you?—A storekeeper.

73. Where?—At Kumara.

74. Are you storekeeping there now?—Yes.

75. Do you know the business for which you are summoned here?—Yes.

76. Are you acquainted with some of the circumstances which occurred at the time?—Yes; I was in the Council then.

77. *Rt. Hon. R. J. Seddon.*] You are aware that there was a special audit asked for in 1882 in connection with the Borough Council's accounts?—Yes.

78. Do you know who was instrumental in getting up the first petition?—Yes; it was George Simmonds.

79. They failed in that first petition?—Yes.

80. And subsequently there was an agitation by Mayor Barnett?—Yes; he was the Mayor-elect.

81. Then, there was an auditors' report?—Yes.

82. You remember the contents of that report—that is the general purport of it?—Yes.

83. That is the special auditors' report I am referring to?—Yes.

84. It was a report by Messrs. Spence and Palliser?—Yes.

85. Was there in that report anything pointing to an overpayment to Nathaniel Seddon?—Yes; but I have never had any belief in that alleged overpayment, and I do not think that any other member of the Council had.

86. Was there any belief that I had received any money in this connection?—No.

87. What was the difference in the two parties in the Council in dealing with the auditors' report?—Well, the difference, as far as I remember, was that we could not help ourselves, and an investigation had to be made.

88. But one section of the Council wanted to take proceedings?—Yes; some were wanting to do, and others wanted the Town Clerk to resign and join us in committee, and so, perhaps, explain matters, but he would not do this.

89. On the other hand, did I not ask for a special committee to investigate and report?—Yes, that was so; and one party wanted to refer matters to the solicitor.

90. You remember my blaming Wylde for not attending the investigation?—Yes.

91. An investigation committee was set up?—Yes; and Wylde would not attend.

92. Now, it has been stated that I blocked consideration of the auditors' report: is that correct or otherwise?—I do not know what you mean by "blocking." I know you tried to have it considered in committee instead of sending it to the borough solicitor, which most of the Councilors were favourable to if Mr. Wylde would have attended it. He was an oldish man with a family, and had a good deal of sympathy. The whole thing seemed to be surrounded by a sort of cloud.

93. Were our Council sittings at night long?—Yes; there were a good many long sittings, for we were a new borough.

94. The first meeting that this matter came up at we adjourned at 1.30: that was not unusual, was it?—No; once I remember sitting longer than that.

95. At the second meeting our ordinary business was finished at 6.30, when we passed O'Hagan's motion to refer the matter to the solicitor?—Yes.

96. If the records show that the ordinary business took until 6.30, there was an unusual occurrence. Do you remember a claim by Davidson?—Yes.

97. And there was a pretty strong feeling?—Yes.

98. His friends were there in force?—Yes.

99. And it took us till about 6.30 discussing this matter of Davidson's?—Yes, about that; but I would not be sure of the time.

100. Then, after that we commenced upon the report and considered what we should do with Wylde?—Yes.

100A. Was two hours and a half a reasonable time for consideration of that report?—No; because we were trying to convert one another—some were trying to get it sent to the solicitor, and others were for referring it to a committee.

101. The opinions were so even that, though you gave your vote for the motion to prosecute, you asked the Mayor to give us a casting-vote and hold the matter over?—Yes; that was the case.

102. Beyond that difference of opinion there was no ill-feeling between us?—None that I am aware of. There was no ill-feeling outside the Council, and we generally wound up with a glass of whiskey.

103. If any attempt was made to show that there was a strong feeling on the part of the ratepayers resenting the action of the Council, was that correct?—No; some were very bitter, but the general feeling was that all were sorry for the man getting into trouble.

104. And anything was on account of my good nature in trying to help Wylde?—Yes, that was so.

105. Who succeeded Mr. O'Hagan as Mayor?—Mr. Barnett; and he was Mayor at the time, getting in with only two or three votes to spare.

106. And subsequently Mr. Hannan was elected, and you contested the election with him?—Yes, I did.



107. And there was not much feeling between you and him?—No, I do not think so; I do not know what he beat me by exactly.

108. Was I supporting you or Mr. Hannan?—You supported Mr. Hannan, I think.

109. If it has been said in any place that my repute was of an indifferent character would that be correct or otherwise?—Well, I never heard, except that there were some bitter enemies in a general way. I never heard anything.

110. Have you heard anything, as far as my uncle or myself are concerned, as to any over-payments?—No, not a penny.

111. Did my uncle continue to act as caretaker for the borough till the day of his death?—Yes.

112. You remember a resolution asking the Council to get the new borough auditors to go into the accounts and see if there was anything against him?—Yes; as far as I can remember, you got a resolution passed, and said you would not go to Parliament until that was done, and if there was the slightest stain on Nathaniel Seddon's character you would not go to the House. That was the reason the committee was set up, although it was thought at the time that it was useless, as the special auditors could not find anything wrong, and it was believed that the local auditors would also fail. I, at any rate, thought that it would be useless, but the majority ruled. I voted against the auditors with a view to saving expense, as they were to have two guineas each.

113. You did not reckon it worth two guineas for an investigation?—No; I reckoned the thing had been fairly and fully investigated, but the auditors were appointed.

114. Do you remember my uncle having an assurance that there was nothing against him at the time?—Yes, I remember that; not one of the councillors, I think, ever thought there was anything against him.

115. What was his character?—Well, he was a quiet old gentleman who never bothered himself about anything.

116. *The Chairman.*] There never were any reflections on his character?—No.

117. *Hon. W. Rolleston.*] Why was this resolution moved by Mr. Seddon never given effect to—that, is that the whole case should be investigated with reference to the alleged overpayment?—Well, to tell you the truth, it sort of fizzled out; the Committee met, but found it only a waste of time.

118. Now, there is a report in the *West Coast Times* of the 11th November, 1882, which says "that the report of the auditors is unanswerable:" is that correct?—Yes, I suppose that is correct; we thought there was matter for investigation.

119. You say, according to that report in the newspaper, that the auditors' report was unanswerable. Now, that is at variance with what Mr. Seddon says?—Well, yes; we considered the matter required further investigation; that was my opinion, and that was ultimately agreed upon, and steps were taken.

120. But the newspaper report says that you, and the Mayor, and others supported the auditors' report?—Yes, certainly. We thought there was something requiring investigation; we could not possibly throw the report away. Had Wylde attended the investigation as desired, I do not think it would have come to his having to go to gaol. That would be my opinion if I made use of the words ascribed to me. We would have to investigate the whole matter thoroughly, and we thought Wylde might be able to explain some matters, and by resigning, and making good any deficiency, save himself to a certain extent.

121. What do you think of Wylde's statement before sentence was passed on him, to the effect that the animus against him was on the part of a clique who wished to put a tool of their own into office?—I hardly know who could have been referred to; there was no tool, so far as I know, to put into office. Of course, Wylde was desperate, and felt himself in a very bad position; and there was, no doubt, very bitter feeling against Wylde on the part of some of the ratepayers who had a special animosity against him. Something leaked out, I believe, through the local auditors, and this Simmonds, being a busybody, went along with a petition, and once started there was no stopping it.

122. I understood you to say that there was no ill-feeling: how was it that Mr. Barnett——?—Well, it was thought that this matter had helped his election.

123. At the declaration of the election on the 30th November the newspaper report states that he claimed that his action in respect to Wylde was the cause of being elected?—Yes; he used this petition as a lever. He made out that the borough's finances were going to "pot," and in a small place like Kumara this soon caused a sensation. No one knew at the time he was elected whether the auditors' report was in favour of Mr. Wylde or against him.

124. But at the time of the declaration of the election the auditors' report must have been known, for it came out on the 7th November?—Well, I may be mistaken, but I thought at the time of the election that he made use of this auditors' report; I was under the impression that he was already Mayor-elect. It is likely enough, however, that he did make use of that remark which you have quoted.

125. I wish to point out that this was at variance with your previous statement that there was no feeling against Mr. Wylde outside?—There was a feeling against Wilde—there was also sympathy for him.

126. *Mr. Massey.*] You remember the first asking for a special audit?—Yes.

127. Did you have anything to do with getting it up?—I might have signed it, but I cannot remember positively. I think I signed one, but I would not swear to it.

128. Do you remember exception being taken to a number of the signatures?—Yes.

129. What were they?—As far as I remember, they were not ratepayers; and this man Simmonds himself was not a ratepayer.

130. Did he sign the petition?—I do not know, but I know he was taken off the roll for not paying his rates.

131. Was that the time he was a Councillor?—It may have been at the time; I am not sure.
132. Was he a respectable man?—Yes; I knew nothing against him.
133. Was the House sitting at the time the first petition was sent to Wellington?—I could not say—in fact, the first petition was done rather on the quiet, and not a great many people knew of it.
134. You were in the Council at the time?—Yes.
135. How did the Council get to know of the fact that there was a number of people on the petition who were not ratepayers?—I could not say.
136. And you do not know how those people came to be disqualified?—No, I cannot say.
137. Was a copy of the petition sent from Wellington to the Borough Council?—Do you mean the first one?
138. Yes?—Well, I cannot say.
139. Were you a friend of Simmonds's?—Well, I was on friendly terms.
140. Did you ever act with him in connection with this petition?—I may have signed the first one and the second one.
141. Was there any difficulty in getting signatures to the second petition?—I do not know; some signed to clear Mr. Wylde's character, and some to get an investigation.
142. Do you think that the auditors' report and the conviction of Wylde justifies the action of those who got up the petition?—Well, the end proves that something was wrong, and the man suffered for it.
143. Now, with regard to these motions of the Borough Council, you told the Committee, in answer to Mr. Seddon, that it was not unusual for the Council to sit until 1.30 a.m., or even after that?—Well, we often did.
144. Do you remember any other occasion on which the Council sat after that hour?—No; but there were odds and ends which took the Council a long time to deal with.
145. But I want a definite answer: are you quite clear that on other occasions the Council sat until after 1.30?—Yes, I am quite certain of that.
146. At about the second meeting do you remember the Council sitting until about 8.30 a.m.?—Yes, I remember that.
147. What business were you occupied with during the night?—Well, I remember a claim by a man named Davidson for compensation for gravel removed; that was talked about in the Council that night, and the majority were against it.
148. What was the amount claimed?—I cannot say.
149. Have you read the report of that meeting in the *West Coast Times*?—I tried to look it up in the Borough Council's books, but I found nothing.
150. Is it not a fact that a number of adjournments were moved?—Yes.
151. How many?—I cannot say. I would not be a bit surprised if it were found that I myself moved some of the adjournment motions.
152. And much of the time was occupied in moving these adjournments: was that not the case?—Yes.
153. Do you not think that that was blocking the business?—I do not know. Both sides were moving adjournments.
154. Now, were these adjournments being moved in order to prevent consideration of the special audit business?—No; the idea was to try to convert one another.
155. These adjournments were moved while you were discussing the Davidson business?—Well, some of them were, and members were trying to persuade one another both inside and outside the Council.
156. Some of the Councillors were in favour of paying compensation: was that so.—Yes; and we ultimately adjourned at the late hour—or, rather, I should say, early the next morning, as already stated.
157. At what time did the motions for adjournments come on?—It was pretty late—or, rather, early in the morning.
158. You do not remember how many adjournments were moved?—No; we pretty well exhausted all we could talk about, and tried to persuade one another to come to a settlement of the work.
159. Do you remember an adjournment being moved at about 8 o'clock in the morning, and the question being put?—Yes.
160. Were you present?—Yes.
161. Was Mr. Seddon?—No. Some of the Councillors took advantage of Mr. Seddon and other Councillors being away, and they carried a resolution.
162. Was Mr. Seddon pleased, or otherwise?—Well, none of them were pleased.
163. Did they express themselves forcibly at all?—Of course, they did not like it; but we afterwards went and had a look at some ground—that was after 8 o'clock in the morning, and Mr. Seddon was with us.
164. What, you did that after sitting all night?—Yes; the Public Works Committee did that.  
*The Chairman*: There must have been strong men in those days.  
*Mr. Massey*: There were giants in those days.
165. *Hon. J. McKenzie.*] To the best of your recollection, is the report of the *West Coast Times* on this meeting correct?—I have not read it lately. I do not know.
166. Of course, you have had a long experience of newspaper reporters: do you think they give true and faithful reports?—Well, the likes of this man Simmons I could not answer for; he may have reported this in the paper.
167. *Mr. Duncan.*] Did they not have a regular reporter on the paper?—No.
168. *Hon. J. McKenzie.*] Is it likely that Simmons may have coloured this report?—I could not say.

169. From your experience, would you like to be judged by a newspaper report?—No, certainly not by anything in the *West Coast Times*.
170. *Mr. Duncan.*] You have no actual knowledge as to who was the reporter on this particular occasion?—No.
171. It is only supposition that it was Simmons?—Yes.
172. *Mr. Massey.*] Do you know of any reliable report?—Yes, the *Kumara Times*.
173. Do you remember the *Hokitika Star*; did it have a special reporter present at the meeting?—I do not think there was any special reporter there.
174. Do you remember a report of the meeting in the *Hokitika Star*?—No, I do not remember, it is such a long time ago, though I might have read the report at the time.

ALEXANDER CALDER CAMPBELL sworn and examined.

175. *The Chairman.*] What is your name?—Alexander Calder Campbell.
176. What are you?—An ironmonger.
177. Where?—At Kumara.
178. Do you know the purpose of this inquiry?—Yes.
179. *Rt. Hon. B. J. Seddon.*] You were a member of the Kumara Borough Council for many years?—Yes, about eight years.
180. You were a member at the time of the special audit which was asked for in 1882?—Yes.
181. A petition was got up by a man named Simmons?—Yes.
182. Was there bad blood between Simmons and Wylde?—Yes, I believe so.
183. Was Simmons struck off the roll, and put out of the Council?—Yes, and that was the reason of the bad feeling.
184. Were you a member of the Finance Committee?—Yes.
185. What was your usual course in passing accounts?—Well, the accounts came before the Finance Committee, and they recommended them to the Council, and the full Council went over them again and passed them finally.
186. Who signed the cheques?—I believe I was one who signed with the Mayor and the borough treasurer.
187. Now, when this report came in from the auditors what took place in the Council?—A special meeting was held to consider it.
188. What was the difference of opinion in the Council?—Well, one party was for investigation, and the other for instituting criminal proceedings at once.
189. Which side did you take?—I took the side of an investigation by the Council before taking any extreme measures.
190. Now, if any one had stated that I blocked the business of the Council to prevent consideration of that report, would that be correct?—It is not correct. It is decidedly incorrect.
191. Was it unusual for the Council to sit till 1.30 or 2 o'clock in the morning?—Rather; but it depended very much on the business before the Council.
192. The morning that the report came in we had a very late sitting, did we not?—Yes; until about 8 o'clock next morning.
193. What was the business?—It was the special business of taking proceedings or not.
194. Do you remember a demand by Davidson as one part of the business?—Yes, I remember that now.
195. If the *Kumara Times* report says that we finished at 6.30 in the morning, would that be correct?—Well, I think the ordinary business was finished before then.
196. Well, if Mr. Rudkin or Mr. Burger had said that it was correct, would you dispute it?—No; it was a long time ago.
197. You took part in the deliberations upon the auditors' report?—Yes, I did.
198. Would two hours and a half be a long time, considering the interests involved?—Oh, no.
199. You have said that you were for an investigation before extreme measures were taken?—Yes.
200. Do you think Wylde had fair-play, in view of what transpired?—Well, scarcely; he was hardly used at that stage.
201. At that stage, you say?—Yes; my argument was that it was a pity to drag the man before the Court as a criminal before some investigation by the Council.
202. As chairman of the Finance Committee you were sceptical as regards the special auditors' report?—Yes.
203. Did you believe it was correct?—Well, no, not to the whole extent to which it went.
204. A statement has been made that there was an overpayment to Nathaniel Seddon of £219; did you believe that to be correct?—No.
205. Do you believe that he received any overpayment?—It is my belief that it was impossible.
206. Now, you have heard it has been alleged that I had received the overpaid moneys on Nathaniel Seddon's account, do you believe that?—No. I have no recollection of your having received anything either directly or indirectly.
207. Notwithstanding the difference of opinion in Wylde's case, was there a single Councillor who believed that Nathaniel Seddon was overpaid?—No, I do not think so.
208. And as regards myself?—Well, that was never even hinted at.
209. You contested the election with Barnett, did you not?—Yes, and there were only about two votes between us.
210. Had he been using this petition during the election to make capital of?—Yes; I consider I lost the election through that.
211. You knew Mr. Hannan?—Yes.

212. He was Mayor subsequently?—Yes.
- 212A. Whom did he contest the Mayoralty with?—He contested it with Mr. Burger, and defeated him.
213. You are a Justice of the Peace?—Yes.
214. If any one said that the character I bore on the Coast was of indifferent repute, would that be correct?—No, certainly not.
215. There seems to have been some irregularity on the part of the Finance Committee: the auditors report that you did not keep minutes of your proceedings?—I believe that minutes were kept.
216. Well, do you suggest that anything has been destroyed, or what has become of them?—I cannot say.
217. Well, they could not be found in 1882 when the special audit was made?—I do not know anything of the minutes.
218. A bill was given on the 7th April, 1880, for £96, with interest added, to Nathaniel Seddon; do you recollect for what term that bill was given?—I know that wages had gone in arrears.
219. Well, did that cover wages to date?—I cannot say.
220. You have no knowledge what term that bill covered?—No.
221. As far as your memory serves, to what extent was the Borough Council in arrears with Seddon's wages?—I think £80 or £90 at one time.
222. At this special time?—A little before.
223. That bill would, I presume, clear wages up to date?—It is likely, but I cannot say positively.
224. Well, say to the end of the month—to the 31st March?—Yes, probably so.
225. The bank-book shows that the Council was in funds at that date: what was the need to give bills when you were in funds at the bank?—Well, I do not think the Council was in funds.
226. On the 31st March, 1880, you were overdrawn?—That might have been so.
227. Did the bank allow any accommodation?—They did so at one time, allowing us to draw up to £500; but I am not sure whether it was at the time you are referring to.
228. Well, usually a Borough Council gets some latitude, and it is most unusual to pay day-labourers by a bill. The two things seem so extraordinary that I can hardly reconcile them?—Well, it was done at the time; there was no other way we could see to get over the difficulty.
229. Would not the bank give you more than £35?—I do not know, but that was what we got at the time. I think the account was shifted on account of the bank not being liberal enough.
230. In the special auditors' report there are various cash payments referred to: do you remember them during the term that this amount is supposed to have accrued?—I cannot say.
231. We find there are several vouchers passed by yourself with your signature attached, but there are no receipts attached to them: that, I suppose, is simply because you had not funds?—That is likely the explanation.
232. Ultimately, having got the authority of the Council, a payment took place; and would that payment be in accordance with the voucher?—Yes, I expect that would be so.
233. But you have no knowledge?—No.
234. Did you again present them *in globo* when the Council was in funds?—All I can say is they were passed and paid from time to time.
235. There are said to be certain vouchers missing—that is, between the time of the special auditors' report and the time of the investigation first taking place before the Council when Wylde was suspended? You left Wylde in charge?—Yes, he was treasurer.
236. He had been questioned by the auditors from time to time in reference to transactions not explained by the vouchers?—Yes.
237. Do you know that of your own knowledge—that he was questioned as to the vouchers?—I cannot say from my own knowledge.
238. But, as chairman of the Finance Committee, you had some experience, I presume?—Yes.
239. And yet you, still as chairman of the Finance Committee, left Wylde in charge of those documents on which so much hinged—those vouchers?—Yes.
240. Were you surprised that several of those vouchers were missing in November?—I was very much surprised when I heard of it.
241. You were very much surprised?—Yes.
242. You are aware that Wylde, in his evidence, blamed O'Hagan for having made away with them?—I think I did hear something of that.
243. O'Hagan's object would be to preserve those documents as evidence against Wylde, would it not?—Certainly.
244. Yet did you accept that explanation of Wylde's as sufficient?—Well, that matter did not come prominently before us. It was a matter of opinion afterwards.
245. But did not you think you were very much to blame for having left Wylde in charge of important evidence?—The proceedings had been taken before we heard of this—at least, before I did.
246. The proceedings I am referring to are the audit because of the suspicion of irregularities on the part of Wylde; yet you, as chairman of the Finance Committee, left him in charge of important documents: was that so?—Yes.
247. Now, do not you think you were very much to blame, on reflection, for having done so?—Well, at this time of day I might think so, but at the time I had no such suspicions.
248. It was a fact you should have acted upon, and put these documents in other custody—that seems apparent to you?—Well, of course, the Council did take the matter up.
249. There is only one other matter I wish to ask. It has been stated as regards Mr. R. J. Seddon that a document was produced in Court to the effect that he was to receive moneys on

account of Nathaniel Seddon: do you remember such a document being in existence?—No, I have not heard of it.

250. Were you examined in Court?—No.

251. *Mr. Duncan.*] You stated that the Finance Committee kept minutes, or entered minutes of their meetings?—Yes; that was the duty of the Town Clerk.

252. Was Wylde present at the Finance Committee's meetings?—Yes.

253. And he took minutes?—Yes.

254. With regard to the payments to Nathaniel Seddon being behind so long, did Nathaniel Seddon press the Council for his wages when they were due at the end of each month, or did they stand over occasionally?—He allowed them to stand over; he knew that the borough funds were very low sometimes.

255. And he let you pay on later dates?—Yes; I never knew him to press for his wages.

256. Were his circumstances such that he could afford to wait for his money?—Yes.

257. *Mr. Morrison.*] You were chairman of the Finance Committee for some considerable period?—Yes.

258. Can you give any idea of the term: were you chairman in 1880?—I think so.

259. How long did you hold that position?—For about twelve months. It was usually for twelve months.

260. Were you not re-elected?—I do not know. I cannot say from memory. Generally the chairmanship was passed round.

261. There are vouchers here bearing your signature in 1880 and 1881, so that it follows you were chairman more than one year?—Yes.

262. You have stated that minutes were kept and written up by the Town Clerk?—Yes.

263. Was it the custom of the chairman of the Finance Committee to sign vouchers such as these where there are certain blanks? Is that your signature?—Yes.

264. You are satisfied that these are all your signatures?—Yes, I think so.

265. You will see by this voucher that it is examined and certified as correct, and passed for payment by order of the Finance Committee, and signed A. C. Campbell; Was it your usual habit to set your signature to such a voucher?—I do not know.

266. Can you give an explanation of this: Here is a voucher, 13th May, £18, paid to Nathaniel Seddon, receipted on the 17th November, 1880. What is the reason of payment being held over so long?—I do not know of any explanation except the want of funds.

267. Are you not aware that the balance-sheets of the Kumara Borough Council show credit balances generally?—I do not know that I can give you any explanation of that, it is so long ago.

268. *Mr. Graham.*] It is quite possible that you may have been short of funds during the six months, although you had a credit at the end?—Yes.

269. *Mr. Morrison.*] There are two vouchers for four weeks—Nathaniel Seddon, £12; and one to Keenan for £7 5s.—with your signatures attached, but there is no receipt: can you give any explanation?—It was the Town Clerk's duty to get receipts. I did not pay away the money. I signed the voucher as a matter of form.

270. But it was part of your duty to put in the date?—Well, we were new to municipal matters at the time; that is all I can say.

271. In fact, the whole matter was left in the hands of the Town Clerk—you had every confidence in the man?—Yes, that was so.

272. You have no reason to believe that Nathaniel Seddon received any overpayment?—No.

273. What sort of a character had Nathaniel Seddon?—He had an excellent character, and was a good servant to the Council.

274. He was not a man who was hard-up and pressing for money?—No, not at all; he never pressed for money.

275. *Mr. Massey.*] Did not you tell us that the Borough Council had an arrangement with the bank for an overdraft?—Yes; but I cannot state from memory when that was.

276. You do not know whether it existed just prior to the trouble?—No.

277. You said you scarcely thought that Wylde had had fair-play: do you think he was guilty of the offence with which he was charged, and for which he received twelve months?—The Supreme Court has decided that question. It is scarcely right to offer my opinion. There was a strong party feeling in the Council at that time. One party was for criminal proceedings, and the other for an investigation by the Council. I thought it was rather hard on Wylde, and to me it seemed that he scarcely got fair-play.

278. Did you sign a petition for the special audit?—I cannot say.

279. Do you remember who got up the petition?—I remember a man named Simmons having something to do with it.

280. Did he take an active part in municipal affairs?—Yes.

281. Was he a Councillor?—Yes; but he contracted to do certain work for the Council, and thereby lost his seat.

282. Do you remember at whose request Simmons furnished certain chimneys?—At the Council's request.

283. Did the Town Clerk give an order to Simmons for this work?—Yes, by order of the Council.

284. You are quite clear that the taking of this work was the reason of Simmons being disqualified as a Councillor?—Yes.

285. Then, if the Committee were told that Simmons was disqualified because he was a defaulting ratepayer, that statement would not be correct?—Well, I think he was a defaulter.

286. You are not quite clear?—I think now that that also had something to do with his disqualification.

287. Will you explain how it was Simmons came to leave the country?—Well, there was a penalty of £50 for having taken work whilst he was a member of the Council, and to evade that he left the colony.

288. Was he threatened with proceedings?—Oh, yes, I think, by a man named Stewart.

289. In what year?—I think it was the following year.

290. Is Simmons still alive?—Well, I saw him about ten years ago in Melbourne.

291. Do you remember this promissory note for £98 10s. being given to Nathaniel Seddon?—No, I cannot say.

292. Was it for wages: would it be possible for the Council to owe anything to Nathaniel Seddon for anything other than wages?—No.

293. Do you remember this signature to the promissory note: is it yours?—Yes, that is my signature.

294. Was the promissory note filled up when you signed it?—It was filled up, of course.

295. Was the Council in the habit of giving promissory notes for wages?—Oh, no; not in the habit. This was an exceptional case, I think.

296. Do you remember any other promissory note?—No.

297. *Mr. Graham.*] You did not sign these vouchers before they were filled in?—Oh, no; but I was not particular about filling in the date.

298. *Rt. Hon. R. J. Seddon.*] It was impossible for Wylde to know the nature of the auditors' report?—I cannot say.

299. If he had seen the reports first he might have had a chance to remove documents, but he only saw the nature of the reports in the papers?—Yes.

300. The same would apply to the removal of the pages from the book?—Yes.

301. Do you remember the local auditors reporting that a change in the method of keeping the accounts was necessary?—Yes.

302. It has been suggested that the borough was in credit, and had balances at the end of the year: was it not possible that in 1881 and 1882 cheques were sometimes given and held until there were funds to meet them?—Yes; and about that time there was some arrangement made with the bank.

303. Do you remember sometimes a cheque being given for payment, and then a new cheque taking its place?—Yes.

304. As chairman of the Finance Committee you know that this was owing to the condition of the Council's funds?—Yes, that was so.

WEDNESDAY, 26TH OCTOBER, 1898.

GEORGE RUDKIN further examined.

1. *Mr. Duthie.*] At the last meeting Mr. Graham, in cross-questioning you, asked you a question in reference to some vouchers that I had mislaid, as to the vouchers being applicable to the time, when you were under cross-examination?—Yes.

2. You have a voucher there of the 22nd July for £7 18s.?—Yes, I have that voucher.

3. Six pounds of that is for Mr. N. Seddon, and £1 18s. for sundry individuals?—That is so.

4. On the 22nd April, 1881, there is a voucher for £19 5s.?—Yes.

5. The amount of that payable to Mr. N. Seddon was £9?—Yes.

6. And the balance to various people?—Yes.

7. So that the questions I asked you were quite accurate under cross-examination?—Yes.

8. And there are cases where the total amounts on the cheque do not agree with the payments made to Mr. N. Seddon?—That is so.

9. *Rt. Hon. R. J. Seddon* (through the Chairman.)] That voucher for £19 5s. is a blank voucher, is it not?—Yes.

10. But if a cheque had been given for it it would show that there were three different persons who had received payment?—Yes.

11. *Mr. Duthie.*] But there is a receipt from Mr. N. Seddon for £7?—It is a blank sheet.

12. There is a loose sheet at the back, is there not?—There is no receipt of any one attached to that voucher.

13. It is represented there as a payment to Mr. N. Seddon of £12?—Yes.

14. And the other has a receipt attached for £6?—The other one is receipted.

15. *Rt. Hon. R. J. Seddon.*] Are there two amounts, or is it one receipt?—The only receipt upon it is the amount for £6 for Mr. Seddon. The small amounts are not receipted; they are sums of 10s., and so on.

JAMES WYLDE sworn and examined.

16. *The Chairman.*] What are you?—A civil engineer.

17. Where resident?—In Kumara.

18. You were Town Clerk as well as engineer there at one time, were you not?—I was.

19. For how long?—I was appointed first by His Excellency the Governor on the 27th July, 1877. I resigned some time in 1882.

20. You know the purpose of this inquiry in a general way?—Yes.

21. *Rt. Hon. R. J. Seddon.*] You were, previous to going to Kumara to take the engineership, Assistant Provincial Engineer in Canterbury?—Yes. I took the whole charge of the works when Mr. Dobson was appointed to the railway.

22. You were Town Clerk, Treasurer, and also Borough Engineer?—Yes. I have a list of the offices I held given in the following letter:—

GENTLEMEN,—

Borough Council Offices, Kumara, 10th December, 1878.

I have the honour to acknowledge the receipt of a letter from his Worship the Mayor, covering copies of resolutions passed by the Council as its last meeting.

In reply thereto, I have the honour to accept the appointments of Town Clerk, Surveyor, Treasurer, Assistant Valuer, Returning Officer, Rate collector, and Registrar of Dogs, at a salary of £350 per annum, terminable by three months' notice on either side, the appointment to date from the termination of my present engagement, in three months from this date.

It is, for the reasons I have before mentioned, with considerable reluctance that I accept the appointment of Returning Officer, but I feel it my duty to bow to the wish of the Council, feeling assured that in case of necessity I may rely upon their support in carrying out the very responsible duties of a very imperfect Ordinance.

Thanking you for the courtesy with which I have been treated, and the expression of confidence implied in my reappointment,

I have, &c.,

His Worship the Mayor and the Borough Council.

JAMES WYLDE.

It was the appointment of Returning Officer that led to the whole difficulty.

23. You said that the appointment of Returning Officer, which you reluctantly accepted, was the cause of the difficulties which subsequently arose?—Yes. There was a member of the Borough Council—a man named Simmons. It became my duty as Returning Officer to object to him holding a seat in the Council. I had to proceed against him by direction of the Council. I anticipated something like this when I wrote that letter. I proceeded against him in the Resident Magistrate's Court to oust him from his seat as not being qualified, and this led to very ill-feeling on his part. I think, if I remember rightly, further proceedings were taken against him for sitting illegally in the Borough Council. He was a man of very violent feelings, and from that moment he did all in his power to injure me. From that time arose all this difficulty. The man had ultimately to leave the Council, and I believe he had to leave the colony.

24. Had you any experience as a book-keeper and accountant prior to accepting that position?—I never kept an account in my life, except what I had to do for the Borough Council. I had to inquire what I had to do and how to keep the books, and I found, after I had kept the books for some time, that the auditors objected to the way I had kept the entries, and I had to rewrite everything over again. I had never had anything to do with book-keeping. I have been an engineer for fifty-five years, and led an active life.

25. What was the rewriting you referred to: what does that relate to?—The local auditors said I had not written the things under the correct headings. I might have put down "wages" instead of putting down the man's name, and *vice versa*. They objected to those entries.

26. *The Chairman.*] Entries in what?—In the books.

27. What books—the cash-book?—The only books I think I kept were the cash-book and ledger. I do not think there was a bill-book. I tried to alter these entries to meet their wishes, and made a great mess of the books; and I thought the best thing to do was to write them out altogether again. I thought it was the best thing to do at the time to please the auditors.

28. *Rt. Hon. R. J. Seddon.*] A special audit took place in 1882?—Yes, an audit of the local auditors' audit. This man (Simmons) was not satisfied with the local audit, and obtained another audit, as I understand.

29. Were the local auditors aware that it was in compliance with their instructions that you had taken out some of the pages in the book?—I think so.

30. The result of this special audit was a report?—Yes.

31. When did you receive that report first?—I never saw it until it became public in some measure. It was brought before the Council, and I was never given an opportunity of seeing it or explaining matters in any way.

32. You never saw the report until the Mayor called upon you to give up the keys of the office, and you had placed them on the table?—No, I never knew the report had come in until the morning of that day when the Mayor told me the report had come, and that it was very antagonistic to me.

33. Not having seen it you could not have been aware of its contents, or how it affected your books or accounts?—I had not the least idea. I had no possibility of knowing.

34. Or how it affected the vouchers you had?—I knew nothing about it. They consulted another member of the Council, and the Mayor (Mr. O'Hagan) was always with them (the auditors), but I was not consulted.

35. Then, it was impossible for you to know as to any vouchers, or what vouchers were missing?—I had no knowledge whatever. All I knew was that Mr. O'Hagan told me that the report was against me.

36. If it has been suggested or stated that, knowing the nature of the report, vouchers were removed by you, or the books were altered so as to meet the case, would that be a correct inference to be drawn?—It was simply an impossibility. I never had an opportunity of going to the office again. From that very night I laid the keys on the table I never had access to the office again. There was no possibility of it. I was never allowed to explain or say anything.

37. An attempt was made to give you a chance to explain?—I understood so from outside hearing. I had no further communication with the members. I believe in the newspapers it had been proposed that I should be allowed to give an explanation, but the majority of the Council refused me that right.

38. You saw the report, no doubt, when it did appear in the papers?—I did.

39. Was the report of the special auditors, Messrs. Spence and Palliser, correct?—It was, to my mind and memory, utterly incorrect. I had no means of checking it then, and I felt at the time it was a grossly improper report, and I could only think that the erroneous information was obtained from Mr. Simmons and Mr. O'Hagan.

40. Your ledger, cash-book, and vouchers, you think, would never have supported that report?—Certainly not; they could not do it.

41. Did you ever pay Nathaniel Seddon more in the way of wages than he was entitled to?—No; it was not my business to pay him. He was paid by the Public Works Committee and the

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



before my resignation. I said he had no right to be there, and no one else. He was very indignant, and said he was Mayor and had a perfect right to be there, and would not answer any questions.

69. You have no personal knowledge of his being there; it was only what you heard?—I have seen him coming out of the Town Hall, which has access to my office.

70. Were you prejudiced in any way by the loss of the papers you refer to?—I was ultimately very deeply prejudiced. When I was brought before the Supreme Court I wanted those papers to show my innocence, and a man was sent up from the Court to get them; but he never turned up again, and it is only since then that I learned that he was found dead drunk in a back yard in the borough, and the papers were found upon him. That is only hearsay; but the fact was that he never turned up, and the absence of those papers very much prejudiced me. His name was Skelton.

71. He was sent up to get those papers and never returned?—Yes.

72. You had missed some papers previous to the trial and previous to resigning?—Yes, I had: I found my papers in disorder and missed some.

73. And you tackled the Mayor then?—Yes; and he got violent. He said he would turn me out. I said I had a right to the papers, and could keep them locked up.

74. You were got rid of to make room for some one else?—Yes; for a particular person.

75. What was the document you wanted in the papers: was it a private memorandum or public document, or what was it that you missed?—I really cannot say now, it is so long since. I have never thought of the matter since. I think it was an account of money received, but I cannot be at all sure at this date.

76. It was, as far as you recollect, a memorandum of moneys received?—Yes.

77. Would it help your memory if I asked you if you could not find the papers connected with the report of the Finance Committee?—If I remember rightly, a good many reports of the Finance Committee were gone. That is my recollection.

78. Did you keep the minutes of the proceedings of the Finance Committee?—They were kept on sheets, and were signed by the chairman of the Finance Committee, and some of these I know were not to be found. If they had been found it would have made a very great difference to me at the trial. I heard that Mr. O'Hagan had taken those papers down with him to consult a lawyer in Greymouth, and that he was always running backward and forward to consult that lawyer.

79. The Finance Committee's proceedings and each account were embodied in the minutes?—Each sheet was presented with the accounts passed, and passed by the Chairman.

80. And some of these were missing?—Yes.

81. On the second occasion I understand you accused the Mayor in the presence of Mr. Barnett?—It was not only once that I had words about it. Mr. Barnett might have been present.

82. That is in your mind still, is it not?—That he was in the office and took those papers?

83. Yes?—I am as certain as I am here that he took those papers away, and whether he was afraid afterwards, and destroyed those papers, I cannot say; but that he took them and damaged me I am satisfied.

84. He was intemperate in his habits, was he not? Let us take a more charitable view of the matter: might it not have been that we was in that state when he lost them?—Probably. I know he died a miserable death afterwards, and before he died he expressed contrition for his conduct to me, and practically asked my forgiveness.

85. You used rather strong language in reference to your successor, Mr. Skelton?—Yes.

86. You were then of opinion that in any case you were to be put out, and that they had a man to take your place?—I knew that before. They wanted a creature of their own, and I was too independent.

87. As far as Nathaniel Seddon and myself are concerned, you are positive that we never received any moneys from the borough more than we were entitled to?—Certainly not; it is quite impossible.

88. You were not a man without means?—No; I had real property valued at £1,500 acquired before Kumara was a borough, and I have most of it still, with the Government valuation of £907, having sold part of it; and I am exceedingly surprised that if they thought I was indebted to the borough in any way they did not let me know, and if there had been the least ground for doing so I would have paid it at once.

89. They never made any demand upon you for moneys alleged to be misappropriated?—None whatever.

90. Did they ever ask you to make good any moneys for these small items—contractors' deposits, or anything of that sort?—They never gave me any chance whatever. All they did was to lay an information against me.

91. And the total amount missing subsequently or alleged to be incorrect was under £30?—I think it was only £5.

92. On the first day of your trial you were not in a position to go on with your defence?—I was not. I might throw a little light upon that by saying that I was under the impression that the case would never be tried, because I had been accused of embezzlement instead of larceny as a bailee, and I was given to understand that that charge would not stand for a moment, and that therefore I should not require any defence in the matter. When I came before the Supreme Court it was discovered that there was an Act which had been passed making the two crimes equivalent, and therefore I had to defend myself. When I had to defend myself I thought of these papers, and claimed that they should be produced. The Town Clerk was sent up to get the papers, but he never did produce them, and in default I was convicted.

93. You were acquitted on the other charges, and not called upon for your defence?—I was acquitted, and not called upon to offer any defence.

94. The second case was then gone into?—Yes; and all the evidence for the Crown was given in full, and everything possible was raked up against me. It was shown there was no case at all, and I was not called upon.

95. The defence was not called upon?—That is so.

96. They got Mr. Harper over specially to act for the Crown prosecution?—Yes; and it was Mr. Harper who found out that the two offences had been made one by some Act.

97. *Mr. Duthie.*] Can you tell us whether on receipt of the auditors' report you resigned, and gave up your keys?—Yes.

98. From the investigation by the auditors up to that date you had the keys, and were in charge?—Yes.

99. And were all the documents and books kept locked up?—I had a key of the office, and I always locked the office when I went out. There was another key in the building, and the night-watchman had access to the office, but there was a safe. In the first instance they said there was no money in the safe, but in another part they say that the funds were there, and that there was £1 more than there ought to have been.

100. I want to know about the keys: had you the keys of the safe?—Yes, up to that date.

101. Did the Mayor have a key of the safe?—No, but we did not keep the vouchers or anything of that kind in the safe—simply the books and the money.

102. Then, these vouchers, not being kept in a safe, were practically open to any one getting access to the office?—Yes, they were.

103. And I suppose occasionally you went out and did not lock the office-door after you?—That is probable. As a rule I locked it, but sometimes I went across the street without doing so.

104. Are you aware that a number of vouchers were missing?—No, I do not know anything about it.

105. *Mr. Morrison.*] You said, in reply to a question by Mr. Seddon, that Nathaniel Seddon, after terminating his engagement as a permanent hand with the Kumara Borough Council, was continued in employment by you?—Yes, at day-work.

106. Only in casual work?—Yes, I paid him by the day, but there being continual work required he got full wages.

107. He was getting regular employment?—Yes. I had works to carry out and employed him.

108. *Mr. Massey.*] You told us that the cause of the trouble was on account of it being your duty as Returning Officer to proceed against a man named Simmons for taking a seat on the Council without being properly qualified?—Yes.

109. Will you kindly give us an explanation of what you meant?—It is only lately that I was looking over that paper which I put in just now. It was my duty as Returning Officer to prepare the roll of burgesses, and I found that this man was not qualified, and so struck him off the roll. He was sitting in the Council illegally, and another man proceeded against him.

110. Do you remember what the reason was—was he not a ratepayer, and had not paid his rates?—Yes, I think that was the case.

111. And he was a member of the Borough Council at the time?—Yes, he was a member of the Borough Council.

112. Have you any idea what date that was?—No; the books would show exactly when he was elected.

113. What was this man's business?—He was a tinsmith.

114. Do you remember anything about his being given work by the Borough Council in the capacity of a tinsmith?—I do not remember it.

115. You are quite clear about the first point, that you proceeded against him to strike him off the roll?—Yes, I am certain of that.

116. And you think that thereby you incurred his enmity?—Yes; and not only his enmity by striking him off, but the enmity of other members, because it affected their majority.

117. You told us, in answer to Mr. Seddon, that you never paid any moneys to him on account of Nathaniel Seddon?—No, certainly not.

118. Do you remember anything of an order having been given by Nathaniel Seddon to pay all moneys owing to Nathaniel Seddon to Mr. R. J. Seddon?—I think there was a small order before the time covered by the auditors. I think Nathaniel Seddon went away at that time, and a week's wages or a month's wages were due, and I think he gave such an order.

119. Do you remember the date?—No.

120. But still there was a document in existence?—Yes, and if I remember rightly Nathaniel Seddon returned, after a short absence, and got the money himself.

121. Have you any idea whether the document is in existence now?—No.

122. You said that the Borough Council was in financial difficulties?—Yes.

123. Had it an overdraft at the bank?—I cannot say.

124. Did the bank refuse to honour its cheques?—I do not think it would be so foolish as to draw a cheque if it knew it would not be honoured.

125. Why do you say the Borough Council was in difficulties?—Because we had to pay wages by bill. We would never have done that if we had had the money. Besides that, the chief source of revenue in those days was from hotel-licenses, and sometimes these had not come in.

126. What date did you receive the license-fees—when did they fall due?—I cannot say; but license-fees are all due on a certain date.

127. Were there many hotels in Kumara?—Yes, a great many.

128. Have you any idea of their approximate number?—About fifty.

129. What was the amount of the license-fee?—£40.

130. Were you in the habit of giving promissory notes for wages?—I only remember this one occasion.

131. Do you know whether Nathaniel Seddon was a man in good circumstances?—I was always under that impression. He was an independent man, and I had often to tell him to go and get his wages.

132. Do you remember if he had an account at the bank?—No; I do not know that.

133. And, speaking of the reasons for the action the Borough Council took in prosecuting you, you told us that they wanted creatures of their own?—Yes.

134. Will you tell us what you meant by “they”?—A majority of the Council. They often did illegal things, and I had continually to check these men for doing these illegal things.

135. How many men were in the Council?—I think there were nine. They were continually wanting to do things contrary to the law. The only law I knew was municipal law, and that I had studied carefully. They wanted to do things they were not justified in doing, and I resisted them, and they got a “down” on me and wanted to put me out for another man, but I was supported by other members of the Council. They could not carry out the things they wanted to do. At the very moment I put my resignation on the table this other man was appointed.

136. Will you tell us the names of the people you refer to when you say they wanted creatures of their own?—Well, it is so long ago and I have tried to forget, and we are all friendly now.

137. You mentioned the name of Mr. Simmons. You told us that he had to leave the place?—Yes.

138. Was there any particular reason for him to leave the place?—He was proceeded against for heavy penalties for sitting improperly, I think, by a man named Geordie Stewart.

139. You think that was the reason for Mr. Simmons being compelled to leave the colony?—That is the common report. I never heard anything about these things for sixteen years, until the last few days.

140. *The Chairman.*] Is it at all within your recollection that cheques were given by the Borough Council for wages which they had no funds to meet, and which it was understood would be held over?—I think the Finance Committee passed accounts without having money available. I know that in many cases where the men were poor, I paid them out of my own pocket, and cashed the cheques myself when funds were available.

141. You do not think it ever occurred that a cheque was issued to Nathaniel Seddon on the understanding that he should not present it?—I have no recollection of the fact, but it is highly probable that an account was passed in his favour.

142. Do you think that a cheque was issued which was afterwards withdrawn and handed back, and a bill given in place of the cheque?—I think it very likely that such was the case, but I cannot remember. I feel sure that the Finance Committee would pass these accounts monthly as they became due, and that the amount of the cheques would probably be drawn; but it might be that there was a difficulty in cashing them, and owing to that we gave a bill. The Finance Committee would not delay or refuse to pass accounts because there were no funds. They simply passed them and said these accounts were due. When they were paid was another thing. They might draw cheques and find that the bank was not in a position to pay them, and then give a bill.

143. Do you recollect that Mr. O’Hagan very strenuously denied in Court that he ever removed any documents. He said, “I have not removed any books or documents from the Town Clerk’s office, except what the police took charge of. I remember a special audit made by Messrs. Spence and Palliser. Mr. Wylde accused me in the presence of Mr. Spence that I had removed some documents. Mr. Spence said to Mr. Wylde ‘The Mayor informs me he knows nothing of those reports of the Finance Committee.’ Mr. Wylde said it was rather strange. I asked Mr. Wylde why he should think I had taken the documents. He said he heard I was often in the office during his absence. I have not removed any documents from the office. I received the auditors’ report from the Government. I saw Mr. Wylde and asked him for an explanation, and to come with me and see Mr. Spence”? That agrees with my recollection of what I said. As to what he said, I think there was a little double meaning. If I remember rightly, he said he had never been in the office by himself. He might have been in with some one else, and he could then say he had never been in the office by himself.

144. *Rt. Hon. R. J. Seddon.*] Did you know Mr. David Kelly?—Yes; he was a carter.

145. And Mrs. David Kelly is now Mrs. Reid. Will you read that?—“Extract from letter to Mr. Seddon from Mrs. E. Reid: Kumara, dated 18th October, 1898. ‘I was very sorry to hear of the cowardly attack made on you and your uncle Nat., with regard to the special auditors on the borough accounts, as I can safely say that report is not reliable. There is an item in it which shows that £30 10s. was paid to David Kelly, and no receipt to show he received the money. It happened this way: David wanted the money which was due to him, and as it had not been passed for payment Mr. Wylde gave David his own cheque for the £30 10s., and said, “When your account is passed I will take your cheque,” which he did, and no doubt paid it in to his own account at the bank. Now, he had no receipt from David for the money, and I well remember Mr. Wylde calling several times at our house for the receipt, and he never got it; and no doubt it is supposed he appropriated Kelly’s cheque wrongfully. This tends to show that the special auditors’ report is not reliable. If I can be of any service to you in the matter you know how to act.’” That is from Mrs. David Kelly that was then. I have no doubt as to the truth of what occurred. This is not the only case. The case of Spiers was another. He said he had the money from me, and numbers of others wrote that the auditors were wrong. Simply because they could not find receipts, the auditors said these men had not been paid. Mr. Spiers’ place was just round the corner, and they never took the trouble to ask him. They said, “Here is an amount paid by Wylde to Spiers, and there is no receipt; therefore Wylde must have appropriated it.”

146. At all events, that was among the charges against you for misappropriation?—Yes. There was no misappropriation when the people had the money, and people have come forward and said they had the money. I thought it was a cruel thing at the time that the auditors did not take more trouble, for they had only to send out for the men and ask them if they had received this money. The men would have said Yes, and they could have struck out the amount at once.

147. You are of opinion that the report was a coloured report?—I am certain it was. I can only attribute it to persistency and a certain sort of cleverness on the part of my antagonists. They succeeded in bamboozling the auditors and leading them astray.

148. And you were never called in and had no chance to explain?—No.

149. *Hon. W. Rolleston.*] You say you were never called in by the committee or the Borough Council?—No.

150. Would you think again about that? I think I can refresh your memory on that. In the *Kumara Times* of the 7th November, 1882, the special auditors' report is published. It comes before the Borough Council immediately after your resignation. Mr. Seddon moved, and it was seconded by Mr. Barnett, "That the resignation be accepted." Then the report goes on to say that a committee was appointed consisting of Mr. Barnett, Mr. Seddon, and the Mayor, to consider what steps should be taken upon the report. This committee was to report on Thursday night. Then the Borough Council met on the Thursday night, and the minutes of the special select committee were read, and then it appears in these minutes that they adjourned for half an hour to allow Mr. Wylde to read the special auditors' report?—Yes.

151. And then you made the following statement with regard to the auditors' report; "The portion of the auditors' report, stating that no vouchers for receipts given for collected rates were produced, is incorrect, and that all papers in the office were handed over to the special auditor, including the rate-blocks. Also, that it is incorrect that no minute-book of the proceedings of the Finance Committee, showing the several accounts passed for payment, was produced; that the minute-book of meetings of committees, including the Finance Committee, was produced and examined by the special auditor; that in many cases, where the business of the Finance Committee consisted simply in recommending accounts for payment, the record consisted of a report to the Council signed by the chairman of the committee, and that these reports were produced at the special audit." After that the next proceedings were on the 11th, when there was a discussion on Mr. Mulvihill's motion that the special committee should be cancelled, and the borough solicitor's opinion taken. Then, on the 16th November there came a long sitting at which there were six adjournments, varying from half an hour to five minutes, and a resolution was carried at the termination of one of these adjournments that the borough solicitor's opinion should be received, and the Mayor be authorised to take such steps and lay such informations as he and the borough solicitor might think necessary. That is rather at variance with what you have said?—It appears so from that: I have no recollection of it. I was called in to the committee and asked questions, which I answered.

152. And you read the report?—I have already said that I read the report. I was asked two or three questions, that was all; but that was not asking me to go into the whole matter and explain. And when the resolution was put that the inquiry should be proceeded with it was thrown out and the matter left to the solicitor.

153. But you made a statement?—About the blocks and trivial things of that kind. There was a resolution passed that I should do so, and then the Borough Council said No. I had an opportunity of saying something then, but it was very small.

154. The special auditors state this [page 28, Exhibit E]: "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. We, therefore, can give no explanation. There is no doubt that all this money has been paid, and, apparently, without any authority from the Council, as on asking for the proceedings of the Finance Committee, and schedules of accounts passed for payment, none were produced from the 1st of September, 1879, up to the 31st March, 1882." It is open to you to answer or not to answer any question.—I shall be glad to answer any question. With regard to accounts of back years, I think I can explain that. My view at the time that the accounts were passed by the Council was that the audited sheet was all that was necessary to keep, and I might have destroyed the papers as waste-paper.

155. You said you were advised not to give information?—I had friends to advise me, and I did not think the matter was serious enough.

156. Do you not think it is a somewhat serious thing that there was an overpayment of £219?—It was a serious charge.

157. Did you not think it required some explanation from you?—Certainly, and I should have been prepared to give it, but they never gave me an opportunity.

158. You deny the statements of the audit?—With regard to back years, I think I have explained that I did not know that the auditors would go back to previous years. When I had got the clean sheets audited, and passed, and signed by the Borough Council, I considered these auditors were not appointed to audit the whole of the Borough Council accounts from the beginning.

159. Were you not aware of the special instructions of the audit?—No.

160. Then why should you say that?—It was simply an audit for the past term. The local auditors had passed the accounts as correct, and Mr. Simmons and others were dissatisfied with the local auditors' report and wanted a fresh audit, and I understood the special auditors were appointed to audit from that period, not from the beginning of the Borough.

161. Was there not dissatisfaction with the local audit?—Yes, by these particular men.

162. Did not one of the auditors resign in consequence of this special audit?—I have no recollection of it. One of the borough auditors?

163. Yes, Mr. Nicholson?—I have no recollection of it.

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.

187. *Mr. Duthie.*] You have been examined on a £12 reputed payment: there is a voucher including £19 5s.?—Yes.

188. Included in the £19 5s. is a reputed payment for Nathaniel Seddon—a suggested payment?—Yes.

189. Here is the voucher. Are you aware that that item does not appear in Schedule C—that the auditors did not put that forward as one of the payments?—I cannot say anything about that at this period; it is impossible. I have really never said a word about these things to my family or any one else for the last sixteen years.

190. You have been examined upon a suggested payment under that blank voucher?—Yes.

191. A suggested payment of £12 included in that blank voucher?—Yes.

192. And you have given an explanation that that was no payment at all?—Yes.

193. I refer you to Schedule C of the auditors' report: is there any payment set forth there as having taken place on that date—the 21st April? Is there any payment asserted to have been made at that date?—I can find no such entry. There is one of the 22nd April.

194. The date of your voucher is the 21st April, 1881?—There is no other that I can see.

195. There is no payment of that sort asserted by the auditors?—I do not see it here.

196. Then there is no discrepancy there made good?—I cannot answer that.

197. You are comparing a payment you have been examined about?—I say that is not a voucher.

198. There is no statement by the auditors that any payment took place on that date?—I do not see it.

199. Therefore, all that evidence has no value—no application?—That is not a deduction I have to make.

200. Look on Schedule C, you will see the second item, April 1st, 1880, £24?—Yes.

201. Now, from the 1st April to the 22nd there would be no four weeks' wages, would there?—No.

202. There is a discrepancy that wants some explanation?—It looks like it.

203. If a payment was made on the 1st April for eight weeks, and then on the 22nd there is a payment for four weeks, there would be a week's over-payment, or a discrepancy?—I should say so.

204. Or that the payment on the 1st April was not up to date?—Yes.

205. These two payments of £24 and £12 would make £36?—Yes.

206. On the 12th February there is a payment of £36?—Yes, twelve weeks.

207. Are you aware that a bill was given to Nathaniel Seddon for £36?—I cannot remember. It would be impossible for me to remember these details of amounts and dates at this period.

208. You see all this number of weeks put in this schedule. Was it possible for your books or vouchers to show so many weeks?—They could not; it is impossible they could show that amount. There is some jugglery about the matter which I am perfectly helpless to understand.

209. If, therefore, there are no vouchers to be found for all this number of weeks, it does not follow that they were removed? You say they were never in existence?—I say these were not vouchers.

210. There never were vouchers?—I can say that these are not vouchers, that is all.

211. From December, 1879, to the 5th November, 1880, there are a number of weeks shown greatly in excess of the actual time?—They might be made out for cash payment and then be made out afresh and paid by bill.

212. Then, if an inference is sought to be created that the vouchers at some time existed, seeing this number of weeks and all these payments, you say that inference is wrong?—I think so.

213. And it would be incorrect to say that because you cannot find the vouchers now to correspond that they are missing?—If they were existing then some one must have had them.

214. *Right Hon. R. J. Seddon.*] You say you never shifted an account or document out of the office?—No; I did not.

215. Did you ever pay wages out of the ordinary revenues of the borough during the whole time you were Town Clerk?—No; I might have used private money.

216. Then, if it is sought to be suggested that payment would be made by cash that never went into the bank, it would be wrong?—The thing is absurd.

217. You paid all moneys into the bank?—Yes.

218. Except contractors' deposits—you did not pay those into the bank?—I was told not to.

219. These were the only moneys you kept?—Those were the only moneys you kept?—Those were the only moneys to my recollection.

220. And you never paid cash for salaries that came into your hands as borough revenue?—No.

221. Then, if there are borough cheques paid into your private account, it has been where there was more than one person on the voucher, or where you have paid the money yourself and taken their cheques in payment?—Yes; that was not an unusual thing at all. A man frequently came to me and wanted to know when his money would be available, and I paid the money myself frequently.

222. You say that your estate was your own, and you were not in financial difficulties?—Yes. If they could have shown that I had made a mistake in my bookkeeping I was fully prepared to realise on my property and pay them. In fact, I am prepared to do it to-day. Every man is liable to make a mistake. The Government valuation on my property is £907 now, and it is less than it was then, because I have sold off little bits. But it was there all the time for them to come upon it if they wished.

223. *Mr. Duthie.*] You are aware that according to the auditors' report, there are considerable payments for which there are said to be no vouchers?—I take what you say—I do not know it.

224. I refer to the case of Nathaniel Seddon. During the year 1880 there are £200 in such payments. Can you make any explanation?—How can I? I cannot do it. Perhaps if I had a month with these papers before me the matters might come back to me, and I am willing to do it; but to ask me, after all these years—

225. I do not ask you, but I thought you would like to make an explanation?—I cannot.

226. Are you aware that these payments are approximately borne out by the bank pass-books?—No.

227. Are you aware that the payments are borne out by the streets account in the ledger?—No, I am not aware.

228. And you do not wish to make any explanation?—No, but if you like, I will spend any time in an effort to find out.

229. *Rt. Hon. R. J. Seddon.*] If the bank-book does not show a debit in the borough funds for the amounts shown in Schedule C?—That will show the auditors are wrong.

230. *Mr. Duthie.*] But if it does show a debit, what then?—In any particular item, I suppose it will bear out the audit.

231. *Rt. Hon. R. J. Seddon.*] You said you used to make out cheques for wages, and those cheques would be for the payment of other persons besides Nathaniel Seddon?—Yes.

232. And if the bank shows a debit of £19, there may be cases where only £12 of that would go to Nathaniel Seddon?—Yes.

233. And the auditors would put the whole amount down because it was marked wages?—I know they did. I remember a note that where wages were charged they put them all down to one man—to Nathaniel Seddon; why, I never knew. I employed a large number of men, and the wages were all put down to Nathaniel Seddon, according to my memory of it.

234. At all events, that is one way by which you would account for it?—Yes.

235. And the other was that they made a mistake in putting down the date when they said he was paid in full up to the 25th December, 1879, and at that time the wages were due from August. That would be another mistake?—Yes.

236. And you saw the bill showing that £36 was due?—Yes.

237. And he was working for day-wages?—Yes. The auditors appeared to have assumed, when he was dismissed from the weekly wages, that anything after that was improperly paid. I swear he was properly paid. He was engaged by me at 10s. a day, and all that was paid to him was paid to him for wages.

238. There would have to be collusion between you if there were payments made as suggested?—Yes.

239. You say that these discrepancies might have arisen through a cheque being drawn for wages which would include others beside him?—Yes; I think that bill was up to six months before. It did not follow that that bill was up to date.

240. Then, another thing is, that duplicate vouchers have been prepared, and there might have been cheques issued and receipts taken for them, and then some payments be made by bill and a second voucher signed and receipted?—Yes; I think the Finance Committee would pass the amount whether they had money in the bank or not.

241. And that would show in the entries. You would enter it in your ledger when it was passed by them?—Yes, and might show a duplicate.

242. At any rate, that is your explanation as to what lead the special auditors into error?—As far as I can give it from a weak memory.

243. There is £96 shown in Schedule C [Exhibit E]. Take the £24 on the 1st April. If the £96 was a payment up to date, there is £24 there. On the 5th February there is £12—that is £36. Then there is the £96, which covers the same period?—Yes.

244. Will you look at the 10th July—£96?—Yes.

245. Included in that amount of £96 would be these items shown here. We have located the bill as given on the 5th April. That would be twelve weeks, which would also be included. Is not that a duplication?—I should think so. That is what I have always held—that that was a duplication of that bill.

246. *Mr. Massey.*] Is there anything to show that these two first payments in Schedule C, 5th February and 1st April, are included in the bill for £96?—I think there is a probability of it. My impression was that Nathaniel Seddon, not being a man who wanted the money at all, might have taken a bill up to a certain date.

247. In answer to Mr. Rolleston you stated that you did not know at the time how this special audit came about?—I did not know how Mr. Palliser came into it.

248. Do you remember a petition got up by the ratepayers asking for a special audit?—That petition was not known to me. It was got up by Simmons.

249. Do you remember the petition being sent to Wellington?—No; I do not know whom it was signed by.

250. Do you remember it being declared informal?—No.

251. Do you know that it was declared informal?—No.

252. Did you ask certain ratepayers to withdraw their names from the petition?—No; it is impossible. If I was told I did so I should be very astonished.

253. *The Chairman.*] Were you asked to sign that petition yourself?—No; it was got up by some of my enemies.

254. *Hon. W. Rolleston.*] In reference to this letter put in from Mrs. E. Reid: In the *Kumara Times* report of Council meeting of the 11th November, 1882, Mr. Seddon refers to item in report which states that £21 10s. payable to Kelly had been paid to Wlyde's account, and says he had good and sufficient grounds for saying this was paid to Mrs. Kelly. Is the statement correct that I find in the public records that Mr. Kelly was in the asylum?—He was for a time.

255. Was the payment made to him in the asylum?—I do not remember. Does not the letter from Mrs. Reid explain it? It might have been paid to Mrs. Kelly probably because her husband was in the asylum.

256. Do you remember paying a cheque to him?—No.

257. A letter from Mrs. Kelly appears in the *Kumara Times* of the 13th November, 1882, in which she says she is "greatly surprised that Seddon should state he could prove I received £1 10s. 6d. (? £21 10s. 6d.) payable to John Kelly. I beg to deny ever having received any of the money. The only money I received from Mr. Wylde was £6 15s. Out of this sum he took 15s. for rates and £5 for Mrs. Ritson's house, and gave me a cheque for £1 on the 3rd March, which Mr. Wylde told me was all that was due to my husband, D. Kelly, after he left for Hokitika on the 9th October, 1890." How do you reconcile the statements made there by Mrs. Kelly with the letter from Mrs. Reid?—When was that written?

258. It was a letter written to the *Kumara Times* on the 13th November, 1882, and that letter which you have in your hands was written lately?—Mrs. Kelly says herein that I paid her in a variety of ways.

259. Mrs. Kelly says in her former letter, "I beg to deny receiving any money," &c. What does it mean?—What I gather from that is that all I paid her was £6 15s. I suppose I paid David Kelly, and when he was in the asylum I suppose there was £6 15s. due, which I paid his wife.

260. *Rt. Hon. R. J. Seddon.*] Mrs. Kelly continued to carry on the business of her husband as carter?—Yes.

261. And this £21 10s. would not be the amount referred to here?—Not the amount paid to her.

262. John Kelly also received money on account of David Kelly, his brother?—Yes; there was something to do with payments to him, but I remember but little about it. I think John Kelly lived at Kokatahi.

263. *The Chairman.*] Would this statement be correct: that during the years 1878 and 1880 most of the cash received was not paid into the bank, but disbursed through the cash-book?—I really could not say. I have no recollection of it. It might be so, but I cannot think it.

264. Messrs. Kember and Scott, the accountants, say that?—If you ask me, I really cannot say.

265. Is it probable that you took most of the receipts of the borough and never put them through the bank?—I should not think so.

266. *Rt. Hon. R. J. Seddon.*] As far as you know, if that referred to contractors' deposits it would be right?—Yes. I was told not to pay contractors' deposits into the bank. Now I come to remember, I think it was on account of this: that they were afraid that if they paid the contractors' deposits in and became short of funds they might not be able to take them out again.

267. The bank would collar the money?—Yes, that would be the idea.

268. And there might be other accounts come in of a pressing nature?—Quite so. I know they were afraid to pay them into the bank on that account—for fear they would not be able to get them out again.

269. And, if it is found by the cash-book that moneys were so paid, it was to prevent the bank dishonouring cheques?—Yes.

THURSDAY, 27TH OCTOBER, 1898.

RICHARD JOHN SEDDON sworn and examined.

1. *The Chairman.*] Your name is Richard John Seddon?—Yes.

2. You desire to tender some evidence?—Yes. I desire to state that I was a member of the Kumara Borough Council and the first Mayor of Kumara. I held a second term of office, and was a member of the Borough Council for some years. In 1882 I was a member of the Borough Council. I desire to say that the allegations made by Mr. Hutchison, the member for Patea, in the House of Representatives, that I had admitted having drawn moneys paid and overpaid on account of Nathaniel Seddon from the Borough Council of Kumara, is absolutely untrue. There is no foundation whatever for the allegation.

3. You allege you did not receive any moneys?—I did not receive any overpaid moneys; nor at the time covered by the special auditors' report did I receive any moneys at all.

4. Do I understand you to say you did not receive any moneys at all?—As far as my memory goes, certainly not during the period covered by the auditors' report. I have seen the statement that appeared in the newspaper about a document being given to me in the Court, as reported in the *West Coast Times*. The words appeared in the *West Coast Times* of the 5th April, 1883, page 23, [Exhibit E]. Now, taking that as it appeared in the newspaper—until I read that, if any one had told me of such a document, I would have said that I do not think there was any necessity for such a document; because, if there were any moneys coming to Nathaniel Seddon, Mr. Wylde would have given it to me without an order, and let Mr. Nathaniel Seddon sign the voucher on his return. I do remember his being away at one time. I have been doing my best to recall the circumstances, and I recollect my uncle went away for a little while; he may have had some calls to meet, and he may have given me an order, but, if so, it was during the time that I was Mayor. I am positive that at the time covered by the auditors' report, and for a long time previous, I received no moneys whatever on account of Nathaniel Seddon.

5. That was prior to the special auditors' report, you mean?—It would not be during the period covered by the special auditors' report. I was Mayor before that. If I received any moneys on account of Nathaniel Seddon, it would be prior to the time covered by the auditors' report.



6. *Mr. Duthie.*] You said just now that you received no moneys from Mr. Wylde on account of Nathaniel Seddon—did you not mean from the Kumara Borough Council?—Yes; I have no recollection of receiving any moneys from the Borough Council on account of my uncle. He used to manage his own affairs, and was well capable of doing so. He was dealing with me at my store, and anything done there in the way of business would be conducted by my manager. Whether he paid cheques or cash I have, after this lapse of years, very little recollection, having had very little to do with the details of the business. I repeat that I have no recollection whatever in the slightest of having received, during the period mentioned in the report, any such moneys from the Council, though I might perhaps, at the time I was Mayor, have drawn two payments while he was away. I may say that I looked at the Judge's notes to see whether there was any reference to this document, for it was a surprise to me when I saw the report in the *West Coast Times*. I could find no notes made by the Judge, and if there was an exhibit of such a document, it does not appear in the Judge's notes. I found no corroboration of the existence of the document beyond what appears in the *West Coast Times*, nor do I understand why the counsel at that time (Mr. Harper) asked me the question, "Have you received any moneys on account of that order?" If that report is correct, the document itself would show what it was. There is nothing in the Judge's notes to show that such a document was put in as an exhibit, or that such a question was put to me at all. I may say that never, during the whole of the discussions in the Council, or during the time that I was seeking election, did I ever hear a suggestion of anything being wrong in this way. I never in my life heard any such suggestion previous to Mr. Hutchison making his speech. In respect to the trouble in connection with the irregularities of the Town Clerk: Sometime previous to this, I left the Borough Council, and it was then in a good sound financial position, and they kept so during Mr. Blake's time.

7. *The Chairman.*] Mr. Blake succeeded you?—Yes, I think so. Well, they gradually got into financial difficulties, went into drainage and other works in advance of the revenue and their ways and means. They were brought up with a round turn by the bank, who would not allow them any overdraft, and the reason was that the then manager (Mr. Thos. Connell) saw the contracts they had called for, and he knew their revenue, and that they would land themselves in difficulties. He simply told them the state of affairs, and the first thing they did was to give instructions to the Town Clerk not to pay the deposits on contracts into the bank. The evidence as to that is corroborated by the then Mayor and by myself; and the fact was that these deposits were kept in the safe. At a subsequent period a rather bad feeling arose in the Council, owing to the action of a man named Simmons—

8. *Hon. W. Rolleston.*] Subsequent to when?—I mean subsequent to the time of giving the order not to pay deposits into the bank. This Mr. Simmons was found prior to the special audit to be disqualified, and he was put out of the Council. At that time there was nothing suggested as being wrong with the Town Clerk, and the Town Clerk had no ill-will against him. Shortly after this came this whispering that Mr. Wylde had been paying Borough cheques into his own account at one of the banks. I went myself to our own banker (Mr. Connell), and he said it was so. I then asked Mr. Wylde for an explanation, and he said it was money that he had authority to receive owing to arrangements on account of the bank being short of funds. I do not know whether this action of Mr. Wylde's had reference to Kelly's or Quale's transactions, but at the time I was satisfied with the explanation, and I know that Mr. Wylde was in the habit of making some special arrangements when the Borough funds were short. The next phase was the special audit petition. My letter explains my position in respect to that audit, and why I took exception to it—that is, the letter I sent to the Under-Secretary, dated Wellington, 6th June, 1882, and it is in the papers which came from the Colonial Secretary's Office [letter produced and read, stating that the petition was bad on the face of it, numbers of people having signed it who were not ratepayers—Exhibit F]. That was my letter; and I was surprised on arriving in Wellington to find that there had been a petition got up to have a special audit; and I was also surprised to find that the Mayor of Kumara had been communicating with the Government, and that his letters were not brought before the Council, nor entered in the Council's letter-book—in fact, he had been carrying on a clandestine correspondence with the Government. I am in a position now to know, and I have to say that the signatures to that petition are not the signatures of the persons themselves. You will find in these letters where the persons ask to have their names withdrawn from the petition, some of them having signed through misrepresentation; and, allowing for these withdrawals, there was not the number of signatures required by law; hence the refusal of the Government at the time to grant the inquiry petitioned for in the first petition. But the agitation was continued, and later on Mr. Barnett himself took the matter up. He went a certain distance, and then he came to me in a great state of mind, and told me his troubles, and that he had come to the conclusion not to go any further. He could see that there was trouble looming ahead, and he thought the best thing would be to stop it and go into the matter ourselves. He asked my advice, and I said it had gone too far now, and that the only solution was to have a special audit. I think the Borough Council passed a resolution to go on with the matter, with the result that the second petition was got up, and the audit took place. Then, after the Council got the auditors' report, there was a kind of mysterious whispering, and some communication from the Borough solicitor the Mayor would not let the Council have. He used to get in a "muddled" state (it was Mr. O'Hagan), but I do not want to say anything against him. However, whenever he got into this state you could do nothing with him, and when the matter did come up the first thing we did was to appoint a sub-committee, and we started to make inquiry. You will find of course the proceedings of the committee as reported, and the first thing was the moving of an adjournment by the Mayor, following which I moved that the action of the Mayor in writing to Wylde, inviting him to attend these special meetings, be approved. Then it was moved by the chairman that we adjourn until the committee meeting at four p.m. on the following day,

and that Wylde should be furnished with a copy of the special auditors' report. This invitation was given to Wylde, but he excused himself on the ground that owing to a prior engagement he could not attend. It was resolved that Wylde be furnished with a copy of the resolutions of the Council, and the committee then adjourned till the following afternoon. Wylde was asked if he wished to make any explanation with reference to the special auditor's report, and he claimed that any statement he should make ought to be in writing, and I moved that the request be granted. Later on Wylde informed me that he had not been furnished with a copy of the special auditors' report officially in accordance with resolution. Wylde also stated that he was told by the Mayor that he (the Mayor) had consulted Mr. Perkins as to taking action, and he (Wylde) considered his position to be prejudiced thereby, but nevertheless he was willing to give what explanation he could. He said that all books, papers, and documents had been produced and examined by the special auditors. Now, when that special committee reported to the Council, I noticed that a motion moved by myself to the effect that Wylde be informed that the committee meeting was to be held had been omitted, and I insisted on that being corrected before we proceeded to other business. At that meeting there was a letter from Wylde, in which he stated that he had relied upon a promise that the auditors' report should not be made public until he had had an opportunity of seeing and replying to it. He added that he had made written application to his Worship the Mayor, but had received no reply, and was in the position of being ignorant of what he was being accused of. That letter was dated 8th November, 1882. Looking at the report in the *Kumara Times* of the Council's proceedings at this time, I should say it was fairly correct, and it was really the position that though we passed a resolution that Wylde should be supplied with a copy of the auditors' report it was never done, and he never got any chance prior to that meeting of the Council of having the report before him so that he could go into it and give an explanation. All that I did in respect to the Borough Council was to try to get them to allow the committee to finish its work, and to get Wylde and the local auditors there. Great reflections had been cast upon them, and I thought we should go into the matters temperately and judicially, and find out if we could what was wrong. I knew that the Borough funds had never lost the amounts alleged by the special auditors because we never had the money to lose; if you took £219 and £163, and another £50 out of about a total only of £1,000 a year, it would not leave much to go upon. Take the bank account for 1879 and 1882, if during these periods such sums were withdrawn the Borough funds must have shown it, and they would have been so much in debt.

9. *Hon. J. G. Ward.*] And the Borough funds did not show that?—No. Had those sums been paid, half a year's revenue would have gone. As soon as ever I got the auditors' report I asked the Council to make the inquiry. They seemed to me to have made up their minds what they were going to do. The first night of meeting there was nothing but ordinary business, and it was not at all unusual for us to sit till one o'clock in the morning; in fact, in those goldfield townships in the earlier days there was not much difference between the nights and days for the transaction of business; it was quite different to a rural life. At the second meeting there was strong feeling in respect to one or two other matters, and the Council sat very late, and I should say that the report of the first meeting in the *Kumara Times* is fairly correct, and it was one or two o'clock in the morning before we completed the sitting. Mr. Rudkin was with me in general, and it was he, who at the second meeting, moved for the consideration of the auditors' report in the morning. The other side had a resolution all written out, but it was not put before the Council while we were considering the report itself; in our absence, during a short adjournment, the time of which had not elapsed, the motion was put and carried. It is not likely that, taking such an interest in the matter as I did or Mr. Barnett, that we were likely to make a mistake as to the time of the adjournment, but when we got back to the chamber we found the Council had resumed, and that Mr. Barnett's amendment had been passed. They simply told us on our return what they had done, and I said that, considering the gravity of the matter, I thought that a grave injustice had been done to the Town Clerk. The Borough solicitor's letter bore out the course which I had suggested—to have an inquiry by a sub-committee. He had actually recommended the course I proposed, of an investigation by a sub-committee before finally proceeding to lay an information against the Town Clerk. I may say in respect to the feeling in the Council that there was some bitterness, but the feeling was not general. The first Mayor elected after the trouble was Mr. Barnett, who secured two votes over Mr. Campbell; then, I think Mr. Hannon, whom I supported, defeated Mr. Burger, and every Councillor who voted with me for an investigation was re-elected, and Mr. Nicholson himself was subsequently elected. I only say this to show that the people in the Borough did not consider there was anything wrong. In respect to Nathaniel Seddon, as I have said at the time I asked him about the moneys he had received, and I wish the members to pay particular attention to this, he showed in his pocket-book every payment which he had received. I then went to the new Town Clerk (Mr. Skelton) and said I wanted to go through the account; then, I also went to Sergeant Moller of the police, who was a splendid accountant, and we went through the books, and the result of that was the letter which I wrote to the *Kumara Times*. My opinion is that the auditors duplicated certain of the sums stated in the vouchers and cash-book. I am positive that my uncle had not been paid up to December, 1879, and I do not think that the bill given to him in April paid him up, because they wanted him to wait until the licenses came in about the 30th June. Then the auditors were wrong in assuming that after Nathaniel Seddon had finished as permanent employé that he stopped working for the Council; it was not so. I know too that there were others who had cheques and who had bills, and I know that some of the cheques were discounted by parties in the town; and so far as my recollection serves me, so as not to put itself before the bank as having issued cheques without having money to meet them, new cheques were given. I am satisfied that, what would lead to complication and confusion so far as the auditors were concerned was the issuing of cheques on the finance committee's reports and the giving of bills, and I said then, and I say now, that Wylde's mistake was that, knowing of these complications, he ought to have assisted the auditors—but you have heard that they snubbed him and treated him with

indifference. I went to considerable trouble in seeing people—Kelly, Quale, and others, and they all said they had been paid, and that the special auditors' report in that respect was incorrect. After the case in the Supreme Court was over I demanded that the Borough Council should clear my uncle's character, and I got a resolution passed on the matter. They had got their books and papers back from the Court, and when I returned from the Session there had been some new auditors, and the then Mayor said they were all satisfied that there was nothing wrong, and they also told my uncle so.

10. *Hon. W. Rolleston.*] Did they tell you of that officially?—My uncle said the Mayor told him not to bother about it, as "he was not in it, and they would proceed against Wylde" to recover the overpaid moneys. My uncle continued in the service of the Borough, and he died in that service. At the time of the agitation for the audit I was elected to the Council, and some time subsequent to my return from Wellington in 1883 I found that mixing up with these local affairs was prejudicing my position as member—in fact, I could not devote the requisite time to the Borough matters—and I gave up Borough matters. I, after my return from Wellington in 1883, spoke to my uncle as to whether the Council had carried out the resolution I got passed. He said that he had heard of nothing further; that he did not care to quarrel with the Borough Council, and contented himself by saying, "They are satisfied, and so am I." Not for a moment did any of the members of the Council consider that my uncle had received a single shilling wrongfully. Now, when the allegations were made in the House by Mr. Hutchison, I took the first step I could to put matters right, and I wrote the letter to Mr. Toms, one of the auditors, and to Mr. Perkins, then Crown Prosecutor, and I have here copies of both letters and replies thereto. I have no opportunity of getting Mr. Perkins here, as he is now a barrister at Hobart, nor of getting Mr. Toms, who is also out of the colony. I desire to put in the letters where I could not get the persons themselves, to show that I have spared no pains to get all possible information. I will say again that there is no person, either at the time or now, as far as I know, who will allege, and believe it to be correct, that either my uncle or myself ever took a shilling in our lives wrongfully; and again, in respect to myself, was it likely that a man holding the position I did would be guilty of taking moneys not belonging to me or to my relative? If there had been anything wrong, what a chance it was for Mr. John O'Hagan or others on the Council to have taken advantage of and charged me with it. Why, such a thing was never for a moment even hinted at. And, again, if there had been anything overpaid, we were both in a position to have repaid it, and so was Wylde. After the heat of the debate in the House had passed away, I thought the member for Patea would withdraw the allegation. I know that afterwards he wrote a letter to the *Hansard* Supervisor, authorising him to strike out in *Hansard* the paragraph appearing in his speech reflecting on my uncle and myself, subject to my being informed this was to be done. The *Hansard* Supervisor came to me and asked me if I consented to this course, and my answer was: "If Mr. Hutchison had chosen to take this upon himself, that was a matter for him; but, as far as I was concerned, I would not be a party to striking out anything said in the House. I would judge Mr. Hutchison by what appeared in *Hansard*." When *Hansard* was published, I read carefully through the paragraph where he said I admitted that there had been an overpayment, and I considered that, in justice to myself and my dead relative, I could not allow that to remain unchallenged; and I say that the allegations are absolutely untrue.

11. *Hon. W. Rolleston.*] Did the *Hansard* Supervisor come to you of his own accord in reference to Mr. Hutchison's letter to him?—No; he said that Mr. Hutchison had told him to consult me.

12. *Mr. Massey.*] Do you intend to call Mr. Marks, the *Hansard* Supervisor?—Yes. I do not think now that the language as it appears in *Hansard* is as strong as that used in the House.

*Mr. Massey:* Well, the shorthand notes could be produced as taken at the time.

*Rt. Hon. R. J. Seddon* (resuming his evidence): At any rate, I say that the words complained of were an incorrect reflection. As to a statement that I attempted to prevent the auditors' report being adopted, well all I can say is, that there never was such a motion proposed, as the minutes of the Council would show. As a matter of fact, in the consideration of the report, I really forced the hands of the Mayor, and I stated this on the public platform. I forced the enquiry.

13. *Mr. Massey.*] You were speaking about a petition that came before the sub-committee—how did you discover that the petition was informal?—Well, first there were rumours about the town that the petition had gone up to Wellington, and that it bore the names of some people who had not signed it, as for instance, Stewart and Mrs. Harrison. Then, when I got to Wellington myself, I found names appearing on the petition of persons who had denied having signed.

14. What happened then?—My letter to the Colonial Secretary.

15. You wrote a letter to the Colonial Secretary pointing out that the signatures were not genuine?—Yes.

16. And he disallowed the petition?—Yes. Some of the people wrote up themselves to Wellington, and others said that they had signed through misrepresentation and misapprehension.

17. Did you communicate with those people direct?—No.

18. Did you communicate with Wylde?—No.

19. Is it a fact that Wylde went to some of those people and asked them to withdraw their signatures?—That is likely; but I have no knowledge of it myself.

20. Your answer is, that you have no knowledge?—Yes.

21. In speaking of this payment to Nathaniel Seddon, you said you believed that the money never was paid, because the Borough funds were never debited?—I did say so, and now say he never received anything more than was due to him.

22. You are quite clear?—Yes, positive.

23. You also said that the revenue of the Borough was only about £1,000 a year?—Yes, about that—about £200 from rates, £600 from licenses, and somewhere about £1,000 in all—that is except the first year.

24. What was the license-fee?—£40.

25. Then Wylde's statement that the licenses were £50 was incorrect?—Yes; the bank-book will bear me out that the legitimate Borough revenue would be in round numbers about £1,000.

26. Would you mind telling us, Mr. Seddon, what particular part of Mr. Hutchison's statement in the House is incorrect?—Well, when he said that I had an indifferent repute that was incorrect. His statement also that "There was one deficit in the Kumara Borough Council financial statement in connection with the Town Clerk's own salary, and there was another in connection with the wages of an employé, whose name was Nathaniel Seddon. . ." In respect to N. Seddon it was incorrect. I swear positively that the schedule of the auditors' report in that respect is absolutely incorrect. Then, again, Mr. Hutchison says "on a motion before the Borough Council for the adoption of the auditors' report, Mr. R. J. Seddon who was a member of that Council took occasion to stonewall and block it." I say that is untrue. The assertion that I began to talk at 11 o'clock and talked until 2 is wrong, and the records of the Council's proceedings will show that the proceedings connected with the ordinary business terminated at about 11 o'clock. He says that the talk was in reference to the adoption of the auditors' report. I say no resolution for the adoption of the report was ever before us. Then, in regard to our second meeting he says that I got "my second wind," and the stonewall lasted thirteen hours. I say again that is incorrect. The Council's records will show that the private business was finished only at 6.30 in the morning, and the discussion of the auditors' report then commenced, and finished at 8.30. Finally, I say that the statement in respect to an authority having been received by me for the receipt of moneys, and that I had admitted that I was the person who received the alleged overpayment is untrue.

27. Now, come back to the first point: Putting aside the incorrectness of the auditors' report, did you not think that Mr. Hutchison was merely quoting from the auditors' report (page 63, *Hansard*, top corner, is what I am now referring to)?—Well, the reflections start before that, on the same page, he says " . . . ten years before he commenced the practice of it through the public works of the colony, when he practised the same tactics in the historic Borough of Kumara. . . ." You must commence there; and then he introduces the auditors' report in support of that—that is where the reflection is.

28. But my point is this: Did you not think he was quoting from the auditors' report?—Yes, but he only quotes part of it to sustain his allegation.

29. Then, I ask you whether he quoted correctly from the auditors' report?—The little piece "Nathaniel Seddon . . . We find that after most careful consideration he was paid in full up to the 25th December, 1879, after which confusion begins. He received wages at the rate of £3 a week up to the 5th November, 1881, when his weekly engagement terminated by order of the Council." That is correctly quoted, but the other is not.

30. Which other?—The other on the same page 63: "The same report disclosed that wages had been paid for the period from the 25th December, 1879, to December, 1881, amounting to £510 10s.; but the cruel auditors had reckoned that in the period mentioned there were only ninety-seven weeks, which at the rate of £3 a week would make no more than the sum of £291, so that this employé had been overpaid by no less than £219 10s." I say the report did not disclose that.

31. Then, I think I must refer you to the auditors' report, page 28 (Exhibit E) where it says, "We find on most careful examination that this man was paid in full up to the 25th December, 1879, after which date confusion begins, so we had to adopt a similar method with regard to his wages. This man received wages at the rate of £3 per week up to the 25th November, 1881, when his weekly engagement terminated by order of the Council."

Now, is not that the same as Mr. Hutchison's quotation?—No. Mr. Hutchison says "the same report discloses . . ." Those words are his own. Anyone reading the report would see the ground upon which it was based; but take Mr. Hutchison's statement and it will be seen that he draws an inference from the report that is not correct.

32. The auditors' report contains this statement: "The amount actually paid . . . see Schedule C, Exhibit E"?—Yes, that is so. If Mr. Hutchison had said the same report discloses "as set forth in Schedule C," then he would have been more correct.

33. Now, as to the words, "Mr. Seddon built a stonewall . . . he began to talk about at 11 o'clock and continued till 2 a.m.": what is wrong about that?—Well, I say it is absolutely incorrect.

34. Did not the Council sit until about 8.30 a.m.?—Yes; but the consideration of the solicitor's opinion only occupied a part of the time, from about half-past 6 until half-past 8.

35. Consideration of the adoption of the auditors' report did not come before the second meeting of the Council?—No; there was never any motion to adopt the report.

36. Did not the consideration come up at the first meeting?—Yes, certainly.

37. And the discussion lasted until —?—It lasted until about 1.30 a.m.

38. Until 1.40, according to the report?—Yes, about that; but I did not take up the time or build up a stonewall. There was no blocking of business. We often sat as long as we did that night.

39. You admit that the business of the meeting was the consideration of the auditors' report, and that it lasted until nearly 2 o'clock?—Yes. But there was the other ordinary business, and also the sub-committee's report. There was ordinary business as well.

40. Will you put in the minutes of both meetings—that is, the meetings of the 9th and 16th November?—Yes; I will put them in as appearing in the *Kumara Times*. I say that the business transacted at that time must be taken into consideration, or it might be asked by an outsider why we sat so long.

41. We come now to my third point—that is, the use by Mr. Hutchison of the words, "The trial of the Town Clerk followed, and the right honourable gentleman, who gave his evidence as an expert, attempted to prove the two auditors were all wrong": that is correct, is it not?—I have read a letter stating so. With the sergeant of police, who was an able accountant, I went all through the documents and books, and we could not find sufficient there to support the statements in

the schedule. Then we endeavoured to see if there were vouchers or other papers to support it, but we found nothing. Then I saw the banker, Mr. Connell, and he said they (the auditors) were wrong; and there was no love lost between him and Mr. Wylde, and the banker was watching things very carefully too.

42. I must bring you back to the point: you did attempt to prove that the two auditors were wrong?—I not only attempted, but I proved it.

43. Then I come to my last point: "In the course of his examination, however, a document was put into his hands. It was an authority in his own favour from his uncle, Nathaniel Seddon, under which the right honourable gentleman had to admit that he himself had been the person who had drawn the moneys so paid and overpaid": Now, was such a document put into your hands?—As I have said from memory, I was puzzled when I read that statement to that effect in the *West Coast Times*, and have been ever since, because they did not ask me any questions upon it as to whether the order had been acted upon.

44. But you do not deny that such a document was put into your hands?—I will not swear to that. I have said I do not from memory recollect.

45. And you admit that it was what it purported to be—an order to pay moneys to you?—If what appears in the *West Coast Times* is correctly reported, that would be what the document was. I do remember that my uncle did go away for a time. I do not think that Wylde would ask me for such an order—he would have waited till my uncle came back. I am prepared to say, further, that, as far as any cheques were concerned, my uncle had a little money and steady wages. I was his executor, and when he died his will was proved at a little over £200, so that he had not been in want of money whilst in the employ of the Council.

46. *Hon. W. Rolleston.*] You had access to the books of the Council?—No.

47. What is the meaning of this, then, said in the Court: "I went through the books on my own account." When did you do that?—After the police investigation, I think. The Sergeant of Police was up from Hokitika, and I asked the new Town Clerk, Mr. Skelton, to go through the accounts with me, that I intended to get the police also to go through with me. I went to the Mayor first, before seeing the Town Clerk, and obtained his consent.

48. What was your opinion of O'Hagan's character—as to his trustworthiness?—I should say, an honest man enough, and good business-man; but, in respect to Wylde, there was ill-feeling between the two.

49. Have you not expressed strong opinions of O'Hagan in respect to other matters?—Well, there were some things he did. He got into a muddle and fuddle, with Borough papers upon him.

50. That is a terrible thing to say?—Well, you have asked me, and I say he has been wrong.

51. I asked you about his character. Is it not the case that you came to Wellington in July, 1882, and in that year Mr. O'Hagan had defended Mr. Warden Stratford against a petition for his removal, and that you at that time wrote to the *Kumara Times* implying that O'Hagan was gratifying his private spleen and deserved horsewhipping? Was that the case? Was that the action of a gentleman?—I say that, up to a certain stage, I have nothing to say against O'Hagan. There was just the one failing, which I do not want to say much about now. I found, too, that he had been carrying on a clandestine correspondence with the Government, not recorded in the books of the Borough. As regards presenting a petition about Warden Stratford, I had not done so.

52. Did you not prejudice this case against Mr. Wylde, and were determined that there was nothing in it?—I considered that the local auditors were both well up in their business; they were two good and honest men. Then, there was the Finance Committee, which had to pass the accounts, and then they had finally to come before the Council. I reckoned that the safeguards were sufficient, and, in addition, we had every confidence in Wylde. I never knew anything against him, and he came to us with very good recommendations; besides, he had private means. He got into a muddle over the deposit accounts.

53. Is it not the case that, soon after you came down after the Assembly and before the Council meetings in regard to Wylde, you stood for election, and that your election actually freed Wylde from any charges? Would you accept the newspaper records as correct that such was the case?—No.

54. In the *Kumara Times* of the 23rd October, 1882, you stated that "the votes of the rate-payers would wipe away any stain or reflection cast upon Wylde recently"; and did you not say at the outset of the election that you would "stand by him"?—I discovered that there had been secret petitions, secret correspondence, and rumours were going about on the attitude I had taken up in respect to calling the attention of the Government to certain informalities in that petition, and I considered my election was an indorsement of the course I had taken.

55. It was more than that. You had absolutely determined that Wylde should be blameless before any investigation, before the meetings of the Borough Council, and before the report of the audit was considered. I have no further questions to ask.

56. *Mr. Duthie.*] You claim credit for the way in which the Borough finances were managed during your term of office?—Well, I reckon that to start a new borough you start with a difficulty. I think chiefly under my generalship we got a very good nest-egg.

57. You got £1,400 for the Council?—Yes.

58. And £1,220 for licenses that year?—Yes.

59. So that you had exceptional revenue?—Yes, and exceptional expenditure, too.

60. You had exceptional advantages though?—Yes, and disadvantages.

61. You tell us that you went through the accounts with the police officer, and looked over the books yourself?—Yes.

62. You examined the pass-book of the bank?—Yes.

63. Now, here are entries: 10th May, June, July, July, July, 12th August, 30th September, October, October, December, 31st January, and February, amounting in all to £240—all apparently

corresponding to the Schedule C, which amounts to £204. How do you find that £240 applied?—The dates do not correspond in the ledgers, cash-book, and vouchers.

64. Schedule C bears the dates of the vouchers as to when they passed the Council, but the date of payment does not appear?—The bank account shows that in some cases the Borough Fund has been debited before the vouchers are received.

65. I ask how was this £240 accounted for?—Well, I can only say that Keenan, my uncle, and others were engaged on the streets, and any debits for wages or streets would include others besides my uncle.

66. But these items in all, £240—did you trace them?—I got from my uncle information from his pass-book which guided me in my inquiries as to what he had actually received, and I afterwards went to the bank and ascertained that my uncle had not received any of the alleged overpaid moneys.

67. He got all this money?—No; there were others who were working at the time who had part of it.

68. But can you say that he got this £240 which is not covered by the vouchers?—No, I can not. I will take you to Mr. Wylde's evidence.

69. I do not attach anything to Mr. Wylde's evidence. It is yours I want?—Well, we could not get the traces, but I knew that there had been other persons employed by the Borough who worked with my uncle.

70. If you admit that you did not trace these amounts you must admit that your investigations were of no value?—No, not so, because I satisfied myself that the basis of the special auditors' report in respect to Schedule C was wrong.

71. In your investigation of the existing vouchers, you would find that the voucher dated 13th May was paid at a subsequent date?—Well, you cannot say that.

72. You will notice that the vouchers dated 13th May, 16th September, and 25th November are each receipted at different dates, and the same applies with varying dates right throughout the whole of the vouchers. The special auditors have adopted the date of vouchers under the date of payment?—I cannot account for that beyond saying that we could not find in the Borough accounts that the payments had been debited, but I say that they were not all payments to my uncle.

73. The payments were made at any rate. They are debited "streets or other works," that is quite clear. Our business is to trace who received those payments, and you cannot assist us?—No, because Wylde was keeping his wages account under the heading "streets, &c.," and did not enter the names of workmen; and when the auditors reported on his method of keeping accounts the difficulty arose. It seems that instead of putting down to my uncle and other persons separately, he "lumped" them all on one voucher, and the auditors pointed this out to the Council at the time.

74. The auditors say it was paid to Nathaniel Seddon in their report, but the point is this Schedule C which shows this balance of £240, and having investigated the accounts as you have told us, you ought to be able to explain the discrepancy?—I have said, and I say again, that the auditors were wrong themselves. I say that it is not shown that Nathaniel Seddon received any money between the end of 1879 and the first week in April, 1880, and the bank-book or the ledger could not prove that he had. Then there was a bill for £98 10s. given in April, 1880, and it was proved by Moller that there was another bill for £36, which was shown by cheques, and when they gave up the old cheques the Town Clerk had new vouchers signed.

75. Did it not strike you that an accusation of this sort being made against your uncle, it was your duty to search out everything?—So I did endeavour, and I have the assurances of the auditors that my uncle was blameless.

76. But the auditors say that the money was paid to your uncle—I mean the local auditors?—But the special auditors and their report have been discredited.

77. And so were the others?—I had it subsequently from Mr. Spence himself that they had gone through the cash book and the ledger, and could not find the same entries as when they made the first audit.

78. That is valueless, for we have the ledger and the pass-book here with the entries.

79. *Mr. Duncan.*] With regard to the consideration of the auditors' report, is it true, as stated, that this matter did not come up before 6 a.m. at the Council meeting?—Yes. Not before half-past six on the morning of the second meeting.

80. And then it only continued up till about 8 o'clock, because of an adjournment. Is that so?—Yes; I know we finished about breakfast-time.

81. *Hon. J. McKenzie.*] At the time of this investigation you seem to have taken considerable interest in the matter; was that not owing to the fact that your uncle was involved?—Yes; that and the fact that I was a member of the Borough Council myself, and naturally I took an interest in the Borough, and in Borough affairs. But I had no other object than the public interest.

82. *Hon. J. G. Ward.*] Would it have been possible for the £219 10s. to have been overpaid without it having been shown by the swelling of the Borough account?—No; impossible.

83. *Mr. Duncan.*] Did you see the report of the special auditors who were asked to go through the Borough accounts?—Not until it came before the committee. All the papers produced in Court were given to Mr. Barnett, the Mayor.

84. *The Chairman.*] Then it is no use applying to the police as they were handed to the Borough Council?—That is so.

FRIDAY, 28TH OCTOBER, 1898.

MARCUS FRANCIS MARKS, sworn, examined.

85. *The Chairman.*] What is your name?—Marcus Francis Marks.

86. You are *Hansard* Supervisor?—Yes.

87. *Rt. Hon. R. J. Seddon.*] I want you to produce a letter from Mr. George Hutchison respecting his speech in *Hansard* No. 17?—This is the letter. Shall I read it?

88. Yes, read the letter.

Friday morning.

Memo. for Mr. Marks, *Hansard* Supervisor.—On reflection, I decided to have excised, if possible, from my speech in the financial debate all references to the late Mr. Nathaniel Seddon. I came to see you on the subject this morning, and your assistant put me in communication with Mr. Burns at the Printing Office. He showed me the slips of the report of my speech which would probably form part of the next issue of *Hansard*, and I marked on them the passages I wish to be omitted. One of them follows a statement by the Premier immediately after the conclusion of my speech. Of course, I have no control over that part of the report. I mention what has been done, so that the Premier may be informed for the purpose of taking such action in the matter as he may think proper.

G. HUTCHISON.

That is the first letter I received, and this is the proof with the deletions indicated [produced]. In the proof produced there were the following excisions from the report, each marked out in pencil: "whose name was Nathaniel Seddon. A special examination by two of the staff of the Audit Office had been made of the borough accounts. One paragraph of their report reads thus: 'Nathaniel Seddon . . . We find after most careful consideration that he was paid in full up to the 25th December, 1879, after which confusion begins. He received wages at the rate of £3 per week up to the 5th November, 1881, when his weekly engagement was terminated by order of the Council.' The same report disclosed that wages had been paid for the period from the 25th December, 1879, to December, 1881, amounting to £510 10s., but the cruel auditors had reckoned that in the period mentioned there were only ninety-seven weeks, which at the rate of £3 a week would make no more than the sum of £291, so that this employé had been overpaid by no less than £219 10s. The trial of the Town Clerk followed, and the right honourable gentleman who gave his evidence as an expert so early as that on finance attempted to prove that the two auditors were all wrong, and that there was no such thing as overpayment. In the course of his examination, however, a document was put into his hands. It was an authority in his own favour from his uncle, Nathaniel Seddon, under which the right honourable gentleman had to admit that he himself had been the person who had drawn the moneys so paid and overpaid."

89. *Rt. Hon. R. J. Seddon.*] You came to see me, Mr. Marks, as requested in that letter?—I communicated with you, yes.

90. You gave to me the purport of the letter?—Yes.

91. What was my reply?—Well, to the best of my recollection your reply was that you did not think you had any control as to the statements which had been made in connection with this matter. That is what I understood from you. You also said that there were other serious charges in the speech besides the one proposed to be deleted, and that you would be no party to any proposal to delete any part of the speech, and I allowed the thing to remain in abeyance for a short time. In the meantime a further altercation took place in the House between the Premier and Mr. George Hutchison. Of course, the Premier was consulted as being the other party to the matter, as is my practice in such cases. However, I received later another letter from Mr. Hutchison, which I also put before the Premier as the other party to the matter, and he seemed to think it was not his (the Premier's) place to say whether the excisions should be made or not. Mr. Hutchison's second letter to me was as follows:—

Saturday.

Memo. for Mr. Marks, *Hansard* Supervisor.—After the discussion in Committee this morning, it would be absurd to keep out of my speech of last Tuesday the references to the late Mr. Nathaniel Seddon, so that I desire the proofs remain as they are, without the excisions.

G. HUTCHISON.

92. *Rt. Hon. R. J. Seddon.*] Did I not tell you deliberately that I would be no party to the striking out of anything?—Yes; I think that was at the later stage, but I am not absolutely certain. I only had a few words with you by telephone on the Friday morning; but you certainly told me afterwards that you would be no party to the matter being taken out.

93. Now, the portions proposed to be omitted are marked here in this proof in pencil: "whose name was Nathaniel Seddon. A special examination was made . . ."; and so that was marked out?—Yes; and I marked it "stet," as you will see.

94. Mr. Hutchison also proposed to strike out the words now on page 63 of *Hansard*: "The trial of the Town Clerk followed . . ." and so on, as marked in this proof?—Yes, he proposed to strike them out also.

95. And those words, if I had been a consenting party, would have gone out of *Hansard*?—Yes; in fact, they had been taken out of the type, but when I went to the Printing Office and found them taken out I immediately ordered them to be reinserted until such time as the question should be decided.

96. Do you mean, then, that Mr. Hutchison had taken them out?—Yes; he said in his letter that he had left the proof, showing the words he wished taken out, with the overseer at the Printing Office.

97. *Hon. W. Rolleston.*] When did this second letter reach you?—I think, a few hours later—about 4 or 5 o'clock in the morning, or perhaps later. It was handed to me in the lobby, at the finish of the financial debate—about 5 a.m. on the Saturday. I received the first letter at about 12 o'clock on the Friday. It was practically the same day, although it was the next morning—that is, it was the same working-day so far as I am concerned.

98. When did the financial debate stop?—Well, this letter—the second one—came to me at daylight on the Saturday morning; that was at the close of the financial debate, when the second altercation took place between the Premier and Mr. Hutchison. I am absolutely certain as to the time.

98A. *Rt. Hon. R. J. Seddon.*] You have said that, if the *Hansard* had been published as it was printed in the Printing Office, it would have been without these allegations against myself?—I do not think that would have been done without referring it to me. They took it for granted in the

Printing Office, seemingly, that I would consent, and took the matter out; but immediately I saw the deletion I said, "This must certainly go in again."

99. At all events your coming to me was because Mr. Hutchison wanted to strike out the words?—Yes; but I would have gone to you just the same, whether Mr. Hutchison had asked me or not, because, as I have said, it is my practice to go to both parties in such cases.

100. But you would not go to the other member in every case where a member wanted to take something out of his speech?—If the matter he wished to delete had reference to any other member I would do so. I frequently have such cases; I had a case only last night.

101. Do you mean that if Mr. Hutchison had only asked you verbally to strike something out you would still have come to me?—I would have come to you in any case in this matter.

102. Do you mean to say that you go to consult members about other members' sayings in the House?—I mean to say that if there is a quarrel in the House between two members, and one of them wishes to withdraw anything he has said, I would consult the other party about it.

103. That is not what you conveyed?—Well, I intended to convey that meaning.

104. Do you remember me saying to you that Mr. Hutchison "may do as he pleases, but I shall be no party to the alteration"?—Yes, I remember that.

105. It was owing to further altercation between Mr. Hutchison and myself that he wrote his second letter?—Yes. I was going to see Mr. Hutchison to tell him that, after what had taken place in the House, the proposed deletion should not be made, and he handed me this letter [produced] asking that nothing at all should be struck out. The further altercation would have had to be omitted from *Hansard* if the first deletion was allowed, as it would convey no meaning to the general reader.

106. Do you produce the uncorrected speech as reported in the House?—No, I do not produce it here now.

107. Could you produce it?—Yes, that could be produced, but not just immediately. The *Hansard* "copy" is kept twelve months.

108. *Mr. Massey*: The two letters have been put in as evidence?

109. *The Chairman*: Yes, they are here.

110. *Mr. Massey*.] In his first letter did Mr. Hutchison request you to see Mr. Seddon about the remarks to be struck out?—Yes.

111. And the second letter asked that the matter be left in?—Yes.

112. Is this the usual course when members wish to have anything withdrawn?—Well, there have been cases where both parties have come to me together and have asked that references made in their speeches should be struck out, and I have in such cases put the request before the Speaker. I cannot remember a case where any one has made an allegation, as in this case, and has afterwards asked to have it removed. I do not think there has been a case where only one party has come to me.

113. At first Mr. Seddon entertained the proposal, did he not?—No, I do not think that he ever entertained the proposal. I only communicated with Mr. Seddon by telephone, because I wanted an urgent answer. He said he would have nothing to do with it, it was to lie with Mr. Hutchison; and before I had a chance of speaking to the Premier again the second altercation in the House took place, and immediately after I said to the Premier, "Whatever I may have said to you before in connection with this matter, so far as I am concerned, I shall not take it out now. I do not think I shall put it before the Speaker."

114. *Hon. J. G. Ward*.] After the telephone communication with the Premier did you give Mr. Hutchison any notice of the Premier's disinclination to allow the alteration?—No, I do not remember giving him any intimation at all.

115. *Mr. Duthie*.] I took down that Mr. Seddon's reply was, "Mr. Hutchison may do as he pleases, I will be no party to it." That is what you said in reply to a question by Mr. Rolleston. The question by Mr. Rolleston was, "Mr. Seddon at first entertained the proposal," and you answered that in the negative; but your first answer, that "Mr. Hutchison may do as he pleases," implies that the Premier gave an assent thereby?—I cannot see any difference in the replies I gave. I understood the Premier to mean that Mr. Hutchison could do as he pleased with his own speech; at the same time I understood him to mean that he would have nothing to do with the matter.

116. That is the point I wish to be clear upon; it was an indirect assent—"He may do as he pleases"—is that not so?—I do not think so. I looked upon Mr. Seddon's answer as meaning that he would have nothing to do with the matter. His words were, "I will have nothing to do with it; Mr. Hutchison may do as he pleases."

117. I do not think you said that before?—Yes, I think I did.

118. *Hon. W. Rolleston*.] I took a note of a reply by Mr. Marks to this effect: that it was at a "later stage" that the Premier said he would be no party to it. Now, did you say that it was at a later stage?—I do not think so; perhaps I may have. If the Committee would allow me to make a statement I think I could make my meaning clearer. I shall give "the whole truth, and nothing but the truth."

This being allowed, the witness said as follows:—

*Witness*: I will say again that when I came down from my home on Friday morning the first letter from Mr. Hutchison was handed to me. The letter bears no date except Friday. I then went to the Printing Office, where I found that the type had been taken from that slip [witness indicating the proof-sheet produced], and I ordered that it should be reinserted. In the meantime I communicated with the Premier, who, to the best of my recollection (I put nothing in writing), gave me distinctly to understand that he would have nothing at all to do with this matter of taking out anything—that he would be no party to it. Further, he inquired what was proposed to be taken out, and I said the reference to Nathaniel Seddon. I then allowed the question to remain in abeyance. A very short time elapsed between this and the second altercation. When the



second altercation took place in the House I was present myself, and heard what was said, and it immediately occurred to me that it would not do, seeing what had taken place, to delete anything from *Hansard* at all; and I went to see Mr. Hutchison to tell him this, and I met him coming to see me, and he then handed me his second letter. I then saw the Premier about it, and I said, "I have decided that I will not bring the matter before the notice of the Speaker; the matter will remain as spoken, because after what has taken place to-night the whole thing would have to come out if anything at all were to be deleted." To the best of my recollection, the Premier said, "I do not care what you do." So far as I know, that is a complete statement of what took place.

119. *Rt. Hon. R. J. Seddon.*] Suppose the Premier were to say that you saw him twice about this?—I do not think I did. I certainly have no recollection of seeing you except after the second altercation took place.

120. That is, on Saturday evening?—No; on Saturday morning.

121. You said you did not see me until you had been home?—You must be making a mistake. The first letter from Mr. Hutchison was written on the Friday—the very start of the matter.

122. That is when you telephoned?—Yes.

123. When you found that the matter had been excised?—Yes.

124. That was on Friday morning?—Yes.

125. You say you did not see me after you came down to the office on the Friday morning?—I do not recollect; I only remember telephoning to you. It is possible I might recall it if something were mentioned.

126. Do you remember telling me that you had received a letter from Mr. Hutchison, asking you to delete the reference to Nathaniel Seddon? Was that not in the Cabinet room?—I do not remember being in the Cabinet room that morning, though I may have been. It seems to me, whether it was in the Cabinet room or not, it does not make much difference. However, I cannot remember it, although I should not like to swear that I was not in the Cabinet room that morning.

127. You remember, at all events, coming in on the Saturday?—Yes, I remember that, because that was the *finale* of the affair; I distinctly remember that.

128. At all events, I told you from the start that I would be no party to it, and would have nothing to do with it?—I certainly would give an unqualified affirmative to that. That was my understanding in the matter.

129. *Mr. Duncan.*] What length of time elapsed from the time when the allegation was made against Nathaniel Seddon to the time the letter was written? Did Mr. Hutchison correct his *Hansard* during that time?—Yes. Supposing his speech were delivered on the 23rd August, I would get it from him some time on the 24th; and I got this letter—the first one—some time on the 26th.

130. Had he corrected his proof before you got the letter?—Yes.

131. *Rt. Hon. R. J. Seddon.*] And so Mr. Hutchison had deleted those words before he wrote the first letter?—Yes; but he had communicated with me to the effect that he had done so, which, of course, gave me the chance of disallowing the alteration with the Speaker's consent. It was certainly a fact that the type had been taken out.

132. *Mr. Duncan.*] You said that the Premier stated he would have nothing to do with the matter: if Mr. Hutchison had told you then to strike out the words would you have done so?—I would have consulted the Speaker as to whether he would have allowed it, and if he said Yes, then I would. Of course, the Speaker has control of *Hansard*, and the deletion of anything rests with him, not with any member or myself. This proof is an exact copy of Mr. Hutchison's speech as I received it from him. It was all in the original type-written copy exactly as it appears here. It was at a later stage that the words were marked out.

133. *Hon. J. G. Ward.*] Then, that was deleted in the Printing Office at the request of somebody, and before the receipt of Mr. Hutchison's first letter? Now, at whose request were those words taken out of the first revise?—Well, as a matter of fact this is the second revise—it is the Printer's proof.

134. When Mr. Hutchison got his first revise he struck out the words now marked "stet"?—No; certainly not. This is the Printer's copy. When Mr. Hutchison went to the Printing Office to indicate what he wished to be deleted they gave him this proof, and he marked the words out himself, and the Printing Office people made the deletion he desired. In the meantime Mr. Hutchison communicated with me so as to give me a chance of preventing this being done. Of course, I do not consider the words would be deleted until the *Hansard* appeared without them.

135. I understand that the printer showed the revise of the first "pull" to Mr. Hutchison, and that it was from that Mr. Hutchison struck out the various paragraphs referring to Mr. Nathaniel Seddon?—Yes; I believe that was so.

136. That was before the receipt of the first letter by you?—Well, it was practically at the same time—that is, he wrote the letter to me immediately he had struck the words out in the Printing Office.

137. The alteration was made by Mr. Hutchison at the Printing Office before the letter was written to you?—Well, I suppose the alteration would be made before the letter was written.

138. *Rt. Hon. R. J. Seddon.*] Do not you think you made a mistake when you said that the speech was made on Wednesday?—No. I think it was on the Wednesday, but am not sure.

139. *Mr. Massey.*] Mr. Hutchison did not strike out the words from the type-written copy?—No, or they would not be here.

JAMES McENNIS sworn and examined.

140. *The Chairman.*] What is your name?—James McEnnis.

141. What are you?—I am Clerk of the Court, Mining Registrar, and Receiver of Gold Revenue.

142. You know what this inquiry is set up for?—Yes, from reading *Hansard* I have that knowledge.

143. How long have you been Clerk of the Court?—About twenty-six years—seventeen at Kumara.
144. *Rt. Hon. R. J. Seddon.*] Do you produce a summons to attend this inquiry?—Yes.
145. You were asked to produce the blocks of miners' rights?—Yes.
146. Can you produce all the miners' rights blocks issued in Kumara?—I wired to Mr. Pollock, asking if he wanted all, or only those issued to the Chinese; and he said the Chinese rights were required, and I have brought the blocks for those.
147. Did you know a Chinese party named Sum Tum?—Well, I have it in my book as Tum Shum.
148. Have you blocks of the miners' rights taken out by these Chinese?—Yes, and also the indices of the miners' rights.
149. Will you read out the names of the parties, together with the numbers and the years?—Well, I was only asked to produce the blocks issued during my term of office. Here are some of the names: Gee Hung, Tum Shum, Bung Tuck, Tien Gan, Ling Too, Gun War, Yun Wah, Ah Young, Shaw Kow, Young Chee.
150. *Mr. Duthie*: Are we now upon the Bun Tuck inquiry?  
*Rt. Hon. R. J. Seddon*: Yes.
151. *Rt. Hon. R. J. Seddon* (to witness).] Have you got the name of Bun Tuck as taking out a miner's right?—Yes.
152. What date?—13th October, 1881.
153. For how many years?—For nine years; the last one was in 1890.
- 153A. Who was Bun Tuck?—A member of the claim owned by Tum Shum and party.
154. Was he a Chinaman or a European?—A Chinaman.
155. You are sure that he was a Chinaman: you have seen the individual?—Yes, I saw him a long time ago; I knew all the party at that time.
156. *Mr. Duthie.*] You knew him personally?—Yes.  
*The Chairman*: The name here is Bung Tuck.
157. *Rt. Hon. R. J. Seddon.*] Who was the agent for that party?—The agent was R. J. Seddon.
158. Have you any complaints drawn by me for that party?—Yes, I have brought three with me in Mr. Seddon's handwriting.
159. In all cases the individual would have to be served?—Yes, each party has to be served in mining cases.
160. They hold individual rights, and require to be served individually by summons?—Yes.
161. Have you any complaints in which the party I was agent for were the defendants?—Yes.
162. Was there another plaintiff in which they were also defendants?—Yes; No. 5, in 1882. It was a long case, occupying about three days.
163. This party had a valuable claim?—Yes, it was of considerable value.
164. They went to considerable trouble and expense in diverting a creek at their claim?—Yes, they did.
165. Were the defendants the same in the second plaintiff as in the first?—Yes, the same.
166. You say you knew I was agent, and conducted the business for that party?—Yes; in one case you had Mr. Guinness, Mr. Hannan, and Mr. Perkins there, too.
167. You are in a position to say that it was my business as an advocate to conduct this case? Yes, I was on the ground at the time.
168. If the statement has been made that I was known by the name of Bun Tuck (Chinaman), or as the Chinaman whose mining right is produced, would it be correct?—It would be incorrect. I never heard it until it appeared in *Hansard*.
169. And that Bun Tuck was the Chinaman mining in the Greenstone Creek?—Yes.
170. You remember Tum Shum going away?—I did not know of him going away, but I know that he left the party he had been with.
171. Was I his agent?—Yes.
172. Do you remember an application taken out by me at that time?—Yes, I remember the circumstances, and you appearing for him in the Court. Here is one application in March, in your handwriting; but I was not Clerk of the Court at the time.
173. Give us the names of those on the blocks in this case?—They are: Gee Hung, Tien Gan, Ah Young, Yun Wah, Tum Shum, Bung Tuck, Shaw Kow, Young Chee, Ling Too, and Yun War.
174. Who was the agent for that party?—You were.
175. Now, have you an application with Tum Shum's name off it—that is, on which his name does not appear, but in which mine does?—I do not remember any such application.
176. *Mr. Duthie.*] Did you know these worthy Chinese personally?—Yes, I knew the whole party.
177. Did you know Bun Tuck personally?—I knew there was a man of that name there.
178. Did you know Bun Tuck personally?—No, I could not pick out one man from another.
179. You do not know of your own knowledge that such a man existed?—No.
180. *Mr. Massey.*] Are your books put in evidence? You have a register of mining rights—will you put them in as evidence?—Yes.
181. Are the books numbered at all?—No: but the years 1881 to 1890 and 1892 to 1896.
182. Have you the book known as the plaintiff book?—Yes, but I have not got it here with me.
183. Did you not think that it would be required?—No, I was not asked for it.
184. By what name was this claim known?—Tum Shum and party.
185. But did not the claim have a name?—They had a particular name, generally taking the name of the leading man in the party.
186. Did you know that this was known as the Bun Tuck claim?—No, not until I read the papers here.

187. Is it known now as Bun Tuck's claim?—Yes, and there is a No. 2 Bun Tuck claim now.
188. The present Bun Tuck claim comprises the ground originally held by Tum Shum and party?—Yes.
189. Tum Shum left the party at one time, did he not?—He does not appear in my books after the 12th September, 1881.
190. Is there any record of his having transferred his share to any one?—Yes.
191. To whom?—To Mr. Seddon.
192. *Hon. J. G. Ward.*] With reference to the names in the plaints, I understand that the serving would have to be done personally?—Yes. Of course, if they could not be found, personal service might be dispensed with by notice.
193. *Rt. Hon. R. J. Seddon.*] Do these show personal service?—Yes.
194. *Hon. Mr. J. G. Ward.*] There was personal service in respect to the names of the Chinese appearing in the plaint?—Yes.
195. Would it have been possible for the plaint not to have been served upon Bun Tuck?—No.
196. It would have necessitated the bailiff perjuring himself?—Yes.
197. Was there any suspicion in your mind as to the bailiff?—His integrity is above reproach.
198. Then you had no doubt as to the existence of Bun Tuck yourself?—Not the slightest.
199. But you say you could not identify him personally?—Yes, I do say that.
200. Had you any doubt that the person who received the plaint was Bun Tuck, the Chinaman?—I have no reason to suppose such a thing.
201. You are aware that it has been stated in the House that no Chinaman named Bun Tuck existed?—I read that.
202. In another portion of Mr. Hutchison's speech, on page 64, he states in effect that Bun Tuck was Mr. Seddon?—Yes, I have read that.
203. Can you say whether there was any truth in that?—There was no truth in it. We all in Kumara looked upon it as a huge joke. I thought that somebody was taking a rise out of Mr. Hutchison, because it seemed such a ridiculous thing.
204. To have enabled such a position as that stated by the member for Patea, it would have meant that the bailiff would have perjured himself with reference to the service of the plaint, and that you connived at it?—Yes, that would be so.
205. Would it have been possible for Mr. Seddon, so well known as he is, to have personated a Chinaman in the way suggested?—It could not possibly have been done.
206. You were at Kumara for how long?—Seventeen years.
207. And you stated that the Chinaman Bun Tuck did exist?—Yes, and had a miner's right from the Court.
208. And you say that the statement that no such Chinaman as Bun Tuck ever existed, and that in reality he was the Premier, was entirely without foundation?—Yes.
209. *Rt. Hon. R. J. Seddon.*] Were there any miners' rights issued to such persons as Wong Shung Wai and Tsai Chung?—I looked, but I could find no such names.
210. Did you ever come across a Chinaman with three names?—Yes, I knew one—a store-keeper in Kumara.
211. Did you ever come across a Chinaman named Tsai Chung?—No.
212. Did you ever issue a miner's right to such a man?—No.
213. If those names are applied to any one on the Coast, they are fictitious?—They were certainly not in my district. It is improbable that they were on the Coast.
214. Were there ever any rights issued to Wong Shung Wai and Tsai Chung?—No.
215. When was the new claim known as Bun Tuck taken up?—It was within this year. I do not know the exact date.
216. *The Chairman:* Within this year?—Yes.
217. *Right Hon. R. J. Seddon.*] By Europeans?—Yes.
218. And that is the first time the Bun Tuck claim was known?—Yes.
219. You have said, and confirm it, that my name and that of Bun Tuck appears on an application?—I am not quite certain that your name appears in any application.
220. If it did show that would it be proof positive as to the existence of Bun Tuck and R. J. Seddon at the same time?—It would.
221. You have told Mr. Massey that there was a transfer from Tum Shum to myself?—Yes.
222. Was the consideration nominal?—Yes, it was £5.
223. Do you not remember that a witness was called by the name of Bun Tuck, and that a Chinaman of that name went into the box and gave evidence?—I cannot remember that, and I have nothing to refresh my memory; but no doubt a Chinaman would be examined in the case, as it was one of encroachment, and a sum was claimed for damages.
224. In that celebrated case, which lasted so long, the defendants were called?—Yes.
225. And if it is sworn that a Chinaman named Bun Tuck gave evidence would it not be correct?—Yes, I believe it was correct. Every Chinaman in the claim gave evidence, because it was an important case heard by the Warden and Assessors.
226. You have said this Tum Shum's claim was very valuable?—It was assumed to be.
227. They were working it?—Yes.
228. You would not consider £5 a fair value in that case?—No, I could not speak positively, but I know the work took a good long time to divert the water of the Greenstone Creek.
229. How long were they at this work?—At least a year, with ten men.
230. *Mr. Duthie.*] Could you by reference to your documents trace whether a Chinaman appeared under the name of Bun Tuck as a witness?—I cannot say. Shorthand notes were taken by Major Keddell, Warden at the time. I cannot read shorthand, but I believe there are some records which ought to show.

231. Have you any documents with the signatures of these various Chinamen?—No, I do not think so. They did not take formal depositions in the Warden's Court as they do in the Magistrate's Court.

232. You cannot assist us to really establish the existence of a Chinaman named Bun Tuck?—No. I could find out the name of each witness.

PETER DOUGLAS TODD sworn and examined.

233. *The Chairman.*] What is your name?—Peter Douglas Todd.

234. *Rt. Hon. R. J. Seddon.*] You are a draper carrying on business in Kumara?—Yes.

235. You have been there a considerable time?—Yes, over twenty years.

236. Do you know John Hogg, a commercial traveller?—Yes.

237. Is he related to Mr. George Hutchison, M.H.R.?—Yes; he is his brother-in-law.

238. Have you been in his company during the last two or three years?—Yes.

239. On any special occasion?—I remember once being in Gilbert Stewart's hotel in Kumara.

240. Was there any one else in company with you then?—Yes, William Morris and John Brown.

241. Was it in the evening?—Yes; it was about 10 p.m.

242. Do you think that that meeting you had with Hogg in Stewart's hotel had anything to do with what subsequently transpired in Parliament?—Nothing whatever.

243. Did my name come up at all?—Yes.

244. In what way?—In a jocular way about Bun Tuck.

245. What was said that brought it up?—There was nothing said at all.

246. Was Morris saying anything?—He was making a joke about the Bun Tuck business.

247. Do you remember seeing Hogg making notes of what was going on?—I do.

248. What was he making notes of?—I cannot say; but I noticed that he pulled out his pocket-book and commenced pencilling.

249. Was he putting down what Morris had been saying?—Yes, I think so.

250. And Morris was joking about Bun Tuck?—Yes.

251. Was there a Chinaman named Bun Tuck?—Not that I know of.

252. You did not know Bun Tuck personally?—No.

253. Was I named as being Bun Tuck?—No.

254. Had that conversation any reference to Bun Tuck?—Yes.

255. You saw Hogg putting it down?—Yes.

256. Did you press the matter when you saw this going on?—I cautioned Morris at the time, telling him to be careful what he was talking about.

257. *Mr. Duthie.*] What did Morris say?—Well, in the meantime Hogg went out, and I said to Morris, "You be careful; that is George Hutchison's brother-in-law."

258. But what did Morris say—what was he talking about?—I do not think that he said anything at all important.

259. But you said Hogg was taking notes?—Yes; that is why I cautioned Morris.

260. But he must have been saying something then?—He was only joking.

261. Well, what was the joke?—I cannot say. I could see that Hogg was in search of information of some sort.

262. You are sure it was not an order for drapery?—I cannot say. I do not think so.

263. *Mr. Massey.*] You told us, Mr. Todd, that Morris referred jocularly to the Bun Tuck business?—Yes. John Hogg was the first to introduce the matter, and Morris made some remark, and I said to him, "You be careful."

264. What is the Bun Tuck business?—I could not say.

265. Are you quite sure that Morris referred to what you call the Bun Tuck business at all?—Hogg mentioned this Bun Tuck, and Morris took it up, but what alarmed me was to see Hogg take out his note-book and begin making notes.

266. How long ago was that?—About twelve months.

267. Had Mr. Seddon's name been mentioned?—No.

268. What was the necessity for cautioning Morris?—Well, I knew that Hogg is George Hutchison's brother-in-law—that was enough.

269. *Hon. J. McKenzie.*] Did the fact of your knowing that Hogg was George Hutchison's brother-in-law make you suspicious?—Yes.

270. *Hon. Mr. Ward.*] Would it have been possible for the statement made by the member for Patea, that the Premier was Bun Tuck—could that have existed in Kumara without your knowledge?—It would be impossible.

MONDAY, 31ST OCTOBER, 1898.

The Right Hon. R. J. SEDDON further examined.

*Rt. Hon. R. J. Seddon:* My name is Richard John Seddon. I am a registered mining agent, and for years carried on that business on the goldfields on the West Coast. There was a party of Chinese who took up a creek claim at the junction of the Blackwater and Greenstone Creeks. The party consisted of Gee Hung, Tien Gan, Ah Young, Yun Wah, Tun Shun, Bung Tuck, Shaw Kow, Young Chee, Ling Too, Yun War. I knew each individual, and appeared for them and conducted their business. They were defendants in a case brought by George Boyle and others. This party had, in addition to the claim, that which was known as the creek diversion and other mining rights. I appeared also for them in applications for these rights. Their claim was a most valuable one, and worth at one time at least, I should say, £1,500. They had protracted litigation owing to

other parties endeavouring to encroach upon their rights. In all cases I appeared and acted for them as their agent. On one occasion, I think, Mr. Guinness was also there. In connection with this litigation there were as interpreters Joe Tie and Joe Gett. The defendants themselves appeared in the Courts in respect to the application for mining rights, and also when they were defendants in the case that I have alluded to. Each individual was served by the bailiff with a summons. I say that Bung Tuck appeared in the Court, and was sworn and gave evidence. I say that Bung Tuck was a Chinaman, and well known. At a subsequent period Tum Shum was going home to China, and came and consulted me as to how he could leave his interest secured and at the same time insure the payment of liabilities which he had incurred to me. I advised one of two courses: Either that he could find some one that could be trusted as his attorney, or that he could transfer his interest to some one, with an undertaking that it should be transferred back—that it should simply be held in trust. With respect to the liabilities, that it would have the same effect—viz., that the party who would be mortgagee would have an equitable mortgage. Joe Tie, the interpreter, was present, and interpreted to Tum Shum, and on this Tum Shum said that he had the greatest confidence in myself, and that he would transfer his interest to me to hold for him, and that he would give instructions to the Chinaman who was to work the share and pay the liabilities, to pay the amount due by him to me. On this I drew out two agreements—one for registration in the Court, which was produced here by Mr. McEnnis, the Clerk of the Court, and which transfer agreement I notified Mr. McEnnis to bring with him when coming up here to give evidence. I, at the same time that Tum Shum transferred his interest to me in trust for him as agent, gave him an agreement that it would be transferred back by me to him on demand, provided the liabilities due were paid. Ah Lie was the name of the Chinaman who worked Tum Shum's share. The proceeds were sent to Tum Shum. I never received one shilling of the proceeds of that claim. I never received any gold whatever or any moneys of the proceeds of that claim, and I never paid any liabilities in respect to it. I was not a partner, but held Tum Shum's interest on the terms agreed upon. I never shared profits, nor was I liable for nor did I pay any liabilities. I may say it was a very good claim, and most of the Chinamen that worked in it, including Bung Tuck, I think, went home to China. The course I took in respect to this was the course often followed, and which still exists and is followed on the West Coast goldfields. It was well known at the time the agreement was made that the share was not mine. It was known to the Courts, and I have sworn so, and given evidence before the Courts; I was simply acting as agent and mortgagee. The share at the time the transfer was signed by Tum Shum was worth about £100. I heard at that time or shortly afterwards that £85 had been paid for a share in the claim. Bung Tuck was working the claim from the first, and it came to me with surprise and astonishment to hear sixteen years afterwards that his existence had been questioned. Now, of course, I did nearly the whole of the Chinese business in the Courts; it is very seldom they had any trouble or litigation but that I was the agent. I have no hesitation in saying that that which purported to be a statement from Wong Shung Wai and Tsai Chung was a fabrication, and I do not think it could ever seriously have been thought that such a letter could have emanated from a Chinaman. For instance, in it a place called Knapper's Gully is mentioned. Well, there never was to my knowledge such a gully on the West Coast. That this imaginary Chinaman named Wong Shung Wai should have said that I should be in future known by another name simply forms part of the fabrication. I have reason to believe this letter purporting to come from a Chinaman was concocted in Wellington. Further, I have been informed that a brother-in-law of Mr. George Hutchison's, who was a commercial traveller on the West Coast, had been some time ago in Kumara endeavouring to obtain information for the purpose of having the same used against me. I say here again that I never drew a shilling in my life in the way of profits or proceeds of this mining claim worked by the Chinamen. I shall be able to prove, Sir, that after I left the Kumara the account then due from this party to me was paid in full to my agent by the party without any reductions being made. I can understand how a person, ignorant of the practice which existed, on seeing an application or seeing the transfer, might come to the conclusion that I was an interested party, and not acting as agent or being a mortgagee. If, however, such person had made inquiry he would have elicited the facts that I have given to the Committee. Further, I again repeat that I never had an interest in my own absolute right in that mining claim. That is all I have to say, Sir.

1. *Mr. Massey.*] You said, Mr. Seddon, that you acted for these Chinamen in the case of Boyle and others?—Yes.

2. What year was that?—In 1879 or 1880.

3. Were you engaged in a lawsuit in 1886?—Not with that party. Boyle's sold out to another party.

4. Were you engaged for or against with another Chinese party in 1886?—I am not quite sure, but I know that we had several lawsuits, or what you would call objections to applications that had been made by other parties, or that other parties would make against that party, and in these cases you will find my name appearing either on the notice as the one giving the notice, with the names of these Chinese upon it, or, if it was in Court, you would find my name as being for one of the plaintiffs or defendants.

5. Did you at any time sue them for the profits of partnership?—Not that I remember.

6. *The Chairman.*] Was it in 1878 or 1879 you acted for these Chinese?—Some of the original party sold out and transferred their shares. Ah Lie left some one there to work Tum Shum's share. I am not sure whether the Chinaman who was working this interest declined to give up what he ought to have given to Ah Lie or Gee Hung for Tum Shum. Tum Shum never could or never did authorise any one to deal with this party except myself. Any action I took was to protect Tum Shum's interest. I had to protect his interest, and I did so conscientiously from the start to the finish. I do not recollect myself that there was ever any dispute as to profits. If there was I would necessarily be called upon to protect Tum Shum's interest.

7. *Mr. Duncan.*] Did this Tum Shum go to China?—Yes.

8. Did he return again?—No. He died there, as far as I know. His son is, I understand, here now.

9. What became of the transferred share?—The claim was worked out and abandoned. It was never sold, as a whole, to my knowledge.

10. Was there any arrangement, in working the claim, as to what share he should have?—Yes. As far as I understand, Tum Shum held a tenth interest and made arrangements with the Chinaman who worked the share. I had nothing whatever to do with the representation or the working of the share. I was only the legal agent.

11. If some of them had made a complaint to you, you would not have interfered with it?—Not as to the working of it. I nominally held the interest under the conditions that I have told the Committee. I could not interfere. I could not tell you what the claim paid. I know it was a very good claim. I think it paid, at one time, something like £10 a week. There was one case in which Tum Shum's party obtained damages against another party, and the balance, after deducting expenses, was handed by me to the successful party.

JOE TIE sworn and examined.

12. *The Chairman.*] What is your name?—Joe Tie.

13. Where are you resident?—Just now I am living in Wellington. I lived on the West Coast before. I have been only eighteen months in Wellington.

14. How long were you on the West Coast?—Some seventeen or eighteen years. I have been in New Zealand about twenty-nine years. I came in the ship "Fafuon" from India.

15. *Rt. Hon. R. J. Seddon.*] You say you have been in New Zealand twenty-nine years?—Yes.

16. Were you ever at Kumara?—Oh, yes; I went to Kumara as an interpreter in a Chinese law-case, with reference to the Tum Shum party.

17. Do you know how many were in the party?—I think there were about ten.

18. Can you give the names as far as you recollect them?—I do not remember them.

19. Can you give some of them?—Gee Hung, Shaw Kow, Ling Too, Yun War, Tien Gan, Ah Young, Young Chee. First I was in Greymouth three months, and then I went up to Kumara to interpret a case—Bung Tuck.

20. Was Tum Shum there?—Yes.

21. Was Gee Hung there?—Yes.

22. Were Tien Gan, Ah Young, Yun Wah, Bung Tuck, Shaw Kow, Young Chee, Ling Too, and Yun War there?—Yes, all of them.

23. Where did Tum Shum go?—He went home long ago; a few months after the law-case. He went home to China. The same year that he went home he died, and Sun Sung sent a letter to his brother. Yun War's brother's son saw Tum Shum die.

24. Whose name is this on this transfer [transfer produced]?—That is my own writing, Joe Tie.

25. Who was there when you signed that?—Tum Shum. He transferred his share to Dick Seddon to look after it for him. He did not sell it to him.

26. Did you interpret this to Tum Shum?—Yes. There was somebody else who kept the draper's shop there. He said, "You go up to Dick Seddon, and it will be all right." I was a "new chum" there at that time.

27. Did I not give Tum Shum an agreement that he would have the share back?—Oh, yes. However, Tum Shum went home and died, and never came back. Ah Lie worked for Tum Shum. All went home after they worked out the claim.

28. Had I anything to do, as far as you know, with the working of the claim?—No.

29. They were getting gold in the claim?—Yes.

30. Who got the gold, I or Ah Lie?—Ah Lie. You never got anything. You saw that nobody took the claim from Ah Lie. The Chinaman got the gold.

31. You knew Bung Tuck?—Yes.

32. Were you in Court when he came there?—Yes. Bung Tuck was a good many times in Court. Mr. Stratford was sitting on the bench, and I was interpreter in the Court.

33. During the time you were on the Coast did you ever know a Chinaman by the name of Wong Shung Wai?—No.

34. Did you ever know a Chinaman named Tsai Chung?—No, I cannot say I have met him.

35. *Mr. Massey.*] How long did you live on the West Coast?—About seventeen or eighteen years. I went up to Kumara for Tum Shum's party. They sent me up to interpret.

36. You knew this claim worked by Tum Shum and party?—Oh, yes. Dick Seddon was mining agent at that time.

37. Was it known as the Bung Tuck Claim?—It was known as the Tum Shum Claim.

38. Have you heard it spoken of as the Bung Tuck Claim?—Sometimes Bung Tuck, and sometimes Tum Shum. It was all the same.

39. Are you living in Wellington now?—Yes.

40. How long have you been living in Wellington?—About eighteen months. I came here last year.

41. By whom were you asked to give evidence before this Committee?—I received this document [document, summoning witness, produced].

42. Were you in the Parliamentary Buildings last night?—Yes.

43. What part of the Parliamentary Buildings were you in last night?—In some room. I do not remember which.

44. Who did you come to see?—I just came in.

45. Who did you see when you were here?—I saw Dick Seddon.

46. Did you see any one else?—No.
47. Did you come up here to see Dick Seddon last night?—Yes.
48. *Rt. Hon. R. J. Seddon.*] Was there any money passed when that document (the transfer) was given—did I pay any money to Tum Shum?—No.
49. There was no money passed?—No. Tum Shum said, “You look after my claim while I go home,” and all the party, too.
50. What was the value of the claim: do you know of any sale of shares?—They were about £70 or £80 shares. At that time they were getting good gold.
51. There were ten shares in it?—Yes.
52. *Mr. Graham.*] Did you know the contents of this document when you signed it: did you read it?—No; I cannot read.
53. You did not know what you were signing?—Tum Shum sent it there for Dick Seddon, and told us Dick Seddon would look after his interest.
54. You knew what this meant: it was interpreted to you?—It transferred Tum Shum’s share to Dick Seddon.
55. Was there another agreement at the same time, that, if Tum Shum was to come back, Dick Seddon was to transfer this share back?—Yes, he (Tum Shum) took that away with him.
56. You saw that agreement?—Yes.
57. This was only intended for Mr. Seddon to take care of for him while he was away?—Yes.
58. You are quite sure you saw that other agreement, and that that was the meaning of it?—Oh, yes. It meant it would be all right until Tum Shum came back.
59. It was really Mr. Seddon who took care of his share while he was away?—Yes.
60. Who got the share of gold that belonged to that man that went away? Mr. Seddon did not get it?—Oh, no.
61. Who got it?—His brother, Gee Hung, who was in the party, got the gold and sent it home. Dick Seddon never got the gold.
62. He (Dick Seddon) never got any profit out of it at all?—No.

JOE GETT sworn and examined.

63. *The Chairman.*] What is your name?—Joe Gett.
64. Where do you live: in Wellington?—Yes.
65. How long have you been in Wellington?—Four or five years.
66. What are you?—I am a storekeeper.
67. Before coming to Wellington were you on the West Coast?—Yes, sir.
68. For how long?—I left the Coast six or seven years ago.
69. How long were you on the Coast before that?—For eleven or twelve years.
70. *Rt. Hon. R. J. Seddon.*] Do you remember a party of Chinese that had a claim in the Greenstone Creek?—Yes.
71. What was the name of the party?—Bung Tuck, Yun War, Tien Gan, Tum Shum (he was the principal). There were ten in the party altogether.
72. Were these the party: Gee Hung, Tien Gan, Ah Young, Yun Wah, Tum Shum, Bung Tuck, Shaw Kow, Yun Chee, Ling Too, Yun War?—Yes.
73. These were the Chinamen in that claim first?—Yes.
74. Did you know each one of them?—Yes.
75. Was it a very valuable claim? Was there plenty of gold in it?—Yes.
76. Did you know anything about Tum Shum, or anything about a share he had in the claim?—Yes. When I came to Kumara I heard Tum Shum had transferred to Dick Seddon. He (Tum Shum) went home. When he went home he died at home after a few months. He never came out again.
77. You were interpreter in the Court in some of the law-suits between the party?—Yes.
78. Do you remember Bung Tuck giving evidence?—Yes.
79. Was he in the Court?—Yes.
80. Did you interpret for him?—Yes.
81. You said that I was to hold the share for Tum Shum?—Yes.
82. How did you know that?—Tum Shum is my cousin.
83. Then Tum Shum was also cousin to Joe Tie?—Joe Tie and Joe Gett—all cousins.
84. Who worked in the claim?—Ah Lie, for Tum Shum.
85. Was that arrangement made by Tum Shum?—Ah Lie looked after the dividends, and sent them back to him (Tum Shum). After a while the claim got worked out.
86. Gee Hung, he was a brother of Tum Shum’s, was he not?—He was the nearest relation.
87. Did you ever know two Chinamen, one named Wong Shung Wai?—I never heard such a name as belonging to the party.
88. Did you ever know any Chinaman of that name on the West Coast?—I never heard of such a name.
89. Did you ever know a Chinaman of the name of Tsai Chung?—There might have been; but I know he did not belong to this party.
90. How far is this claim from Waimea—how many miles?—About ten or twelve miles—I could not say exactly.
91. If any one said Tum Shum’s or Bung Tuck’s claim was at the Waimea, six miles, that would be wrong, would it not?—Yes. Greenstone is on this side of the range and Waimea is on the other side.
92. *Mr. Massey.*] Were you in Kumara at the time of this transfer, when Tum Shum was supposed to have transferred his share to Dick Seddon?—I was not there.
93. Do you know whether the share was ever re-transferred?—Tum Shum left it to Ah Lie Ah Lie interpreted it in Chinese to me.

94. Did you know anything about the share being retransferred from Richard Seddon to Tum Shum?—Tum Shum had the share transferred to him (Mr. Seddon) to hold for him, but never paid him any money for it.

95. Did Mr. Seddon ever at any time give back the share to Tum Shum?—Ah Lie got money from the claim and sent it back to Tum Shum.

96. Did Mr. Seddon give the share back to Tum Shum?—Tum Shum never came back, but Ah Lie worked the claim right out.

97. Is not the Bung Tuck claim in existence now—is it not being worked now?—No.

98. Are you quite sure?—Yes.

99. How long is it since you were there?—1887.

100. Do you live on the Coast now?—No.

101. How long have you been in Wellington?—For about five or six years.

102. You are quite sure the Bung Tuck claim is not being worked now?—Yes.

103. *Rt. Hon. R. J. Seddon.*] You mean it is not being worked by the Chinamen. It may have been taken up by some one else?—It has all been worked out.

104. How long have you been in Wellington?—About six years.

105. How do you know that some Europeans have not taken it up?—Chinamen have written me letters that no Chinamen have taken it up. I do not know whether Europeans have taken it up.

106. You have not heard of any Chinese taking up that claim?—No.

107. It may be taken up by Europeans and you would not know?—Yes.

108. *Mr. Graham.*] You say you saw the Chinese interpretation of the agreement that Mr. Seddon gave to Tum Shum, and it was that he was to get his claim back when he returned to New Zealand?—Ah Lie, in Chinese, said Mr. Seddon was to hold Tum Shum's share for him. Mr. Seddon never got any money for it.

109. Did Tum Shum get an agreement that he was to have it back when he returned to New Zealand; Mr. Seddon only holding it in the meantime?—Yes.

110. You saw in Chinese the agreement that he was to get the share back?—Yes.

111. The agreement that Tum Shum was to get it back when he came from China?—Yes.

112. Tum Shum never came back to New Zealand, did he?—No.

113. Did Mr. Seddon ever receive any benefit from the claim?—No. Ah Lie worked the claim for Tum Shum.

114. Although Mr. Seddon had this agreement, he had nothing to do with it, and Ah Lie worked the claim, and Mr. Seddon never got anything?—Yes.

115. Mr. Seddon simply held this man's interest while he was away?—Yes.

116. *Mr. Duncan.*] Do you know Joe Tie?—Yes.

117. Would you know his signature if you saw it?—Yes, I know his writing; that is it (document produced). That is his signature.

KING FOO, sworn and examined.

118. *The Chairman.*] Is your name King Foo?—Yes.

119. Where do you live?—In Manners-street, Wellington.

120. What are you? What are you doing in Wellington?—I am not doing anything here, only staying with my father.

121. *Rt. Hon. R. J. Seddon.*] Where do you stop, with Chow Fong?—Yes.

122. You heard that there had been an alien letter transcribed?—No. I did not want to be mixed up in this thing.

123. You say you do not want to be mixed up in this thing?—That is so, unless I have to.

124. You were living with Chow Fong?—Yes, sir.

125. Did you hear about an English letter being transcribed into Chinese?—No; I have not.

126. Do you know Harry Moss?—No.

127. You swear that?—Yes.

128. Do you know Johnston's store?—No.

129. You never saw him (Harry Moss) at Chow Fong's?—I might have seen him, but am not sure.

130. If he was brought in here now, would you know him?—Oh, yes.

*Rt. Hon. R. J. Seddon:* I will ask that Harry Moss be called.

*The Chairman:* I will summon the messenger, who has already delivered a message to Mr. Moss.

The messenger was then called, and questioned by the Chairman.

131. *The Chairman.*] You delivered a message to Mr. Moss?—Yes.

132. Did he open it?—He did, and said there was no answer required.

133. And that is all the answer you got?—Yes.

*Rt. Hon. R. J. Seddon:* Then I will dispense with this witness at present.

WONG FOO sworn and examined.

134. *The Chairman.*] What is your name?—Wong Foo.

135. What are you?—A storekeeper in Manners Street, Wellington.

136. How long have you been in Wellington?—Very nearly five years.

137. Were you on the West Coast before coming to Wellington?—No, I have not been on the West Coast.

138. *Rt. Hon. R. J. Seddon.*] Can you write the Chinese language?—Not just now; I am sick, and cannot write.

139. Could you write it before you became sick?—Yes.



140. *The Chairman.*] When in usual health, you can write Chinese?—Yes.
141. *Rt. Hon. R. J. Seddon.*] Do you know Harry Moss?—No.
142. Do you know Johnston's store?—Yes, I know Johnston's store.
143. Do you know anybody in that store?—I do not know now. I have been sick a long time. I do not know who is in Johnston's business now.
- Rt. Hon. R. J. Seddon:* I must have Harry Moss here, Mr. Chairman, before I can do anything with these witnesses.
- The Chairman:* We will have him summoned to attend.
144. *Rt. Hon. R. J. Seddon.*] King Foo, have you ever heard of a Chinaman named Wong Shung Wai?—No.
145. Or have you ever heard of a Chinaman named Tsai Chung?—No.
146. Have you not heard that name before?—No.
- Rt. Hon. R. J. Seddon:* That is all I have to ask, Mr. Chairman, at present.

J. A. MURDOCH sworn and examined.

147. *The Chairman.*] What is your name?—James Alexander Murdoch.
148. What are you?—A solicitor.
149. Where are you resident?—At Kumara.
150. How long have you been so resident there?—For five years.
151. *Rt. Hon. R. J. Seddon.*] You are a native of the West Coast, are you not?—I have been on the West Coast ever since I can remember. I was born in Adelaide.
152. You have been on the West Coast for twenty years?—Yes.
153. What age are you now?—Twenty-eight years of age.
154. You have been on the West Coast about a quarter of a century, then?—Yes.
155. You are practising now in the Borough of Kumara as a solicitor?—Yes.
156. And attend the Warden's Court?—Yes.
157. You are well acquainted with mining law and procedure?—Yes.
158. Do you know of a claim that was held some years ago in the Greenstone Creek?—I know the ground.
159. You know its position?—Yes.
160. What is the position?—Just below the junction of the Blackwater Creek and the Greenstone Creek.
161. Have any parties taken up that ground?—Yes. About four years ago a party of Chinese, who, it was alleged, had come back from China, or some of them, took up the ground and tried to erect a "wing dam," and they were flooded out; then that ground was taken over by their creditors, but these did nothing with it, and since that Gardener Wilson has taken it up as a prospecting dredging area.
162. The original party of Chinese had been away and abandoned it?—Yes.
163. Then the original party came back and took it up again?—Yes.
164. What did the party named Wilson call it?—They called it the Bung Tuck Dredging Claim.
165. Why was it called the "Bung Tuck?" Was he one of the original party?—Yes. He was one of the original party of Chinese, and there was a good deal of litigation in connection with the Bung Tuck party and the holding of the claim.
166. Has anything come under your knowledge in reference to this? Has anything occurred that specially directed your attention to this matter?—Do you mean to the name of the claim?
167. Yes?—Well, it is generally known in Kumara that a lot of litigation occurred in connection with it, and that you were identified with the litigation. And it is significant that whenever there was a row on in which the Chinese were involved you always represented them.
168. You have known me to appear in the Courts as a mining advocate and agent?—Yes.
169. In respect to litigation that had taken place, I had been there as the agent of the party?—Yes. It is supposed to have been a "good thing" for you, owing to the good fees.
170. What do you mean, that my charges were stiff?—Well, I should be very pleased to get them myself now. This place was always considered to be very rich ground. There was supposed to be a 40 oz. or 50 oz. nugget got out of it. That reputation for richness is really the motive that is inducing these dredging holders to take it up.
171. Speaking about fees and charges: Do you know any practice amongst the profession of the advocates with regard to taking a transfer of interests, and holding interests for the principals, or taking transfers as equitable mortgages?—Yes, that is frequently done. It frequently happens that a party of Chinese will come into your office, and request you to make application for what is supposed to be Crown lands. This very often gives Europeans the idea that the ground is payable, and very often you have long objections to answer and long sittings of the Warden's Court to get your title, and, of course, a considerable bill of costs runs up. Then the frequent course is simply to take a transfer of the title after it is granted, and hold it then as security for costs.
172. Have you ever done that yourself?—Yes, I had one set of applications that ran a Chinese party into about £60 of costs before the litigation was finished. Just near the Bung Tuck ground—on the Terrace. This account was paid without a murmur, and the property was reassigned to them.
173. Then you were simply the mortgagee?—Yes. Of course the doctrine, "Once a mortgage always a mortgage," applies to all such dealings. This doctrine leaves you in this position: the moment the amount is paid the Chinese are entitled to compel you to retransfer, or in default they can go to the Warden for a rectification of the register. Transfers are taken for the purpose of convenience.
174. What do you look upon this "transfer" here produced as?—Well, I would not look upon that as a usual assignment. For this reason—there seems to be only one title transferred, "Certi-

ificate for Creek diversion and erection of embankment," if a man were purchasing the interest of that ground, no doubt he would buy all the other "easements" as well as this particular one.

175. But the Creek diversion was the key to the situation?—It may have been.

176. Considering the value of this claim you have heard so much about, do you consider £5 as being heavy?—That was not anything like the value of the share.

177. It was stated that was simply a transfer as a holder's agent, and as security, would you say that was correct or otherwise?—Quite correct.

178. Were you not appointed my agent after I left Kumara?—Yes.

179. You knew of the Tum Shum and party who had been in the creek there?—Yes.

180. You had an account from me to collect?—Yes.

181. Did you collect it?—Yes.

182. Did you collect the whole of the money, or were there any deductions from it?—No deductions whatever. I collected the full amount, excepting 9s. 6d., which I allowed off it.

183. Have you anything to connect that with a party called Bung Tuck?—Yes; this is one of the accounts made out and handed by you to me in your own office in 1895.

184. This is an account [account produced]: "Bung Tuck and party *Dr.* to R. J. Seddon"?—Yes.

185. You say you collected that from one of the parties?—Yes, in full, and allowed the party 9s. 6d. off it. The particular shareholder that paid me and did the business was Wong Chuck.

186. He was known as "the old man" of the party?—Yes.

187. After this was there any demur, or what was the attitude "the old man" took up?—He never took any exception whatever to the amount of the account, not the slightest.

188. Was he friendly or unfriendly?—He was very friendly disposed towards yourself, as were all the other Chinamen there.

189. How do you know that?—Well, all the Chinese I have to deal with—and I took over the most of your practice as far as the Chinese were concerned—were all inclined to the opinion that if they only had Mr. Seddon again they would be all right. They had an impression that you generally "scored" before the Wardens, and were generally disposed to you, and are so even yet. This old man, when I had a conversation with him on the 16th, did not feel inclined to give me any information until I assured him I was not coming here unknown to yourself. He is very grateful for the work you have done for his countrymen in the past.

190. Coming back to the transfer, in any proceeding after that transfer my name would have to appear on the pleadings?—Yes, you would have to be joined as a party.

191. I would have to join as one of the plaintiffs or defendants?—Yes.

192. Is there not an individual ownership in all applications, and certificates of title issued prior to the Act of 1891?—Yes, under the Act of 1877. This arose owing to the absence of any interpretation of the word "partnership" in the former Acts.

193. The matter was amended in 1891 and 1893 in that respect?—The Act of 1891 amended it. The 1893 Act was only amplifying it, and making it extend to other mining rights.

194. In getting that transfer, would that make me liable for past liabilities belonging to the other parties in the claim?—No. I remember a decision of Dr. Giles in Hokitika in 1886, in which it was held that before the Mining Act of 1886 came into force these were not partnerships; that the persons were joint adventurers only.

195. Provided this document was simply a transfer as attorney, or even as mortgagee, it was not a partnership?—No.

196. Did you notice the date of it?—Yes, 1882.

197. At that time it would not constitute a partnership?—No. Now, of course, it would, owing to the special provisions in the 1893 Act, amended from that of 1891.

198. Which special provision secures to creditors the payment of the past liabilities?—Yes. On complying with the registration clauses the creditor holds a lien of the property, which lien takes precedence over any subsequent dealings.

199. That has been done with the law of 1893?—Yes. Even the Act of 1886 was deficient in its machinery clauses relating to creditors' liens.

200. Prior to these later Acts no person purchasing interests was in a partnership or took the liabilities?—That was so.

201. Were you present in a hotel in Kumara when something transpired in reference to this claim, and my name came up?—Yes, I was present one evening, and some conversation occurred as to the Bung Tuck Claim.

202. Was Mr. Hogg present?—Yes.

203. Who is Mr. Hogg?—He is brother-in-law to Mr. George Hutchison, I understand.

204. What was the conversation?—Well, I cannot exactly remember the conversation. It had some reference to that subject.

205. Was the taking-up of the Bung Tuck Claim under discussion—the retaking-up of the ground that led to the conversation?—Yes. The retaking-up of the ground revived the whole of the incidents in connection with it—as to Mr. Seddon having always advocated Bung Tuck's cause, and so on.

206. A casual conversation in a hotel, was it not, in the evening?—Yes.

207. Have you received anything to remind you that there had been such a conversation?—Yes. I got a note from Mr. Hogg asking me if I would give him the full particulars as to what had occurred. He was evidently under the impression that it was I who was spokesman that night—giving the information.

208. Have you got the letter?—Yes; here it is, viz.: "4th June, 1898, Wellington.—DEAR MURDOCH,—I shall deem it a great favour if you will once more supply me with the particulars of Bun Tuck's (*alias* R. J. S.) association with other Celestials in that mining partnership. You were

kind enough to give them to me once, but I have, or some one has for me, mislaid the book in which I took those notes. No one will know from whom I got those particulars. I happened to be speaking to my brother-in-law about them on Sunday, and he is very anxious to get hold of them at once, as he wants to work it in during the opening here this month. Please write by return giving me as many particulars as you can. I will copy them out in my own writing, and then destroy your letter, so as to be sure that no one but myself may have any idea of your connection with it. Send me a collect wire on receipt of this, so that I may know when to expect your letter. By doing this you will oblige, sincerely yours.—JOHN HOGG.”

209. You say he infers you had given him something?—I say he had evidently mistaken me as being the spokesman of the party. I just put the letter away on the file, and did not even reply to it. I thought he might make use of whatever was said that night. To that I had no objection, but I did not want myself to repeat even what was said. I do not remember all the details of the conversation.

210. Mr. Murdoch, you say you were brought up in the district?—Yes.

211. Did you ever hear, in the course of your life, it said that I had such a name myself as “Bung Tuck”?—No.

212. You were astonished, I presume, when you got this letter mentioning it?—Oh, yes.

213. You know, of course, from your professional knowledge, and being on the West Coast, I had been and was the agent for this party?—Yes.

214. You have said, in any actions with either plaintiffs or defendants, that I should have to appear?—Yes. To the world you were, for the time being, the registered owner of that individual share, but as between the transferor and yourself you were either the agent or equitable mortgagee.

215. If there was money due to me I was mortgagee?—Just so.

216. What is about the date that you got this account paid?—It was all paid within a couple of years of your leaving Kumara. They came and paid as they washed up.

217. It has all been paid within the last five or six years?—This account was handed to me in 1895.

219. You have seen that transfer of Tum Shum. Supposing the other partners not accounting for the moneys, the profit. We will say the party went on working, and the profits were not accounted for at any time to the proper representative of Tum Shum, would I not be called upon to take proceedings?—Yes, you, being registered for the time being, would.

220. To protect the interest of the mortgagor or the principal?—Yes.

221. In other words, I would be the plaintiff and the other parties would be the defendants?—Yes.

222. *Mr. Duthie.*] Mr. Murdoch, when did the first party, Tum Shum, go away to China?—Some of the original owners went to China before my arrival in Kumara.

223. Then the claim lapsed to whom—the Government?—It became Crown lands through forfeiture or abandonment.

224. So, if it was abandoned, the value was not so great. After they abandoned the claim it was shown it could not have been of value?—They worked down below the level of the creek, when they were flooded out, and could not pursue their work. It was always reputed a valuable claim until they were flooded out.

225. They abandoned the claim, you tell me?—Yes.

226. Therefore, they could not have attached much value to it?—Not after they abandoned it.

227. At what date did they abandon it?—I could not say.

228. On what date was the claim taken up again?—Speaking from memory, I should say about 1894 or 1895.

229. Then these services rendered for this account would be to the original party?—Yes.

230. Then they were known as Bung Tuck and party?—Bung Tuck, Sum Tum, or Wong Chuck party.

231. They were known as the Bung Tuck party?—Yes.

233. Then the Bung Tuck party was in existence in 1890?—Evidently, by that.

234. You said the transfer of this share to Mr. Seddon did not constitute a partnership—that he was not liable for past claims?—That is so.

235. The interest in the claim would be liable for the past claims: the interest he acquired?—No.

236. His interest was only identical with the Chinaman's?—Yes; but you must look at it this way: Creditors could only look to the personal liability of the debtors.

237. The claim itself was not liable for the debts?—No.

238. While the claim was in common between certain parties, that property was not liable for debts incurred on account of it?—No; in fact, it is not so now, unless the creditor registers a lien.

239. It was a joint partnership property, and surely any purchaser was liable?—No.

240. It is not in that sense he was a partner?—He held an individual interest.

241. There is a creek-diversion talked of, and an old man?—Yes.

242. Were there two separate interests, or more?—As I understand, the moment that party got the right to divert the creek they would get a right to erect an embankment, which would give them a key to the whole of this ground. Consequently, that would be a claim consequent upon or following the right to the creek-diversion certificate.

243. Were the Chinamen engaged in the creek-diversion and the Chinamen engaged in this gold-mine the same?—It would be the same party.

244. They would be both in the finding of gold and in the creek-diversion?—Yes.

245. Bung Tuck or Tum Shum?—Yes.

246. The party was the same?—Yes.

247. You did not tell Mr. Hogg what you remembered of that conversation. Would you mind telling us?—I just remember Mr. Seddon's name was connected with it as having been an advocate, and that during a lot of litigation in the Warden's Court he did fairly well in being the advocate for the party. Whenever there was a dispute on, Mr. Seddon invariably held a retainer from the Chinese. Of course, Chinese go together. If you successfully conduct a case for a Chinaman he recognises that and always sticks to you.

248. You say it was not you that made the statements that struck Mr. Hogg's fancy?—No doubt I may have joined in the laugh, or anything of that sort.

249. Can you tell us who really made the statements?—I really cannot. I should not have thought of it again but for that letter I received.

250. *Hon. J. McKenzie.*] Were there many people there that night?—Not many.

251. *Mr. Duthie.*] How many?—I could not say.

252. You could not tell the hour of the day?—It was after closing my office in the evening.

253. You have no recollection, and cannot give us the information as to who made the statements?—No.

254. *Hon. J. McKenzie.*] You remember the thing being discussed?—Yes.

255. *Mr. Duthie.*] I think we have it in Mr. Hogg's letter that it was comparatively recent. Was it within the last twelve months?—I really could not say when the conversation did occur.

256. Is your memory usually so bad as all that?—I did not attach the slightest importance to the conversation, and did not think it would be repeated.

257. *Rt. Hon. R. J. Seddon.*] You say you never gave any particulars or stated that I was known by the *alias* Bung Tuck?—No.

258. You swear that positively?—Yes.

259. The assumption that it was so was incorrect?—Yes.

260. Do you remember, to the best of your recollection, any one ever saying that I had such an *alias*?—No; Bung Tuck was well known.

261. "You were kind enough to give them to me once." You say you never gave them to him once or at any time?—That is so.

262. Have you any recollection of Mr. Hogg taking any notes?—No.

263. *Mr. Duncan.*] Did you answer that 4th of June letter?—No; simply filed it away.

264. *Mr. Duthie.*] You told us that you are engaged as a lawyer for Chinamen?—Yes.

265. Do you personally know the Bung Tuck that was in partnership?—No.

266. You never met him?—No.

267. Do you know who really did?—I have heard Bung Tuck was known by Sam Wah Lee, the interpreter, and Captain Brown, a storekeeper in Kumara.

268. Do you mean they would know him?—I feel sure both of these gentlemen knew Bung Tuck personally.

269. *Rt. Hon. R. J. Seddon.*] Did you ever come across any Chinaman on the West Coast called Wong Shung Wai?—No. I never heard a name even approaching it in sound.

270. Tsai Chung: did you ever hear a name such as that?—No; not spelt that way. Chy Sung would be more like it. If a Chinaman went in to take out a miner's right the clerk would spell it "Chy," not "Tsai."

271. You never saw or heard of any such names during your experience on the goldfields?—No.

TUESDAY, 1ST NOVEMBER, 1898.

HARRY WALTER MOSS sworn and examined.

1. *The Chairman.*] What is your name?—Harry Walter Moss.
2. What are you?—A salesman.
3. In whose employ?—Johnston and Co.
4. In Wellington?—Yes.
5. You know the purpose of this Committee generally?—Yes.
6. To inquire into certain statements made in the House by Mr. George Hutchison in reference to the Premier?—Yes.
7. *Rt. Hon. R. J. Seddon.*] Your name is Moss?—Yes.
8. You are a native of Greymouth?—Yes, practically.
9. What do you mean by practically?—Well, I was not born in Greymouth.
10. You were a long time on the Coast, were you not?—Yes.
11. You knew me on the Coast?—Yes.
12. Did you ever know me by any other name but my own?—No.
13. Did you ever hear that I was a person of indifferent character?—No.
14. How long have you been in Wellington?—Twelve or thirteen years—thirteen, I think.
15. You were summoned to give evidence here yesterday, were you not?—Yes.
16. What time did you get the notice?—About twenty minutes past 11, I think.
17. Why did you not come?—I could not get away.
18. You expressed a wish to see Mr. Hutchison first, did you not?—No. The fact was, I thought that it was a bogus subpoena. I had an idea that it might be a practical joke.
19. And you wished to see Mr. Hutchison?—I wished to ask if it was a genuine signature to the notice I had received.
20. So you went to Mr. Hutchison?—I went to see his clerk. I was busy when I received it.
21. You have some slight idea, I suppose, about a speech delivered in the House by Mr. Hutchison?—Yes; I saw it in the paper.
22. You also saw that there was a Chinese letter mentioned?—I saw it in the paper.

23. Now, will you read that?—[Witness read the following, handed to him by the Premier:] “Listen to me: Wong Shung Wai and Tsai Chung (which is this narrator) were gold-picking at Knapper’s Gully, on the Six-mile Rush. He who now rules the Government came to our camp one night. We had heard of him before, and we were alarmed. He had to do with everything at the place called Staffordtown. His name among the English was D(ick) Seddon. After we had eaten rice, he had much talk with Wong, who was very learned in all languages. He could talk in the language of the country as much as the mandarin Seddon. Then they did some writing, and this narrator also put names to the end of the writing. When the mandarin had gone Wong told this narrator that we were now brothers in the claim, but that our brotherhood was not to be talked of. Wong said Seddon would be known as Bun Tuck. He said our brother was powerful before the Warden as an advocate, and sometimes went to the place of Government, and was feared there for his great talk. Wong was also a person of much talk, but our people did not always listen to him. . . . He (Wong) said Bun Tuck was very clever, but not clever enough. We had plenty provisions then, and we had much joy, and our perspiration ran very free. One day Wong went away because the constable was looking for him. He only left a message to say that he had been like a rat dragging a shovel, and that our claim was sold to a number of white devils, and that I had better leave the place quietly. But this narrator was very poor. I had entered my coffin, as we say in China, and been buried. So I went to Bun Tuck, but he raised the wrath-matter, and told me I was descended from stupid people. He said, moreover, Wong Shung Wai had got the best of the squeeze. Nevertheless, he gave me twenty taels. This narrator then went far away. I went to China, but have since returned. Bun Tuck is much changed since then, but I know him when I see him.” [Having read the foregoing, the witness said:] Yes; I saw that in the newspaper, but I do not know whether it was exactly the same.

24. *Rt. Hon. R. J. Seddon.*] Did you receive a letter like that?—No.

25. Have you seen one like it?—Yes.

26. What was done with it?—I cannot say.

27. How did you come to see it?—It was handed to me.

28. By whom?—Through Mr. Hutchison.

29. Through Mr. George Hutchison?—Yes.

30. He gave it to you?—Yes. As stated through Mr. Gale.

31. What did you do with it?—I had it translated into Chinese.

32. Who was the Chinaman who translated it: was it Wong Fong, fruiterer, in Manners Street?—No.

33. Were you at Wong Fong’s?—No; I do not know such a name.

34. Were you in there?—I know it was a Chinese store in Manners Street.

35. Then, you received this letter through Mr. Hutchison, written in English?—Yes.

36. And you took it to a Chinese store and got it translated?—Yes.

37. And then the true story is that you got that letter which you received from Mr. George Hutchison translated into Chinese?—Yes, that is correct.

38. I suppose you looked upon this as a joke?—Yes, I treated it as a practical joke.

39. Whom did you give the translation in Chinese to?—I think it was Mr. Hutchison, but I am not quite sure.

40. *Mr. Morrison.*] What was the name of the Chinaman who translated that letter?—I do not know his right name.

41. You do not know his right name?—No, I cannot say. I have known the Chinaman for many years, but I do not know his right name. I think he has half a dozen names.

42. Is he in business in Wellington?—I am not certain of it. There is much of a mixture of these Chinamen, but I think this man is a partner in business.

43. What was the name of the Chinese shop you went to to have the translation made?—I do not know the name of the shop at all. I know the shop, but it has two or three names.

44. You do not know the name of the Chinaman who translated this?—No. I would not like to swear it.

45. *Rt. Hon. R. J. Seddon.*] What is his general name?—Well, I generally call it Wong. [Corrected afterwards by telephone “Chow.”]

46. *Mr. Morrison.*] The name is Wong, as far as you know?—Yes.

47. And he lives in Manners Street—keeps a fruit-shop there?—Yes.

48. I suppose when you got this document there was a certain amount of secrecy to be observed?—No, I do not think so. I do not know of any secrecy; I was not told that it was a strict secret.

49. When Mr. Hutchison handed you this letter written in English and asked you to try and get it translated, did he not express a wish that you should keep it quiet?—No.

50. Was not the least hint given you that it was not to be talked about?—If there was any such hint given I have forgotten it.

51. Well, you kept it quiet?—Yes, I have not said much about it.

52. And after you received this letter and had it translated you never told anybody about this huge joke?—No.

53. When the letter was returned to Mr. Hutchison did he not express his satisfaction?—No.

54. Well, only you and Mr. Hutchison were in the “know”—the secret—as regards this letter?—I do not know that anybody but Mr. Hutchison and myself read the letter.

55. Did you read it?—Yes.

56. Then, as far as you know, only you and Mr. Hutchison saw it?—I cannot swear to anybody else.

57. *The Chairman.*] You cannot swear to that?—No.

58. *Hon. J. McKenzie.*] How did you come to do this friendly act for Mr. Hutchison?—I was simply asked to do it—that is, to try and get the letter translated into Chinese.

59. Were you acquainted with Mr. Hutchison before?—No.
60. Now, did Mr. Gale ask you to do this for Mr. Hutchison?—I think Mr. Gale did say something about it.
61. Did this Chinaman do this work for you for nothing?—Oh, yes.
62. You did not pay him any money?—No.
63. What did the Chinaman say to you when he gave this back to you?—He did not say anything at all. I think he was pretty tired of it when he had finished it, and he did not make any remark at all.
64. *Mr. Duthie.*] I think, in answer to Mr. Seddon, you said the English document was signed by two Chinamen?—No; only by one. I think it was Si Chung or Sing Ching.
65. Did you retain the original document?—No.
66. There was a Chinese signature there?—Yes.
67. Have you any reason to believe it was a genuine signature?—No.
68. It professed to be signed by a Chinaman?—Yes.
69. Are you of opinion that it was signed by a Chinaman?—No; I do not think it was.
70. Then, your evidence was wrong if you said it was signed by two Chinamen?—That must have been wrong. I do not swear that there were two, or one. I did not take sufficient interest.
71. You do not know?—No; I do not know.
72. *Mr. Massey.*] You are not quite sure whether the signature is genuine or not?—I cannot say it was genuine.
73. You would not say it was not?—It did not look like Chinese writing. I think I could tell Chinese handwriting.
74. Was the signature in the same handwriting as the body of the document?—I cannot recollect.
75. Have you any doubts as to the genuineness of the document at all?—I do not know whether it was genuine.
76. *Mr. Graham.*] Did I understand that you said the letter placed in your hands by Mr. Seddon was a copy of the one handed to you to be translated?—It was similarly worded.
77. You say a letter similar to this was handed to you by Mr. Hutchison?—Yes; handed to me through Mr. Hutchison.
78. By Mr. Hutchison?—No; it was handed to Mr. Hutchison by a party.
79. And you handed it to a Chinaman for translation?—Yes; I did.
- 79A. You did not know Mr. Hutchison's object?—No.
80. You were simply made a medium to get this done?—I thought it was a practical joke, that is all.
81. The party was Mr. Gale?—Yes.
82. I understand you to say that Mr. Gale gave you this, he having got it from Mr. Hutchison, and you took it to the Chinaman?—Yes.
83. You do not know how Mr. Hutchison came to be possessed of it?—No; but I am sure that it was not any one in the firm.
84. He brought it there as far as you know?—Yes.
85. *Mr. Duncan.*] Was the letter you took to the Chinaman handed back to Mr. Hutchison with the translation?—Yes, I think he was there at the time.
86. Were they both handed back to Mr. Hutchison?—To Mr. Gale.
87. *Mr. Graham.*] Both the English and the translation?—Yes.
88. *Rt. Hon. R. J. Seddon.*] Was it type-written?—No.
89. Was it in writing?—Yes.
90. Did you recognise the handwriting?—No; but it was not that of any one in our firm.
91. Now, what you have told us is that Mr. Hutchison gave this letter to Mr. Gale, who passed it on to you. That letter is purported to be signed by Chinese, and you take it to Wong, in Manners Street, and ask him to translate it into Chinese; he did so; you then get the letter and gave it back to Mr. Hutchison?—I gave it back to Mr. Gale.
92. That is all you know about it?—Yes.
- 92A. And you looked upon it as a joke?—Yes.
93. If any other party has said that he received that Chinese translation from a Chinaman, he is not telling the truth?—No. If it was the same one as here produced—that is a letter of the same nature. [Looking at *Hansard*, page 64.] The letter is practically the same as that which appears in *Hansard*.
94. Will you describe the document as handed to you: was it on a kind of pink paper?—It was one long piece of white paper.
95. The translation?—Yes.
96. A long piece of paper with Chinese characters on it?—Yes.
97. A person saying he had got that from a Chinaman would be under a wrong impression if he said he got that from a Chinaman?—Yes, as far as that letter was concerned.
98. In other words, it was the letter you got that was translated into Chinese?—Yes.
99. *Mr. Massey.*] You are quite sure it was the same?—It was the same wording; whether he had another letter the same I cannot say.
100. You are not positive it was the same?—No.
101. *Rt. Hon. R. J. Seddon.*] It was to the same purport?—Yes.
102. I suppose you were surprised when you found yourself connected with this?—No.
103. You saw in the newspaper that I had made reference to a clerk having some knowledge—Yes.
104. I suppose you then asked yourself, who has "peached"?—I have a pretty good idea.
105. There were more concerned in this, then?—No.

106. Some Chinamen?—They might have been.

107. It does not do to rely on Chinamen for secrecy?—No.

108. Looking upon it as a joke, you do not think there was much necessity for secrecy?—No.

109. *Mr. Graham.*] Did you wait while the translation was made?—Yes.

110. *Mr. Massey.*] You know Kumara?—Yes.

111. Did you ever hear of Mr. Seddon being a partner with the Chinese?—No; I was young at the time, and did not take enough interest.

112. *The Chairman.*] You brought the translation away with you and gave it to Mr. Hutchison or Mr. Gale?—Yes.

113. *Mr. Morrison.*] And the original too?—Yes.

114. *Rt. Hon. R. J. Seddon.*] I suppose they did not object to your coming here to give evidence?—Not in the slightest.

The Rt. Hon. R. J. SEDDON further examined.

*Rt. Hon. R. J. Seddon:* I have received a communication which has an important bearing on this matter. It came to me without my communicating with the Warden, and I would ask to put it in as evidence. The writer was Warden at the time of the litigation concerning the taking-up of the claims. The letter is as follows:—

“DEAR SIR,—

“Danesfort, Paeroa, 24th October, 1898.

“Although I am not altogether in accord with your political programme, I do not like to see unjust accusations made against you. I wish to say that in the matter of your appearing in the Warden’s Court in Chinese cases at Greymouth and Kumara, I originally gave you the license to appear as a mining advocate in 1879 in the Courts over which I presided. You conducted several cases in which Europeans were concerned on both sides in 1879–80, notably one in which riparian rights and damage to paddocks were the subjects of dispute, which case you won, although very strongly opposed by Mr. C. E. Button and Mr. Perkins; when the former gentleman, in response to a remark of Mr. Perkins to me, ‘that they would appeal,’ replied that ‘There is nothing to appeal on, and it cannot be upset either on questions of law or fact.’ You only appeared in one case in which Chinamen were concerned during the twelve months I had charge of the district as Warden, and that was, as near as my memory serves, a case of backing water on to a claim somewhere near the junction of the Greenstone Stream with the Teremakau River. The parties on the one side were Europeans, but I do not remember which of them you appeared for. It certainly was not a question in which you were personally interested, and was a very minor case indeed. You are at liberty to use this letter in any manner you may deem fit.

“I am, &c.,

“JAMES MACKAY,

“Warden and Resident Magistrate, Grey District, in 1879–80.

“Right Hon. R. J. Seddon, P.C., M.H.R., Wellington.”

I also wish to show you a copy of an application made out by me in 1883, in which you will find that there was a change in proprietorship. You will notice the names Young Chee, Ah Young, and Bung Tuck among others. Bung Tuck was there then. I have already told you that all Tum Shum’s interest was transferred to me to hold for him.

114A. *Mr. Duthie.*] At what date?—In 1882. This document is dated 1883. Some of the rights were not registered, and there are no records of such, in the Court. Creek claims or ordinary claims were not required to be registered. Then, when you change a claim as you are working up a creek, as you work out the ground below you, the moment you shift your peg it means a new taking-up and new claim. Now, from the time Tum Shum transferred his interest to me as agent you will find my name on the applications posted on the ground and in the Warden’s Court, and the name of the Chinaman Bung Tuck therein appears. There was no concealment possible. It could not be possible that Bung Tuck and I were the same individual, because you will find his name and my name on the application. Now, in the proceedings in Court the action was against Ah Mum, who was coming in below these other Chinamen, and was, as far as I can recollect, putting *débris* in the creek and backing water on their claim, and gave notice that there would be an action for damages. Later on Tum Shum’s party were working up near the Greenstone Bridge, and a notice was served that the bridge would be endangered, and so I went and told the party that they must stop, for I saw a serious danger. And there was also some dispute among them about proceeds and payment of liabilities. I think I gave them notice that unless the dispute was amicably settled and they stopped working near the bridge I would bring them to Court. I am not sure as to whether a plaint was entered; but, at all events, in all records of whatever proceedings were taken you will find the name of Bung Tuck, and also my own name as well. As I have said, the individual Chinese changed, as shown by this notice. In the case in which we recovered damages against Ah Mum, after I was paid what was due to me the balance was handed to the Chinese. I never received any profits, nor did I know what gold they got. I simply carried out my part of the arrangement with Tum Shum, and was only troubled by the knowledge that the bridge was endangered, and if it was brought down I might get into trouble. All this was some years ago, and I have not paid much attention to it since. I felt hurt by the suggestion made by Mr. Hutchison that there was no Chinaman named Bung Tuck, and by the allegation that I had been known by that name. I thought that was rather serious. As regards my name appearing on the rights, and my acting for Tum Shum and others, I do not think there was anything wrong in that. I was carrying on my business, and acted professionally, and I would not mind if I was doing as well now as I was doing at that time.

115. *Mr. Duthie.*] Now, on page 64 in *Hansard* you will find: “But would it be believed that the right honourable gentleman, while denouncing Sir Robert Stout for being associated even in so

remote a way with Chinese labour, was himself once connected with Chinamen on the West Coast?" Well, that, I presume, is not questioned. You were in business with them?—As regards doing business for them in the Court, certainly I did.

116. And held, according to your explanation, an interest on behalf of Chinamen?—Yes.

117. Then, turn to page 65: "I say that the right honourable gentleman was a partner with the Chinese on the West Coast, and that he was known among them as Bun Tuck." Well, we have had evidence to that effect?—I must explain that I was on the register as a shareholder, the other shareholders being the parties mentioned in the documents which have been put in. Dr. Giles called them co-adventurers; we called them shareholders; but in reality the license was held by the individual—that is, until we altered the Act in 1891. If I said that I was not one of the party, I stated that which was correct. If I was asked the question, "Were you a shareholder in that claim?" my answer would be, "Yes; but not a partner"—each held an individual right, and I held Tum Shum's rights.

118. But you have offered no evidence on the point that you "were known among the Chinese as Bun Tuck"?—Yes; I have offered overwhelming evidence. I have asked almost every witness that question.

119. *Mr. Massey.*] But I think you have missed the point—that is, that you were known among the Chinese as Bun Tuck?—They tell you "No," I was not so known. I say there is an insult in that allegation.

120. *Mr. Duthie.*] Well, I was out of the room, and missed the evidence on this point?—The evidence was given by the interpreter, and by the interpreter also for Bung Tuck's party.

*The Chairman:* The evidence is here type-written by the reporter.

*Rt. Hon. R. J. Seddon:* The Chinese witness produced this fictitious letter referred to by the witness Moss, and I say that that letter having been proved to be a fiction, this allegation that I was known as Bung Tuck must fall to the ground.

121. *Mr. Duthie.*] You remember that Mr. Hutchison has not appeared to give evidence?—Yes; I only wish he had, for it would not have lasted so long.

122. My point was that you had been bringing all evidence of Europeans to show that you were not known as Bun Tuck, when the evidence we wanted was that of the Chinese. However, I admit that I did not hear the evidence of the Chinese who were called?—Well, I can make sure of that point by calling this Wong mentioned by Mr. Moss. He would be a very good witness; but I repeat now that it would be impossible for me to be known among the Chinese as Bung Tuck; they called me "Dick Sudden." I asked the Chinese if they knew Bung Tuck, and they said Yes, they knew him very well. If there is any doubt in your mind I will get you the evidence of some Chinese who are now in Wellington.

123. It is entirely your own matter. Did any of these Chinese witnesses know Bung Tuck personally?—Yes.

124. Did you, Mr. Massey, understand that?—Yes.

*Rt. Hon. R. J. Seddon:* Well, I can bring other Chinese witnesses. I remember there was some trouble about the bridge—there was a danger (as the claim was being worked out) of them getting too near the bridge, and they were notified by the local authorities that they would be held responsible for any damage done. I then, as far as my memory goes, notified them that they must cease work. There had been some changes in the party working the claim at that time, and Ah Lie was left to look after Tum Shum's interest in the claim; he left, and there was a dispute with the man that came in, and there was some trouble because of the action I took in regard to the threatened bridge. If a plaint was issued my name would appear thereon.

125. *Mr. Massey.*] You do not remember exactly what the plaint was?—No, I do not recollect. There were many cases, and I cannot recollect what this plaint was, or if it was issued.

WEDNESDAY, 2ND NOVEMBER, 1898.

JOE TIE, further examined.

1. *Rt. Hon. R. J. Seddon.*] Your name is Joe Tie?—Yes.
2. You are a Chinese interpreter?—Yes.
3. And you were on the West Coast some years ago?—Yes.
4. You were practising in the Court at Kumara?—Yes.
5. You knew me?—Yes.
6. And you knew most of the Chinamen about there?—Yes.
7. You knew nearly all the Chinamen?—Yes.
8. What is my name among the Chinamen?—"Dick Sudden"—the Chinese not speak plain, but they call you that—"Dick Sudden."
9. Did you ever hear them say that I was Bung Tuck?—No.
10. Did you ever hear them call me by any other name?—No, I never hear Chinamen call you other name.
11. There was a Chinaman there called Bung Tuck?—Yes; digging at Greenstone Creek.
12. He was Bung Tuck?—Yes.
13. *Mr. Duthie.*] Did you know Bung Tuck personally?—Yes, I knew him.
14. You knew him to see and speak to him?—Yes; I knew him long time—about when case was on—one year and something after that I saw him.
15. Did you know other Chinamen in that party working at the claim?—Yes; ten men in the claim.
16. Did you know them?—Yes.
17. Are there any of them about now?—No, not now; some die; some go China. Gee Hung and some go home China, and been home four or five years.



18. And none of them can be got now?—No. I think Yung Wah has been home, and has come back.

19. Is he in Wellington?—I do not know.

20. Where is he?—I do not know.

21. *Mr. Massey.*] Is Bung Tuck a common name among the Chinese? Are there other Chinamen of that name?—There might be some; I do not know.

22. Did you ever know another Chinaman named Bung Tuck?—No.

23. Did you know a Chinaman named Tuck?—No; but there might be one of that name.

24. *Mr. Graham.*] Does “Bung” mean his Christian name? My name is “John” Graham: was “Bung” all the same as “John”?—“Bung” is his Christian name; it is his first name.

25. You say Bung is his first name?—Yes.

26. You knew a man well on the West Coast named Bung Tuck, and you only knew one man of that name?—Yes, I knew him—only one.

27. How long did you know him?—First time I saw him on the Coast; I saw him with ten men of the party. Then after that I knew him few weeks.

28. You did not know Mr. Seddon as Bung Tuck?—Nobody called him “Bung Tuck.”

29. Bung Tuck was a Chinaman, and was well known on the Coast?—Yes; there was only one Chinaman Bung Tuck I knew on the Coast. There might have been others.

JOE GETT further examined.

30. *The Chairman.*] You have been sworn to tell the truth?—Yes.

31. *Rt. Hon. R. J. Seddon.*] Your name is Joe Gett?—Yes.

32. You are a Chinese interpreter?—Yes.

33. And now a storekeeper in Wellington?—Yes.

34. Did you know me on the West Coast?—Yes.

35. You had business to do for me as interpreter?—Yes.

36. Did you know a claim in the Greenstone Creek, near the bridge?—Yes.

37. You knew a large number of Chinese on the Coast?—Yes.

38. And you knew Chinese in Greymouth, Greenstone, Maori Gully, Maori Creek, Kumara, Waimea, and Hokitika?—Yes.

38A. In fact, you knew the Chinese generally along the Coast?—Yes.

39. Among the Chinese what was I known by: what was the name they called me by?—“Dick Sudden.”

40. Did you ever hear them call me by any other name?—No; they always said “Dick Sudden.”

41. You never heard them call me “Bung Tuck”?—No.

42. Bung Tuck was a Chinaman?—Yes.

43. Working in the claim at Greenstone Creek?—Yes.

44. Did you know him personally?—Yes.

45. *Mr. Duthie.*] You knew him personally?—Yes.

46. *Hon. J. G. Ward.*] If Mr. Seddon had been known by any other name than “Dick Sudden” you would have been sure to have known of it?—He was never called any other name—only “Dick Sudden.”

47. *Hon. J. McKenzie.*] Did you ever do any business for the party Bung Tuck was interested in?—Yes.

48. *Rt. Hon. R. J. Seddon.*] You saw Bung Tuck in the Court giving evidence, and blow out the match?—Yes.

*Rt. Hon. R. J. Seddon:* I think that is the last link cleared up. I did send for Mr. Gale to give evidence, but he is not in town.

H. M. WOODWARD sworn and examined.

51. *The Chairman.*] What is your name?—Herbert Minchin Woodward.

52. What are you?—I am assistant accountant in the Bank of New Zealand, Wellington.

53. We have called you, Mr. Woodward, in order to obtain, if possible, information in reference to the procedure in respect to certain cheques?—Yes.

Perhaps Mr. Duthie will ask you questions.

54. *Mr. Duthie.*] Mr. Woodward, have you any knowledge that application was made to the bank about the production of these cheques?—I understand that the application was made, but I have not seen the application myself.

55. You have no special information from Greymouth about how they are exercised. Have you no information from Kumara as to how these cheques were exercised or treated?—We have no special advice.

56. The Chairman telegraphed asking for information of how they were exercised—how they were paid, and to whom. You have not that information?—No, we have not that information. It does not appear on the face or on the back of the cheques.

57. The first cheque you have there is 92, for £12. On the back of it are the initials “J.W.” Has that been paid in cash to any one?—Apparently not.

58. How has it been paid?—Apparently, it has gone to the credit of some account.

59. In your own books?—Yes, apparently so. On the back of the cheque there is nothing to show what has been done with it. If it had been cashed there would have been figures to show how it was paid. If it was paid in one-pound notes there would have been “12/1,” put on the back of it.

60. Does it show there the date it was paid upon?—No; they have not got the stamp with the date on it, simply a stamp “Paid.”

61. Take the next one, No. 104: There is a different indorsement on the back of that?—Yes.

62. What do you make of that?—I make out that that has been paid to a party by the name of Wylde. I cannot easily decipher it.

63. You make out it has been paid in cash to Wylde?—The figures show it has been paid in cash to somebody.

64. Then, you would say that it had been paid over the counter in cash?—Yes.

65. Take the next one, No. 102, for £12: How has that been paid?—It is treated exactly the same as the last one.

66. Are there notes marked showing it has been paid?—James Wylde.

67. Is it cashed by Wylde?—Yes.

68. It has been paid to somebody?—Yes. Whether that is his signature I cannot say.

69. You would not pay in cash without getting this indorsement?—Yes: a cheque payable to bearer; the man who presents it can demand cash. If the teller knew him he would just write the name on the back, showing whom he paid it in to.

70. Then, that first cheque, there is "J.W." on it, is there not?—Yes. That would look as if it had been paid to him; but that "J.W." does not appear to be in the same writing as the "J. Wylde." "J. W." appears to be in a different handwriting. Probably it would be the teller's.

71. Would those initials (J.W.) mean that he got the money in cash, or would it mean that it was passed to his credit?—Without the figures being on the back of it I could not say. If twelve ones were put on the back of it I would suppose it was paid in cash; but it might be otherwise.

72. Just examine the cheques. Take No. 105, for £24: What would you understand in respect to that?—There is absolutely nothing on the back of it to show what has been done. It is blank.

73. Then, your experience does not allow you to make any suggestion?—Without having the lodgment-slips from the day it was paid in, and tracing it down, it is quite impossible to say what has been done with it.

74. There is no stamp of any other bank upon that one is there, on the face of it?—Yes; it comes from the Union Bank. It has the Union Bank stamp on it.

75. Then No. 105 has been paid in through the Union Bank?—Yes.

76. Then I come to No. 115, for £36. What did you understand by that cheque?—£30 of it has apparently been placed to the bank's deposit for three months, and £6 paid in cash.

77. To whom?—The indorser is Nathan Seddon. So presumably he got the money, although he might have indorsed it and handed it to somebody else.

78. But the probability is that he got this in notes, and the balance would be on fixed deposit?—Yes.

79. That cheque is exercised direct?—Yes.

80. No. 139, for £36. Does that bear any guidance?—Thirty-six one-pound notes paid, and apparently to J. Wylde.

81. The signature is not a signature by the teller?—In this case it agrees with the other cheques.

82. That has been paid in one-pound notes over the counter?—Yes.

83. Take No. 140, for £12?—Two five-pound notes and two one-pound notes. It is indorsed "Nathan Seddon."

84. You presume it was paid to Nathan Seddon—Yes, presumably.

85. Take No. 154, for £24?—There is no indorsement at all but four fives and four ones.

86. That was paid to some unknown person?—Yes; it may have been to any one.

87. Then take No. 156, for £18?—That was paid into the Union Bank. They got the money from us down there.

88. Then take No. 164, for £24?—That is indorsed "Nathan Seddon. Four fives and four ones. Cash across the counter."

89. Then take No. 187, for £12?—There is nothing to show exactly what has been done with it. It has got "J.W." on the back of it.

90. There is no Union Bank stamp on it, is there?—Yes. Going back to the first cheque of all, No. 92, that has also got the Union Bank stamp on it, and apparently that "J.W." was put on by the teller in the Union Bank, not by our teller, so it is apparently paid in to the credit of J.W. at the Union Bank.

91. What is the next Union Bank one?—The next is No. 105, then No. 156, and then the present one, No. 187.

92. Take No. 195, for £12?—That has been paid by our own office. It is indorsed "Nathan Seddon. Two fives and two ones."

93. Take No. 211, for £18?—That reached our office through the Union Bank.

94. Is that by your teller?—No; I think not. The teller who received that first would put that on it if it had come through the Union Bank. Our teller would not know to whose account that was lodged.

95. Then take No. 220, for £18?—It came through the Union Bank.

96. There are no initials there, are there?—No; there is nothing on the back of that one.

97. Take No. 168 then?—Two fives and two ones, indorsed "Nathan Seddon."

98. Take No. 181, for £5 5s.—Paid into the Union Bank, and it has got "J.W." on the back of it. But the indorsement "J. Wylde" is apparently not Mr. Wylde's signature at all. It has been pointed out to me that this is Mr. Wylde's signature [witness indicating signature to the Committee], so that "J. Wylde" written in full on the back of the cheques must have been written by the teller or some other officer of the bank. In these cases where they have been cashed with "J. Wylde" written on them, that is written by the teller or some other officer of the bank by whom the money was paid.

99. That is the Bank of New Zealand?—Yes. It is very hard to say by whom that "J. Wylde" was put on. It may have been put on by the messenger whom Mr. Wylde sent down to get the money, or it might have been put on by anybody.

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 received 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

cheque of the 25th June, the proper amount that was then owing to him by the Council. That cheque, you will also see, is not paid till the 29th July. That cheque, although given to Nathaniel Seddon on the 25th June, is not paid by the bank until the 29th July, showing the same thing occurred all the way through, there being no funds in the bank, I presume, when the cheque was given. Very well, the other cheques that Mr. Duthie has placed before us as being paid to Nathaniel Seddon are clearly paid through the Union Bank of Australia to Mr. Wylde's account, proving to our mind it was not paid to Nathaniel Seddon, because all the cheques paid to Nathaniel Seddon are clearly indorsed by him. This applies to all those cheques, gentlemen. Further, in these cheques there are five paid to Nathaniel Seddon and indorsed by him. We have therefore made up a new account from the 25th June till the 18th February, 1881, which goes to prove that to Mr. Nathaniel Seddon was due a certain amount of wages. And if we take all these payments by cheque indorsed by him as payments to him we find there is still lacking £45—that is, we have no vouchers or no cheques to show that he was paid £45 due to him, bearing out the exact figures that we furnished in our report, that we had £45 there was no voucher for, and the cheques verified our statement; and the £36 still further goes to prove that we are correct.

8. *The Chairman.*] Do you desire to say anything, Mr. Scott?

*Mr. Scott:* Well, sir, we went through all the books and papers, digesting them as far as possible. First, we tried to construct an account; Mr. Nathaniel Seddon's debit and credit account. We found that quite impossible. "Nathaniel Seddon" appears at the beginning of the cash-book, but very soon vanishes altogether, and is represented by, and included in "wages," or "streets," or "sanitary," or some item of that kind. We then tried to verify Statement C, but we failed also in that. Then we tried to pull Schedule C to pieces, and succeeded, I may say. There is no difference of opinion between myself and Mr. Kember. We each prepared a report. They were substantially the same—a little out in expression here and there, but after one or two slight amendments we agreed. Those cheques which have now come out do not cast any different light upon the subject.

9. *Hon. J. G. Ward.*] From the statement of the accounts as they appeared before you, Mr. Kember, would it be possible for a payment of £219 to have been made to Mr. Nathaniel Seddon without you having detected it in going through the books?—I do not think it possible that an amount of £219 could have possibly been paid to Mr. Nathaniel Seddon as by the books.

10. And does your examination of the bank account disclose such a thing?—Decidedly not.

11. Does it disclose any open payments?—None to Nathaniel Seddon. You must understand, Mr. Ward, there are cheques in the bank-book paid for wages and charged to streets. There is nothing at all to show those payments have gone to Nathaniel Seddon, or anybody else. Then, if Nathaniel Seddon got the whole amount, I do not think it would show very much an over-payment. But it is useless for us to tick down an amount, because they are simply payments in the bank-book and cash-book—simply payments for streets, not paid to Nathaniel Seddon. You must have something more than that.

12. Have you noticed the sixteen cheques that came to hand?—Yes.

13. Some of these were indorsed by the initials "J. W. and J. Wylde"?—Yes.

14. And some not at all?—Yes.

15. The majority that have been indorsed by J. Wylde appear to have been paid into the Union Bank of Australia?—Yes.

16. And those that have been received by Nathaniel Seddon as wages have been indorsed by Nathaniel Seddon only?—Yes. They have gone into the Bank of New Zealand. Those indorsed by Nathaniel Seddon have, seemingly, been paid over the counter.

17. I suppose you could not state in your examination whether the fact of the cheques to Wylde going into the Union Bank of Australia—those cheques endorsed by J. W. Wylde or J. Wylde—whether they, being paid into the Union Bank of Australia, would indicate that they had gone to Nathaniel Seddon?—We take it as not being paid to Nathaniel Seddon. It has gone through somebody else's account. We do not say it has been paid to Wylde. We are not asked to say who these are paid to.

18. Then, this further reference by the Committee to you two gentlemen. Do you adhere to the report that you first sent in?—Entirely.

19. Have further facts been brought under your notice in any way affecting your first report?—It strengthens our first report; it goes to prove our contention.

20. *Mr. Duthie.*] I would like to direct your attention, Mr. Kember, to the clause in the report of the Government Auditors, and ask you to take it into consideration—viz.: "All the back documents and vouchers were in a very mixed and disordered state; but we commenced our operations by checking all payments from the cash-book with the corresponding vouchers, and after considerable trouble succeeded in obtaining vouchers for nearly all the entries in the cash-book, except those enumerated on List A" [Exhibit E]?—Well, look here, they say: "We have checked all payments from the cash-book with the corresponding vouchers." Now, then, allow me to call your attention to Schedule C.: "On the 5th February, 1880, on 25th March, credit £12; on 28th February, credit £24; on 5th March, credit £12; on 12th February, credit £36."

21. There is one upon the 11th March, £12?—Yes, very well, £12. Now you will see that these five vouchers come to £96.

22. I will draw your attention to this clause at the word "vouchers." It goes on to say: "That they succeeded in obtaining vouchers for nearly all the entries in the cash-book except those enumerated on List A." In consideration of that clause, and, further, where they say, "except paid according to cash-books and ledgers," and so on. Does not that imply that they had payments for all these vouchers?—Their statement was inconsistent with fact. It implies they had vouchers, and had not vouchers for some things.

23. Further, they say: That they had "vouchers for nearly all entries in the cash-book," and

so on. Does not that imply that they had vouchers for all these payments in Schedule C, with the exception of one?—We have not seen the vouchers. They have not been produced to us.

24. *The Chairman.*] What would their language convey?—Their report leads one to suppose that they had vouchers, which, Mr. Duthie says, was borne out by the cash-book and the bank-book. That we distinctly deny.

25. *Mr. Duthie.*] Take page 35. You do not deny the evidence of any of the witnesses that you have before you?—Yes.

26. In page 35 the Mayor stated, "He had to add that the special auditor reported that when he made the audit the whole of the vouchers were there, but now there were not sufficient vouchers to make up the total. The vouchers now in the office were not sufficient to make up the amount which the report stated had actually been paid?" [Exhibit F]—Yes.

27. You have seen that?—No.

28. Do you see it now?—Yes.

29. So that, so far as the Mayor of the Borough is concerned, the vouchers were missing, and there is confirmation from him that as Mayor he had received that statement from these auditors at that date?—I do not say the voucher was no good. It was not paid.

30. I am asking you?—I have not got to do with what the Mayor says.

31. Then as for Schedule C. For 1880 the statement shows that there were sixteen vouchers for £354. Those vouchers were referred to by the special auditors?—Yes.

32. You have had the vouchers and the receipts placed in your hands. There are four of them, and a Bill. Have you them there?—Yes.

33. You have one dated 13th May, corresponding with the Schedule C. It is paid, is it not, upon the 17th November?—Yes; paid on the 17th November.

34. You have another dated 22nd July, for £6?—Yes.

35. It is paid upon the 24th December?—Yes.

36. You have another voucher dated the 16th September, paid upon the 31st January, for £12?—Yes.

37. You have another, dated the 25th November, for £18, paid upon the 21st March?—Yes.

38. Is it not reasonable, Mr. Kember, seeing that in all instances where vouchers are produced, that the payment is subsequent. Is it not reasonable, that unless they were missing, to expect that the date of payment would be somewhat proportionately subsequent?—No.

39. Would you be so kind as to turn to the bank-book?—Yes.

40. On the 10th May is a payment, No. 92, for £12?—Yes.

41. On the 26th June there is another for £12?—Yes.

42. On the 31st July there is another for £24?—Yes.

43. On the 29th July there is another for £36?—Yes.

44. On the 26th August there is a payment for £12?—Yes.

45. On the 2nd September there is a payment for £36?—Yes.

46. On the 17th November there is a payment for £18?—Yes.

47. On the 12th October there is a payment for £12?—Yes.

48. On the 16th October there is a payment for £24?—Yes.

49. On the 10th July that bill was paid, £96, with interest, equalling £98 10s?—Yes.

50. On the 24th November there is a payment for £24?—Yes, on the 24th November.

51. On the 31st January, 1881, there is a cheque for £12?—Yes.

52. The amount of these cheques and bill is £344 10s.?—Yes.

53. And the amount of the vouchers is £354?—Well, we will take this as being correct.

54. Then the amount of the vouchers, including the bill, for which receipts are held, is £150?—There is no receipt for the bill.

55. But there is a receipt itself?—That does not answer.

56. The amount of the vouchers, with the bill, is £150?—Yes, that is right.

57. That is the state of the account for 1880?—No, excuse me, that is the state of the Borough's account, not Nathaniel Seddon's account.

58. Has the latter, "Debits to Streets Account" or "Others Works," received your attention for that year?—Yes.

59. Running through the whole items, I suppose, you will admit that approximately the same amount is debited to "Works"?—Yes.

60. Well, now, seeing that these vouchers, as per Schedule C, which the auditors say they had, are confirmed and borne out by those pass-book payments—the special auditors' reports are borne out by approximately corresponding bank payments, although at subsequent dates. Seeing that they had these vouchers in their hands, do you feel justified in saying that you are sure Schedule C is totally unreliable?—I say so now more than ever. I think it is the most abominable and unreliable thing I ever saw made out. There is no date corresponding in it, or anything. It seems to be entirely wrong.

61. You have, I think, already recognised that the dates which these auditors used were the dates of the vouchers, or apparently the dates, which they passed the Council and not the date of payment?—The due date of the payment of the wages.

62. Approximately so?—Yes.

63. Yet, seeing that they have been borne out, you say it is unreliable?—Worse than unreliable. It cannot be borne out. Any corresponding payment in a cash-book or bank-book cannot possibly be fixed. Any voucher they say bears a certain date. I say if a voucher has a date upon it, it ought to be the date of payment as per cash-book or bank-book. If it does not, I say it is a document which is utterly worthless, because in many instances it has not been paid at all by cash-book or bank-book, and approximately will not come in.

64. You will observe these payments, they say, were made?—The schedule says: "Salary paid to Nathaniel Seddon." Well, why do they not put the date of the payment down?

65. Their statement is, upon page 28 [Exhibit E], that these payments are according to cash-book and ledger?—I say distinctly, they are not.

66. If you admit that they are payments debited to Streets Account for a corresponding sum of money?—They are corresponding amounts charged to Streets Account in the cash-book and bank-book.

67. Mr. Scott, will you confirm Mr. Kember's opinion, and hold that to be the position?—Yes.

68. *Hon. W. Rolleston.*] I understand from you, Mr. Kember, that these cheques do not show that the money was paid to Nathaniel Seddon?—Only in some cases.

69. Then you went on to say they were not necessarily paid to Mr. Wylde?—I cannot tell to whom.

70. You cannot say to whom they were paid?—I cannot say.

71. Then the question still remains an open one as to whom these cheques were paid?—Yes; it has been stated on the back they are paid to Wylde in a great number of cases, and in other cases paid through the bank.

72. It does not state paid to Wylde?—That is the bank's own indorsement, you see, and shows how each was paid, "three-fives and one-one, silver to Wylde, and so on," that is the bank indorsement.

73. In that case?—There are numbers of these cheques, "thirty-six ones to Wylde." These are cheques paid over the counter and marked that way. The other cheques bear the Union Bank of Australia mark. They are through some account. I do not think to Nathaniel Seddon, because Nathaniel Seddon has always indorsed his own cheques when getting money over the counter. According to the payments here, there is so much paid into Nathaniel Seddon's deposit account. The other cheques have gone through somebody else's bank account.

74. And that is entirely unrevealed—what has occurred?—I cannot tell whose bank account they went through, and I say they did not go through Nathaniel Seddon's, because he did not have an account at the Union Bank of Australia, but that can be found out through the bank itself.

75. *Mr. Graham.*] Since making your report with reference to this business, you have been asked to make a supplementary statement, or report, in consequence of other cheques or vouchers having come into notice which might alter the position. Has your examination confirmed or discounted your first report?—I say that the payment of the £36 cheque on a certain date goes to prove the whole of our statement, that the bill was given for a certain date and the £36 cheque confirms that by the following date. It is a further payment past the bill, which goes to prove what we tried to show.

76. So your further examination has confirmed you and your fellow-auditor in the correctness of your original report?—Yes.

77. *Rt. Hon. R. J. Seddon.*] Turn to page 28 [Exhibit E], and you will find these words: "Nathaniel Seddon, day-labourer: We find, on most careful examination, that this man was paid in full up to the 25th December, 1879." Is that correct or otherwise?—We say it is incorrect.

78. And you say, then, this cheque that has come to hand now proves the date which you fixed to be the correct date up to which the wages had been paid to Mr. Nathan Seddon?—Yes, we say we further prove, by these cheques, we were right in placing the bill as we did.

79. Is there anything to show that anything was paid to Nathaniel Seddon to the 5th November, 1881? They say: "This man received weekly wages up to the 5th November, 1881, when his weekly engagement terminated by order of the Council," and taking the two dates as from the 25th December, 1879, to the 5th November, 1881, as being the dates on which payments were made, amounting to £291, they fix an arbitrary date as to when wages were paid in full and the last time he received payments?—I think they are right in fixing it the 5th November, because the vouchers we have really prove that. His wages ceased on the 5th November, and the several payments previous to that prove that that is correct.

80. They are incorrect as to the date of commencement?—It is utterly incorrect as far as Nathaniel Seddon is concerned.

81. They say, "Amount actually paid, *vide* Schedule C attached, £510." Do you find such an amount as that paid to Mr. Nathaniel Seddon?—That is utterly incorrect.

82. It says, "Amount actually paid"?—That is utterly incorrect.

83. Now, will you take and reckon up the total amount shown on these cheques?—Yes.

84. What is the total amount shown on those cheques?—Do you mean to Nathaniel Seddon or the whole of them?

85. The whole of the cheques put together?—£299 5s.

86. The total amount shown on these cheques and debited to the borough fund by the Bank of New Zealand is £299 5s.?—Yes.

87. Does not that go further to disprove this statement that there was £510 paid,—that they were incorrect?—This only covers a certain period.

88. What period does it cover?—These cheques go from the 3rd May, 1880. These only cover a certain period—from the 3rd May, 1880, to the 24th December.

89. The total amount paid to Mr. Nathaniel Seddon under the head of "Wages and Streets Account" shown by these cheques is £299 5s.?—Yes.

90. Now, Mr. Wylde, Town Clerk, has said that he was in the habit of putting two or three names on one voucher, and issuing a single cheque for three persons, and cashing it himself in paying three separately. That would agree with the assumption that the cheques had been cashed by him over the counter, and that he had given the money to the different persons named on the voucher?—Possibly.

91. We have seen the evidence. You have seen some of the vouchers, have you not, showing the names?—Yes.

92. Are there any of those cheques paid to Wyld there corresponding with the amount on those vouchers?—No, there is no cheque corresponding with any voucher here. None of these cheques correspond with the vouchers. Then, moreover, I do not think there is any payment that corresponds with anything else.

93. There is nothing corresponding at all: you cannot trace a single payment as assigned for in the voucher corresponding with the payments out of the bank?—No, not one instance.

94. Now, would it not appear strange to you that if they had vouchers to support Schedule C they should have said: "Excess paid according to bank-book and ledger"?—Yes, it seems exceedingly strange to me. I do not see how Schedule C could have been compiled otherwise.

95. You state, then, after carefully going through the cash-book and ledger, that Schedule C does not agree with what appears in the cash-book and ledger. The cash-book and ledger do not support Schedule C?—Most decidedly not.

96. And, then, if they had vouchers which would have supported these payments, the vouchers would not agree with Schedule C?—If they had vouchers, there were no payments, so what is the use of the vouchers?

97. They would be so much waste-paper?—Yes. Anybody can get and forge a voucher; but if you cannot prove payments, what is the use of the voucher?

98. Have you not seen some of these vouchers that are not signed by anybody?—Yes.

99. That has been termed a voucher here?—Well, that has been a misnomer. As I say, some of the vouchers are not signed. The auditors seem to me to have jumped to the conclusion that anything in the shape of a voucher was a payment. I see there are some unsigned vouchers with an auditor's tick upon them, and that is the only conception I have with regard to the compiling of Schedule C.

100. Then, the conclusion you arrive at is that you would consider that is so much waste-paper—in the way of vouchers with figures upon them and ticked by the auditors—that they have taken that as a voucher?—The unsigned vouchers are not in Schedule C, but that is the peculiarity about it. There is no voucher there, ticked or unticked, for a large number of these items in Schedule C. But we have no unsigned voucher corresponding with Schedule C.

101. Then you say, taking Schedule C as a basis, that if there had been vouchers shown to the special auditors, and these vouchers had gone astray, so far as the cash-book and ledger are concerned, there is nothing to substantiate them?—Quite so. Why did they not look up the cash-book and the bank-book to see whether the voucher had been paid? The payment would be what I should look for in a voucher. I do not charge a voucher as a payment. I want a voucher for actual payment.

102. Might it not be that certain amounts—say, cheques—had been issued first, the funds not being available to pay those cheques, and a receipt taken for those cheques, and subsequently a bill given for those cheques and a voucher taken: may not the auditors have taken that?—I should have thought that an auditor would have immediately looked up the reason for giving the bill. If they had cheques given, and signed a voucher for a certain number of cheques, when they came to the bill how is it possible for them to take the bill as a further payment? They had no voucher for £96 in the bill. Why did they not find out what the £96 bill was given for? Then they would not have charged it over again.

103. When Mr. Duthie commenced to ask you questions about that paragraph in which you said there were five payments made, I think—viz., "All the back documents and vouchers were in a very mixed and disordered state, but we commenced our operations by checking all payments from the cash-book with the corresponding vouchers, and after considerable trouble succeeded in obtaining vouchers for nearly all the entries in the cash-book except those enumerated on List A"—that is utterly disregarding the truth?—That is absurd. If they had the voucher and checked it off with the cash-book, where is it? The books cannot have altered from that time to this. If they had a voucher on the 5th February, 1880, for £12, show me the payment by cash- or bank-book and I will believe it. I say that statement is utterly incorrect, and not in accordance with fact.

104. You have said that there were five cheques, making a total of £96, and you were going on to explain in reference to these five cheques?—I said there were five presumed vouchers there for £96, all of which it is false to say were paid through the cash- or bank-books.

105. Will you name the five cheques?—Yes. 5th February, 1880, £12; 12th February, 1880, £36; 28th February, 1880, £24; 11th March, 1880, £12; 25th March, 1880, £12; total, £96—not one penny of which is to be found in the cash-book or bank-book, and therefore unpaid, and the statement of the special auditor to that extent is utterly untrue.

106. Then they say "Salary paid to Nathaniel Seddon": that is utterly untrue?—Yes, utterly untrue. It is only paid out of the imagination of some of them—certainly not out of the funds of the Borough Council. Of course, it is very hard to say these things of special auditors, but I cannot help it. It seems ungenerous, but I cannot understand how they compiled Schedule C. What they stated is utterly untrue.

107. If a special auditor gave evidence before us and said he could not find anything wrong, and had been there some days on duty by himself, and then sent for assistance, I suppose he would be as near right as the man that came to assist him?—I think so.

108. In the whole course of your investigations—and a statement has been made, Mr. Kember, that moneys had been overpaid to Mr. Nathaniel Seddon, and that those moneys had been received by Mr. R. J. Seddon—is there anything after that investigation to assume that that is correct?—Nothing whatever.

109. If such a statement has been made, what would you say of it?—I would say it is utterly false.

110. Is not that further borne out with the cheque shown there and indorsed by Mr. Nathan Seddon? You know my signature—you see the signature there?—Yes.

111. Some of these cheques have been paid through an account. It would not be an unusual thing for a person (a business man, for instance), to receive a cheque from a working-man and pay it into his account in the bank. You would presume that in any case?—Yes.

112. It may be it would not be an unusual occurrence if some one outside doing business with the person received the cheque, cashed it for him, and it was a Borough Council cheque?—Yes, that would not be unusual.

113. So that if you ascertained to whose account the cheque was paid, it would not trace the person who actually received the cheque in the first instance?—It would not.

114. The cheque may have gone through two or three persons before being credited to the person paying it into the bank?—Yes.

115. If a person had his account in another bank it would have to go through the Borough bank, the Bank of New Zealand?—Yes.

116. If I paid in cheques into another bank, they would be traceable to the bank they came from?—Yes.

117. These accounts as marked here are paid direct into the Union Bank of Australia?—Yes. I should like to point out that in all probability, when a wages-cheque has been paid to me for £12, and I take it to a tradesman to get it cashed, I should in all probability indorse it.

118. Just as though you went to a bank with a cheque and indorsed it there, and got it over the counter?—Yes. If I received a cheque and wanted some one else to cash it, they would naturally ask me to indorse it.

119. Is it not something unusual for the bank to put a special mark on a cheque?—No, not in a country bank. That is just for their own information to see how it was paid: "Twelve ones to Wyld." The town banks have not time to do that, though. That is for their own information, to a certain extent; they have plenty of time to do that in the country.

120. Then, in conclusion, Mr. Kember, you say that your report to this Committee is a correct report, and is shown by the cash-book, ledger, bank-book, and vouchers?—Yes.

121. You say that to the best of your ability that is a correct report?—Most certainly.

122. And, as far as the further information by the way of cheques coming here and being put before you, it further strengthens your report?—Yes.

123. And, Mr. Scott, I would like to ask you the same question. You are a certificated accountant here of considerable experience, and you have carefully gone through the cash-book, ledger, bank-book, and vouchers submitted to you?—Yes.

124. And you say the report you submitted is correct?—Yes.

125. In respect to the cheques that have come to hand, do they further strengthen your report?—Yes.

126. Having made a close investigation, is there anything there to say there has been any overpayment made to Mr. Nathaniel Seddon?—No.

127. Is there anything there to show there have been any moneys received by him, or open payments made to him?—No, no evidence whatever.

128. *Mr. Duthie.*] Referring to the Government auditors, Mr. Seddon drew a distinction between the first auditor, Mr. Spence, and the second auditor who was called in. It was to the effect that Mr. Spence found nothing wrong?—Yes.

129. I would draw your attention to page 27 [Exhibit E] of the report, Mr. Kember?—I have seen this report.

130. I understood you confirmed the statement?—I did not confirm the statement that the first auditor found nothing wrong. I do not know anything at all about it. I said if he did not find anything wrong he was more likely to be correct than the other one.

131. I would draw your attention to his remark here: "In examining the books and vouchers I found many irregularities"; and also further down: "Many of the items in the cash-book cannot be traced in the bank-book, and *vice versa*, although the balance at the end of the year's transactions is the same in each"?—The reason of that is they did not put the cash into the bank-book at all. There was no corresponding entry in the bank-book.

132. It is on record that Mr. Spence had found things wrong?—He has said it was irregular. Many of the items cannot be traced in the bank-book, because they never went into the bank-book.

133. Mr. Spence did find things wrong?—He says the cash was actually correct at the end of each month, but admits it was not paid into the bank.

134. If he found that it did not correspond with the cash-book there must be something wrong?—No, that does not constitute a wrong. It is an irregularity.

135. There is their evidence?—They did not pay into the bank at all. They did not care about running the risk, as far as I can see, of paying what cash they had into the bank—the cheques only they were obliged to pay in.

136. Was not that wrong?—The cash was not wrong, the practice was wrong.

137. I ask you if Mr. Spence was right, so far as Mr. Seddon's remark went, that there was nothing wrong; these are irregularities, and they are wrong?—The cash was not wrong. They may have said they could not afford to pay. They were obliged to hold the cash in their hands. If that cash was correct they would pay it over the counter. I should not allow a practice of that sort if I could help it. Still, it is not wrong.

138. With regard to the said irregularities, as an outcome of the paragraph he makes application to the Government to send an assistant: that was because he found things wrong, was it not?—Why should I answer for Mr. Spence? I do not say whether this man was right or wrong. Mr. Seddon asked me whether, if the first auditor found things wrong and sent for another one, he was not the better of the two. That is the only question I was asked, and I cannot answer for Mr. Spence sending for assistance.

139. Mr. Seddon questioned you. I simply wanted to draw your attention to the fact that Mr. Spence did find things wrong?—That I have nothing whatever to do with.

140. You say that the auditors had no voucher for that bill?—Yes, I say there is no voucher.

141. The words you used were: "They had no voucher for the bill"?—I presume so. It has not been shown to me.

142. How do you know they had none?—It has not been produced to me.



143. You are aware that out of the payments they say took place in 1880, in all sixteen, there are only vouchers produced for four?—Yes.

144. And by the evidence of the Mayor the others were missing. Why do you say they did not exist?—I did not say that. I say there were none produced to us; and if the vouchers were produced to these auditors they were no good, because there were no corresponding payments. That is what I said. There is no corresponding payment out of the cash or out of the bank for any one of the dates in Schedule C.

145. The existing vouchers that are produced are all paid at a subsequent date, different from the date of the vouchers which the auditor used?—Why should they be so? Do you suppose it is correct to use a different date? I say it is bad.

146. Do you really ask the Committee to believe that there were no vouchers before these auditors?—I say if there were vouchers there were no payments.

147. How do you know that?—I go by what they state.

148. There were no payments at that date?—No payments at that date or any other.

149. What evidence have you that there was no voucher received?—It is perfectly clear to any unprejudiced person that there were certainly five payments for £96, and that they were paid by the bill.

150. What I ask you is, has it not been proved that the date used in the schedule is the date of the voucher?—No, that has not been proved to me at all.

151. On the vouchers produced, which are four, the date used by the special auditors is the date of the voucher. The receipt upon each of these vouchers is at a date months subsequent. Is it not a fair inference that these other vouchers which they set forth at different dates would be receipted at a similarly subsequent date: is not that a fair answer?—No, it is not. The vouchers produced were signed at a subsequent date from the date of the issue of the vouchers; and as I have never seen them, how can I possibly tell? And that it was not so, I proved that there were five vouchers for £96 paid by a bill. That is the reason why I cannot follow and say these payments would be at a subsequent date, because there is a bill.

152. That is an assumption of yours, that it was paid by this bill—it is simply an assumption?—But a very fair one.

153. Is it not the case that payments at correspondingly subsequent dates are made which may apply to these vouchers, and which may justify the statement of the auditors that they had receipted vouchers before them?—No, I cannot say that.

154. Then, Mr. Kember, you stated in reply to Mr. Seddon that the statement of the auditors that Nathaniel Seddon was paid in full to the 25th December, 1879, is incorrect?—Yes.

155. On what date was he paid?—The books do not show it.

156. Then, your evidence is simply negative; you have no positive evidence?—We have positive evidence that it does not show the date according to the book.

157. The book of what date?—On that date.

158. According to the book, on what date was it paid?—According to the book, there is no date he was ever paid at all; but it is not shown he was ever paid at any date, and therefore I cannot show he was paid up to any time. The books do not show that. The bill shows that he was paid up to a certain date.

159. That is wholly upon an assumption that you put forward?—Yes.

160. Then, the whole matter rests upon that assumption?—Upon the assumption of the bill being a payment up to a certain date, and the books do not disclose anything to the contrary.

161. But they do not disclose anything to substantiate it?—No, nothing to substantiate that except the bill. The bill only really substantiates the argument.

162. You used the word "really": did you assume it was based upon an assumption?—I use "really" because the Mayor of the corporation gave a bill to Nathaniel Seddon for a certain amount of money. Is it likely that the Mayor of the corporation and the clerk are going to deliberately overpay Mr. Seddon? Is it a probable thing that they would pay Mr. Seddon a bill for £96, if they were not perfectly certain they owed it?

163. You admit that bill. You assume that bill was for wages up to what date?—Up to the 25th March.

164. And from that assumption you argue that it had covered thirty-two weeks back?—Yes.

165. And that was the date to which Mr. Nathaniel Seddon's wages ran?—Yes, and that £36 cheque goes to confirm that.

166. Mr. Seddon asked you about the total amount of the cheques, £299 5s., and you gave him that amount as the money?—Yes.

167. You are aware these are not the whole of the cheques for the period supposed to have been paid to Mr. Nathaniel Seddon?—Yes.

168. So this amount is of no value as far as terminating payments go?—No.

169. You say that the cash-book and ledger do not support Schedule C?—That is so.

170. That is only in respect to payments on the dates. I have before taken you through the amounts of the payments by cash-book and ledger, and approximately you admit that they correspond; the dates being entirely divergent. That is the real position?—No.

171. Will you explain the position?—I say Schedule C is unreliable, and not supported by the books. Why I should try to find subsequent payments I cannot see. It could not be done.

172. I would draw your attention to the existing vouchers being all at subsequent dates, but you do not recognise that?—No.

173. Then, Mr. Scott, do you join in utterly scouting the report of these Government auditors?—Yes. We tried to construct an account of Nathaniel Seddon's. We tried to verify Schedule C from the books, and then we tried to pull it to pieces.

174. Do you recognise that it is admitted there is a large number of vouchers missing?—Yes.

175. And if you had had these vouchers before you, would you similarly have discredited the whole thing?—Well, if we had had the vouchers before us possibly more light would have been thrown upon the matter. But the inference, in the face of this list, is that some of these vouchers have been repeated twice over.

176. How do you make that out?—There is a bill, for instance.

177. Mr. Kember admits that is an assumption. You put it forward as a probable explanation?—One cannot go into a matter of this kind without drawing conclusions, conclusions which may appear to other people assumptions, but to accountants very conclusive.

178. In endeavouring to draw conclusions, you must have discarded this statement of the auditors that they had vouchers for these payments?—We state in our report that the vouchers are missing; that there are books and various accounts missing.

179. You disregard and put no value upon the statements of the auditors that they had these vouchers?—We do not disregard it. That is one of our drawbacks.

180. You must necessarily disregard it when you assume the payments were embodied in the £96 bill?—We do not disregard it, but our investigations show that the matter lies in that direction—that these vouchers have been duplicated. Our report assumes that they are missing.

181. In the presence of that statement—that vouchers are missing—you assume these never existed?—No, I cannot do that.

182. These Government auditors say they had vouchers for this amount. You conclude that no such vouchers ever existed because the amount is converted into a bill for £98 10s.?—We could not conclude that, because this, apparently, is a list of vouchers.

183. According to the auditors' report the voucher was a receipted voucher?—Well, I am not sure. I know that Treasury auditors look upon a voucher as an authority to make the payment. If they had called this a list of discharged vouchers or receipts—

184. We have evidence of what they meant by receipts of vouchers bearing receipts at subsequent dates. Therefore the vouchers which they spoke of, dated to February, and so on, and which you assumed as £98 10s., were in their hands, though you discarded their statement?—We pulled their statement to pieces.

185. You pulled it to pieces by assumptions of that sort?—By professional knowledge it has been pulled to pieces.

186. Will you explain professionally how you do that?—If we could show receipts for these payments the thing would be substantiated.

187. But that is not the point. The receipts, according to the auditors' report, were before them. Therefore you discarded it by assuming no such thing was in their hands?—Yes.

188. You cannot give any further explanation?—I can only refer to the rest of the report, which contains a contradiction on the face of it, as Mr. Kember has pointed out.

189. What do you refer to as contradictory?—Page 28 [Exhibit E]—"Amount actually paid, Schedule C attached, £510." Actually paid. Then, "Excess paid according to cash-book and ledger, £219 10s." Mr. Kember and myself do not profess to understand it.

190. Well, in your opinion, seeing that the vouchers proved that payments were delayed after the date of the voucher several months, is it not reasonable to look for payments of these vouchers at similar subsequent dates?—Apparently, as soon as the Council got over the trouble the intervals are shorter. It is impossible to say.

191. Your experience does not suggest that to you?—You wish me to say one thing or the other, and it is one of those things it is no use giving an opinion upon. It might be and might not be. From May to November, and so on.

192. Is that the practice of payment by the Borough Council? You still do not look for payments for these other items for which there were vouchers at similar subsequent dates?—There is one here for the 8th July. Another one in August would be six months ahead of that, probably when they were six months behind with their payments.

193. And yet, while that is apparent to you, you feel justified in discarding Schedule C because two vouchers have equivalent dates?—That is not the reason. It would have been better if it had been completed, certainly.

194. Because there are no receipts of equivalent dates, your presumption is there were no payments, and then early payments were made by a bill up to that date?—Yes.

195. And you would not identify any cash payments of corresponding amounts with subsequent months?—We did the best we could with the bank-book and cash-book, but could not identify the payments there.

196. *Hon. J. G. Ward.*] Is it not a fact, Mr. Scott, that if filed vouchers, which were supposed to have been lost, had been here in the possession of the auditors, that then they would have disagreed with the cash-book. Supposing you had had the whole of the missing vouchers here, is it not a fact they would have disagreed with that position of the account as you found it in the bank-book and in the cash-books and ledger?—I do not know. There is one large portion of this C Schedule which agrees entirely with the ledger—the end of the schedule.

197. Supposing some of these vouchers had been duplicated, and you had the whole of these vouchers here, is it not a fact that the records would have disagreed with the actual payments as per vouchers?—It is hard to say.

198. *Mr. Morrison.*] Your attention has been drawn to a paragraph in the special report of the Government Auditors, page 27 [Exhibit E], wherein they state that after considerable trouble they succeeded in obtaining vouchers for nearly all the entries in the cash-book except those enumerated upon this date. Now, I suppose you, in auditing these books, will be in a position to tell us whether the vouchers that they say they had seen, drawn up in clause 3 would correspond with the cash-book, Mr. Kember?—Certainly not. If they had found vouchers—as they said they had vouchers for these amounts—if they had them by themselves, the vouchers would have been of no use.

199. They said they had found vouchers to correspond with entries in the bank-book for the amounts mentioned in Schedule C?—I say they are utterly incorrect.

200. You did not find entries in the cash-book corresponding?—There are no entries in the cash-book for two or three months.

201. There is no entry in the cash-book corresponding with these payments?—No, nor payments.

202. These entries in the cash-book?—The entries in the cash-book show that they could not have been paid according to the voucher.

203. *Mr. Graham.*] Mr. Scott, you have heard the answer by Mr. Kember as to whether the examination of the cheques with the vouchers was made before you had confirmed your original report. Do you concur with him that they absolutely confirm the correctness of the original report?—Yes, absolutely.

204. *Rt. Hon. R. J. Seddon.*] You say what is shown on these cheques are not the only payments to Mr. Nathaniel Seddon?—I said those were not the only cheques paid out of the Kumara Borough Council Fund. Mr. Duthie asked me whether there were other cheques covering the period within which Mr. Nathaniel Seddon was paid.

205. They were not paid to Mr. Seddon?—No, there were other cheques during this period that Mr. Nathaniel Seddon was paid.

206. The total amount shown on your bank-book as being paid leaves the Borough Council £40 due to him?—We showed there were presumably £40 due to him for which they had no voucher.

207. You have fixed the basis at thirty-two weeks before the 25th March, 1880?—Yes.

208. Taking the Bill on the schedule, paid the 10th July, the next cheque you find for £36 goes to prove that your assumption was correct?—That is so.

209. Now, if this has been stated on evidence on oath in 1883 by some person, “I went through the books on my own account. I am certain the auditors are wrong. The amount said to be paid to Nathaniel Seddon is not correct.” Would that be correct evidence?—That would agree with our audit.

210. Have you ever seen, heard, or known that such evidence had been given before you made your report?—I have not.

211. Have you ever seen it in the *West Coast Times* of 1883? [see Exhibit D]—No.

212. Have you ever seen the evidence?—No, I have never seen that or anything at all with reference to it.

213. This is the evidence of Mr. Wylde’s trial?—No, I have never seen it at all. The only thing I have read is what the Chairman of the Committee gave me. We have been going upon the actual state of the books, and by them I say it is utterly incorrect.

214. In case there were some vouchers missing they would be no use, because they would not be supported by the cash-book and ledger as to actual payments?—That is so.

215. Supposing they were all here?—If a voucher for every item in Schedule C was here, Schedule C would be incorrect, because it is utterly clear they could not have been paid.

216. Do you concur in that, Mr. Scott?—If all the vouchers were here some further light might be thrown on the subject.

217. As far as what you have had before you, this Schedule C has not been supported?—Not at all.

218. *Hon. W. Rolleston.*] You had Mr. Wylde before you, Mr. Kember. Did he give any explanation as to why he refused to give information to the auditors, and who invited him to do so?—No. I did not ask him.

E. T. D. BELL sworn and examined.

219. *The Chairman.*] What is your name?—Ernest Tancred Dillon Bell.

220. What are you?—A solicitor.

221. Practising in Wellington?—Yes.

222. You have been called in connection with certain matters connected with the Union Bank of Australia?—Yes. You wrote a letter to the Inspector of the Union Bank, asking for certain information, and in pursuance of the request I have with me a letter which the Resident Inspector asked me to present to you; but before doing so, in accordance with the usual practice of the bank, and the protection of the private business of their customers, I am desired to ask you whether it is in accordance with the authority of the House that you apply for this.

223. This is the order of reference, Mr. Bell?—Yes, I see you have power to call for persons and papers. I was going to ask you before you took my oath that I might be sworn, so that the bank might have any protection, through me, authorised by the statute. The following is the letter I have brought with me:—

“Inspector’s Department, The Union Bank of Australia (Limited),  
Wellington, 3rd November, 1898.

“SIR,—  
I duly received your letter of yesterday, directing me to inquire as to certain cheques which passed through the bank’s branch at Kumara in the years 1880 and 1881, and beg to inform you that the following cheques were credited J. Wylde’s account on the dates named hereunder: 1880—10th May, £12; 16th July, £24; 17th November, £18. 1881—31st January, £12; 14th April, £18; 30th May, £18. There is no trace as to who exercised the following cheques: 1880—3rd July, £24; 26th June, £12; 2nd September, £36; 16th October, £24. 1881—30th May, £5 5s.

“I have, &c.,

“A. Sligo, Esq., Chairman,

“G. E. TOLHURST, Resident Inspector.

“Allegations by the Member for Patea Special Parliamentary Committee,  
House of Representatives, Wellington.”

224. You have no knowledge of these matters yourself?—No.

*Mr. Bell:* With reference to that letter, sir, the Inspector said to me, with regard to certain cheques, that they could not be traced. If the cheques were produced he would no doubt be able to give further information.

*Hon. J. G. Ward:* I think that letter throws light upon what we want, Mr. Chairman?—Yes.

## APPENDIX.

## EXHIBIT A.

PROVINCIAL DISTRICT OF WESTLAND, }  
 COLONY OF NEW ZEALAND, TO WIT. }

## DEPOSITIONS OF WITNESSES UPON CHARGE OF AN INDICTABLE OFFENCE.

THE examination of John O'Hagan, of Kumara; Allan Bishop, of Greymouth; James Pearson, of Kumara; Thomas Richard Connell, of Kumara; William Alexander Spence, of Hokitika; James Woods, of Kumara; Charles Murtha, of Rimu (Woodstock); Francis Keenan, of Kumara; Patrick Whelan, of Goldsborough (Waimea); Malachi Richard Taylor, of Kumara; Richard Brady, of Kumara; Henry Gibson, of Kumara; Timothy Haren Carey, of Kumara; Henry Burger, of Kumara; James Drummond, of Kumara, taken on oath this 1st day of December, in the year of our Lord 1882, at Kumara, in the provincial district aforesaid, before the undersigned, one of Her Majesty's Justices of the Peace for the Colony of New Zealand, in the presence and hearing of James Wylde, who is charged this day before me for that he, the said James Wylde, being then employed in the capacity of a servant to the Mayor, Councillors, and Burgesses of the Borough of Kumara, a Corporation duly constituted by law, did at divers times receive and take into his possession, for and on account of the said Mayor, Councillors, and Burgesses of the Borough of Kumara, his masters, various sums of money—namely, on the 26th day of July, 1881, the sum of five pounds (£5) in money, and on the 30th day of July, 1881, the further sum of two pounds (£2) in money, and on the 19th day of August, 1881, the further sum of two pounds (£2) in money, and on the 11th day of November, 1881, the further sum of four pounds sixteen shillings and sixpence (£4 16s. 6d.) in money, and on the 14th day of October, 1881, the further sum of one pound (£1) in money, and on the 15th day of October, 1881, the further sum of ten shillings (10s.) in money, and on the 8th day of March, 1879, the further sum of one pound (£1) in money, and on the 11th day of March, 1879, the further sum of one pound (£1) in money, and on the 21st day of September, 1881, the further sum of five pounds (£5) in money, and on the 18th day of October, 1881, the further sum of one pound (£1) in money, and on the 19th day of October, 1881, the further sum of five pounds (£5) in money—and the same did then and there feloniously and fraudulently embezzle, against the statute in such case made and provided.

This deponent, *John O'Hagan*, on his oath, saith: I am Mayor of the Borough of Kumara. I produce the *New Zealand Gazette* of 26th July, 1877, No. 64, containing the Proclamation of the Borough of Kumara. I also produce the minute-book, the cash-book, ledger, and the bank pass-books, two in number, of the borough. I also produce the rate-book. I produce, further, the borough balance-sheet for the year 1882, signed by James Wylde, the accused, as Borough Treasurer. I cannot find the cheque-book blocks of the Bank of New Zealand for the last six months of 1881. Mr. Wylde was Town Clerk, Treasurer, and Rate-collector of the borough since its constitution. There was a portion of that time when he was not Rate-collector. He has been Rate-collector since March, 1879, the resolution appointing him such having been passed in December, 1878. He has acted in these capacities up to the 6th November last, when he resigned his offices. I now produce a contract let to Charles Murtha for £63 for fencing the recreation reserve; the contract was accepted the 29th July, 1881. According to the conditions of the contract in Mr. Wylde's handwriting a deposit of £5 was to accompany each tender. During the contract an extra expenditure of 15s. was authorised by Mr. Wylde for putting longer palings in a place where the ground was uneven. In the cash-book, folio 69, I find a payment of £5 to Murtha, as follows: "By recreation-ground, Murtha, £5." The date is 26th August, 1881. On the 14th September I find, "By recreation-ground, Murtha, £20." At page 70, 1st October, I find, "By recreation-ground, Murtha, £15." On the 8th October, "By recreation-ground, Murtha, £5." On the 25th of same month, "By recreation-ground, Murtha, £33 15s.": amounting altogether to £78 15s. I have not been able to find any credit to the borough of the £5 deposit on Murtha's contract. I produce receipts for the above payments to Murtha, except the payment of £15 on the 1st October, which I have not been able to find. I find in the ledger, page 207, in the account of recreation-ground, in the handwriting of Mr. Wylde, an entry of payments corresponding to those I have enumerated from the cash-book. I produce the pass-book of the Bank of New Zealand, where the borough funds were kept. I find in the pass-book payments corresponding in amount with those above enumerated. On 26th August is an entry of two cheques of £5 each, Nos. 278 and 279—all the entries refer to numbers only. On 24th September is an entry of £20, No. 290; on 1st October, No. 288, £15; on 10th October, Nos. 301, 302, 303, for £5 each; on 25th October, No. 313, £33 15s. I produce a contract, let to Malachi Taylor, for £49 15s., dated the 28th July, 1881, for grubbing and draining the recreation-ground. The deposit mentioned is £2. From the cash-book it appears that the following payments were made to Taylor: 26th August, £5; 29th September, £25; 8th October, £21 15s.; 10th October, £5—amounting to £56 15s.; besides another payment of £7, made on 26th October, "By drainage," which was a separate matter, and charged to a different folio in the ledger. The others were all "By recreation-ground." (I produce the separate contract for drainage, with voucher for payment of £7.) The entries in the bank-book correspond to the above payments of £56 15s.—Nos. 280, 289, 300—and on 10th October three cheques of £5 each, numbered 301, 302, 303. I also produce Taylor's receipts for the amounts,

Murtha's  
contract.

Cash-book,  
page 69.

agreeing in the total, £56 15s. I can find no credit to the borough of the £2 deposit. I produce a contract let to Francis Keenan on 15th August for clearing and draining a portion of the cemetery for £32 10s.; deposit, £2. I remember this deposit being paid. I saw it paid to Mr. Wylde; it accompanied the tender, and Mr. Wylde took possession of it. I do not know of any extras in that contract. I cannot find any credit to the borough of the £2 deposit. I find in the cash-book the following payments: 26th August, 1881, "By cemetery, wages, £5." In the ledger there appears a payment of £5 for cemetery on the 26th August, referring to folio 55 of the cash-book. The credit side of folio 55 in the cash-book is torn out, together with all the leaves up to folio 69. It is on folio 69 that I find the payment of £5 on the 26th August. On 29th September I find a payment of £20, "By cemetery, Keenan." This appears also in the ledger. On 27th October, "Cemetery, by Keenan, £14 10s." In the bank pass-book I find corresponding payments: cheque 279, £5; 290, £20; 316, £14 10s. The item of £20 is on the 24th September, the payment appearing by the cash-book to have been on the 29th. In the cash-book against this date is written in pencil, "23." I produce three vouchers for the above three amounts certified by Mr. Wylde and receipted. One of them is receipted by Chisholm, who had an order from Keenan to receive the money. I produce a contract made with Patrick Whelan on 22nd September, 1881, for repairs to Tui and Third Streets for £49; the deposit was £5. I do not know anything specially about the payment of the deposit. I can find no credit of the amount in the books. I find in cash-book, "By streets, Whelan, £20"; 13th December, "By streets, Whelan, £5"; on 17th, £29: amounting to £54. In bank pass-book I find corresponding items, numbered 328, 339, 338. I also produce certified vouchers and receipts for these amounts. They are certified as correct by Mr. Wylde, and passed for payment by A. C. Campbell, Chairman of Finance Committee. I produce a contract entered into with Richard Brady, on 20th October, 1881, for draining sections on north side of Seddon Street. The amount is £6 3s. 9d.; deposit, £1. By the cash-book it appears that Brady received—on 19th November, £2; on 17th December, £5 3s. 9d.; making the total of £7 3s. 9d. The reference is to folio 203 of the ledger, but that page is not in the ledger, five leaves being missing between folios 201 and 206. The bank-book contains these payments, cheques 321 and 341. I produce vouchers certified and receipted for these amounts. I produce a contract made with Henry Gibson, dated the 20th October, 1881, for improving Seddon Street, amounting to £30. I do not know of any extras. Deposit, £5. Vouchers appear for £5 on 27th November, £15 on 15th December, and on 9th February, 1882, balance of contract, £15. This voucher is for £19 16s. 6d., other items being included in it. The total payments shown on that contract are £35. The bank shows, under cheques numbered 329, 340, and 369, payments corresponding to the above. The cash-books corresponding payments, "By streets, Gibson," the payment of £19 16s. 6d. being divided into two: one, "recreation-ground," £1 10s., and "streets," £18 16s. 6d. The folios of ledger referred to are 204, which is missing, and 207, at which I find entry of £1 10s., "recreation-ground," date, 11th February, the date in the cash-book for the payment of £1 10s. being 18th February. I produce a receipt for the sum of £1 which I paid to Mr. Wylde; the signature to it is his; the date is the 14th October, 1881. It was paid by me as a section-holder as my contribution for draining my section in Seddon Street. I produce a resolution of the Borough Council, shown in the minute-book, authorising tenders to be called for the work. The recommendation was made by the Public Works Committee on 25th July, 1881. The recommendation was adopted by the Council on the 28th July. The work was done and paid for by the Council. The paper now produced, purporting to be a list of contributions on this account, is in Mr. Wylde's writing; my name is on the list. On 19th August, 1878, the Public Works Committee recommended, and the Council adopted, the recommendation on the 22nd—that sections in Seddon Street should be drained on the residents paying a contribution. This referred to the south side of Seddon Street. I have not removed any books or documents from the Town Clerk's office except those which have been brought here for the purposes of this case. I recollect a special audit being made of the borough accounts in September last by Messrs. Spence and Palliser. During the audit Mr. Spence said to Mr. Wylde, "The Mayor informs me that he knows nothing of those reports of the Finance Committee." Mr. Wylde said that was strange. I asked Mr. Wylde why he should suppose I had these documents. He replied that he was informed that I was frequently in the office during his absence. I denied this. I had not removed these documents nor any others. I received from the Government a copy of the special auditors' report. I saw Mr. Wylde on the subject. I asked him to explain the matters that appeared wrong, and to meet Mr. Spence with me. Mr. Wylde said the matter was now in the hands of his solicitor, and he could have nothing to do with it. He has never accounted to me or to the Council for the discrepancies.

*Cross-examined by Mr. Guinness:* I first saw the paper which I have produced containing the contributions to the drainage in the Town Clerk's office last Tuesday week, the 21st November. The document produced is the same document. It has not been altered since. I think it was about the 16th November that I went to Mr. Wylde's house, when he said the matter was in the hands of his solicitor. It was after an information had been laid against him by summons. That was not the first time I spoke to him about the auditors' report. The first time was on the 6th November, just before a meeting of the Council. I did not hand him the report. I did not advise him to resign his offices. I told him the report contained most damaging statements against himself, which appeared likely to involve suspension or something else. I did not recommend him to resign temporarily, but I said the report was of such a nature that I could not ask him to read it, nor should I wish him to be present when it was read. I did not on that occasion mention Mr. Perkins's name to Mr. Wylde. Mr. Wylde said the statements in the report were monstrous and untrue, and he added, "Perhaps I had better resign until this matter is cleared up," or something to that effect. I said, "Perhaps it would be as well; whatever you think best; please yourself." I informed him of some of the contents of the report

—that he was stated to have overdrawn his own salary, and overpaid Nathan Seddon, and to have received deposits which he had never carried to account. I told him these things from memory. I might have had the report something less than a couple of days before this. I had no earlier opportunity of seeing Mr. Wylde. I had taken the report to Greymouth and shown it to Mr. Perkins. I did not inform the Borough Council that I had advised Mr. Wylde to resign temporarily. I did not ask Mr. Wylde for any explanation on the occasion I have last referred to beyond what I have stated. On looking over the annual balance-sheets I find no special mention of deposits paid to the borough fund, except in the one for 1881, where I find a payment of £30 to Deposit Account. I cannot say whether that means contractors' deposits or not. I also find the same item on the credit side. On referring to the cash-book I find that amount entered as deposits in connection with the election of Mayor. On the 6th November the Council referred the special auditors' report to a committee. I produce the minute of the resolution. Mr. Wylde was present at the meeting of the committee. The letter now put into my hands, dated 8th November, was sent to Mr. Wylde inviting his attendance; also the letter of same date sending him a copy of resolution referring the report to the committee. The letter dated 10th November was written to Mr. Wylde, forwarding him printed copy of auditors' report. Mr. Wylde was present at the committee meeting of the 8th, and said he was satisfied with the copy as printed in the newspaper. Mr. Wylde, on the 9th, offered to go through the report with the committee and give explanations, and requested that whatever explanations he gave might be taken down in writing. The document now placed in my hands I believe to be in the writing of our present Town Clerk. It purports to be minutes of proceedings of the select committee. At a meeting of the Borough Council on the 9th November, a resolution was proposed at about 11 p.m. that the Council adjourn until the next evening at 8 p.m., and that the committee go on with their inquiry. An amendment was carried, cancelling the appointment of the committee, and recommending that the special auditors' report be referred to the borough solicitor for his opinion. The committee met no more after that. At that time Mr. Wylde had only just started his explanations to the committee. At the committee meeting on the 8th Mr. Wylde was present three or four hours. He did not on that occasion give any explanation, but said he had not yet been furnished with an official copy of the report—that was in answer to my suggestion that he should single out some particular item and give an explanation of it. He was not on that occasion formally called on by resolution for an explanation. He might have said he would give explanations on being furnished with the report. The next evening the committee sat from 9.30 to 11. Mr. Wylde was then giving his explanation. Mr. Wylde was never called upon by the resolution of the Council, or by myself up to the 16th, when I went to his house, for any explanation, since the committee was dissolved. Referring to my denial of Mr. Wylde's statement that I had been frequently in his office when I was not there, I said I had never been in the office on more than two occasions, and then some one was with me. I have never been into his office by myself in his absence. Mr. Valentine, the bailiff, was with me on one occasion.

*Re-examined by Mr. Perkins:* Mr. Wylde excused himself from attending on the 9th as he was going to a picnic. It was therefore fixed for the evening. The report of the auditors was published that evening in the *Kumara Times*. When Mr. Wylde told me the matter was in the hands of his solicitor I had not laid any information.

JOHN O'HAGAN.

And this deponent, *Allan Bishop*, being duly sworn on his oath, saith as follows: I am a clerk in the National Bank of New Zealand, Greymouth. The letter produced, dated the 10th November, 1881, is in my handwriting. It is addressed to James Wylde. I produce a cheque which accompanied the letter. The cheque is for £4 16s. 6d. I sent it in response to the notice to pay rates, dated the 5th November, sent by Mr. Wylde. The rates were on sections owned by the bank at Kumara. I produce Mr. Wylde's receipt for the money, dated the 11th November, 1881. The cheque was afterwards presented and paid. It came through the Bank of New South Wales.

ALLAN BISHOP.

And this deponent, *James Pearson*, being duly sworn on his oath, saith as follows: I am agent for the Bank of New South Wales at Kumara. I know the accused, James Wylde. He kept his private banking account with me. The cheque now produced was placed to James Wylde's private account at my bank. It is for £4 16s. 6d. I produce the slip for the payment of that amount, dated the 11th November, 1881. The cheque now placed in my hands, No. 280, dated 26th August, 1881, for £5, has the borough seal on it. It was paid into the bank to the credit of James Wylde on the 27th August, as shown by the slip produced. The cheque now produced, No. 288, for £15, dated the 23rd September, 1881, is also a borough cheque, and was placed to the credit of James Wylde, as shown by the slip also produced. I also produce cheque and slip for £21 15s., No. 300, dated the 6th October, 1881. That also was paid to James Wylde's private account, as shown by slip dated the 8th October. Cheque No. 302, for £5, was also paid to his private account, dated the 7th October, as shown by slip dated the 10th October. I recollect the rate-payers wishing to make a drain on the south side of Seddon Road. I contributed £1 towards it on behalf of the bank. I paid it to Mr. Wylde, and produce his receipt for it, dated the 8th March, 1879. The drain was made by labour employed by the Corporation.

JAMES PEARSON.

And this deponent, *Thomas Richard Connell*, being duly sworn on his oath, saith as follows: I am manager of the Bank of New Zealand at Kumara. The borough accounts have always been kept at my bank. I produce "pay-in" slips showing money paid in by Mr. Wylde on account of the borough for November and December, 1881. There is no payment purporting to be for rates due from the National Bank. I produce borough cheque 287, £20. It has been paid. The same is the case with 279, £5; 278, £5; 289, £25; 290, £20; 301, £5; 313, £33 15s.; 316, £14 10s.; 328, £20; 321, £2; 329, £5; 338, £29; 339, £5; 340, £15; 341, £5 3s. 9d.; 369, £19 16s. 6d.;

and 303, £5. The same is also the case with 302, for £5; 300, £21 15s.; 288, £15; and 280, £5. These have all been paid out of the borough fund; they are all filled in and signed by Mr. Wylde as Treasurer. The cheque-book produced came from my bank. It contained 300 cheques, from 100,627 to 100,926. The back numbers of all the cheques I have enumerated show that they were all taken from that book. I find the first block in the book now shown is 100,771, instead of 100,627, showing nearly 150 short.

THOMAS RICHARD CONNELL.

And this deponent, *William Alexander Spence*, being duly sworn on his oath, saith as follows: I was appointed special auditor of the Kumara Borough accounts. I audited them in conjunction with Mr. Palliser. Mr. Wylde was the person who put the borough documents before us. He had accounts as Town Clerk, Rate-collector, and Treasurer. During the audit I asked Mr. Wylde for the blocks of receipts given to persons who had paid rates. This was to check the rate-rolls with. I could not find the individual payments in the cash-book; the payments were simply entered as "rates." There was nothing to show who had paid. The blocks of the rate receipts were not produced. Mr. Wylde said he had not got them, and that he never kept them regularly. On referring to the rate-roll for year ending March, 1882, I find the National Bank of New Zealand rated at £96 10s., which, at 1s. in the £1, makes £4 16s. 6d. rates. Mr. Wylde told me this sum was outstanding. It was not included in the total of £229 7s. 6d. which he showed as received for rates. In the bank-book the payments out appear by number only. Mr. Wylde produced no blocks of cheques to show by reference to numbers what the payments were for. He said he had not got them, and did not know where they were. I asked him where he got the cheques from. He said, sometimes he got a cheque from any one outside. I asked him about contractors' deposits. He said, as a rule he kept them in the safe and returned them. In auditing I met with Murtha's contract. There was no record in the books of the £5 deposit in that case. The total payments made to Murtha was £78 15s., the contract being for £63, and the deposit £5. Mr. Wylde said the excess of payment was for extras. I asked him for authority for the extras, and he said Mr. O'Hagan had taken them away from the office. Mr. Wylde did not produce any deposit account; he said he kept the deposits in the safe. On Taylor's contract for £49 the deposit was £2. The amount paid to Taylor was £56 15s. No credit is given for the deposit. Keenan's contract was for £32 10s.; deposit, £2; amount paid Keenan, £39 10s. No credit given for the deposit. Whelan's contract was £49; deposit, £5; amount paid him, £54. No credit is given for the deposit. Brady's contract was £6 3s. 9d.; deposit, £1; amount paid him, £7 3s. 9d. No account of the deposit shown in the books. Gibson's contract was £30; deposit, £5; amount paid him in respect of contract, £35. No credit given for the deposit. Mr. Wylde did not account in any way for the excess of payments to the contractors, except by saying that they were extras on the contract. I found that the borough had resolved to construct a drain on the section-holders contributing. I found that some contributions had been received on this account. There was one receipt from the Bank of New South Wales. I did not ask Mr. Wylde for any explanation about these payments because he had previously refused to give any explanation of the occurrences of past years, saying that he had been advised not to do so. I could find no entry in his books of £1 paid by the Bank of New South Wales in March, 1879, and £1 paid by James Drummond in March, 1879, on account of the drain on south side of Seddon Street. I could find no entry of £1 paid by O'Hagan, £1 by Mawson, and 10s. by Berger, in October, 1881, for the drain on the north side of Seddon Street. There is an entry for rates, £7, on 19th October, 1881. I asked Mr. Wylde in presence of Mr. Palliser if any moneys but rates were included in rates, and he said "No." The above items are not included in the total of £229 7s. 6d. received for rates.

*Cross-examined*: I was first appointed sole auditor. I went through the rates with Mr. Wylde. I found the amount shown to be received for rates to agree with the amounts shown in the rate-rolls as received for the year ended 31st March, 1882. The question I asked Mr. Wylde, if any other payments were included in "rates," referred more particularly to 1878. I did not refer to any particular item, but previously to this he had refused to give me any information. I had no written instructions from the Government as to my duties. I produce my letter of appointment, dated 4th September, 1882. I do not remember Mr. Wylde saying everything in the office was at our disposal. I suppose the books were so, but he had the key of the safe. I believe Mr. Wylde said that if the deposits were paid into the bank the bank would stick to them for the overdraft. I did not see one block of any receipt for rates. Mr. Wylde told me he had not got any. He said that he considered that when the accounts were passed by the auditors that was sufficient, but I do not know that he was speaking particularly of the rate receipts. I think he meant that I had no right to go into accounts of past years. I do not think the sum of £4 16s. 6d. paid by the National Bank was paid in at any time before the audit. The voucher for £5 to Keenan on 27th August was given to me by Mr. Wylde with the others to show the payment in the cash-book. I do not remember any voucher for wages for the cemetery. I never saw a list of the six contracts referred to brought before the Finance Committee to be passed for payment. In the minutes of the Finance Committee they are mixed up together in lump sums. I recollect asking Mr. Wylde to hand over the deposits in hand for the current contracts. Mr. Wylde produced the money. I never saw a cash-box with "Deposits" labelled on it. We did not ask him to produce the cash on the five contracts already mentioned. I told Mr. Wylde when he refused to give information that I should mention it in the report. He said, "Very well; when the report comes, then I will give the explanation." The final vouchers in the five contracts put in are signed by the chairman of the Finance Committee, but the dates were not filled in, and I could not get any minute of the proceedings of the Finance Committee and the schedules of the amounts passed for payment. I informed the Mayor that I could not get these schedules. I saw the Finance Committee's minute-book, but I could find no minutes with reference to these contracts. A good number of meetings were not recorded at all. I suppose so, because there are long periods without any record. There is nothing between the 23rd December, 1878, and the 16th October, 1879—the next to that is the 9th May, 1881.

*Re-examined*: In the cash-book, page 80, is an entry of £2 received, "Error, Keenan, sundry receipts." This £2 was, I believe, on a contract prior to the cemetery contract before referred to. It appeared as a deposit on a voucher to which I called Mr. Wylde's attention. He said he had the £2 in hand and would pay it in. He did this. In the cash-book Mr. Wylde debits himself with the deposits on current contracts, being the money which he paid over. He made no such entries with respect to the former contracts. I believe the vouchers signed by the chairman of the Finance Committee were at the time of the audit in the same state as they are now. With reference to my evidence about the £2 on Keenan's contract, I now find it was a contract for building a bell-tower for £14. The deposit was £2, and the voucher for £16 is receipted on the 23rd May, 1881. The deposit of £2 was not credited to the borough funds until September, 1882.

WILLIAM ALEXANDER SPENCE.

And this deponent, *Charles Stewart Emerson*, being duly sworn on his oath, saith as follows: I am clerk in the Union Bank of Australia. I produce a cheque dated 26th July, 1881, payable to Murtha or bearer, for £5, signed "James Woods." It was paid by the Union Bank at Kumara.

CHARLES STEWART EMERSON.

And this deponent, *James Woods*, being duly sworn on his oath, saith as follows: I am a baker, residing at Kumara. The cheque now produced for £5 was drawn by me and given to Charles Murtha on the 26th July. It was for a deposit on a tender to be sent in to the Borough Council.

JAMES WOODS.

And this deponent, *Charles Murtha*, being duly sworn on his oath, saith as follows: I am a miner. On 26th July, 1881, I tendered to fence the recreation-ground. The paper now put into my hands is my tender for £63. I made a deposit of £5 by Mr. Woods; cheque now produced. I gave an order to Barrett to receive £5 as wages for me. I gave Nicholson an order for £20. I received £5 myself. Before that I received £15. I did not get £33 15s., as shown by the last voucher. I only got £23 15s., which was paid by Mr. Wylde's own cheque. My signature is to the voucher for £33 15s. I received in all £63 15s., besides the £5 deposit. There was only fifteen shillings' worth of extras.

CHARLES MURTHA.

And this deponent, *Francis Keenan*, being duly sworn on his oath, saith as follows: I have been a contractor in Kumara, and am now a day-labourer for the Borough Council. In August, 1881, I had a contract for clearing, grubbing, and draining the cemetery. The amount was £32 10s. I paid a deposit of £2. It went in with the tender. I got paid for the contract. The first instalment was paid on my order to Chisholm for £20. The next payment was £14 10s., paid to myself, being the balance of my contract and deposit. I was not at that time doing any other work for the Council. The signature to the voucher now produced for £5, 27th August, 1881, is not mine. I do not know anything about that money. I never got it.

*Cross-examined*: I do not remember receiving Mr. Wylde's cheque for £3 15s., nor paying that amount to Mr. Rudkin. The cheque I received for £14 10s. was cashed at the Bank of New Zealand. I remember in the year 1880 some rates being deducted from money coming to me. I think I got a cheque for £3 15s., and £1 10s. was stopped for rates. I do not think I have received any money without giving a receipt.

*Re-examined*: I do not remember the payment of £3 15s. on the 28th February, 1882, as shown by the voucher now produced.

FRANCIS KEENAN.

And this deponent, *Patrick Whelan*, being duly sworn on his oath, saith as follows: I am a miner, residing at the Waimea. In November, 1881, I had a contract with the Borough Council for improving Tui and Third Streets for £49. I sent in with my tender a deposit of £5. I got £20 for my first payment, and afterwards £29, besides my deposit of £5. I put my mark to vouchers for the money. The £5 was given me by cheque, which I cashed at the Bank of New Zealand.

PATRICK (his x mark) WHELAN.

And this deponent, *Malachi Richard Taylor*, being duly sworn on his oath, saith as follows: I am a labourer, residing at Kumara. In July, 1881, I had a contract with the Borough Council for grubbing and draining the recreation-ground. The contract was for £49 15s. I sent in with the tender a deposit of £2. The cheque I sent in was dishonoured, but I took it up and paid £2 instead of it to Mr. Wylde. The vouchers for payments show a total of £56 15s. The signatures to the vouchers are mine. I got paid for my contract and the deposit. I believe the explanation given by Mr. Wylde was that he ought to have destroyed the vouchers for £2 and £3 when he substituted one for £5 instead of them, but that he omitted to do so. I do not know anything about the sum of £56 15s. being shown by the cash-book as paid to me. I also received £7 for drain in Union Street, and £5 5s. for draining recreation reserve in March, 1881.

*Cross-examined*: Mr. Wylde sometimes advanced me money by private cheque on the contracts. I cannot say how much I received in that way. I will not positively swear that I have not received the sum of £56 15s., but if I did I am ignorant of it. I think I only received what I was entitled to.

MALACHI RICHARD TAYLOR.

And this deponent, *Richard Brady*, being duly sworn on his oath, saith as follows: I am a labourer, residing at Kumara. I had a contract to make a drain for the Borough Council. It was for £6. The deposit was £1. I sent it in with the tender. I got £2 before the work was done and £5 after. I got no odd money at all. The cheques now produced [321 and 341] are those by which I was paid, but I never received the 3s. 9d.

*Cross-examined*: I could not say who gave me cash for the cheques; I think I got it from Mr. Connell.

RICHARD BRADY.



And this deponent, *Henry Gibson*, being duly sworn on his oath, saith as follows: I am a carter, residing in Kumara. In October, 1881, I had a contract for improving Seddon Street. It was for £30. The deposit, £5, went in with the tender. I received £35 in all. The vouchers have my signatures to them. The cheques produced (329, 340, and 369) represent these payments, and £4 16s. 6d. additional for other work outside the contract.  
HENRY GIBSON.

And this deponent, *Timothy Haren Carey*, being duly sworn on his oath, saith as follows: I am manager for Manson and Co., at Kumara. I remember a drain being made along north side of Seddon Street. I produce a receipt for payment of £1 in respect of that drain, signed by James Wylde.

*Cross-examined*: I did not pay the money. Mr. Robinson must have paid it before I came there.  
TIMOTHY HAREN CAREY.

And this deponent, *Henry Burger*, being duly sworn on his oath, saith as follows: I am a storekeeper, residing at Kumara. I recollect a drain being made on the north side of Seddon Street, for which I paid 10s. to Mr. Wylde, for which the receipt now produced was given. The work was done by Brady.

*Cross-examined*: I see that the receipt purports to be for general rate; but I am quite certain it is the receipt given me by Mr. Wylde for my contribution to the drain. I am a member of the Borough Council. I was on the select committee appointed to inquire into the special auditors' report. I was present when Mr. Wylde attended and began to give explanations. I remember Mr. Seddon and Mr. Barnett wishing to go on with the inquiry, and the Mayor and myself objecting. I objected to it from the beginning. Mr. Wylde had not concluded his statement when the committee adjourned, and the Council cancelled the appointment.  
HENRY BURGER.

And this deponent, *James Drummond*, being duly sworn on his oath, saith as follows: I am a storekeeper at Kumara. I recollect a drain being constructed on the south side of Seddon Street and the residents contributing to it. I contributed £1, which I paid to Mr. Wylde, as shown by the receipt now produced. The day-labour man, Mr. Nat. Seddon, did the work.  
JAMES DRUMMOND.

The foregoing depositions of John O'Hagan, Allan Bishop, James Pearson, Thomas Richard Connell, William Alexander Spence, Charles Stewart Emerson, James Woods, Charles Murtha, Francis Keenan, Patrick Whelan, Malachi Richard Taylor, Richard Brady, Henry Gibson, Timothy Haren Carey, Henry Burger, and James Drummond, written on thirty-five sheets of paper, numbered consecutively from 1 to 35, and by me now fixed together, were taken upon oath before me the undersigned Resident Magistrate and Justice of the Peace, the 1st day of December, 1882, in the presence of the said James Wylde, who was afforded full opportunity to cross-examine the said witnesses, and the depositions have been read over to and signed by the said John O'Hagan, Allan Bishop, James Pearson, Thomas Richard Connell, William Alexander Spence, Charles Stewart Emerson, James Woods, Charles Murtha, Francis Keenan, Patrick Whelan, Malachi Richard Taylor, Richard Brady, Henry Gibson, Timothy Haren Carey, Henry Burger, and James Drummond.  
J. GILES, R.M.

And this deponent, *Charles Wray Palliser*, being duly sworn on his oath, saith as follows: I was appointed as auditor with Mr. Spence, to make a special audit of the Kumara Borough Council accounts. In the course of that audit it became necessary to inquire as to the deposits paid by Murtha, Taylor, Keenan, Whelan, Brady, and Gibson, contractors. I asked Mr. Wylde if he had banked the contractors' deposits. He said, No, he had put them in the safe. He did not produce them. The borough fund was not credited with them in any way. I also inquired as to the voluntary contributions for making the drains in Seddon Street. I asked Mr. Wylde if he had anything under the head of "Rates" besides rates pure and simple, and he said he had not included anything else under that head. There was no credit given in the borough books for these payments, and they were not accounted for in any way. When we found some discrepancies in salaries, I then asked Mr. Wylde to give an explanation. He said he would give an explanation at the proper time and place. I told him I thought this was the proper time and place, as I wished to avoid putting it in the report, if it could be explained. He refused to give any explanation of back amounts. The contractors' deposits and the excess paid on three of them remained unexplained and unaccounted for at the close of the audit.

*Cross-examined by Mr. Guinness*: I produce my appointment, dated the 28th October, 1881. It is a general authority. I acted in the matter on a telegram from Mr. FitzGerald. I have not got it with me. After beginning the inquiry, I soon found it would be necessary to go back to the beginning, as I could not rely on the balances carried forward. When I asked Mr. Wylde if he had banked the deposits, I did not mention the names of the contractors. I asked him if he banked his deposits on contracts. I asked him to produce those on existing contracts. He did so; he produced them out of the safe. I think he produced £1 too much. Mr. Spence had proceeded with the audit some time before I joined him. I cannot remember whether I told Mr. Wylde I should audit the accounts from the beginning. I believe the question about other moneys being included under "rates" was asked more than once by both of us. I did not ask him any direct question whether he had received the contributions for draining. I do not remember mentioning that to him. In the balance-sheet for the year ending 31st March, 1880, the item of £7, appearing under the head of "Sundry receipts," is shown by the cash-book to be for dox-tax. I can swear that for the last year ending March, 1882, no contributions for drains are included under items of "Sundry receipts." I can say the same for the period from 1st April to the time of my audit. I could not make a complete audit for that period, because I could not get all the information required. I have not seen the book labelled "Rates" until now to my knowledge. It purports to contain lists of defaulters and rates paid. I cannot swear the book was not in the office. I can swear

that for the two years ending 31st March, 1880 and 1882, no contributions for drainage are shown as paid in. Those for October, 1881, have not gone into the borough fund, but the two dated 8th and 11th of March, 1879, for £1 each I cannot swear about. No blocks of receipts were shown me. Mr. Wylde told me he had not got them. I heard him say so, either to me or Mr. Spence. The payment of rates was ascertained from the rate-roll. The National Bank appeared from that not to have been paid, there being a cross against it. That amount of £4 16s. 6d. had not been paid into the borough accounts before the 6th September. It appears in the book indorsed "Rates" (page 39), in the list of rates paid from 1st April to the 30th September, 1882. The total amount shown by the cash-book as received for rates is £43 10s. 6d., which agrees with the amount in the other book. I still swear that the sum of £4 16s. 6d. was not paid into the bank before the 20th September.

*Re-examined*: At page 33 of book "Rates," the National Bank is shown as a defaulter to the amount of £4 16s. 6d., in Mr. Wylde's handwriting, for the year 1882. The document now put in my hands purports to be a receipt by Mr. Wylde, dated the 11th November, 1881, for the same amount. There are no dates in the list of rates paid in the book marked "Rates" to show when they were paid. The items in cash-book, seven in number, making up the amount of £42 10s. 6d., do not show who made the payments. In the balance-sheet for year ending the 31st March, 1879, there is no entry of contribution for drainage, nor in that ending 31st March, 1880.

C. WRAY PALLISER.

*Thomas Richard Connell* recalled: In the borough pass-book of the Bank of New Zealand on the 21st September, 1882, appears a payment-in of £10 10s. to the borough funds. I produce the "pay-in" slip, also cheque showing the £10 10s. to be made up by a cheque of E. J. Price for £5 5s., and another cheque on the Borough of Kumara, signed by James Wylde, Treasurer, for £5 5s.

THOM. R. CONNELL.

*Charles Wray Palliser* recalled: The entry of £10 10s. referred to by the last witness forms a part of the sum of £42 10s. 6d. before referred to by me as shown in cash-book as payment of rates.

CHARLES WRAY PALLISER.

The foregoing depositions of Charles Wray Palliser and Thomas Richard Connell, written on six sheets of paper, numbered consecutively from thirty-six to forty-one, and by me now fixed together, were taken upon oath before me, Joseph Giles, Esquire, Resident Magistrate and Justice of the Peace, on the 2nd day of December, 1882, in the presence of the said James Wylde, who was afforded full opportunity to cross-examine the said witnesses, and the depositions have been read over to and signed by the said Charles Wray Palliser and Thomas Richard Connell respectively.

J. GILES, R.M.

#### STATEMENT OF PERSON ACCUSED OF AN INDICTABLE OFFENCE.

JAMES WYLDE stands charged before the undersigned Joseph Giles, Esq., Resident Magistrate, and one of Her Majesty's Justices of the Peace in and for the Colony of New Zealand, this day of December, in the year of our Lord one thousand eight hundred and eighty-two, for that he, the said James Wylde, on \_\_\_\_\_, at Kumara, in the colony aforesaid, being then employed in the capacity of a servant to the Mayor, Councillors, and Burgesses of the Borough of Kumara aforesaid, did receive and take into his possession, for and on account of the aforesaid Mayor, Councillors, and Burgesses of the Borough of Kumara aforesaid, his masters, various sums of money, of the amounts and on the dates described in the depositions hereto attached; and the said charge being read to the said James Wylde and the witnesses for the prosecution, and the said witnesses being severally examined in his presence, and their depositions being now read over to him, the said James Wylde is now addressed by me as follows: "Having heard the evidence, do you wish to say anything in answer to the charge? You are not obliged to say anything unless you desire to do so, but whatever you say will be taken down in writing, and may be given in evidence against you upon your trial; and you are clearly to understand that you have nothing to hope from any promise of favour, and nothing to fear from any threat which may have been holden out to you, to induce you to make any admission or confession of your guilt, but that whatever you shall now say may be given in evidence against you upon your trial, notwithstanding such promise or threat." Whereupon the said James Wylde saith as follows: "I reserve my defence."

JAMES WYLDE.

Taken before me, at Kumara, in the colony aforesaid, on the day and year first above mentioned.

Committed for trial at Supreme Court.

J. GILES, R.M.

#### EXHIBIT B.

##### CRIMINAL SITTINGS, HOKITIKA.

TUESDAY, 3RD APRIL, 1883.—Before PRENDERGAST, C.J.

*James Wylde.* True bill for embezzlement: £5, £2, £5.

Mr. Harper and Mr. Perkins for the Crown; Mr. Guinness and Mr. Purkiss for the prisoner.

JOHN O'HAGAN, by Harper.

I am Borough Councillor of Borough of Kumara. Was Mayor from 1880 to November, 1882. I vacated office in December, 1882. [Mr. Harper puts in *Gazette*, 1877, Vol. 2, page 763: Proclamation proclaiming Kumara Borough under Act of 1876, from the 23rd July, 1877.] I produce

minute-book of the proceedings of the borough during from 28th August, 1877, to 8th May, 1882. These entries are in Wylde's writing. I produce Finance Committee's minute-book, and other committees' minute-books. It is from 6th September, 1877, to 16th November, 1882. The entries are in the prisoner's writing. This is the cash-book of borough during period September, 1877, to November, 1882. The entries are in the prisoner's writing. I produce the borough ledger during same period. Entries are in prisoner's writing; from September, 1877, to September, 1882. These are the bank pass-books of the borough—of the Bank of New Zealand. The borough fund was kept at the Bank of New Zealand, Kumara. One pass-book, from 4th September, 1877, to July, 1882; the other from July, 1882, to November, 1882. I produce balance-sheet for 31st March, 1882. It is accompanied by a letter from the auditors. The signature to the balance-sheet is the prisoner's. There is also balance-sheet for September, 1881. That also signed by the prisoner. This cheque-book was also found in the borough office; the writing in it is the prisoner's. [Objected to by Mr. Guinness.] I refer to minute-book of Council meeting of date 18th December, 1878. Resolution *re* appointment of Town Clerk of James Wylde: "Town Clerk, Surveyor, Treasurer, Assistant , Returning Officer, Rate-collector, Registrar of Dogs. Salary, £350. Terminable three months' notice either side. Minutes read meeting 9th January, 1878. Minutes confirmed." It is signed by Blake, Mayor. He was Mayor. Wylde continued to hold appointments till March, 1882—all of them. Since that he filled the same duties. He held offices of Town Clerk, Treasurer, and Collector. Since March, 1882, he had commission on rates; the salary was altered. These documents are tenders and specifications. First is tender from Charles Murtha, and specifications and conditions. They are in handwriting of the defendant. I think I know Murtha's writing. Contract is dated the 29th July, 1881. Deposit of £5 to be retained till work completed. £15 was allowed as an extra to that contract—no more. I look at cash-book, folio 69. I see "14th September, 1881: Recreation-ground, Murtha, £20," entered as payment to Murtha. I see no other entries relating to the same thing. I refer to folio 70: "1st October, recreation-ground, Murtha, £15." On same folio, "Murtha, £5." Date appears "8th October, 1881." Also "Murtha, recreation-ground, £33 15s.," on 25th October, 1881, folio 70. I refer back, folio 69, date 26th August, 1881: "Murtha, recreation-ground, £5." I now refer to the ledger, folio 207. "Recreation-ground," five entries: 26th August, £5, folio 55; 14th September, £20, folio 55; 1st October, £15, folio 71; 8th October, £5, folio 71; 25th October, £33 15s., folio 71. I have looked through the cash-book and ledger for the purpose of finding entry of the £5 deficient. I find none. I have pass-books before me. I refer to entry "26th August, 1881, No. 279, £5." It corresponds with the cheque, dated 26th August, 1881, signed by James Wylde, account Campbell and prisoner. The "James Wylde" in prisoner's writing; payable to 279, and the number is 100641. I refer to date in pass-book, 24th September, 1881. I see one cheque of £20, No. 290. Number of cheque is 100652, dated 23rd September, 1881, signed J. Wylde, Campbell, and Burger. The signature is prisoner's, and entry of cheque, and so is the other. On 1st October I find a payment entered, No. 288, for £15. Number of cheque is 100650, dated the 23rd September, 1881; signed by prisoner, and the body of it. The other signatures are Councillors Campbell and Burger. I refer to No. 301, paid 10th October, for £5. Number of cheque is 100653, dated 6th October, 1881; signed by Wylde and Councillors, and body of cheque is Wylde's; it is indorsed. I look at No. 313, entered on date 25th October, £33 19s. 10d.; number of cheque, 100677; 25th October, 1881, £33 15s. It is in prisoner's writing, and signed by him and Councillors; on back is scribbled, "Received cash." I look at this document. This is contract of Keenan; amount is £32 10s. Specifications are in prisoner's writing, dated 10th August, 1881. Conditions are in prisoner's writing: "Deposit of £2 retained till completed." I remember that the deposit came in cash. It accompanied the tender. I remember that prisoner was present. The Treasurer, the prisoner, took charge of the £2. I refer to the cash-book, page 69, under date 26th August, 1881. I find entry, "By , cemetery, £5." I refer to ledger. Same date, referring to folio 55, "26th August, cash £5, cemetery"; no names. The folio on the ledger is 199. There is no folio 55. I refer to cash-book, 29th September, 1881. Entry, "By cemetery, £20, Keenan," folio 69. In ledger-folio 199, "£20," folio 55 is referred to. I refer to 27th August, 1881, "By cemetery, Keenan, £14 10s.," folio 70 in cash-book. In ledger, on 2nd October, it refers to folio 70 in cash-book. I refer to bank pass-book. Entry of date, 26th August: No. 279; amount, £5. On same date, No. 278, for £5; on same date no other for £5. This cheque, numbered 100642, dated 26th August, 1881, No. 280; 280 is entered as paid on 27th August for £5. That is prisoner's writing. I look at No. 290, dated 24th September, for £20. I refer to 27th October, 1881: No. 316, for £14 10s.; cheque dated 25th October, 1881, No. 316, for £14 10s.; number of cheque is 100680. This is signed by prisoner, and the body of the cheque. It purports to be indorsed by Keenan. I have looked through the books. I cannot find any entry of payment of the £2 to the credit of the borough. I am sure the deposit was paid, but I am not sure it was cash. I produce contract in this case. Conditions are in prisoner's writing. Date of this contract is 21st September, 1881. I find no entry of the receipt of the £5 deposit. In cash-book, folio 71, I find an entry, "By streets, Wheelan, £20." Reference in cash-book is to ledger-folio 203. In ledger there is no folio 203. I can find no corresponding entry in the ledger. I refer to cash-book entry at folio 72, "By streets, Wheelan, £5"; date, 13th December, 1881. It refers to folio 204 in ledger. There is no such folio in the ledger. I find no corresponding entry in the ledger. In cash-book, folio 72, date 17th December, "By streets, Wheelan, £29," refers to ledger-folio 204. There is no such folio. I find no corresponding entry. I refer to bank pass-book No. 328, entered 19th November, 1881, as paid £20. Cheque is No. 100692, dated 19th November, 1881, "Pay No. 328, £20." This cheque in prisoner's writing and the other Councillors'. No. 338, entered as "Paid 19th December, 1881, £29." Cheque is No. 100702, dated 17th December, 1881, "Pay No. 338, £29." This is in prisoner's handwriting. I look back to date 26th November, 1881, in pass-book I find entered as paid No. 329, for £5; number of cheque 100693, dated 19th November, 1881, "Pay

No. 329, amount £5." This is in writing of prisoner. I recollect special audit by Mr. Spence and Mr. Palliser; it was in September, 1882. The audit was agreed to by Borough Council at request of the Government. At this time, after we received a copy of the auditors' report. I was Mayor at the time. I had conversation with him. I gave him an outline of what the report contained. I did not show him the report. I told him that I had received a copy of the special auditors' report, and that I was sorry to say that it contained some most damaging statements against him. He asked me what they were. I told him that the report charged him with having paid away about £220 to a man named Seddon, also £164 to himself, besides keeping several deposits on contracts. I said, if these things were true it involved a matter of suspension, or something worse. Mr. Wylde stated that it was a parcel of lies, and monstrous, and no truth in it. I told him we had got the report containing the statements, and they asserted they were true. Wylde said, what would be best for him to do under the circumstances? I replied I did not know. I said I would not like to submit him to the indignity of reading it himself to the Council that night. Wylde said, perhaps he had better resign till the matter was cleared up. I said, "Perhaps so; whatever you think best." That is all that took place then. The meeting of the Council was coming on; Wylde resigned. Mr. Wylde has never accounted to me as Mayor, or to the Councillors to my knowledge, with regard to the discrepancy as to the deposits. After Wylde's resignation the Council appointed a committee to inquire into the matter mentioned in the report. The committee was called on 8th November, 1882—the evening of the 8th. Prisoner was present. Wylde complained that he had not been furnished with a copy of the report. The report had been published that evening in the papers, and Wylde agreed to accept that as a copy. He said he wanted to peruse it before he entered on his explanation. The committee adjourned till four the following day. On that day only two came, because Wylde had said he wanted to go to a picnic (?). Committee adjourned to 8 o'clock that evening. He attended at that time. Prisoner attended; meeting took place. Wylde was asked for his explanation. He said he would give it, but he would insist upon its being taken down in writing, and that he be furnished with a copy. That was agreed to. I asked what point he preferred to take first; should we take the deposits or something else? He said, unless he got leave to give his explanation in his own way he must refuse, or words to that effect. Some part of what he said was taken down in a book. He explained no figures whatever. This meeting lasted from 9 to 11. We then adjourned. We reported to the Council. The committee adjourned, having his statement incomplete. After this I, in company with Mr. Barnett, went to see the prisoner at his house. I informed him that I met Mr. Spence, and had requested him (Mr. Spence) to remain in Kumara till I had seen Mr. Wylde, so that we could have a more satisfactory explanation of the matter. I informed him that we waited on him in our official capacity. Wylde said that an information had already been laid against him by an outside party; that the matter was in the hands of his solicitor; that he could do nothing in it. We were not specially authorised to go to the prisoner. After that I had no further conversation with him. I look at balance-sheet for the year ending March, 1882. Mr. Nicholson and Mr. Toms were the auditors for the borough. It is signed by the prisoner and auditors. It contains no credits of these deposits. I see no entry under which it would be included. I refer to balance-sheet for year ending March, 1881. This is attested by auditor and Town Clerk. There is entry here of "Deposits, £30." I look at minute-book of proceedings of committees, date 4th March, 1878. It is in prisoner's writing: "No cheque be paid except to person's name." At meeting Council read and received the report, 14th March, 1878.

*Xd by Guinness:* In September, 1879, I first became a Councillor, and Mayor in November, 1880. I gave a notice of motion that the Town Clerk's salary should be reduced. It was one of the first notices of motion I gave. The salary was reduced from £350. My motion was carried. It was reduced to £230, with right to private practice. I got it subsequently reduced to £200, and only required to attend three days a week. I know Mr. Seddon. He was first Mayor. I never said to Mr. Seddon that I would have Wylde out of that billet as he had insulted me, not at any meeting, nor at Pearne's Hotel. It does not appear to have been the practice to credit the borough with the deposits of contractors. The balance-sheet for March, 1881, bears my signature as Mayor. The balance-sheet was at a special meeting finally settled and passed by the Council. I refer to minutes of meeting of Council, 29th July, 1881: "List of tenders received.—Keenan, £65; Murtha, £55." Resolution was that Murtha for fencing and Taylor for fencing be carried. There was a quorum present. Practice is tenders are laid on table, closed by Clerk, and then opened in the presence of the Council. The tender is not received as formal unless deposit is with it. I am not aware that any resolution was passed when the deposits were handed to Wylde as to what he was to do with them. The special auditors' report was a long document. I had it two days before I told Wylde of it. I did Wylde particulars of what was in the report. I told him of the amount said to be overpaid to him and to Seddon. I remember Mr. Wylde making a claim for wages. I did mention to him before the meeting of the Council when the report was considered; told him that it mentioned "contractors' deposits." I did not tell Council that I had advised Mr. Wylde to resign temporarily. I look at folio 231 and 232 in the ledger. I there found entries corresponding to cash-book entries. Mr. Wylde insisted at the committee meeting upon going through the report seriatim. At the committee Councillor Mulville moved that the appointment of committee be cancelled and the matter be referred to the borough solicitors. I knew when I went to Wylde that an information for embezzlement had been laid against Wylde by Simmons. Finance Committee were authorised to make payments up to £5 on the contracts of Wheelan and Murtha.

*Re-xd by Mr. Harper:* I recollect Keenan paying the deposit. Tenders were opened in the Town Clerk's office. I think Councillors were present. There was a meeting of the Council.

CHARLES MURTHA, by Perkins.

Contractor at Kumara. This is my contract. I made a deposit of £5 with it. It was Mr. James Wood's cheque. This is the cheque: 26th July, Union Bank. I put the cheque in

with the tender. I did the work and got paid. Contract was £63, and extra 15s. I look at these receipts. First I gave an order to pay £5 to . . . I gave order for £25 to Blake. I gave receipt £5 for myself. As to the £33 15s., the receipt is signed by me. I got a cheque for £23—Mr. Wylde's own cheque. I did not get the cheque for £33. I got no . . . account. I did not know that I had signed receipt, £33. This is the cheque I got for £23 15s., by Wylde on Bank of New South Wales, dated 26th October, 1881. I wrote my name on the back of it at the bank. I did not get the cheque for £33 15s. I do not recollect that anything was said about the deposit.

*Xd by Guinness* : I have not done any other contracts for the borough. I never asked Wylde for payment—payment on the contract. I can read and write. Between the 8th October and 25th October I say I did not get a draw from Wylde on account of the contract. I never got a shilling in cash. I got cheque for £23 15s. on Bank of New South Wales. I cashed the cheque the same day I got it.

FRANCIS KEENAN, by Perkins.

I was hotelkeeper at Kumara. I had contract with borough in August, 1881, for draining cemetery. This is it, £32 10s. I deposited £2, in two £1 notes. I enclosed it with the tender. The work was finished; I got paid for it. I received £34 10s. in October. I gave the order to Chisholm for £20. That is my signature, and this is order for £14. I drew the £14 myself. That is my receipt for it; it is balance of the contract and the deposit. I never received the other £5. This is not my signature to the receipt, 27th August. I never did the work for it. This is the cheque I received on the Bank of New Zealand for the £14 10s. The voucher for the £5 I believe to be in the writing of Wylde.

*Xd by Guinness* : I never did any other work in the cemetery. All my payments were in cheques on the borough account. I cannot recognise the receipt for £5 as mine. I swear it is not mine. Mr. Wylde did not to my recollection pay me any money in my house. I believe I did receive £3 15s. from Mr. Wylde, and a sum of £1 5s. treated as payment of rates. There was a borough contract in 1880, not in 1881, for £5. I cannot recollect giving a receipt for £5. I do not remember Wylde asking me to sign a voucher in 1881, and my wife bringing me pen and ink.

PATRICK WHEELAN, by Perkins.

I am a miner near Waimea. In November, 1881, had a contract with borough for improving Tui and Third Streets for £49. There was a deposit of £5. I gave a £5 note to Mr. Wylde—at least, I put it in my letter of tender to the Borough Council. I did the work. I got a cheque for £20, and when I had finished I got a cheque for £29, and a cheque for deposit £5 on Bank of New Zealand. I cashed the cheques myself the same day I got them.

JAMES WOODS, by Perkins.

Baker at Kumara. In July, 1881, I gave Murtha £5 as a deposit—a cheque. It has been cashed and paid and charged to me at the bank.

HENRY JOHNSON, by Perkins.

Am carpenter at Kumara. Am a ratepayer. I signed a petition. Mr. Wylde subsequently saw me about August last. He asked me to withdraw my name from the petition I had signed, a petition for special audit. He said the reason was that it would be in the papers all over the place, and it would not look well like. I said, after signing my name to a paper I could not withdraw my name. I thought it was suspected there was something wrong, and it would be better to have a special audit, and it would be better for him. He said several had withdrawn their names, and that there would be an audit all the same in the borough, and I said I would withdraw my name.

*Xd by Guinness* : I am not aware that he said why they had withdrawn their names. He said there was some misunderstanding. It was Wylde handed me the letter to sign, not Nicholson. Nicholson was present. Nicholson advised me to take my name off after Wylde asked me.

THOMAS ROBERT CONNELL, by Perkins.

Am manager of the Bank of New Zealand at Kumara. The borough account is kept here. I produce the "pay-in" slips for the months of November and December, 1881. I produce borough cheque for £20 payable to No. 287, dated the 23rd September: that cheque was paid. Cheque 279: that has been paid. Cheque 278: that has been paid and charged to borough account. Cheque 289, for £25: that has been charged to the account. Cheque 288: has been charged to borough account. Cheque 313: so has that. Cheque 301: so has that. Cheque 290: so has that. Cheque 316: so has that. Cheque 328: so has that. Cheque 338: so has that. Cheque 329: so has that. This book is a cheque-book on our bank. It was issued to the Corporation of Kumara. I cannot say when issued. When issued it contained 300 cheques, numbered from 100627 to 100926. It commences 11721. We never issue book of like numbers to different customers. The numbers of cheques put in my hand correspond with what were contained in the book. Cheque the 26th August, 1881, for £5, No. 280, the number 100642: this had been paid.

*Xd by Purkiss* : It is not unusual to pay numbers.

JAMES PEARSON, by Perkins.

Agent for Bank of New South Wales, Kumara. Wylde kept his account at our bank at Kumara. I look at cheque 288, £15. I look at cheque for £23 15s., drawn by Wylde. It was cashed by Murtha on the evening of 26th October, 1881, about 7 o'clock.

WILLIAM ALEXANDER SPENCE, by Perkins.

Am commission agent in Hokitika. I was appointed to audit Kumara Borough accounts. I proceeded to audit the borough accounts. The first day I went up was Monday, 18th September—15—I. 9.

ber, 1882. I went to the office of the Council. I saw Mr. Wylde. I told him I had been appointed special auditor to come and audit the accounts. I proceeded to audit the accounts for the year ending the 31st March, 1882. Mr. Wylde put the accounts before me. This ledger and this cash-book were put before me by him, and also this minute-book of the Council, and committees' minute-book, and two bank pass-books. I asked prisoner for the cheque-book. He said he had not got it. I asked him how he managed to get a cheque. He said he got them sometimes, when he was out in the town, from other people. He produced no cheque-books. He did not produce this cheque-book. As to contractors' deposits he said he kept them in the safe. I looked in the cash-book. I could find no entry of the receipt of the deposits in Murtha, Keenan, and Wheelan contracts. I saw an entry in the cash-book in Wylde's writing, date of the 21st September, 1882: "Error, Keenan, 1881, £2." I said to Mr. Wylde: I told Mr. Wylde he was to pay the £2 to the borough account, because this sum had been paid out of the borough account when it had never been credited to the account. He admitted it, and paid the money. There was no trace in the balance-sheet of the deposits of Murtha, Keenan, and Wheelan. He gave me to understand that there were no entries as to these amounts, and that he kept them in the safe. I called his attention to the fact that the parties had been repaid. He then said they were extras to the contracts. I asked for the authorities for the extras. He then told me that the documents containing the authorities were taken out of his office by the Mayor, Mr. O'Hagan. Mr. O'Hagan came into the office and denied it. Wylde maintained that he had taken them out. In making the audit, I noticed that there were missing from the ledger 20l. I did not mention that to him. I do not think I noticed the sheets out in the cash-book.

*X by Guinness:* I think he said that as a rule the deposits were kept in the safe. I believe he said that he thought it was not necessary to keep cheque-book after it had been audited by the borough auditor. Wylde said the reason why he did not pay the deposits into the borough account was that there was an overdraft, and bank might stick to the amount. I did not ask him to produce the deposits, because they had been repaid.

#### CRIMINAL SITTINGS.

HOKITIKA, WEDNESDAY, APRIL 4, 1883.

BEFORE PRENDERGAST, C.J.

REGINA v. WYLDE.—SECOND DAY.

HENRY NICHOLSON, by Perkins.

Am accountant in Kumara. I remember a petition being taken round the borough for special audit. I heard a conversation between McClellan and the prisoner after the petition went to Wellington. Wylde asked McClellan whether he had any objections to withdraw his name. McClellan said he had; he would not withdraw. Wylde said it would be injurious to him if it got into the papers that a special audit was required, that he had friends in Wellington and Christchurch, and it would be damaging to his character. I think this was all. This was at an election. G. Stewart, the bootmaker, was also asked. Stewart did so. Also Johnson. After the trial in the Magistrate's Court, I asked the prisoner about some leaves being out of the cash-book, pages 55 to . He said it did not matter; it would be easily accounted for. I made the audit in March, 1882. While making the audit we said to Wylde we thought we ought to see the contracts. We did not see them.

*Xd by Guinness:* The deposits on contracts have never, so far as I know, passed through the accounts of receipts and expenditure. I did not notice that the leaves were out of the cash-book. The petition was Simmon's. He is a tinsmith. He was a Councillor. He ceased to sit because not qualified. I did not ask these people to take their names off the petition. I did not ask Johnson to take his name off. After a good deal of argument by Wylde he got his name off. I said it would not matter whether his name was off or not. I wrote the letter at Wylde's dictation. Thorne signed one also; he is a member of the Committee.

*Re-X by Perkins:* At page 71 there are entries that have been altered.

WILLIAM BARNETT, by Perkins.

Am Mayor of Kumara. I asked the prisoner if he would sign the petition, as he was principally concerned. He did not sign it. I and the Mayor called upon him to explain about the contractors' deposits. He declined on the ground of information being laid about Keenan. I asked for explanation of the others, leaving out Keenan's. We got no explanation about the other deposits.

*X by Guinness:* He said, as proceedings had been taken by Simmons he would not take any proceedings without his solicitor. It was 16th November I went. It was I asked as to the other deposits. After the Committee meeting on the 9th November, the minutes of the Committee were read to the Council. Seddon moved that the Committee go on with the inquiry, but another resolution was carried. I recollect that Mr. Wylde claimed a balance of salary; it was left to me.

O'HAGAN recalled.

When I received the keys from the prisoner there was no money in the safe at all.

Mr. Perkins closes case for prosecution.

RICHARD JOHN SEDDON, by Guinness.

Member of Borough Council of Kumara. Have been so since 1877. Mr. Wylde, at a meeting of the Council in 1878 or 1879, some contracts being opened, Mr. Wylde asked what he was to do with the deposit moneys accompanying tenders. The instruction then given and followed was that he was to hold the moneys and return the deposits of those not accepted. He was not to

pay them into the bank. There were reasons for this at the time. To my knowledge and that of the Council it had been the practice not to pay them to the account of the borough. While O'Hagan was Mayor from the 6th October, 1881, I spoke to O'Hagan about keeping the notice of motion—he said that Wylde had insulted him, and that he would humble his pride, and that if he did not toe the mark he would get him out of the situation. On the 6th November, Wylde was saying, "In deference to your motion, Mr. Mayor, I resign my position and give up the keys." The Mayor said, "I have advised him to resign temporarily." I said, "I think your Worship has advised him wrongly." A committee was appointed to get explanation from Wylde. I was on the committee; it sat on the 9th November. Mr. Wylde took the report in his hand, and commenced his explanation.

*X by Harper*: I think the meeting was in 1878 when the deposits were directed not to be paid into the borough account. There was no instruction not to enter them in a book. The Town Clerk would get cheque for deposit cashed and moneys put into cash-box in the Town Clerk's office by the Town Clerk.

SERGEANT EMERSON, by Guinness.

Am stationed at Kumara. I was present when meeting of Council held on 6th. I was there when Wylde placed his keys on the table. O'Hagan said, speaking to Wylde, that he advised him to resign; he said it was very injurious to his character, and the best thing he could do would be to resign.

ALFRED SKELTON, by Guinness.

Am Town Clerk of Kumara. I was present at meeting of committee on 9th November. I took the statement Mr. Wylde made. I took it at meeting. I have looked for it and the minutes, and cannot find them.

*X by Perkins*: I have looked for the statement; cannot find it. There was very little explanation. Mr. Wylde said he would explain at the proper time.

ALEXANDER CALDER CAMPBELL, by Guinness.

Am member of Kumara Borough Council. I was present when Wylde resigned temporarily. O'Hagan said that Wylde resigned through the advice tendered to him by the Mayor.

*Verdict*.—Guilty of larceny as Clerk on the 3rd August, but recommended to mercy.

#### CRIMINAL SITTINGS.

HOKITIKA, FRIDAY, APRIL 6, 1883.

BEFORE PRENDERGAST, C.J.

*Regina v. Wylde.*

True Bill for embezzlement of sum Contribution moneys, October, 1881: £1, £1, and 10s. North side of Seddon Street, O'Hagan, Mauser, Berger. Pleads "Not guilty."

Mr. Perkins and Mr. Harper for the Crown. Mr. Guinness and Mr. Purkiss for the prisoner.

Mr. Perkins opens for the Crown.

JOHN O'HAGAN, by Harper.

I am Councillor for Kumara. In October, 1881, I was Mayor. I was Mayor two years; term of office ended November 8th. [Harper puts in Proclamation of the Borough.] This book is the minute-book of committee; ends 16 November, 1882. This is minute-book of the Council; begins August, 1877, closes 8th May, 1882. This is the ledger; it is in the writing of Mr. Wylde. This is cash-book of Council, in writing of Wylde. These are bank pass-books of the borough. During 1881 and 1882 Mr. Wylde occupied the office of Town Clerk, Treasurer, Surveyor, Rate-collector, and Registrar of Dogs, and Returning Officer, during this time. He ceased to hold office in March, 1882. I look at minutes of November 8, 1877, in minute-book of Borough Council. Appointment of Wylde as Town Clerk and Rate-collector." Subsequently salary reduced. Minute 8th November, 1877. Minutes confirmed. Seddon Street is street in Borough of Kumara. It was so in October, 1881. I look at resolution of the 25th July, 1881, of Public Works Committee of Council, "Recommendation of draining of part of north side Seddon Street on condition of contribution." I look at minutes of Council, 29th July, 1881: "Report of Public Works Committee read. Clause 1 adopted." This is specification for doing this, sent in by Brady; tender, 18 in. wide and 2 ft. deep, £1 4s. 9d. per chain. Specifications are in Wylde's writing. Provision for a deposit of £1. These are voucher forms; they bear the usual certificate of Wylde: Voucher (1), 18th November, 1881, on account, £2; voucher (2), 15th December, 1881, balance, £5 3s. 9d. Signed by Brady. I look at these two cheques. They bear the signature of Campbell and Burger, as well as of Wylde's. Number of cheque, 100705, 17th December, 1881, pay 341 £5 3s. 9d.; 100688, 19th November, 1881, pay 321 £2. Indorsed "R. Brady." I see resolution, 24th November, 1881, by Council: "Tenders for drains. R. Brady's accepted, £6 3s. 9d." I look at cash-book, page 71. All the page is in Wylde's writing. Date of first entry on the payment side is the 27th October. I see R. Brady's name, date 19th November: "By draining, Brady, £2; by drainage, £5 3s. 9d., 17th December," on page 72. From October, 1881, I look at entries of receipts in cash-book. There is no entry of this sum; only rates. I contributed. I paid £1. I paid it to the Borough Treasurer, Mr. Wylde. I got a receipt. I handed it over at R.M. Court. I have not seen it since. I paid it in money. I look at these documents, they purport to be balance-sheets to March, 1882. They are signed by Wylde. They are prepared by Wylde, as Borough Treasurer. It purports to be certified by the auditor. I see "Receipts." There is nothing which could include the voluntary contributions. On the other side Council is charged with drainage,

£30 13s. 9d. for the year. I recollect petition being got up for special audit in August, 1882. I signed the first one. A second petition in August. Then Spence proceeded to audit the accounts. The report of the Auditor was published in the papers. I spoke to the prisoner about the papers. I told him that I had got the papers, and it contained damaging statements about him, and, if true, they meant suspension, or something worse. I told him what the statements were. I cannot swear whether the contributions were mentioned. He said they were a pack of lies. I said I would not subject him to the indignity of reading it to the Council himself. He said, what should he do? Should he resign till the matter was cleared up? He suggested he should resign. I approved. At the meeting of the Council Wylde handed me the keys of office. I subsequently searched and got possession of all in the office. No moneys in the office. It was agreed that his resignation should be accepted. The report was read to the Council. Prisoner not there. On the 8th November he agreed to accept the printed copy as correct. On the 8th Wylde was asked to explain the items. He said he would. I suggested that he should take some particular item. I suggested the deposits. He said, unless he explained the report in his own way, he would not. I heard no explanation of figures. Meeting lasted two hours. Subsequently to the meeting I saw him again, in company with Barnett, about a week after. During the week he gave me no explanation. When I was with Barnett I asked him to explain. He did not. He said the matter was in the hands of his solicitor. At this time an information had been laid by summons.

*Xd by Guinness*: I did not go before because it was first opportunity I had of seeing Spence. During this week I did not see Wylde in the office. This is the receipt I had from Wylde. It is from one of forms of receipts for rates. I paid 14th October, 1881. I have seen this schedule before. I found it in Town Clerk's office. I found it in the office after he left the office. I think it was in an office clip. I see the names of Manson, Burger, and O'Hagan. I see in pencil "14s." I think the pencil memo. was on when I found it. I found them after the special audit. There were other documents in the clip belonging to the borough. I found no cash in the safe. There was an old cheque there. I cannot say whose it was. One signed by McKenzie for a small sum, and was made out by borough for prisoner, not yet paid over. There may have been a cheque of Rugg for £2. I did not recommend him to resign. I did not inform the Council that I had advised Wylde to resign. After the Committee sat two hours it adjourned, because of the meeting of the Council. Wylde had not gone through the report. Committee adjourned with leave to sit again. I think the salary, according to the resolution, was for Town Clerk and Surveyor. In September, 1882, Wylde put in a claim for £13.

*Re-exd by Harper*: A resolution was passed in 1877 appointing Bank of New Zealand the bank for the borough account. It was the bank at which the account was kept.

TIMOTHY CAREY, Exd by Perkins.

Am manager for Manson and Co., at Kumara. They have premises in Seddon Street. I found these papers amongst their papers, amongst the receipts. It is a receipt for £1. To the best of my belief the receipt is Wylde's.

*X by Guinness*: I am a member of Borough Council. I was there on 8th on committee.

HENRY BURGER, X by Perkins.

I paid 10s. as a contribution to prisoner. I got this receipt from the prisoner. I paid it on the 15th October, 1881. This is prisoner's writing. I was present at committee. Wylde did not give explanation to my satisfaction.

X by Guinness.

WILLIAM ALEXANDER SPENCE, Xd by Guinness.

Am accountant, auctioneer, &c., Hokitika. In November last I went through the books of accounts of borough. Mr. Wylde gave me the books. The audit took place in Wylde's office. Mr. Wylde kept the key of the safe. I audited the balance-sheet of March, 1882. I had the balance-sheet for March, 1882. The balance-sheet is in prisoner's writing, and signed by him. I looked into the books. Cash-book. I found no entries of contributions for drainage purposes. I found that a contract had been let to Brady. Prisoner did not inform me that contributions had been made. I found it out from the minute-book. I did not call his attention to it. He said that he had been advised to give me no information, and he would not do so. I went through the rate-books. It is by committee for year ended the 31st March, 1882. I found the receipts of rates shown to correspond with the balance-sheet—£229. I asked Wylde if anything was included in rates. He said, nothing but rates proper. I asked for blocks of receipts. Wylde said he never kept them.

*Xd by Guinness*: When I made the audit by myself, I was engaged four or five days. I commenced 18th September, Monday. I went through the rates with Wylde. We ascertained that it was £229. This included some rates for the year previously. It included about £15 of rates for preceding year. I can swear the £15 did not include these items. I did not ask Mr. Wylde if he had received moneys for contribution. I think O'Hagan told me of his contribution. I think O'Hagan did tell me. Palliser came in October. He told Wylde he intended to audit from commencement of borough. Wylde said he declined to give information. It was when we found deficiencies for back years. He called our attention to a clause in the Act—about the accounts. I saw the assets and liabilities. The total amount of rates that could be received for the year was £304 14s. When I asked Wylde whether the item "rates" included rates pure and simple, it was in reference to other years.

*Re-X by Mr. Harper*: I am sure that Mr. Wylde said that the items to make up the £229, and it did not include these contributions, but only rate purposes.



THOMAS CONNELL, by Perkins.

Am manager B.N.Z., Kumara. The borough account kept at the bank. These two cheques have been paid out of the borough funds. I believe the indorsement to be Brady's.

WILLIAM NICHOLSON, by Perkins.

Am accountant at Kumara. I audited the accounts 1881-82. I see the the item "£229." Mr. Wylde gave me the particulars for it. This was purely for rates, and did not include contributions for drainage of north side of Seddon Street. While auditing we asked to see the blocks of receipt-books of rates. Wylde laid down one; it was of little use; only one or two blocks of receipts used—he produced no others. I was in a polling-booth between the two special audits. Wylde was there. I heard him ask Mr. William Johnston and H. and H. to withdraw their names from the petition for the audit. H—— said he had signed because he thought it was a different thing. Wylde said to Johnston that it would disgrace him if it got into the newspapers that there was going to be a special audit.

*Xd by Guinness*: I look at borough minute-book, 27th May, 1880. The way we arrived at the sum of £229 was that we took the amount of rates to be collected and the amount paid, and took his statement. I cannot say whether the payments were in cash or in labour.

C. W. PALLISER, by Perkins.

Am auditor of accounts for general Government. I assisted Mr. Spence in auditing the borough accounts last October. Wylde put the books and papers before us. In the course of the inquiry I saw the balance that £229, rates. I ascertained the £229 from Wylde was rates—struck under the rate-roll—the ordinary borough rates. I checked the balance-sheet through. I found that no contributions are shown in it. I could not find in the books anywhere any entry of these contributions. There is no credit given in the cash-books for them. I asked the prisoner for the blocks of receipts for rates.

*Xd by Guinness*: I asked for the blocks of rates receipts. I considered I was auditing borough books from commencement up to date. I think I commenced 12th October, 1882. I was a fortnight engaged in the work. Wylde said all those crossed were not paid. Some of the £229 was for the previous year. I do not think I asked Wylde about drainage contributions. I asked him about some contractors' deposits on central contract. He said he had them in the safe. I think I asked him to produce them. I think there was a pound over the amount of deposits. I told him he should have banked it. I think he did then bank it.

Sergeant MOLLER, by Perkins.

Am sergeant of police, Kumara. I have the minute-book of the Council. I have looked carefully through the minute-book. I see no minute forcing him to pay moneys over to the bank.

ALFRED SKELTON, by Perkins.

I am Town Clerk of Kumara. When I took charge I found two cheques, two for 1881. One was cheque from James Rugg, £2 5s. I have cashed one of the cheques; the amount was £2 5s. I paid it into borough fund account. It was paid for credit. The other cheque is in the cash-box still. I think Mr. O'Hagan saw the cheque. I received from Wylde 5s. in eight stamps on a letter enclosing them.

*Re-X by Perkins*: Rugg's cheque was seven months old—it was rates.

Case closed for Crown.

Prisoner calls no evidence.

Harper sums up.

Verdict.—Not Guilty.

#### CIRCUIT SITTINGS.

HOKITIKA, SATURDAY, APRIL 7, 1883.

BEFORE PRENDERGAST, C.J.

*Regina v. Wylde.*

Called upon for sentence. Says he is sixty years. Says he is innocent. Victim of party spirit.

*Barnett*, present Mayor (called by Guinness): Known prisoner five years.

*Mr. Seddon, M.H.R.* (by Guinness): When Wylde first came he was evidently not capable of keeping accounts. I helped him. He was employed more because he was an engineer. Known him sixteen years. Good character.

*John O'Hagan* (by Guinness): Known him five or six years. Outside of present charges I have perfect respect.

Perkins does not press for heavy sentence.

Twelve calendar months, with hard labour, in Hokitika Gaol.

Mr. Perkins enters *nolle prosequi* in other cases.

## EXHIBIT C.

[Extract from the *West Coast Times*, December 5, 1882.]

RESIDENT MAGISTRATE'S COURT, KUMARA.

FRIDAY, DECEMBER 1.—Before DR. GILES, R.M.

*Charges of Embezzlement.*

James Wylde, late Town Clerk of Kumara, was charged with having embezzled the following moneys of the Kumara Borough Council: £1, contribution to cost of a drain, paid by the Bank of New South Wales; £1 each paid similarly by Messrs. Drummond, O'Hagan, and Manson, also 10s. paid by Mr. Burger; £5, deposit money, Murtha, contractor; £2, deposit, Taylor; £2, deposit, Keenan; £5, deposit, Whelan; £1, deposit, Brady; £5, deposit, Gibson; and £4 16s. 6d. paid by the National Bank for rates.

Mr. Perkins conducted the case for the prosecution, and Mr. Guinness defended the accused.

Mr. Perkins having briefly opened the case, it was resolved to take the twelve charges together. The following evidence was taken:—

*John O'Hagan* said: I am Mayor of Kumara. I produce the minute-book, cash-book, rate-book, ledger, and bank pass-book of the Borough Council. I also produce the balance-sheet for the year ending September, 1882, signed by the accused. A contract was let to Charles Murtha for £63 on 29th July, 1881. A deposit of £5 accompanied each tender. The extras were 15s. Murtha was paid, according to receipts, £78 15s. I have been unable to find any credit to the borough funds of £5 deposit paid by Murtha. I produce Taylor's contract for £49 15s., accepted on January 28th, 1881, for grubbing and draining the recreation-ground. Taylor was paid £67. I produce his receipts. I found no credit in the borough books for Taylor's £2 deposit. I produce contract let to F. Keenan on 15th August, for clearing portion of cemetery, for £32 10s. The deposit was £2. I was present when it was paid to Mr. Wylde. There were no extras. I could not find any credit for this £2 in the borough books. The credit side of page 55 of the cash-book is missing, together with all the leaves up to folio 69. I find on 29th August £20 paid to Keenan; on October 27th, £14 10s. In the bank pass-book I find, on 26th August, cheque 279, £5; £20; October, £14 10s. I now produce the vouchers for these amount. I produce contracts with Patrick Whelan, 29th September, 1881, for repairing Tui and Third Streets; amount of contract £49, including deposit of £5. I cannot find any credit in the borough books for this £5. I produce bank-book on 28th November; I also produce receipts showing Whelan received £54 (£49 contract and £5 deposit). The vouchers are certified to as correct by J. Wylde, and passed for payment by Mr. Campbell. I produce contract with Richard Bradey on 20th October, 1881, for making drain on north side of Seddon Street; amount, £6 3s. 9d.; deposit, £1. I produce cash-book showing Bradey received in all £7 3s. 9d. There is a blank in the ledger of five leaves, between 201 and 205. Referring to cheques No. 321, £2, and 341, £5 3s. 9d., I produce the vouchers from Brady for them. I produce Mr. H. Gibson's contract for improving Seddon Street, amount, £30; deposit, £5. There were no extras. Gibson received £35, but there is no credit of £5 deposit. I paid Mr. Wylde the sum of £1 [receipt produced]. I produce the resolution authorising the construction of a drain in Seddon Street, the condition of which was that each householder paid the amount of £1 as a contribution towards the formation of the drain. £1 was my contribution; I paid it as a ratepayer, not as Mayor. The work was done and paid for by the Council. On 22nd August the Council adopted a resolution to make a drain on the south side of Seddon Street. I have not removed any books or documents from the Town Clerk's office, except what the police took charge of. I remember a special audit made by Messrs. Spence and Palliser. Mr. Wylde accused me in the presence of Mr. Spence, that I had removed some documents. Mr. Spence said to Mr. Wylde, "The Mayor informs me he knows nothing of those reports of the finance committee." Mr. Wylde said it was rather strange. I asked Mr. Wylde why he should think I had taken the documents. He said he heard I was often in the office during his absence. I have not removed any documents from the office. I received the auditor's report from the Government. I saw Mr. Wylde, and asked him for an explanation, and to come with me and see Mr. Spence. He said the matter was in the hands of his solicitor, and he would not interfere. He has never accounted to me for these deficiencies.

*By Mr. Guinness*: On Thursday, the 16th November, I went to Mr. Wylde's. It was after the information was laid by Simmons. I spoke to Mr. Wylde about the auditor's report on the 6th November. I did not show it to him. I did not advise him to resign his appointment. I told him it contained some damaging statements. I did not tell Mr. Wylde to resign temporarily. Mr. Wylde said it would be better to resign until the matter was cleared up. I told him he could please himself. I told him that he was charged with having overdrawn his own salary to the amount of £119, and having paid Mr. N. Seddon £219 over what he was entitled to; also with having stuck to deposit-moneys. I took the report to Greymouth to show it to Mr. Perkins. I did not inform the Council that Mr. Wylde had resigned on my recommendation. I was directed by the Council to take steps with regard to the report.

*Allen Bishop* said: I am clerk of the National Bank, Greymouth. I produce a cheque sent to Mr. Wylde as payment of rates; also produce borough notice sent from Mr. Wylde demanding rates on sections owned by the bank in Kumara. The cheque £4 16s. 6d. was duly paid. It came back to us from the Bank of New South Wales.

*James Pearson* said: I am agent for the Bank of New South Wales, Kumara. I know the defendant; he kept his private banking account with us. I have seen the cheque produced; it was placed to the private account of James Wylde. I produce the pay-in slip for £4 16s. 6d. I know a cheque dated 26th August, 1881, for £5. I know it to be a borough cheque from having the borough seal on it; it was paid into the private account of James Wylde. I also know cheque No. 300, dated 6th October, 1881, for £21 15s.; it was also paid in to the private account of James

Wylde. Cheque No. 302, £5, 9th October, 1881, was paid in to the private account of James Wylde. I remember the ratepayers wishing to make a drain on the south side of Seddon Street; I paid, on behalf of the bank, £1 to Mr. Wylde as a contribution. I produce his receipt. Mr. Nathan Seddon was working at it; he was a labourer employed by the corporation.

*Thomas R. Connell*, sworn, said: I am manager of the Bank of New Zealand, Kumara. The Borough Council kept their account with us. I produce the pay-in slip paid in by Mr. Wylde during November and December, 1881. There is no money paid in to the borough funds representing the cheques produced. Cheque No. 287, for £20: the cheque has been paid. No. 279, £5; 278, £5; 289, £25; 290, £2; 301, £5; 313, £33 15s.; 316, £14 10s.; 328, £20; 321, £2; 329, £5; 338, £29; 329, £5; 340, £15; 341, £5 3s. 9d.; 369, £19 16s. 6d.; 303, £5; 302, £5; 300, £21 15s.; 288, £15; 280, £5—have all been paid out of borough fund money. They were all drawn by Mr. Wylde, and bear his signature. I know the cheque-book contains 300 cheques. The cheques paid out of the borough fund have all been taken out of this book. There are 150 cheques missing out of this book which are not accounted for.

*W. A. Spence* said: I was one of the special auditors appointed to audit the Kumara Borough accounts, and, in conjunction with Mr. Palliser, I examined them. Mr. Wylde, as borough officer, gave us the accounts. His accounts as treasurer and rate-collector we examined, and asked Mr. Wylde for the blocks of rate- and receipt-books to check the rate-roll. We could not tell from the cash-book, as it was simply entered as rates. We did not get the blocks of rate-books. Mr. Wylde said he had not got them; he never kept them. This is the rate-roll for the year March, 1882. The National Bank was rated for £96 10s. at 1s., making £4 16s. 6d. Mr. Wylde told me the amount was still owing; he accounted for it as outstanding. It is not included in the balance-sheet—£229 2s. 6d., rates collected; the amounts paid appear in cash as being paid by numbers and not persons. I asked him for the blocks of the cheques. He said he had not got any, and in explanation said he got a cheque outside and filled it up and got it signed. He told me, *re* contracting deposits, that he kept them in the safe and handed them over to the owners. I know Murtha's contract. The £5 deposit is not accounted for in any way. The total payment to Murtha was £78 15s., giving him an overpayment of £10, which Mr. Wylde said was extras. He could not show anything for it, but said these were papers taken by Mr. O'Hagan. Taylor's contract: £49, deposit £2, no account in borough book of deposits and no credit given. Keenan's contract: deposit £2, contract £32 10s.—amount paid Keenan £39 10s.; no account of deposits, or no credit given for it. Whelan's contract: deposit £5, contract £49, amount paid £54; no account of deposit in any way. Brady's contract: deposit £1, contract £6 3s. 9d., amount paid £7 3s. 9d.; no account of deposit in borough books, nor accounted for in any way. Gibson's contract: £30, deposit £5, amount paid £35; no account in borough books of deposits in any way. I found certain parties had contributed to cost of drain in south side of Seddon Street. I found two payments had been made. Mr. Wylde refused to give any information as to back accounts. There is no entry with regard to the payment by the Bank of New South Wales and James Drummond of 20s. each, on account of drain in south side of Seddon Street. No account of O'Hagan and Manson, 20s. each, and Burger 10s. in October, 1881, on account of drain in north side of Seddon Street. There is an entry for rates of £7 on 19th October, 1881. Mr. Wylde told me no money was included in rates except rate-money.

*By Mr. Guinness*: I was appointed special auditor first. I have the Colonial Treasurer's letter of appointment [put in and read]. Mr. Wylde and I went through the rates together. Mr. Wylde kept the key of the safe. Mr. Wylde told me the reason the deposits were not paid into the bank was because he was afraid the bank would impound them to cover the overdraft. There were no blocks of rate-books or cheque-books in the office when we were in it. Mr. Wylde stated he destroyed them after a previous audit. Mr. Wylde refused to give the information, and I told him I would mention it in my report. He said he would give the explanation when the report came back. I reported to the Mayor I could not get the minute-book of the Finance Committee from Mr. Wylde.

The Court adjourned at 6 until 8 p.m. On resuming,

*W. A. Spence recalled*, said: I produce voucher for £2, dated April, 1881, being for deposit on Keenan's contract of £14, for bell-tower; voucher receipted 26th May, 1881; deposit not credited to the borough funds till September, 1882.

*Charles Stewart Emerson* said: I am a clerk to Union Bank, Hokitika. I produce cheque for £5, dated 26th July, 1881, signed James Wood, payable to Charles Murtha or bearer, which was paid by the Union Bank.

*James Woods*, sworn, deposed: I am a baker residing in Kumara. The cheque produced and sworn to by last witness was my cheque, given by me to Charles Murtha for a deposit with a tender to the Borough Council of Kumara.

*Charles Murtha*, sworn, deposed: I am a miner at present. On 26th July, 1881, I tendered for fencing the Recreation Ground; tender produced, which was mine; amount, £63. I deposited cheque [produced] for £5, given me by James Woods. I gave an order to Barrett, my wages man, to receive £5 from the amount of my contract [order produced]. Gave Mr. Blake an order for £20 for timber [order produced]. Gave another order for £5 [order produced]. I received £15, for which no voucher is produced, out of £33 15s. I only received £23 15s., the true balance, by Mr. Wylde's private cheque. My signature appears to the voucher for £33 15s., but I received only £23 15s. There was only 15s. worth of extras.

*Francis Keenan*, sworn, deposed: I am a labourer working for the Borough Council. On 10th August, 1881, I had a contract for clearing and draining five chains in the cemetery; amount of contract was £32 10s., and I sent in a deposit of £2 with my tender. I received payment per order given by me to a man named Chisholm. I recognise order produced as the £20 given to Chisholm. The next payment was for £14 10s., drawn by myself, which was a final payment. The voucher

produced for £5, dated 1881, for improving the cemetery, purporting to be signed by me, I know nothing of. I have not received the money. The signature is not mine.

*Cross-examined by Mr. Guinness:* I do not recollect receiving £3 15s. on 7th August, 1881, nor paying that amount to Mr. Rudkin. Mr. Wylde did not pay me by his own cheque any money then. Do not recollect being paid in 1881 by an allowance in rates owing by me. Do not think I have received any money in my own parlour from Mr. Wylde without giving a receipt for it.

*Patrick Whelan*, sworn, deposed: I am a miner at Waimea. In November, 1881, I had a contract with the Borough Council for improving Tui and Third Streets; amount of contract, £49. I deposited £5 with the tender. I received at first payment £20, and when I finished the contract I received a cheque for £29, and one for £5. I cashed the cheque in the Bank of New Zealand. I put my mark to the vouchers for the money.

*Malachi R. Taylor*, sworn, deposed: I am a labourer, residing at Kumara. I had a contract with the Borough Council in July, 1881, for grubbing and draining the recreation-ground; amount of contract, £49 15s. I deposited a cheque for £2 with my tender. As the cheque was dishonoured I took it up and gave Mr. Wylde £2 in cash. I received payments in sums of £2, £3, £25, £21 15s., and £5, as per vouchers produced. These are my signatures to the vouchers; the amount appears as £5 in excess. Have received the full amount of my contract and deposit. I may have given Mr. Wylde two receipts for one item, as he had given me money outside the office. I gave Mr. Wylde two receipts for the one £5, which, I believe, accounts for it. I cannot say why the £56 15s. appears in the borough cash-book as having been paid to me. I have received £7 for a drain in Union Street and £5 5s. for draining recreation-ground in March, 1881.

*Richard Brady* deposed: I am a labourer, residing at Kumara. I had a contract with the Borough Council for making a drain. The tender produced is mine; amount £6. I deposited £1 with my tender. I received a progress payment of £2, and received a cheque for labour, £5, and cashed it in the bank.

*Henry Gibson*, sworn, deposed; I am a carter, residing at Kumara. In October, 1881, I had a contract for improving Seddon Street. The tender produced is mine. The amount of the contract was £30; and I sent in £5 with my tender. I received the £35 when I finished the contract. The vouchers and cheque produced with my signature are those I signed and received; the £4 16s. for other work outside the contract.

*Timothy H. Carey*, sworn, deposed: I am a draper, and manager for Manson and Co., at Kumara. I recollect a drain being made on the side of Seddon Street previous to my going to Manson. The receipt produced is signed J. Manson, for contribution to the drain.

*Henry Burger*, sworn, deposed: I am a storekeeper, residing at Kumara. I recollect a drain being made on the north side of Seddon Street, Kumara. I subscribed 10s. towards the making of it, and paid the sum to Mr. Wylde. I produce the receipt signed by Mr. Wylde. Richard Brady did the work of making the drain. I am quite sure the receipt is on account of the drain, although the receipt purports to be for a rate struck.

*James Drummond* deposed: I am a storekeeper, residing at Kumara. I recollect a drain on the south side of Seddon Street being constructed by the Borough Council, the residents contributing. I contributed £1 by paying it to Mr. Wylde. The receipt produced, signed by Wylde, is the receipt for the money. The borough labourer, N. Seddon, did the work. The date of the receipt is 11th November, 1879.

The Court adjourned at 10 p.m., until 10 a.m. next (Saturday) morning.

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SATURDAY, DECEMBER 2.

The inquiry was resumed at 10 a.m.

*Charles W. Palliser*, sworn, deposed: I was one of the auditors appointed with Mr. Spence to audit the Kumara Borough Council accounts. In the course of the audit it was necessary to inquire into the contractors' deposits of Murtha, Taylor, Keenan, Whelan, Brady, and Gibson. I asked Mr. Wylde if he had banked the deposits. He said, "No"; that he had put them in the safe; he did not produce the deposits. The borough fund was not credited with them in any way. I inquired as to the voluntary contributions for making a drain in Seddon Street. I asked Mr. Wylde if he had any entries under the heading of borough rates. He said, "No." No credits were given in the bank-book for these deposits, nor were they accounted for in any way. When we found discrepancies in salaries I asked Mr. Wylde to explain. He said he would give an explanation at the proper time and place. I told him that I thought that was the proper time and place to explain; that I wished to avoid putting in a report if the matter could be explained. He did then refuse to explain. When I finished the audit the deficiency on three contracts was still unexplained.

*Cross-examined by Mr. Guinness:* I produce my appointment as Audit Inspector, dated October, 1881; but I acted in this special instance by instructions received from Mr. FitzGerald. On receiving an explanation from Mr. Spence, I found it was impossible to audit without going back to the beginning of the borough accounts. In reply to a question, Mr. Wylde said that he never banked his deposits. I asked him to produce the deposits in reference to the existing contracts. He produced those deposits from a safe or box. The amount produced amounted to £1 too much. Mr. Spence had done some work previous to my coming. Both Mr. Spence and myself asked as to what moneys were accounted for under the heading of rates. I asked no direct question as to the contribution on account of drains in Seddon Street. I found nothing in the books under the heading of contribution towards drain. The £7 entry in the balance-sheet as sundry receipts, for the year ending 31st March, 1880, show in the cash-book as being for dog-tax. I can swear that under the heading "Sundry Receipts," for the year ending 31st

March, 1882, nor till the time of the special audit, the contributions for drains have not been accounted for. My audit was complete as far as information at my command. There was some information I could not get. This book produced is marked outside, "Rate-book," but outside, "Defaulters' List." I had not seen it in the office when making the audit. Mr. Spence had done some work before I arrived. For the years of 1880 and 1882 no amounts for contribution to drains have been credited to the borough funds. The contribution to drains [receipt produced] have not gone into the borough fund. This is the first time I have seen these receipts for drain contribution. No blocks of receipts were produced at time of audit. Mr. Wylde said he could not produce them. With respect to the National Bank rate, £4 16s. 6d., it had been marked on the rate-book by a cross, as not having been paid. The item, £4 16s. 6d., had not been paid into the borough funds prior to my audit. This book produced shows an item, £4 16s. 6d., as having been received on account of rates, but it does not follow that the money was paid into the bank. The rate accounts, £42 10s. 6d., balance correctly, but as an auditor I require that a National Bank cheque for the rates should be paid into the borough account. The defaulters' list of 1882 shows the National Bank to owe that amount.

*By Mr. Perkins:* This receipt produced is dated 1881, from Mr. Wylde to the National Bank, for the £4 16s. 6d. No dates are against these items to show when they were paid. The cash-book shows seven items, £42 10s., of rates as having been received, but does not show from whom. The balance-sheet for the 31st March, 1879, does not show any item for drainage-rates. [Items read.] The balance-sheet, 1879 to 1880, shows no items for drainage.

*Thomas Richard Connell,* recalled: Deposit-slip of the 21st September, 1882, and borough pass-book shows that the sum of £10 10s. was paid into the borough fund account. The £10 10s. is made up by a cheque of E. J. T. Price's, of Hokitika, for £5 5s., and a cheque of £5 5s., of borough funds, signed by J. Wylde, borough treasurer, A. C. Campbell, and John O'Hagan.

*Charles W. Palliser,* recalled: That entry of £10 10s. is included in the £42 10s. rates before alluded to.

This closed the case for the Crown.

The depositions were then read over to the various witnesses, and the accused then asked as to whether he had anything to say, and his reply was that he had nothing to say, but would reserve his defence. He was then committed for trial at the next sitting of the Supreme Court at Hokitika, bail being allowed, himself in £200 and two sureties of £100 each.

#### EXHIBIT D.

[The *West Coast Times*, April 4th, 1883.]

SUPREME COURT SITTINGS.—CRIMINAL JURISDICTION.

TUESDAY, APRIL 3RD.—(Before His Honour the Chief Justice.)

His Honour took his seat on the bench at 10 a.m.

#### *Embezzlement.*

*James Wylde* was indicted for having on July 31st embezzled the sums of £5, £2, and £5, deposits of Murtha, Keenan, and Whelan, contractors to the Borough of Kumara. There was another count for stealing a cheque for £5, Murtha's deposit.

The prisoner pleaded not guilty, and was defended by Mr. Guinness and Mr. Purkiss. The Crown Prosecutor and Mr. Harper appeared for the Crown.

The following jury was empannelled: James Cropper, Henry Eastman, James Shannon, Joseph Hammond, Richard Campbell, Francis Clarke, James Hansen, Arthur Head, John Magan, John Cavill, Ross Cunningham, William Gates. Mr. A. Head was chosen foreman.

The prisoner challenged Jeremiah O'Neill, Thomas Maloney, Patrick O'Reilly, James O'Gorman, Dennis Ryan, John McMillan, Thomas Raymond, and David Kenny. The following jurymen were ordered to stand by by the Crown Prosecutor: John Delacosta, Robert Douglas, Martin Morris, Alexander C. Campbell, James Hamilton, Charles F. Holmes, W. Raleigh, William Anderson, Jeremiah Gilbert, Thomas Dove, William Orto Anderson, William Evendale, and Frederick W. Morgan.

By request of Mr. Guinness all witnesses were ordered to leave the Court.

The *Crown Prosecutor* opened the case for the prosecution at considerable length. He explained how it was that a special audit of the books of the Kumara Borough Council became necessary, and referred to the obstacles thrown in the way of that audit by the accused, who was Town Clerk of Kumara, by mutilating the books of the Corporation. The original and genuine entries could not be inspected by the auditor because some of them were missing. The auditors could get no blocks of the rate-books from the accused. The cheques paid out by accused had been paid out by number not by name, and there was no way of obtaining the names. Most of the mutilations of accounts occurred about twelve months before the special audit. When the prisoner was asked by the auditors to allow them to go further back, he refused. The Crown Prosecutor then minutely described the nature of the charges the jury had to consider. When the auditors of prisoner's accounts found the state in which his books were, they reported on the subject to the authorities.

The following witnesses were called:—

*John O'Hagan,* examined by Mr. Harper, said: I am a Borough Councillor of the Borough of Kumara. I was Mayor until December, 1882. I produce the minute-book of proceedings of the borough from the 28th August, 1877, to 8th May, 1882. The book was kept by the prisoner, and the minutes are in his handwriting. I also produce the Finance Committee's minute-book. It is in the handwriting of the prisoner, and is dated from 6th September, 1877, to 16th November, 1882. The book produced is the cash-book of the borough from September, 1877, to November, 1882. It

is in the handwriting of the prisoner. The ledger produced is in the handwriting of the prisoner. It is from September, 1877, to September, 1882. The books produced are the bank pass-book of the borough. The borough account was kept at the Bank of New Zealand, Kumara. One pass-book is from September 14th, 1877, to July, 1882; and the second from July, 1882, to November, 1882. The balance-sheet is prepared by the prisoner, and is accompanied by a letter signed by the borough auditors, Reuben Toms and William Nicholson. The balance-sheet for March, 1881, is also produced. I know the cheque-book produced.

*Mr. Guinness* objected to the production of the book, as it was immaterial to the charges of embezzlement.

*His Honour* overruled the objection.

*The Witness* proceeded; The cheque-book was in the same state when I found it first that it is now. I refer to the minute-book of the Council, under date, 18th December, 1878. A resolution in that book appoints the prisoner Town Clerk, treasurer, surveyor, assistant-valuer, returning-officer, rate-collector, and registrar of dogs of the Borough of Kumara. On the 9th January, 1879, the above resolution was confirmed. *Mr. Wylde* held all these appointments up to 31st March, 1882. Since that date he had a commission for collecting rates. The document produced is a tender from Charles Murtha, for fencing-in the recreation-ground. Annexed are specifications and conditions for the work, in the handwriting of the accused. I believe the signature to one of the documents is Charles Murtha's. The tender is for £63. One of the conditions, in the handwriting of the accused, is that the successful tenderer shall deposit £5, to be returned on the completion of the work. The date of the contract was 29th July, 1881. There was the sum of 15s. extras allowed to Murtha. I see in the cash-book, folio 62, on 14th September, 1881, "Recreation-ground, Murtha, £20"; on 1st October, 1881, I find in the cash-book, "Recreation-ground, Murtha, £14"; on the same folio, under date 8th October, I find, "Recreation-ground, Murtha, £5."

*Mr. Guinness* objected to this evidence, on the ground that the prisoner paid these amounts under direction of the Finance Committee; nor was there anything to show that the particular sum of £5, alleged to have been embezzled, was deposit-money.

*Witness* continued: I see in the cash-book for 25th October, 1881, an entry for "£33 15s., Murtha, recreation-ground." On the 26th August there is an entry of "£5, Murtha, recreation-ground." The total amount paid to Murtha appears by the cash-book to be £78 15s. I see on folio 207, in the ledger, under the heading, "Recreation-ground," certain items debited as follows: August, 1882, £5; 18th November, £20; 1st October, £15; 8th October, £5; 25th October, £33 15s. I have looked through the cash-book and ledger for the purpose of finding entries of the £5 deposit. I find none. In the bank pass-book before me, on 25th August, 1881, there is a block of a cheque numbered 279 for £5; the block corresponds with the cheque produced, on the Bank of New Zealand, signed by A. C. Campbell, John Pearn, and James Wylde (Treasurer). The cheque is in the prisoner's handwriting. The number of the cheque is 100641, and is made payable to No. 279. On 24th September, 1881, there is in the pass-book a cheque for £20. This was paid by cheque No. 100542, payable to No. 290, and signed by Campbell, Pearn, and Wylde. Under date October 1st I find a cheque payable to No. 288 for £15. The cheque is in prisoner's handwriting, signed by prisoner, A. C. Campbell, and H. Burger. I find also a cheque paid on October 10th for £5, No. 201, signed by prisoner, A. C. Campbell, and H. Burger. I find a cheque No. 313, on 25th October, for £33 15s. The cheque is in the prisoner's handwriting, and signed by him and two councillors. The documents produced purport to be specifications for clearing and grubbing the Kumara Cemetery. Tenderer is Francis Keenan, the amount of his tender is £32 10s.; the specifications are in *Mr. Wylde's* handwriting; the date of the tender is 8th of August, 1881; a deposit of £2 was to accompany each tender. I remember Keenan's deposit being in cash with his tender. The prisoner took charge of the £2; in the cash-book, page 69, under date 26th August, 1881, I find "By cemetery, wages £5." In the ledger, folio 199, under the heading I find, "Cemetery, to cash, £5." This entry purports to refer to folio 55 in the cash-book. The leaves from 55 to 69 of the cash-book are not in the book. I refer to the cash-book of the 29th September. I find "By cemetery, Keenan, £20"; in the ledger, folio 199, under the same heading, is an entry of £20 referring to folio 55 of the cash-book. I find on 27th October, 1882, in the cash-book, an entry, "By cemetery, Keenan, £14 10s.," folio 70, in the cash-book, and in the ledger an entry £14 10s. referring to folio 70, cash-book. I find in the bank pass-book, date August 27th, the cheque payable to No. 280, amount £5. The cheque is numbered 100642. The cheque is in the prisoner's handwriting. I find on September 24th, cheque payable to 290 for £20. I find on October 27th, No. 310, cheque £14 10s.; cheque numbered 100680. The cheque is signed by the prisoner. I have looked through the books but could find no entry of the payment of £2 to the borough. The documents produced are specifications for improving Tui Street; the conditions are in the handwriting of the defendant. John Whelan was the contractor; date of contract 21st September, 1881; the deposit was £5, but there is no entry of its receipt. In the cash-book, folio 71, I find an item "By streets, Whelan, £20. In the ledger, I see that folio 203 is missing; there is a gap between folios 201 and 206. In the cash-book, folio 72, "By streets, Whelan, £5," dated 13th September. This entry refers to folio 204 in the ledger; there is no such folio in the ledger. In the cash-book on the 17th September, folio 72, I find an entry, "By streets, Whelan, £29." The folio in the ledger is 204, but there is no such entry. In the bank pass-book is a cheque dated 19th November, 1881, for £20, payable to No. 328. The cheque is numbered 100692. There is also a cheque payable to 338, dated 7th December, 1881, £29; cheque numbered 100702. The cheques are in the prisoner's handwriting. I look back to the 26th November, 1881, in pass-book, and find a cheque for £5 entered as paid to No. 329; the number of the cheque is 100693, dated 19th November, 1881. The cheque is in the handwriting of the prisoner. I recollect a special audit by *Mr. Spence* and *Mr. Palliser*. This was in September, 1882. The audit was requested by the Borough Council. After we received a copy of the auditor's report, I, as Mayor,

had a conversation with the defendant. I gave him an outline of what the report contained. I did not show him the report. I told him I was sorry to say that the report contained some damaging statements against him. I told him the report charged him with having paid away a sum of about £220 to a man named Seddon; also a further sum of £164 to himself, besides keeping several deposits on contracts. I said if these things were true, it involved a question of suspension or something worse. Accused said these were a parcel of monstrous lies. I told him we had the report containing these statements from the special auditors, who said they were true. Defendant then asked what was the best for him to do under the circumstances. I replied that I did not know, but I would not like to subject him to the indignity of reading the report to the Council. Defendant then said he had better resign till the matter was cleared up. I said, Perhaps so. This was all that took place on this occasion. The defendant did resign. Defendant has never accounted to me for any discrepancies in the matter of deposits.

The Court adjourned at 1 until 2 p.m.

On resuming,

*John O'Hagan's* examination continued as follows: After the accused resigned, the report of the auditors was inquired into by a committee. I was, as Mayor, one of the committee. The committee met on the 8th November, 1882. The prisoner was present. He complained he had not been furnished with a copy of the report. It had been published in a local paper, and Mr. Wylde accepted the printed copy, when he said he wished time to peruse it. The committee adjourned until 4 o'clock the following day. The prisoner did not attend, as he wished to go to a picnic. The committee adjourned then till 8 p.m. The prisoner attended. I was present. Prisoner said he would give an explanation, but it must be taken down in writing. This was agreed to. I asked him which point he would prefer to take first—the deposits or something else. He said unless he got leave to explain his own way he must refuse. He gave no explanation. Something was taken down, but it was not explanatory. Some part of what he said was taken down in a book. The meeting lasted until about 11 p.m., and then adjourned. That same evening the result was reported to the Council. After that I, in company with Mr. Barnett, waited on the prisoner at his house. I told him that I had requested Mr. Spence, a special auditor, to remain in Kumara until I could see the prisoner, so that we could have a satisfactory explanation. I informed the prisoner; we waited on him officially. Prisoner said that as an information had already been laid against him by an outside party the matter was in the hands of his solicitor, and he could do nothing in it. The auditors for the balance-sheet for the year ending March, 1882, were Nicholson and Toms. That balance-sheet contains no credit for any deposits. The balance-sheet for the year ended March, 1881, contains a receipt for £30, deposit accounts by candidates for the mayoralty. In the minute-book of the committees under date March the 4th, 1878, is a resolution that no cheques be paid, except to the persons in whose favour they are drawn, unless by written order. On the 17th March, 1878, this resolution was received by the Council.

*Cross-examined by Mr. Guinness:* I first became connected with the Kumara Council in September, 1879. One of the first notices of motion I gave was that the Town Clerk's salary be reduced. His salary was reduced to £250, with the right of private practice as a surveyor. I then got the salary reduced to £200, but the Town Clerk was only required to attend three days a week. I know Mr. Seddon. He is a member of the Borough Council. I never said to him at Kumara that Wylde had offended me, and that I would get him out of his billet. It does not appear to have been the practice to credit deposits to the borough funds.

*His Honor* said the moneys were first received by the Council and then paid to the prisoner. He did not think the prisoner could not be convicted of embezzlement.

*Mr. Perkins* said he was aware of that, but the prisoner could be convicted of larceny. There was a distinct charge of larceny of Murtha's cheque.

*Mr. Guinness* contended that it could not be larceny, as the Council handed the money to the prisoner.

*His Honor* did not agree with Mr. Guinness in this respect.

*Witness's cross-examination* continued: I am positive that I told prisoner that he had overpaid moneys to Seddon and himself. I am not aware that the finance committee had power to make progress payments, but I find they had power to do so in one or two instances.

*By Mr. Harper:* The special auditors' report was published in the Kumara district on November 8; the information against prisoner, by Simmons, was laid after the report was printed. I recollect Keenan paying his deposit of £2 in the Town Clerk's office; there was a meeting on that occasion. The overpayment I refer to was not paid to Mr. Seddon, the Councillor, but to that gentleman's uncle.

*Charles Murtha*, contractor, said: I recollect tendering for a contract for fencing the recreation-ground. My contract was for £63. I paid a deposit of £5—the cheque of J. Woods. The cheque produced was the one. The cheque is dated 26th July, on the Union Bank, at Kumara. I put in the cheque with my tender. I did the work and got paid. There was 15s. for extras, £63 15s. for the contract, and £5 deposit. My receipts were among others, as follows: Order of £5 pay Wade; order £20 to pay Blake. I got £23 15s. by Mr. Wylde's own cheque. I did not know I had signed a receipt for £33 15s. The cheque produced upon the Bank of New South Wales, signed "James Wylde," is the cheque I got. I never got the cheque for £33 15s. produced. I never saw it before. I wrote my name on the back of Wylde's cheque at the bank. I got my deposit in the wind-up cheque.

*By Mr. Guinness:* I never performed any other contract. I never asked for an advance from Mr. Wylde. I can read and write. I think the signatures produced are mine. I never got a shilling in cash from Mr. Wylde. I never remember before to have signed a receipt for more than I received. I swear I did not get more than £23 15s. on the date of that receipt for £33 15s. I gave the receipt the same day that I got the cheque.

*Francis Keenan*, contractor, said: I recollect having a contract with the Kumara Borough in August, 1881, for clearing the cemetery. That is my contract for £32 10s. I deposited two £1 notes enclosed in my tender. The work was finished. I got paid £34 10s. in all. I gave an order for Mr. Chisholm to receive £20; I drew £14 10s. myself. This included a return of my deposit of £2. The £20 was paid in September, and the £14 10s. in October. I never received £5 for improving the cemetery. The receipt produced, dated 27th October, purporting to be signed by me, was not signed by me. The borough cheque produced for £14 10s., on the Bank of New Zealand, is the one I received. The prisoner's signature is to the voucher for £5, which I did not receive.

*By Mr. Guinness*: I did one day's work in the cemetery since my contract. I swear positively that the signature to the £5 voucher is not mine, and I swear I never received the money. I believe I did receive £3 15s. from the prisoner, and a sum of £1 5s. was treated as payment of rates. This was in the year 1880, and was for a small contract. I do not recollect signing the receipt for £5. I gave a receipt for £5, but I swear the receipt produced is not the same.

*Patrick Whelan*, miner, said: I had a contract in 1881 for improving Tui and Third Streets, The amount of my contract was £49, and my deposit £5. I put a £5 note in my tender. I cannot read or write. I did the work. I received a cheque for £20 on the Bank of New Zealand, a cheque for £29, and a cheque for £5 on the Bank of New Zealand. I cashed all these cheques at that bank.

This witness was not cross-examined.

*James Woods*, baker, said: In July, 1881, I gave a cheque for £5 to Murtha. That is the cheque. It was cashed and charged to me in my bank-book.

*Henry Johnson*, carpenter, said: I am a ratepayer of the Borough of Kumara. I remember a petition being got up in August or September last. I signed it. The prisoner saw me after I had signed it. He asked me to withdraw my name from the petition. The petition was for a special audit. He said it would not look well if there was a special audit. I said I did not care to withdraw my name, and said it would be better for himself and the ratepayers to have a special audit. He said several had withdrawn their names, and that there would be an audit all the same in the borough. I then withdrew my name.

*By Mr. Guinness*: I signed two petitions, one to merge the borough and the other for a special audit. Mr. Nicholson was present at my interview with the prisoner. The prisoner handed me a letter, already written to me, for my signature.

*Thomas Richard Connell* said: I am manager of the Bank of New Zealand, Kumara. The Kumara Borough Council keep their account there. I produce the pay-in slips of money paid into the bank for November and December, 1881. I produce borough cheque payable to No. 287 for £20, dated 23rd September. That cheque has been paid. Cheque No. 279, £5, has been paid; cheque No. 278, £5, has been paid; also cheques No. 289, for £25: 288, £15; 313, £33 15s; 310, £5; 290, £20; 316, £14 10s.; 328, £19; and 339, £5. The book produced is a cheque-book such as are sold by the Bank of New Zealand, Kumara, to its customers. I know the book produced was issued to the Municipal Corporation, Kumara. It contained three hundred cheques when it was issued, numbered from 100,627 to 100,926. Now it commences at 100,771. We never issue like numbers to other customers. The numbers of the cheques I have stated as paid, were originally contained in the books produced. All the blocks in the book are filled in in the prisoner's handwriting.

*To Mr. Purkiss*: There is nothing unusual in paying cheques to numbers.

*James Pearson*, agent for the Bank of New South Wales, Kumara, said: Mr. Wylde kept his account at our bank. The cheque produced for £23 15s. was cashed by a man named Charles Murtha. It was paid on the evening of the 26th October, 1881.

*W. A. Spence*, commission agent, said: I was appointed special auditor to audit the Kumara Borough accounts. The letter I produce is my appointment.

*Mr. Guinness* objected to the letter going in as evidence. Objection sustained.

*Witness* said: I proceeded to audit the Kumara Borough accounts. I went up on September 18th, 1882. I saw Mr. Wilde, the Town Clerk. I told him I had been appointed special auditor. I proceeded to audit the accounts for the year ended 31st March, 1882. The prisoner put the accounts before me. The ledger, cash-book, minute-book of the Council, the committee minute-book, and the bank pass-books were placed before me. The prisoner was present when I was looking at the contracts and balance-sheets produced. During the audit I asked the prisoner for the cheque-book. He said he had not got it. I asked him how he managed to get cheques. He said he got them when out in the town from stray people. He never showed me the cheque-book produced. I asked him about contractors' deposits. He told me he kept them in the safe. I noticed that the deposits were missing in the cases of Murtha, Whelan, and Keenan. I looked in the cash-book. I could find no entry of the receipt of the deposits. There was a deposit of £2 of Keenan's entered in the cash-book on September 19th, 1882, on September 21st, in prisoner's handwriting. This was, "Error, Keenan, 1881, £2." That entry came about in this way: I told Mr. Wylde to pay in £2 to the borough account, because that sum had been paid out of the borough account, while it had never been credited. The prisoner then paid the money in. This £2 was not in reference to Keenan's £34 10s. voucher. The balance-sheet showed no trace of the deposits of Murtha, Keenan, and Whelan. I gave prisoner to understand so. He said these deposits were extras on contracts. I asked for the authority for the extras. He then told me that the documents had been taken out of his office by the Mayor, Mr. O'Hagan. Mr. O'Hagan then came into the office with the prisoner, and denied ever having taken any documents out of the prisoner's office. I noticed that some sheets had been cut out of the ledger.

*To Mr. Guinness*: The prisoner gave as a reason for not keeping blocks and cheque-books, that he did not think it necessary after the balance-sheets were dealt with. I made no sole report



to the Governor, but I reported in conjunction with Mr. Palliser; the prisoner said he did not pay the deposits into the bank because, the borough having an overdraft, the bank might stick to the money.

The Court adjourned at 6 p.m. until 10 a.m. next day.

[*West Coast Times*, April 5th, 1883.]

SUPREME COURT SITTINGS—CRIMINAL JURISDICTION.

WEDNESDAY, APRIL 4TH.—Before His Honour the Chief Justice.

His Honour took his seat on the Bench at 10 a.m.

The charge against James Wylde was resumed.

*William Nicholson*, accountant, examined by the Crown Prosecutor, said: I remember a petition for a special audit being taken round Kumara. After the first petition had been sent to Wellington I heard the prisoner ask a man named McLellan if he had any objection to withdraw his name from the petition. Mr. McLellan said he had. The prisoner said it would be injurious to him if it got into the papers that a special audit was required, and that he had friends in Wellington and Christchurch. McLellan did not withdraw his name. This conversation took place at an election, where prisoner was acting as Town Clerk and I was poll-clerk. George Stewart, the bootmaker, was asked to withdraw his name. He did so. James Horne was asked at the same election, as also was Johnson. I remember a case against the accused at the R.M. Court, Kumara. I was one of the borough auditors. I asked prisoner where the missing sheets of the ledger were. He said it did not matter, it could easily be accounted for. I did notice the sheets missing when I made the audit. I noticed some contracts had been let. We told the prisoner we ought to see the contracts. This was when we made the audit. I only knew afterwards about contractors' deposits.

*To Mr. Guinness*: I have noticed these deposits pass through the borough accounts since I have been auditor. I cannot swear that the leaves were out of the ledger when we made our audit. The condition of the book now shows that some leaves have been torn out. The leaves in the cash-book, numbered 56 to 68, are missing. The petition for a special audit was initiated by a man named Simmons. I believe prisoner took proceedings against Simmons to oust him from his seat in the Kumara Borough Council.

*Re-examined by Mr. Perkins*: It would be easy if leaves in the books were torn out to make fresh entries. At page 71 in the cash-book some alterations have been made.

*William Barnett*, said: I am Mayor of Kumara. I have been a councillor for two years. I recollect a special audit being made. I took the second petition round. I asked the prisoner to sign it himself. He would not sign it. When the report was received a committee was appointed to inquire into the report. The prisoner gave us no satisfactory explanation. I told him I would not stay on the committee as the prisoner occupied the time by attacking the then mayor (Mr. O'Hagan). I waited on prisoner subsequently, and asked him to explain about the deposits. He said that as proceedings had been taken against him in Keenan's case, he was in the hands of his solicitor.

*To Mr. Guinness*: When the committee met the prisoner asked that his statement might be taken down in writing. There was some discussion between the Mayor and Mr. Seddon at the meeting. I was present on the evening that the prisoner handed over to the Council his office keys. The Mayor said he approved of the prisoner's resigning. In December last I paid the prisoner £5 4s. 6d. according to the resolution of the Council. I paid him by my private cheque, because he said he was in want of money.

*His Honour* said they were wandering from the charge, which was that of stealing cheques.

*John O'Hagan*, recalled, said: I took charge of the keys when prisoner resigned. There was no money left in the safe.

*The Crown Prosecutor* said that the case for the Crown was now closed. There were other witnesses subpoenaed, and if the defence desired it they could be called.

For the defence *Mr Guinness* called the following witnesses:—

*Richard John Seddon*, who said: I am a member of the Borough Council. While I was Mayor in 1878 or 1879 some tenders were being opened at a meeting of the Council, when the prisoner asked what he was to do with the deposit-money. The instructions were that he was to retain the deposits of these successful tenderers, and return those of unsuccessful tenderers. Had the deposits been paid into the bank they would have been impounded. This has always been the practice in the Kumara Council. I recollect when Mr. O'Hagan was elected to the office of Councillor. During that gentleman's term of office as Mayor, prior to 6th October, 1881, I met Mr. O'Hagan, and asked him what the grievance was between him and the prisoner. Mr. O'Hagan said the prisoner had insulted him, and he would make him toe the mark. Mr. O'Hagan also said he would put him out of the situation altogether. I was present in the Kumara Council on the 6th November last. Mr. O'Hagan said he had advised the prisoner to resign temporarily. I was a member of the committee appointed to consider the special auditors' report. We commenced our inquiry on the evening of 9th November. The prisoner was present, and asked that his statements might be taken down in writing. He was proceeding to make his statement, when he was interrupted by some of the Councillors, who held that the only question was whether the prisoner should be prosecuted or proceeded against by civil action. The prisoner had not ten minutes to explain.

*His Honour* said that one witness had led the Court to the impression that Mr. Seddon had a good deal to do with the discussion. (Laughter.)

*Witness* continued: The appointment of the committee was cancelled subsequently, and the matter referred to the borough solicitor. I saw the petition for the special audit. Four names were forged, and some of the signatories were not ratepayers. I received the petition from the Minister of Justice, and reported on it.

*To Mr. Harper* : I do not recollect the date when the instructions were given to the prisoner not to pay deposit-moneys to the bank. I do not think the prisoner was instructed not to enter the deposits in any book. The prisoner kept his deposit-money in a cash-box in the safe. I know Whelan, Keenan, and Murtha had contracts with the Council. I saw the special auditors' report, as published in the paper, before the meeting of the Council on the 10th November. I know its contents. I am a relation to the Mr. Seddon referred to in the auditors' report. I went through the books on my own account. I am certain that the auditors are wrong. The amount stated as overpaid to Seddon is not correct. Seddon has been paid what was due to him. He received all the moneys due to him. The document produced is an order from Nathan Seddon to pay all moneys coming to him to me.

*William Emerson*, police sergeant, said : I was present at the Town Hall, Kumara, when the prisoner resigned his appointment as Town Clerk. Mr. O'Hagan stated that he had advised the prisoner to resign.

*Alfred Skelton*, Town Clerk of the Borough of Kumara, said : I was present at a committee meeting of the Council held respecting the special auditors' report. I took down in writing the prisoner's statement on that occasion. I have not got the minutes of that meeting nor the prisoner's statement. I have looked for them. I looked last night, but I could not find them. I could not say when I saw them last. I did not destroy them.

*To Mr. Perkins* : I went back to Kumara to search for these documents, but I could not find them. There was very little explanation given at all. The prisoner said he would explain at the proper time.

*Alexander Campbell*, member of the Kumara Borough Council, said : I was present at the meeting when the prisoner resigned. Mr. O'Hagan reported that the prisoner was resigning through the advice tendered to him.

The evidence of this witness concluded the case for the defence.

*Mr. Guinness* then addressed the jury at considerable length. He referred to his Honour's ruling that the prisoner could not be convicted of embezzlement.

*His Honour* said counsel need not address the jury on the charge of embezzlement. The Crown had abandoned that charge, and alleged larceny.

*Mr. Guinness* said the Crown had failed on the indictment for embezzlement, and it was left to the jury to say whether they were justified in falling back upon the alternative charge of larceny. He drew the attention of the jury to the statute giving the Crown power to charge his client with larceny as well as with embezzlement. The section was that if a person was indicted for embezzlement, he might, if the facts showed it, be convicted for simple larceny. It was for the jury to say whether the prisoner was guilty of larceny, although, upon these same facts, the prisoner, if acquitted of embezzlement, could not be tried again for simple larceny—he might be tried again for larceny as a bailee. The Crown had charged that the moneys were stolen on the dates that the deposits were paid to the contractors. The prisoner could not be convicted of stealing a cheque and of stealing money too. *Mr. Guinness* concluded a long address by contending that there was nothing to show in any of the books how the contractors were paid their deposits; there was nothing to show the deposits were paid out of the borough funds. He submitted that this was a case where money was handed to the prisoner to be repaid to the contractors, but there was nothing to show that the money had been misappropriated by the prisoner. The fact of drawing a cheque for an amount larger than the tender was not a proof that a deposit was included in it. If there was anything in the case it was a mere mistake or error, probable enough when the prisoner held eight offices in the borough, and was allowed private practice besides. The fact that the prisoner was ordered to retain these deposits in his custody was proof that it was not considered necessary to enter them in any book. Was it likely that for a paltry few pounds the prisoner would jeopardize his position? This money would have been paid at once if any explanation had been allowed. The Mayor (*Mr. O'Hagan*) prevented any explanation. *Mr. O'Hagan's* evidence was not reliable, and if the prisoner could give evidence he would show that much of *Mr. O'Hagan's* evidence was fabricated. There was no false statement made by the prisoner about these deposits. He asked the jury where there was any evidence to show that the prisoner attempted to conceal any fraud. There was a majority in the Kumara Council who determined to shut the mouth of the prisoner by proceeding against him criminally.

*Mr. Harper* said the Crown was bound to show that the facts amounted to larceny. One of the ingredients of larceny was feloniously taking at some time or another. The distinction between embezzlement and larceny was very slight. In the first instance, the Crown framed, advisably, an indictment for embezzlement. During the trial it appeared that, technically, the prisoner had not been guilty of embezzlement, as the Council received the deposits first and handed them to the prisoner. After the date of the acceptance of *Murtha's* tender, the prisoner received £5 deposit from the tenderer. During the progress of the tender moneys were paid out, and the final payment made, including the deposit. The Crown produced *Murtha's* receipts, and *Murtha* himself swore that he got his deposit back. The counsel then proceeded to point out the strong evidence of larceny of the three deposits, and reviewed the circumstances under which the prisoner, as the Crown contended, had fraudulently misappropriated these moneys. He concluded a remarkably clear and able speech by contending that the evidence of misappropriation by the prisoner was convincing of his guilt. He defended *Mr. O'Hagan* from the attacks of the counsel for the defence, although *Mr. O'Hagan's* actions did not really matter one bit. He asked the jury to consider the reception of the deposits by the prisoner, his retention of them, and his repaying them out of the Council's funds.

*His Honour* summed up briefly.

The jury retired at half-past three, and returned to Court at half-past four with a verdict of not guilty of embezzlement; guilty of larceny on three counts as Clerk of a Corporation, with a

recommendation to mercy on account of the loose way in which the books of the Corporation were kept.

Sentence was deferred until to-morrow.

The Court adjourned until 10 next morning.

#### SUPREME COURT CRIMINAL SITTINGS.

FRIDAY, APRIL 6TH.—Before His Honour the Chief Justice.

His Honour took his seat on the bench at 10 a.m.

#### *Embezzlement.*

James Wylde was indicted for having, on October 14, 1881, embezzled three sums of 20s., 20s., and 10s., the moneys of the Mayor, Councillors, and Burgesses of Kumara.

Mr. Perkins and Mr. Harper appeared for the Crown, and Mr. Guinness, with Mr. Purkiss, defended the prisoner, who pleaded "Not guilty."

The following jury was empannelled: John Magan, Henry Eastman, Martin Morris, William Blythe, David Kenny, Francis Clarke, Bernard O'Neill, William Gates, James Cropper, Ross Cunningham, George Burgess, James Hansen. Mr. Clarke was chosen foreman.

James O'Gorman, John McMillan, J. Shannon, Thomas Raymond, Richard Campbell, Dennis Ryan, Patrick O'Reilly, Jeremiah O'Neill, Jeremiah Gilbert, and Joseph Hammond were challenged by the prisoner's counsel. The Crown Prosecutor ordered the following persons to stand by: Thomas Dove, Walter Raleigh, John Delacosta, William Anderson, Robert Douglas, Thomas Maloney, John Cavill, Charles F. Holmes, William Otto Anderson, William Evenden, Richard Strait, Alexander C. Campbell, James Hamilton, Thomas Darby.

*The Crown Prosecutor*, having briefly opened the case, called the following witnesses:—

*John O'Hagan*, examined by Mr. Harper, said: I was Mayor of Kumara for two years, my term of office ending in December, 1882. The books produced are—the Council's minute-book, committee's minute-book, and the ledger and cash-book of the Council. The two latter are in the prisoner's handwriting. The prisoner was Town Clerk of Kumara, Treasurer, Surveyor, Rate-collector, Returning Officer, and Registrar of Dogs. He ceased to hold office in November, 1882. Seddon Street is a street in the Kumara Borough; it was a street of that name in 1881. In the minute-book of the Public Works Committee of July 25th, 1881, is a recommendation that Seddon Street should be drained, on condition that the section-holders contributed to the cost of the drain; that recommendation was adopted by the Council. The papers produced are specifications for the drain through sections in north side of Seddon Street, and the tender of Richard Brady for making the drain at £1 4s. 9d. per chain. The specifications are in the prisoner's handwriting. The two cheques produced bear the signatures of the Town Clerk, and Councillors Campbell and Burgess. The cheques are on the Bank of New Zealand. The first is 100685, 19th November, 1881, pay No. 321, £2; the other No. 100705, 17th December, 1881, pay No. 341, £5 3s. 9d. In October, 1881, the Council accepted Grady's tender for £6 3s. 9d. I look at the cash-book, page 71; the date of the first entry is October 27th. Under date November 19th I see an entry, "By drainage, Brady, £2"; on December 17th I find another entry, "By drainage, Brady, £5 3s. 9d." I look through the credits in the cash-book in October, 1881. I paid £1 as my contribution towards the drain. I paid the money to the prisoner. The documents produced purport to be the balance-sheets of the borough up to 31st March, 1882, signed by the prisoner and the auditors. The balance-sheets are in the handwriting of the prisoner. I see no receipts of any voluntary contributions accounted for, but under the heading of "Drainage" is charged the sum of £30 13s. 9d. for the half-year. I recollect in August, 1882, a petition was got up in Kumara for a special audit; I signed it. Mr. Spence was appointed, but did not act then. A second petition was sent up, after which Mr. Spence proceeded to make an audit. The auditors' report was published in the papers. I told prisoner I had got the auditors' report, which contained some damaging statements which meant suspension or something worse for him. Subsequently the prisoner handed over his keys to me. I found no money in the safe. [The witness then proceeded to describe the meetings of the Council respecting the auditors' report, and the prisoner's conduct when asked for an explanation, was substantially in the same manner as in the report in the *West Coast Times* on the occasion of the first trial of the prisoner for larceny of deposits.]

*Cross-examined by Mr. Guinness*: The receipt produced I got from the prisoner for £1 for the drain; it is dated 14th October, 1881. It is on a receipt form, but part of the printed matter is erased, and other words inserted in the prisoner's handwriting. I found the list produced in the prisoner's office after he left. I think it was in an ordinary office clip. I see the name of Manson, Burger, and myself on the list. Opposite my name is written in pencil, "14/10/82." My receipt is dated on 14th October. This was after the special audit. The list was filed with other documents belonging to the borough. I found no money in the safe. There were two cheques in the safe, which I found after the prisoner had left. One cheque was payable to Price, and there was another cheque for a small sum. I do not remember the name of the drawer of the second cheque. I searched the safe thoroughly. I did not tell the Council I had recommended the prisoner to resign. The committee appointed to inquire in the auditors' report reported to the Council, but on my casting-vote the matter was taken out of the hands of the committee and referred to the borough solicitor. I do not know what has become of the minutes of the committee. They were produced at the Magistrate's Court by the Acting Town Clerk. I think the salary of prisoner was for Town Clerk and Surveyor. The prisoner claimed a sum of £13 in September last for commission on rates collected.

*To Mr. Harper*: A resolution was passed in 1877 declaring the Bank of New Zealand the Bank of the Council.

*Timothy Carey*, manager for Manson and Co., Kumara, said Manson and Co. have premises in Seddon Street. The document produced I found on Manson's file. It is a receipt for £1, dated 14th October, 1881, and purports to be for money paid as rate for making a drain in Seddon Street.

To *Mr. Guinness*: I was not a member of the Council in 1881, but I was in November, 1882. I remember a committee being appointed to investigate the auditors' report. I recollect at a meeting of the Council Mr. Burger asked the Mayor to give his casting-vote, so as to give the prisoner a chance to explain, but the Mayor did not do so.

*Henry Burger*, storekeeper, said: I had premises on the north side of Seddon Street in 1881. I paid the prisoner 10s. as a contribution towards making a drain in Seddon Street. The handwriting on the receipt produced is the prisoner's. I recollect being on a committee, as Councillor, which asked the prisoner to explain the charges in the auditors' report. The prisoner did not explain to my satisfaction.

To *Mr. Guinness*: Nothing was said or asked about the special sum I paid towards the making of the drain. The prisoner was asked by the Committee to explain generally. The Committee asked leave to sit again.

*William Alexander Spence*, commission agent, sworn, said: In the month of September last I examined the books of the Borough of Kumara. The books were handed to me by the prisoner. I had access to all the books and the papers, but not to the safe. I audited the balance-sheet for the year ending 31st March, 1882. I know the balance-sheet produced. The disbursements and receipts are in the prisoner's handwriting. I had to examine the cash-book or ledger. I saw no entries anywhere respecting contributions to drainage expenditure. I found that a contract for drainage had been let to a man named Brady. The prisoner did not tell me that the drain was to be partly paid by voluntary contributions. I discovered that from the minute-book. Prisoner declined to give me any information, stating that he had been advised not to do so. I searched through the cash-book for these voluntary contributions, but found no entries. I went through the rate-roll (produced) in order to check the amount of rates received. I found that the amount received for rates, £229 7s. 6d., was correct. It did not include voluntary contributions for drainage. Mr. Palliser was auditing with me. I asked the prisoner whether anything was included in the £229 7s. 6d. except rates pure and simple. He said nothing else was included. I saw no blocks for rate-receipts. The prisoner said he never kept them.

To *Mr. Guinness*: I was engaged alone about four or five days making the audit. I had charge of everything except the safe. I ascertained the exact amount of rates paid up to the end of March, 1882. Included in the amount of £229 7s. 6d. for rates in the balance-sheet was about £15 paid for rates due for the year previous. The £15 did not include any moneys for drainage. The amount received for rates went back two or three years. I did not ask the prisoner whether he had received any money as contributions towards making a drain. I believe Mr. O'Hagan mentioned this to me after Mr. Palliser came. The prisoner told us he would decline to give us any explanation about transactions for back years. There is a statement in the balance-sheet showing the amount of rates unpaid. According to the rate-roll the amount of rates which should have been received was £304 14s.

To *Mr. Harper*: I am certain that the contributions to the drain from Mr. O'Hagan, Burger, and Manson do not appear in the amount of £229 7s. 6d. for rates. I am certain also that the prisoner told me they did not.

*Thomas Connell*, bank-manager, said: The Kumara Borough Council keep their account with the Bank of New Zealand. The two cheques produced, for £2 and £5 3s. 9d., were paid out of the borough account.

The Court adjourned at 1 until 2 p.m.

On resuming, Mr. Perkins called

*William Nicholson*, accountant, who said: I audited the borough accounts with Mr. Toms on the 3rd May, 1882. The prisoner gave me the particulars of the sum of £229 7s. 6d. on the balance-sheet, which is purely for rates. I asked prisoner to see for the blocks of the rate-receipt book. He gave me one book with one or two block receipts, which were of little use. Between the first and second special audits I was acting as poll-clerk to the prisoner at an election. I heard prisoner on that election day ask McLellan, Horne, Johnson, and Stewart to withdraw their names from the petition. He assigned various reasons for asking this. Three of them withdrew their names, and the petition failed.

To *Mr. Guinness*: The first petition failed. The book produced is the minute-book for 1880. In May of that year there is a resolution authorising the Town Clerk to employ ratepayers, at piece-work, who could not pay their rates. The prisoner did not tell me of any ratepayers who paid their rates with work. I made an audit in September, 1882.

*Charles Wray Palliser*, Auditor of General Government Accounts, said: In October last I assisted Mr. Spence to audit the Kumara Borough accounts. The prisoner put the books and papers before us. In the course of the inquiry I saw the balance-sheet. We ascertained the item £229 7s. 6d. contained nothing but rates struck under the rate-roll. There is nothing in the balance-sheet or the books to show the receipt of any contributions towards making a drain. The prisoner did not produce blocks of rate-books; he said he had not got them.

To *Mr. Guinness*: I was making an audit of the borough books from the commencement. I audited the books up to date. I commenced about the 12th October, and was about ten days or a fortnight at the work. In the rate-book, opposite each ratepayer's name, is a blank column headed "By whom Rate paid." The prisoner told me all crossed names had not paid. Up to the 31st March, 1882, I found that £229 7s. 6d. had been paid for rates. I cannot tell how much of this amount was paid for rates for previous years; the bulk was for the year 1881-82. I did not ask prisoner any question about these contributions to drainage. Prisoner told me he had

the contractors' deposits in the safe. I asked for the deposits. Prisoner showed me the money; he had £1 too much. I told him he should have banked the money, which he did.

*To Mr. Perkins:* We had to go back to previous years, because we could not rely on the balance brought forward.

*S. C. W. Moller, police sergeant, said:* I made some inquiries in this matter on behalf of the police. I know the Council's minute-book produced; it goes up to May, 1882. There is no resolution in the book directing the prisoner when he was to pay money into the Council's bank.

*Alfred Skilton, Town Clerk, Kumara, was called by the Crown Prosecutor, but cross-examined only by Mr. Guinness.* He deposed as follows: When I took charge of the Town Clerk's office I found two cheques in the safe—one for £1 1s., and one for £2 5s. from James Rugg. The latter was paid in to the credit of the borough account. Mr. O'Hagan saw these cheques. I received from the prisoner 5s. in English stamps. A letter accompanied the stamps.

*To Mr. Perkins:* James Rugg's cheque was about seven months old; it was for rates, and was ultimately cashed. The £1 1s. cheque was signed R. McKenzie. I did not present it. It was on the Union Bank, and the Kumara branch of that bank had closed.

This concluded the case for the Crown.

*Mr. Guinness* said that no witnesses would be called for the defence.

*Mr. Harper* addressed the jury for the Crown.

*Mr. Purkiss* addressed the jury for the prisoner in an impressive speech, contending that the three sums which the Crown alleged the prisoner had embezzled were most probably included in the general rates in the sum of £15, rates which were included in the total amount of £229 7s. 6d. The fact was that the prisoner evidently regarded the three sums he was accused of embezzling as rates.

*His Honour* summed up at considerable length.

The jury retired at half-past four, and returned to Court at 6 p.m. with a verdict of Not guilty. The Court adjourned until 10 a.m. next (this day).

[*West Coast Times*, 9th April, 1883.]

SUPREME COURT SITTINGS.—CRIMINAL JURISDICTION.

SATURDAY, 7TH APRIL.—Before his Honour the Chief Justice.

His Honour took his seat on the bench at 10 a.m.

*Larceny.*

James Wyld was brought up for sentence.

In answer to the usual questions, the prisoner said he was sixty years old. He also, in a voice broken by emotion, said, "I wish to say a few words, your Honour. I believe the jury acted conscientiously according to their interpretation of the evidence brought before them, nevertheless, I am perfectly innocent of the crime for which I have been tried. I am the victim of party spirit carried to an extreme. It is useless for me to enlarge upon the artifices used to get rid of me and place a tool of some of the Councillors in office. The abstraction of my paper to prevent my defending myself was only one of the means used. I wish to say that I was appointed to the Borough Council because I was a skilled engineer, and all the public works had to be done, not because I was an accountant. I have nothing more to say. I shall be grateful for leniency."

*Mr. Guinness* called Messrs. Barnett and Seddon, who gave the prisoner an excellent character. The latter gentleman said every one knew that the prisoner was not a competent accountant. The auditors knew this very well, and he was appointed Town Clerk because he was a skilled engineer.

*John O'Hagan, late Mayor of Kumara, said* he had known the prisoner five or six years. Outside of the present charges the prisoner was a man for whom he had every reason to entertain the highest respect.

*Mr. Guinness* asked if the Crown pressed for a heavy sentence.

*The Crown Prosecutor* stated that the Mayor and Council of Kumara, the persons chiefly interested, did not wish to press for a heavy sentence.

*His Honour* said that the first impression made upon him by the evidence was such that he would have felt it his duty to pass a heavy sentence. When the defalcations spread over a course of years, and were accompanied by falsification of books and destruction of vouchers, the case was serious. But he felt bound to treat this charge by itself. He would not take into account the reports of auditors' or other matters. If the Crown was advised that the sentence he was about to pass was not adequate it would be competent to proceed with other indictments. He must take into account the jury's recommendation to mercy, as well as the fact that the Kumara Borough Council joined in that recommendation. It also appeared that the prisoner really was not a competent book-keeper. The Court would also take into consideration the fact that the Borough Council had instructed the prisoner to retain the deposits in his custody, and possibly so assisted to lead the prisoner into his present position. In that Court long terms of imprisonment had been given for misappropriation of moneys. But there was a distinction between those and the present case. He felt bound to treat the case separately. If he thought the prisoner had been accumulating moneys by these defalcations he would pass a very heavy sentence. Taking all the circumstances into consideration, the prisoner would be sentenced to twelve months' imprisonment with hard labour.

This terminated the calendar, and the jury were accordingly discharged.

## EXHIBIT E.

[Extract from the *West Coast Times*, 10th November, 1882.]

## THE KUMARA BOROUGH AUDIT—REPORT OF TWO GOVERNMENT AUDITORS.

The following is the report of the two Government auditors appointed to make a special audit of the Kumara Borough accounts. The report was enclosed in the following letter to his Worship the Mayor of Kumara, from Mr. G. S. Cooper, Under-Secretary :—

SIR,—

Adverting to my letter of the 4th September, I am directed to forward for your Worship's information a copy of the special auditor's report appointed to audit the accounts of the Borough of Kumara.

I am at the same time to state that His Excellency has appointed that an allowance of two guineas a day and his expenses of locomotion shall be paid to Mr. Spence, and of £1 10s. a day to Mr. Palliser, for each day during which they were engaged respectively in making the audit. These amounts, of course, have to be defrayed by the borough.

## REPORT.

To G. S. Cooper, Esq., Under-Secretary, Wellington.

SIR,—

Hokitika, 13th October, 1882.

In accordance with instructions contained in your letter, No. 1374, of the 4th September, 1882, I have the honour to report, for the information of His Excellency the Administrator of the Government, that I proceeded to Kumara for the purpose of making the special audit.

On Monday, the 18th of September, I commenced the work, and proceeded to audit the statement of accounts for the year ended 31st March, 1882, which up to this date is not signed by the Mayor of the borough, in accordance with section 133 of "The Municipal Corporations Act, 1876." This, apparently, is in consequence of the annual meeting held in accordance with this section having lapsed for want of a quorum.

In examining the books and vouchers I found many irregularities—for instance, no blocks for receipts given for collected rates were produced; no minute-book of the proceedings of the finance committee showing the several amounts passed for payment was produced. Many of the items in the cash-book cannot be traced into the bank-book, and *vice versa*, although the balance at the end of the year's transactions is the same in each. No cheque-book was produced; and, further, I found amounts had been paid in the way of salaries, wages, and contracts in excess of those authorised without any authority, and on asking the Treasurer to explain this he informed me they were "liabilities" on account of the previous year, but on turning to the balance-sheet of the previous year I found the liabilities to be Nil; consequently, I had to go into the several accounts for wages, salaries, &c., for the previous year, and, instead of arriving at a satisfactory conclusion, I found the accounts more complicated than before, in consequence of which I wired to you asking that Mr. Palliser should be allowed to help me to go into the matter, which was granted, and we now beg to forward our report, a copy of which Mr. Palliser has sent to Mr. FitzGerald.

On Mr. Palliser's arrival I again went through the work I had done, so as to show him the state of affairs, and we both agreed that to arrive at any satisfactory conclusion it was necessary to begin the audit from the time Kumara was formed into a borough—in August, 1877.

All the back documents and vouchers were in a very mixed and disordered state, but we commenced our operations by checking all payments from the cash-book with the corresponding vouchers, and, after considerable trouble, succeeded in obtaining vouchers for nearly all the entries in the cash-book except those enumerated on List A.

On the 25th July, 1879, we found an entry in the cash-book of £3 9s. 1d. petty cash, 16s. of which was for payment for the supply of kerosene on April, May, and June, 1879, but for which there was no receipt. On the 17th October an amount of £7 15s. petty cash was paid to Mr. Wylde for sundries, amongst which we discovered the same 16s. above mentioned, duly receipted, so that this amount was twice charged for, although only once paid.

*Contracts.*

A contract was accepted in April, 1881, from a contractor named Keenan, for which he had to deposit a sum of £2. The contract was completed in May, 1881, and a final payment made, together with the return of his deposit-money—£2. This money was never credited to the borough funds until September, 1882, and only then on our pointing out the matter to him (Mr. Wylde).

A contract for fencing the cemetery was accepted by one Murtha in July, 1881, for the sum of £63, for which Murtha deposited £5. We find that the total amount paid to him on account of his contract amounted to £78 15s. No authority is produced for payment of extras, and the deposit-money (£5) has never been credited to the borough funds. A contract for clearing and grubbing the recreation-ground was accepted by one Taylor in August, 1881, for the sum of £49 15s., for which Taylor deposited £2. We find the total amount paid amounts to £56 15s. No authority produced for payment of extras, although on the first sheet of contract an apparent allowance of £7 for extras is made; but, on the other hand, we cannot accept this, as there is another entry in the cash-book for £7, and for which there is a separate receipt. The deposit-money for this contract has also never been credited to the borough funds.

Another contract for draining cemetery was accepted by Keenan for £32 10s., for which he deposited £2. Total amount paid, £39 10s. No authority for extras; and deposit money never credited to borough funds. Another contract for forming Tui Street was accepted by Whelan, for £49, and for which he paid a deposit of £5. Total payment made amounts to £54. No

authority for extras; and deposit money never credited to borough funds. The difference is evidently the contractor's deposit.

A contract was let to one Brady in July, 1881; for making a drain in Seddon Street for £6 3s. 9d. A deposit of £1 was lodged. Total payment made amounted to £7 3s. 9d. This also is evidently the contractor's deposit, being returned to him out of the borough funds, the same never having been credited. With regard to this contract we have ascertained from the minute-book that this drain was made conditionally on the section-holders near the locality contributing towards the cost. We find that an amount of at least £5 was paid to Mr. Wylde for this purpose, but we cannot trace this amount as ever having been paid to the credit of the borough funds.

A contract was let to H. Gibson for improving Seddon Street for £30. A deposit of £5 was lodged, which has never been credited to the borough funds.

While on the subject of contracts, we might mention that a drain was authorised to be cut on the south side of Seddon Street by the day-labour man, conditionally on the section-holders contributing towards the cost. We have ascertained, and seen receipts, that a sum of £5 was paid to Mr. Wylde for this work, and this also has never been paid into the borough funds.

#### Salaries.

Here we find some very large discrepancies. Mr. Wylde was appointed by the Governor as temporary Town Clerk at the end of July, 1877, and was permanently appointed by the Borough Council from the 1st of November, 1877. He appears to have been paid regularly up to the 30th of September, 1879. After this the payments became somewhat erratic and confused, so much so that it was impossible to trace each month's payments in the cash-book, so we were obliged to make up a short statement, showing how much he was entitled to and how much he actually did receive, which is as follows:

Mr. Wylde, Town Clerk, &c.—	£	s.	d.
From 1st October, 1879, to 30th September, 1880, twelve months, at £29 3s. 4d. ... ..	350	0	0
From 1st October, 1880, to 30th September, 1881, twelve months, at £20 16s. 8d. ... ..	250	0	0
From 1st October, 1881, to 31st March, 1882, six months, at £20 16s. 8d. ... ..	125	0	0
From 1st April, 1882, to 30th September, 1882, six months, at £16 13s. 4d. ... ..	100	0	0
	£825.	0	0

Amount actually paid, Schedule B attached, £993 14s. 5d.; excess paid according to cash-book and ledger, £168 14s. 5d.

The dates of reduction of salary were obtained from the Council minute-book.

Nathaniel Seddon, Day-labourer: We find on most careful examination that this man was paid in full up to the 25th December, 1879, after which date confusion begins, so we had to adopt a similar method with regard to his wages. This man received wages at the rate of £3 per week up to the 5th November, 1881, when his weekly engagement terminated by order of the Council:—

	£	s.	d.
From 25th December, 1879, to 5th November, 1881, ninety-seven weeks at £3 per week ... ..	291	0	0
Amount actually paid, <i>vide</i> Schedule C attached... ..	510	0	0
Excess paid, according to cash-book and ledger ... ..	219	10	0

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. We, therefore, can give no explanation. There is no doubt that all this money has been paid, and, apparently, without any authority from the Council, as on asking for the proceedings of the finance committee, and schedules of accounts passed for payment, none were produced from the 1st of September, 1879, up to the 31st March, 1882. We have, however, succeeded in getting some of these reports outside this period; and, in fact, Mr. Wylde accused Mr. O'Hagan, the Mayor, of taking these documents out of the Town Clerk's office. This Mr. O'Hagan has denied to us in the presence of the Town Clerk.

It also appears to us that there has been great laxity on the part of the Councillors authorised to sign cheques, in not ascertaining that the amounts for which the cheques were issued had been passed for payment.

Mr. Wylde was in the habit of receiving imprest moneys for petty expenses in the following manner: An imprest supply of £5 was advanced to him, and when he had spent, say, £2 16s. 10d. for incidentals, a cheque for that amount was passed for payment, thus making the total gain up to £5. In this manner he received on the 13th September, 1877, the sum of £5, which was from time to time supplemented to keep up to the full amount, and in the balance-sheet for the year ended 31st March, 1878, this amount is shown as cash in hand; but in the balance-sheet for the following year it has not been brought forward, but has been completely lost sight of.

On May 16, 1879, another imprest of £5 was advanced to him, and which also has never been accounted for.

On June 30th, 1882, he received another £5 imprest, which we requested him to pay into the bank, and he accordingly did so. To further show the irregular manner in which the books have been kept, we beg to enclose a list of Schedule D, showing amounts which appear in the cash-book as having been paid, for which there are no corresponding entries in the bank-book and, on the other hand, a list E of amounts paid according to the bank-book, but for which there are no corresponding entries in the cash-book.

In this last list we would specially wish to draw attention to a cheque for £21 10s. 9d., cashed by the bank on October 4th, 1881. This amount was authorised to be paid to a man named Kelly. Mr. Wylde states that the man has been paid; but we have seen no receipt, nor is there any entry in his cash-book of the amount having been paid; but on inquiry we discovered that the cheque was paid into Mr. Wylde's private account in the Bank of New South Wales, in addition to many others. This we consider to be the reason that we cannot trace amounts from the cash-book into the bank-book, as Mr. Wylde was in the habit of paying borough cheques into his own private accounts, and then paying borough creditors out of his own money.

In March, 1881, we discovered that Mr. Wylde paid into the credit of the borough account, Bank of New Zealand, his own private cheques to the amount of £111 17s. 10d., and in the corresponding month of 1882 cheques to the amount of £49 12s. 6d. This came to our knowledge in endeavouring to trace the discrepancies between the bank-book and cash-book.

There are numerous instances of amounts having been paid and receipted vouchers given, on the face of which the signature of the chairman of the finance committee does not appear; in fact, of all the vouchers only about one-third bear the chairman's signature. This we consider most unsatisfactory, especially as in the absence of the proceedings of the finance committee showing schedules of accounts passed for payment, it cannot but leave doubt in our minds whether the amounts have really been authorised to be paid.

We would beg to draw your attention to an amount entered in the cash-book of £1 10s. on the 29th of September, 1881, as having been paid to the Stationery Storekeeper, Wellington, for supplying statutes, 1880. A document purporting to be a receipt is produced as a voucher, on the face of which is written in pencil, "Forwarded by P.O.O. on the 29th September, 1881." On asking the Storekeeper whether he received this amount, he replied that he received 30s. for statutes, 1880, on 20th January, 1882. This we find to be the case, but this receipt is attached to a voucher for a corresponding entry in his cash-book, dated 31st December 1881, so, consequently, credit has been taken twice for money that has only been paid once.

We will summarise amounts we consider due by Mr. Wylde, or for which he is responsible:—

	£	s.	d.
Imprest balance in hand, 31st March, 1878, not brought forward			
1st April, 1878 .. .. .	5	0	0
May 16, 1879, not accounted for July 25th, 1879, amount twice charged for .. .. .	0	16	0
Contribution making drain north side Seddon Street, 1881 .. .. .	5	0	0
Do. do. south side .. .. .	5	0	0
Contractor's deposit, Murtha .. .. .	5	0	0
Do. do. Taylor .. .. .	2	0	0
Do. do. Keenan (Tui Street) .. .. .	2	0	0
Do. do. Whelan .. .. .	5	0	0
Do. do. Bradey .. .. .	1	0	0
Do. do. Gibson .. .. .	5	0	0
Salary received in excess .. .. .	168	14	5
Government Printer's statutes, 1880, twice charged for .. .. .	1	10	0
On the 16th October, 1880, and again on the 24th December, the Government Printer states he never received the following amounts: £3 15s. and £5 5s. .. .. .	9	0	0
Cheques payable to Kelly but paid into Wylde's own private account, October 4, 1881 .. .. .	21	10	9
Amount overpaid to Mr. Seddon .. .. .	219	10	0
	<u>£461</u>	<u>1</u>	<u>2</u>

Before concluding our report we would wish to bring under your notice the irregular and unsatisfactory manner in which the books of the Council are kept. In the first instance, no block-books for rates have been kept; no cheque-book has been produced; the cash-book for the six months ended 30th September, 1882, has only been entered in ink within the last few days, it previously having been kept in pencil and in a separate book. In the vouchers for payment of salaries it is hard to ascertain from the voucher itself for what month such amount was paid. The proceedings of the finance committee have been most irregularly kept, although there is a minute-book for that purpose. Schedules of amounts passed for payment are not regularly posted into this book, so that, in consequence of these irregularities, we have had considerable difficulty in arriving at a satisfactory conclusion, and even now are of opinion that we have not discovered all the discrepancies, as, in the absence of important documents, we had to take things for granted.

We have, &c.,

(Signed) W. A. SPENCE, Special Auditor.

(Signed) C. WRAY PALLISER, Audit Inspector.



## SCHEDULE A.

LIST of VOUCHERS for which no Receipts are attached.

Date.	Amount.	Remarks.
1878.		
Jan. 21 ...	£ s. d. 5 0 0	No voucher.
1879.		
July 25 ...	0 16 0	No receipt; amount twice charged.
1878.		
March 1 ...	10 10 0	Voucher not received.
March 10 ...	15 0 0	No receipt (Seddon).
1879.		
June 20 ...	13 15 0	Do. (wages).
July 18 ...	29 3 4	Do. (Wylde).
July 25 ...	5 13 8	Do. (Spiers).
Aug. 18 ...	1 10 0	Do. (Raby).
July 31 ...	10 0 0	Do. (Byrne).
Sept. 30 ...	29 3 4	Do. (Wylde).
1880.		
Jan. 27 ...	3 10 0	Do. (Quale).
Oct. 16 ...	3 5 0	Government Printer.
Dec. 24 ...	5 5 0	Government Printer states that he never received either of these amounts.
1881.		
Sept. 22 ...	1 10 0	Government Printer (twice charged).

## SCHEDULE B.

SALARY paid to JAMES WYLDE from 1st October, 1879, to 30th September, 1882.

	£	s.	d.		£	s.	d.
October 18, 1879...	29	3	4	Brought forward ...	643	14	4
February 21, 1880	29	3	4	May 5 ...	20	16	8
March 30	87	10	0	July 2 ...	20	16	8
May	29	3	4	July 15...	20	16	8
June 10	29	3	4	August 13	20	16	8
June 26	29	3	4	September 16	20	16	8
June	58	6	8	October 31	20	16	8
July 10...	58	6	8	November 30	20	16	8
July 29...	29	3	4	December 31	20	16	8
August 30	29	3	4	January 16, 1882	20	16	8
September 20	29	3	4	February 28	20	16	9
October 16	29	3	4	March 13	20	16	8
November 15	29	3	4	April 11	20	16	8
December 24	29	2	4	June 3 ...	16	13	4
December 24	14	11	8	June 7 ...	16	13	4
January 1, 1881	20	16	0	June 30	16	13	4
February 28	20	16	8	August 7	16	13	4
March 18	20	16	8	August 25	16	13	4
April 1 ...	20	16	8	September 23	16	13	4
April 22	20	16	8				
Carried forward ...	643	14	4		£993	14	5

## SCHEDULE C.

SALARY paid to NATHANIEL SEDDON from 25th December, 1879, to 25th November, 1881.

				Number of Weeks.	Amount.
					£ s. d.
February 5, 1880	...	...	...	4	12 0 0
April 1	...	...	...	8	24 0 0
May 13	...	...	...	6	18 0 0
July 8	...	...	...	8	24 0 0
July 22	...	...	...	2	6 0 0
August 19	...	...	...	4	12 0 0
September 16	...	...	...	4	12 0 0
October 14	...	...	...	4	12 0 0
November 25	...	...	...	6	18 0 0
February 28, 1880	...	...	...	8	24 0 0
March 25	...	...	...	4	12 0 0
July 10	...	...	...	32	96 0 0
April 22	...	...	...	4	12 0 0
February 12	...	...	...	12	36 0 0
March 11	...	...	...	4	12 0 0
May 15	...	...	...	8	24 0 0
January 5, 1881	...	...	...	6	18 0 0
February 3	...	...	...	4	12 0 0
March 3	...	...	...	4	12 0 0
April 14	...	...	...	6	18 0 0
May 26	...	...	...	6	18 0 0
June 23	...	...	...	4	12 0 0
July 21	...	...	...	4	12 0 0
August 18	...	...	...	4	12 0 0
September 29	...	...	...	6	18 0 0
October 27	...	...	...	4	12 0 0
November 5	...	...	...	4	12 10 0
Total	...	...	...	...	£510 10 0

£3 per week.

## SCHEDULE D.

AMOUNTS entered in Cash-book, but no corresponding Entries found in Bank Pass-book, from 23rd September, 1881, to 10th March, 1882.

Date.	Amount.	To whom Cheque payable.
	£ s. d.	
1881.		
Oct. 4	30 15 9	To Kelly.
Oct. 8	28 18 4	Do.
Oct. 8	2 0 0	D. Laughlin.
Oct. 30	48 19 6	D. Kelly.
Nov. 30	52 15 3	Do.
	20 16 8	J. Wylde.
	1 10 0	
1882.		
Jan. 16	22 16 8	J. Wylde.
Feb. 11	15 7 3	
Feb. 28	20 16 9	
Feb. 28	2 0 0	
March 10	6 15 0	
	£253 11 2	

## SCHEDULE E.

AMOUNTS entered in Bank Pass-book, but not found in Cash-book, from 4th October, 1881, to 10th March, 1882.

Date.	No. of Cheque.	Amount.
October 4, 1881 ... ..	298	£ 21 10 9
Do. 7, " ... ..	299*	35 0 0
Do. 8, " ... ..	293	1 1 0
Do. 10, " ... ..	302	5 0 0
Do. 25, " ... ..	317	10 0 0
Do. 25, " ... ..	312	2 0 0
Do. 27, " ... ..	314	10 0 0
Nov. 12, " ... ..	319	26 16 9
Do. 19, " ... ..	332	2 15 2
Do. 21, " ... ..	330	16 15 0
Dec. 3, " ... ..	327	1 10 0
Do. 17, " ... ..	335	22 16 8
Do. 22, " ... ..	349	25 17 0
Feb. 2, 1882 ... ..	358	20 16 8
Do. 11, " ... ..	370	5 7 0
Do. 18, " ... ..	360	2 0 0
Do. 21, " ... ..	366	12 10 0
Mar. 10, " ... ..	367	18 0 0
		£233 16 0

\* Cheque referred to in report.

(Signed)

C. WRAY PALLISER,  
Audit Inspector.

(Signed)

W. A. SPENCE,  
Special Auditor.

## EXHIBIT F.

[Extract from *Kumara Times*, 27th November, 1882.]

## THE SPECIAL AUDITORS' REPORT, AND MR. SEDDON IN EXPLANATION.

To the Editor.

SIR,—The thanks of every lover of fair-play is due to you for exposing the conduct of the person who wilfully attempted to extort money from the Council on account of the special auditors saying in their report that certain receipts were not produced. Those who aided and abetted were equally to blame, and I firmly believe the police could, on inquiry, establish a case of conspiracy to defraud, coupled with one for inciting malicious prosecution. The result shows how careful auditors should be before publicly reporting the loss of important documents; also, that most careful search should have taken place before such report was made. I do not wish to infer for a moment that the special auditors were not careful, or that they did not make a most searching scrutiny, but the results show that where there are so many documents to be overhauled it is quite easy to overlook a few, and proves conclusively that even a Government Inspector of Audit is not infallible.

On the face of one of the vouchers is written in green pencil, and initialled "C.W.P.," the words "Not appearing in cash-book or ledger." Subsequently a research must have taken place, for in the report this matter is not referred to; the voucher I allude to being one for the payment of an account to the Despatch Foundry Company, Greymouth, and the entry is certainly in both cash-book and ledger, and the receipt is attached to the voucher.

Again, in the case of Mr. Byrne, the auditors state his receipt for £10 is missing, yet omit to state that Mr. Byrne's account for £17, with acknowledgment for £15, is attached to the receipted voucher for £2, and that the signature of our respected townsman, E. Blake, Esq., appears on the face of it, certifying to the same as being correct. Included in the £17 is the £10 I alluded to, and I personally saw the money paid to Mr. Byrne in Mr. Blake's house.

As regards the Government Printer or Storekeeper's account, for Mr. Didsbury is head of both departments, the auditors say the Government Printer states he never received the following amounts: £3 15s. and £5 5s. Now, seeing the Council had not been pressed for these amounts, I telegraphed to the Government Storekeeper, and received on Friday last the following reply:—

Council owes three pounds five shillings.—G. DIDSBURY, Storekeeper.

Now, this debt of £3 5s. must be a recent one, and in no way tallies with that set forth in the auditors' report. As regards the 16s. for kerosene, which the auditors say was twice charged for, there are two receipts for kerosene; the amount and the dates appear correct. As regards Mr Speirs's account, the following extract from his ledger speaks for itself:—

Copy from account against the Borough Council of Kumara in my ledger, 1879: "July 26—By cash, £5 13s. 8d."—S. M. SPIERS.

As regards the amount of Mr. Quale's account, when he was relieved of the office of rate-collector his receipt was, I believe, sent in the shape of a contra account. That letter is still, I believe, in existence, and he has made no claim for any money since. As regards no voucher for £5 in the year 1878, and as that appears to be the only document missing in that year, I think the auditors themselves must admit that all documents and papers have to that time been well kept.

March 1st, 1878, £10 10s., voucher not received.

The auditors do not say who the money was payable to. The person who received the money is still living, and in good health, received the money; and, though he gave a written receipt, did not sign any voucher, but if required will do so when called upon; it was a just debt duly paid. It would have been better if the auditors had given the name of the person, seeing he is well known and highly respected, and famed for not allowing accounts due to remain long unpaid.

As regards the item "£15, 10th March, 1878, N. Seddon," shortly after that date there is a receipted voucher for all wages up to date, which would therefore cover the item referred to.

As regards Mr. Wylde's unreceipted vouchers for July 18th and September 30th, 1879," the auditors, in Schedule B, state that all wages were paid together, with a little extra thrown in.

Finally, we come to the thirty shillings twice charged, Government Printer's account. This is an open question, but from the documentary evidence seen I should be inclined to say the auditors were correct, and that inadvertently the item was twice passed and paid. So, sir, ends Schedule A; and of the sum of £134 1s. 4d., all that remains unaccounted for of such a grand display of figures and financial talent is reasonably explained away to £1 10s., or, in diggers' parlance, "thirty bob."

Seeing I do not pretend to know much about figures, I leave with you, Mr. Editor, the documents upon which my contentions are based. Where I have had to argue from inference the auditors' report is the basis.

In respect to Schedule B, amounts paid to Mr. Wylde, I have not had time to go into them, and, seeing the question was *sub judice*, and his Worship the Mayor authorised to lay such information against Mr. Wylde as he thought fit, I, in the first place, do not wish to cheat his Worship of the honour of being an informer; and, secondly, it would be bad taste to interfere when the law had been set in motion.

As regards Schedule C, the auditors state as follows: Amounts actually paid, Schedule C, attached: "Excess paid, according to cash-book and ledger, £219." Now, after careful examination of cash-book and ledger, together with debits in bank pass-book, such dates or amounts as those set forth in Schedule C I could not find. Thinking my optics might have a scum over them I asked the assistance of two fair accountants, and men whose eyesight is remarkably good. In spite of all we could do the repetition of items paid as per Schedule C in the year 1880 would not appear either in cash-book, ledger, or bank-book. Where the auditors get their figures and dates from remains to me a perfect mystery, and I am inclined to think they are in error when they give as their data the cash-book and ledger; and when they state that Nathaniel Seddon was paid up in full on the 25th December, 1879, it is an assertion which evidence will assuredly prove to be incorrect, for on the 7th April, 1880, the Council gave him an acceptance for £98 10s.—£96 being wages, and £2 10s. being interest. Thirty-two weeks' wages back from the date of the acceptance would leave payable in the year 1879 seventeen weeks, and in the year 1880 fifteen weeks. Though the acceptance is drawn on the 7th April, 1880, the voucher does not state that the wages are in full to that date. Taking such, however, to be the case, it would show, as plain as two and two are four, that wages up to 25th December, 1879, had not been paid. In the interest of my relative and all concerned I think the strictest investigation should be made. The good character of a hard-working honest man should not be taken away on the flimsy *ipse dixit* shadowed forth in Schedule C of the auditors' report.

In conclusion, Mr. Editor, I am debarred from going into the question of contractors' deposits and footpaths, and drainage-rates, seeing the law has or is to be set in motion regarding them. Taken altogether, the alleged deficiency under these headings would not amount to £30. Common-sense would say to me that no man in such a position as that of Mr. Wylde would wilfully ruin himself and destroy his own and family's good names for so paltry an amount. British law and fair-play holds that a man is innocent until the contrary is proved.

I am sorry to admit that frail human nature is prone to believe evil in preference to good of any man; but because others err that is no reason why I should do the same. As an Englishman, I believe in fair-play, and that no advantage should be taken when a man is down. If the general impulses of my nature have and do lead me to protect the weak against the oppression of the strong my progenitors and training are to blame; I cannot change my nature. From youth upwards I have endeavoured to adhere to the golden rule: "Do unto others as you would wish they should do unto you." The historical advice tendered on a memorable occasion of "Let those who are without sin throw the first stone," if applied to the chief actors in persecuting Mr. Wylde, would, I am afraid, stop them from stone-throwing for ever. Holding, as I do, Her Majesty's Commission of the Peace, and representing the most intelligent class of men in the colony, together with an unblemished character (which I prize most of all), is it likely or feasible that I would for a moment wilfully defend a wrong-doer? No. Let the law take its course. If Mr. Wylde has done wrong, and broken the law, let him have a fair trial, and, if found guilty, pay the penalty. Not having been on the Finance Committee or connected with passing accounts of the Council, except as member of the Council and of the Public Works Committee, since I was Mayor in 1878, at which time the auditors admit all was straight, I, to make sure, within the last few days have taken the trouble to ascertain if there were just grounds for the course of conduct I have pursued. My investigation has confirmed my first convictions, and if the same were to occur over again I should act as I have done. So far as I could ascertain from the time given, and from the data at command, here is no wilful peculation disclosed. That both the Council and Mr. Wylde are to blame for

negligence and carelessness I admit; also that an improvement in the method of keeping the books is desirable and imperative. A new set of books are required; the old ones are not as they should be. Seeing I am not on any of the committees at present, I shall ask to be placed on the Finance Committee, when, perhaps, together with the severe lessons taught by the auditors' report, we shall be able to take steps so as to never again have the good name and fame of the burgesses of Kumara dragged into the mire. The cause of the present unfortunate deplorable state of affairs arises chiefly from party rancour, and from a deadly hatred that some of the Councillors and burgesses have against Mr. Wylde. My contention all through, backed as it is by the borough solicitor's views on the matter, was that a preliminary examination of the report and allegations contained therein by the Council should have taken place before criminal proceedings were taken. Hatred and party feelings have prevented this being done, and it matters not now how things go, irretrievable ruin has overtaken our late Town Clerk. That he has not been blameless in this matter I admit. It would have been better for him to have assisted the auditors when asked—therein he committed a fatal mistake. The punishment, however, is terrible to think of, and one's heart bleeds to think that through such a mistake the lives of innocent children should be blighted for ever. There is no man, unless his heart be of stone, but must feel deeply grieved at the misfortune that has overtaken Mr. Wylde, his wife and family. To show why investigation was necessary, I conclude with publishing a letter received by me from Mr. John Kelly:—

To Mr. Seddon.—Dear Sir,—In answer to your letter I write to inform you that I received all my money from the Council. The last money I received Mr. Wylde kindly obliged me by paying it out of his own private account, but I do not recollect whether by cash or cheque, but I think it was cheque. Trusting yourself, Mrs. Seddon, and family are all well, I remain, respectfully yours,—JOHN KELLY, Kokatahi, 23rd November, 1882.

And so, sir, my statement as regards Mr. John Kelly being paid is now proved true. As regards the wife and family of my old respected friend, Mr. David Kelly, in Mr. James Wylde they had a true friend, who never wronged them a penny. Mrs. Kelly's receipt in the Town Clerk's office tallies exactly with what she stated in her letter in your valuable journal, and, without saying anything stronger, it was very indiscreet of her to rush into print without thoroughly understanding the question. Whoever advised her to do so was no true friend. By agreement drawn up by W. Nicholson, Esq., Mrs. Kelly transferred her contract to Mr. John Kelly, so that in October, 1881, Mr. John Kelly was the proper person for the Town Clerk to settle accounts with.—

Yours,

R. J. SEDDON,

November 27th, 1882.

Member, Borough Council, Kumara.

[As appears to be requested by our correspondent, we can certify to the authenticity of the documents in the foregoing communication, which are printed in small type, save that the letter purporting to be written by John Kelly is in the handwriting of his second son, David, who is living with his father at Kokatahi. Although we have no doubt but that the father is the real author of the letter, in a Court of law a technical objection might be raised to this letter as evidence.—Ed. K.T.]

#### EXHIBIT F1.

[Extract from *Kumara Times*, 24th April, 1883.]

THE following report from his Worship the Mayor was then read:—

The members of the Borough Council.

Gentlemen,—In accordance with resolutions passed, I have made inquiries into that part of the special auditors' report which states that N. Seddon received the sum of £219 10s. overpayment of wages, and I find that there are not sufficient vouchers to show that he actually received the money, although the special auditor, Mr. Spence, informed me that they were in the office when he made the audit.

I am informed by the borough solicitor that the only course open would be to summon Mr. Wylde to make good any moneys that appear to have been overpaid. In the absence of vouchers signed by N. Seddon as having received the money you could not sue him to refund any moneys alleged to have been overpaid to him.

I have, &c.,

Kumara, 21st April, 1883.

W. BARNETT, Mayor.

The Mayor said he had to add that the special auditor reported that when he made the audit the whole of the vouchers were there, but now there were not sufficient vouchers to make up the total. The vouchers now in the office were not sufficient to make up the amount which the report stated had actually been paid.

Cr. O'Hagan moved, That the Mayor's report be received, and the consideration of it stand over for the present.—Carried.

[Extract from *Kumara Times*, May 4th, 1883.]

IN reference to the report presented by his Worship the Mayor to the last meeting of the Council relative to that part of the special auditors' report which stated that N. Seddon had received the sum of £219 10s. overpayment of wages, and which had been deferred for consideration,

Cr. Seddon said the Council had no right as a public body to cast a stigma on any man's character without cause could be proved. He was perfectly satisfied in his own mind that Nathan Seddon had not received this money, nor more than was due to him. Mr. Nathan Seddon was a relative of his, and he wished to see this matter cleared up. He would ask leave to move *re* moneys alleged to have been overpaid to Nathan Seddon. He should have moved for this long ago, but, of course, the books and papers were impounded, and it was impossible to do anything.

Leave granted.

18—I. 9.

Cr. Seddon then moved, That the question of moneys stated to have been paid to Nathan Seddon over and above those due to him, and mentioned in the special auditors' report, be referred to the borough auditors and the Finance Committee; and that such auditors and Finance Committee report to the Council on, first, the amounts paid to N. Seddon from 31st March, 1878, until the date when he left the Council; second, the amounts as shown by the ledger, cash-book, bank pass-book, and vouchers; third, also that the auditors and the said committee call upon Mr. N. Seddon to show the amounts actually received by him. Fee to be paid to auditors, £2 2s. each. He was bound to take this course. He could not go to Wellington as member for this district until this stain on his relative's character was removed.

Cr. O'Hagan seconded the resolution. He thought it would be more satisfactory to the burgesses as well as to Mr. Nathan Seddon.

Cr. Burger was opposed to voting £4 4s. for this purpose. He thought the Finance Committee assisted by the Town Clerk could do this. He would move, as an amendment, That the question be referred to the Finance Committee, to have the assistance of the Town Clerk.

Cr. Mulvihill seconded the amendment, and several other Councillors spoke on the subject, most of them favouring the original motion.

The amendment was put and lost, and the original motion was then put and carried.

### EXHIBIT G.

[Extract from *Kumara Times*, 29th November, 1882.]

#### THE BOROUGH SOLICITOR'S OPINION ON THE SPECIAL AUDITORS' REPORT.

In our report on Mr. Campbell's meeting yesterday we stated that Mr. R. J. Seddon read the Kumara Borough solicitor's opinion on the special auditors' report. That opinion has hitherto, by the request of the solicitor himself (W. Perkins, Esq.) to the Council, and again by resolution of the Council, been withheld from publication. Why an opinion asked for by resolution of the Council, and for which the burgesses have to pay, should be kept from publicity we are at a loss to comprehend. However, we now publish the letter of the borough solicitor accompanying the opinion as read by Mr. Seddon at the meeting at the Town Hall last Monday evening:—

“To the Mayor and Councillors of the Borough of Kumara.

“GENTLEMEN,—I am in receipt of special auditors' report (which I return herewith), with instructions to give an opinion thereon. I presume you simply require me to state if any case is, by such report, disclosed against the late Town Clerk. I have prepared and forward herewith my opinion on the matter. I consider you did not require me to state whether proceedings should be taken, and I have not done so, as I think that is a matter entirely in your discretion.

“I have marked my opinion as private and confidential, and ask that it be treated as such, as this is a matter between solicitor and client, and should, for your own interest and guidance, be kept to yourselves.

“Yours obediently,

“WILLIAM PERKINS,  
Borough Solicitor.”

“Greymouth, 13th November, 1882.

#### KUMARA BOROUGH COUNCIL'S SOLICITOR'S OPINION ON SPECIAL AUDITORS' REPORT.

I HAVE perused and considered this report, and am of opinion that, with regard to the items contractors' deposits received and not credited to the borough fund, unless the Town Clerk can show that he did pay those items into the credit of the borough account, or that they are duly accounted for in the books of the borough, and not appropriated unlawfully to his own use, there is a *prima facie* case for embezzlement made out, and sufficient to require an investigation before a Magistrate. If there were only one or two deposits which had been neglected through forgetfulness, but when the number of amounts not credited are as many as six or eight, the excuse of negligence or forgetfulness will hardly prevail.

With regard to the amount of salaries overdrawn, and the amount paid to Nathaniel Seddon, until I see the receipts for the amounts and the vouchers upon which the payments were made and have further evidence to whom the items were paid, I am not prepared to give a decided opinion as to who is responsible in these matters, and, if responsible, in what manner.

With regard to the item £21 10s. 9d., I think the Town Clerk should be asked especially to show when he paid Mr. Kelly the proceeds of the cheque, and why the same was paid into his own credit in the first instance.

With regard to the items £5 5s. and £3 15s. alleged to have been paid to the Government Printer, the Town Clerk should be asked to produce proof of the payment as alleged by him, and which should be easily obtained at the Government Printing Office.

In event of the Town Clerk being unable to show satisfactorily that he has applied these moneys to the purpose for which he received them a *prima facie* case for investigation before a Magistrate is disclosed, as in the case of the deposits. I think that although any ratepayer or private citizen could lay an information and have the charges investigated if the facts warranted his so doing, yet the proper persons to decide whether any or what steps should be taken are the

Councillors themselves; and, if it is decided to take steps, I suggest that the matter be left in the hands of a sub-committee to inquire into each particular case, and to take such proceedings as the circumstances may warrant.

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EXHIBIT H.

DEAR SIR,—

Premier's Office, Wellington, 19th September, 1898.

I hope I am not taxing your memory too much if I ask you to take it back to 1882–83, the time that Mr. Wylde, the then Town Clerk of Kumara, was prosecuted for the embezzlement of the borough funds and the larceny of moneys belonging to contractors. You were borough auditor at the time. In respect to this matter, the special auditors had reported that a sum of £219 appeared from the vouchers to have been overpaid to Mr. Nathan Seddon, my uncle. Well, after the lapse of fifteen years, the member for Patea, Mr. George Hutchison, in the course of his speech delivered on the motion for going into Committee of Supply, made the allegation that the moneys overpaid had been paid to me. That either my uncle or myself had received any of these moneys I gave a most emphatic denial, as you will readily expect, and wrote to Mr. Guinness asking him to give me his recollection of the case. A copy of my letter is enclosed herewith, and a copy of his reply. I also wish you to state whether there was anything in connection with this matter that reflected on the probity, honesty, or integrity of my uncle or myself. It is painful for me to feel constrained to take this step, for you, as an old colonist, will come to the conclusion that our Parliament has retrograded when attacks of a personal character are made upon the public men of the colony; at the same time I could not permit the stigma attempted to be cast to go unchallenged.

I shall feel obliged if you will kindly let me have a reply as soon after the receipt of this as possible.

Reuben Toms, Esq., Chemist, Richmond, Melbourne.

I am, &c.,

R. J. SEDDON.

DEAR SIR,—

7, Victoria Street, Brunswick, 1st October, 1898.

I have the honour to acknowledge the receipt of your letter dated the 19th September, calling my attention to an allegation made by the member for Patea, about the 19th August, in his speech for going into Committee of Supply, reflecting on your honesty and casting a slur on the memory of your deceased uncle, Nathan Seddon, in reference to certain irregularities of the Town Clerk of Kumara which resulted in his prosecution and conviction in 1883, and asking me, as one of the borough auditors at the time those irregularities occurred, to state if, in my opinion, there was anything in connection with that affair that reflected on the honesty or integrity of either yourself or of your late uncle, Nat. Seddon. In reply, I beg to state that, to the best of my belief, in making our audits we never saw vouchers that would make it appear that the sum of £219 had been paid to Mr. Nathan Seddon or any one on his behalf over and above what he had honestly earned as wages.

That during my residence in Kumara till the commencement of 1889 I never heard of any of your political opponents on the Coast making a charge against you in connection with the Town Clerk's irregularities, and I am quite sure that if they thought you had been concerned in them you would have been challenged at every political meeting you attended.

That from my knowledge of the case I can with confidence assert that the allegation made by the member for Patea against yourself is a deliberate falsehood raked up from the past with intent to discredit you and to dishonour the memory of an honest man, many years dead.

I have, &c.,

Hon. R. J. Seddon, Wellington.

REUBEN TOMS.

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EXHIBIT I.

SIR,—

Wellington, 24th October, 1898.

*Re* Kumara Borough Council Accounts: In reply to your copy of minutes of the 20th instant, "That the books, vouchers, and the special auditors' report of the Kumara Borough Council [produced] be submitted to two certificated accountants to inquire into and report on the evidence there contained as to amounts due and reputed payments to Nathan Seddon," we beg to reply as follows:—

First in order comes the report of the special auditors dated the 13th October, 1882, in which they state, "Nathaniel Seddon, day labourer: We find on most careful examination that this man was paid in full up to 25th December, 1879." We disagree to this statement, on the grounds that the books do not disclose the assertion, and especially on the fact that on the 7th day of April, 1880, a bill in favour of N. Seddon was given accepted by the then Mayor (J. S. Pearn) and A. C. Campbell, chairman of the Finance Committee, for the sum of £98 10s.—£96 for wages due, and £2 10s. interest on the currency of the bill due on the 10th July, 1880 (duly paid by the bankers of the Council). It is only fair to presume this £96 was the balance of wages due to

N. Seddon up to this date of 7th April, 1880, which goes to prove the Council were then indebted to N. Seddon for wages from the 26th day of August, 1879, and therefore could not have paid him in full up to 25th December, 1879.

The great weakness, however, of the special auditors' report is found in the following words: "Amount actually paid, *vide* Schedule C attached." We fail to see how this schedule can prove a payment to have had any value. The words used should have been, "Cash actually paid, *vide* cash- or bank-book, as per Schedule C attached."

The heading of Schedule C stated, "Salaries paid to N. Seddon from 25th December, 1879, to 25th November, 1881," but the schedule itself finishes as at the 5th November, 1881.

In this schedule of salaries paid are the following items: "5th February, 1880, £12; 12th February, 1880, £33; 28th February, 1880, £24; 11th March, 1880, £12; 25th March, 1880, £12 (= £96); 1st April, 1880, £24: total, £120." One hundred and twenty pounds in all. Proof positive that all these amounts stated to be paid by the schedule are incorrect are now and always have been evident by the books, as during the months of February, March, and April not one penny was paid out of the banking account of the Council for wages or salary to N. Seddon or for wages to any person whatsoever, and the same statement applies to the cash-book for the months of February and March, the first item for wages paid being on the 14th April for the sum of £24, which might have been to any person employed by the Council.

This fact alone utterly destroys the efficacy of Schedule C, besides furnishing good reason for the giving of the £96 bill on the 7th April, 1880.

You will notice the items in Schedule C from 5th February to 25th March amount to the sum of £96. This, in our opinion, would point to the fact that this was the amount owing to N. Seddon at the end of the financial year 31st March, 1880, and for which sum the bill was given.

The special auditors further state: "Excess paid according to cash-book and ledger, £219." This statement we also consider contrary to fact, as Seddon's name only appears in the cash-book from the 20th day of December, 1877, to the 30th day of November, 1878, and once in the ledger, folio 236, an account from 14th day of April, 1881, to the 12th day of November, 1881, the same being correct, and the payments supported by vouchers.

For the information of the Committee we furnish a statement of what we consider the amount of wages payable to N. Seddon from the 7th April, 1880, the time of his settlement by bill, up to 27th October, 1881, about the time of his leaving the permanent employ of the Council.

7th April, 1880, to 27th October, 1881—eighty-two weeks, at £3	...	£246
Vouchers produced to us, as marked on Schedule C enclosed	...	198

Amount of difference not supported by voucher	...	£48
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So far the papers would go to show the Council still indebted to N. Seddon for this amount, but you will find in the discredited Schedule C the dates of 15th May, £24, and 8th July, £24. We find in cash- and bank-book, paid out 16th July, wages, £24; 29th July, wages, £36. In all probability N. Seddon was paid the £48 out of these sums.

We therefore conclude that N. Seddon only received from the Council the amount of cash he was entitled to, and then only—as the vouchers show—in most cases at long intervals after the due date.

To the last portion of the minute, "And as to whether any evidence is disclosed in the books, documents, and vouchers as to any payments having been made to Mr. R. J. Seddon for N. Seddon," we reply, there is positively nothing.

In conclusion, we may state the books of the Council have been very badly kept, trouble arising from the start. The first sixteen pages of the cash-book have been cut out, the explanation being that the borough auditors required them rewritten in a different form; other pages of both cash-book and ledger are missing (without explanation), many entries into the ledger bearing the folio of the missing pages.

There are no time-books, pay-sheets, bill-book, or cheque-blocks, and the balance-sheet of the borough, ending 31st March, 1880, audited by T. Nicholson and Reuben Toms, dated the 28th April, 1880, is incorrect, as it shows no liability for wages due.

During the years 1879 and 1880 most of the cash received was not paid into bank, but disbursed through the cash-book.

We have, &c.,

HENRY KEMBER, F.I.A., N.Z.  
JOHN SCOTT, F.I.A., N.Z.

The Chairman of the Allegations Committee.

#### COPY OF MINUTE.

Thursday, 20th October.

THAT the books, vouchers, and the special auditors' report of the Kumara Borough Council [produced] be submitted to two certificated accountants to inquire into and report on the evidence there contained as to amounts due and reputed payments to Nathan Seddon; and as to whether any evidence is disclosed in the books, documents, and vouchers as to any payments having been made to Mr. R. J. Seddon for N. Seddon.

A true copy.

W. J. POLLOCK, Clerk of Committee.



SCHEDULE C.—SALARY paid to NATHANIEL SEDDON from 25th December, 1879, to 25th November, 1881.

Marked by Messrs. Kember and Scott.	—	Number of Weeks.	Amount:
...	February 5, 1880	4	£ 12 0 0
...	April 1	8	24 0 0
Paid 17th Nov., 1880	May 13	6	18 0 0
...	July 8	8	24 0 0
Paid 24th Dec., 1880	July 22	2	6 0 0
...	August 19	4	12 0 0
Paid 31 Jan., 1881	September 16	4	12 0 0
...	October 14	4	12 0 0
Paid 31 March, 1881	November 25	6	18 0 0
...	February 28, 1880	8	24 0 0
...	March 25	4	12 0 0
...	July 10	32	96 0 0
...	April 22	4	12 0 0
...	February 12	12	36 0 0
...	March 11	4	12 0 0
...	May 15	8	24 0 0
Paid 14 April, 1881	January 5, 1881	6	18 0 0
" 23 April, 1881	February 3	4	12 0 0
" 25 May, 1881	March 3	4	12 0 0
" 30 May, 1881	April 14	6	18 0 0
" 2 July, 1881	May 26	6	18 0 0
" 15 July, 1881	June 23	4	12 0 0
" 2 Aug., 1881	July 21	4	12 0 0
" 16 Aug., 1881	August 18	4	12 0 0
" 29 Sept., 1881	September 29	6	18 0 0
" 31 Oct., 1881	October 27	4	12 0 0
...	November 5	4	12 10 0
	Total	...	£510 10 0

£3 per week.

EXHIBIT J.

DEAR SIR,—

Premier's Office, Wellington, 19th September, 1898.

You will be surprised at hearing from me, and possibly astonished at the request that I feel myself constrained to make. I hope I am not taxing your memory too much in asking you to carry it back to 1882-83, the time that Mr. Wylde, the then Town Clerk of Kumara, was prosecuted for the embezzlement of the borough funds and the larceny of moneys belonging to contractors. You were borough solicitor at the time, and appeared with Mr. Harper for the prosecution at Hokitika. In respect to this matter, the special auditors had reported that a sum of £219 appeared from the vouchers to have been overpaid to Mr. Nathan Seddon, my uncle. Well, after the lapse of fifteen years, the member for Patea, Mr. George Hutchison, in the course of his speech delivered on the motion for going into Committee of Supply, made the allegation that the moneys overpaid had been paid to me. That either myself or my uncle had received any of these moneys I gave a most emphatic denial, as you will readily expect, and wrote to Mr. Guinness asking him to give me his recollection of the case. A copy of my letter is enclosed herewith, and a copy of his reply. I also wish you to state whether there was anything in connection with this matter that reflected on the probity, honesty, or integrity of my uncle or myself. It is painful for me to feel constrained to take this step, for you, as an old colonist, will come to the conclusion that our Parliament has retrograded when attacks of a personal character are made upon the public men of our colony; at the same time I could not permit the stigma attempted to be cast to go unchallenged.

I shall feel obliged if you will kindly let me have a reply as soon after the receipt of this as possible.

I am, &c.,

W. H. Perkins, Esq., Barrister, &c., Hobart.

R. J. SEDDON.

A full account of the trial in the Supreme Court and Magistrate's Court is also forwarded herewith.

DEAR SIR,—

Cathedral Chambers, Murray Street, Hobart, 7th October, 1898.

I have to acknowledge receipt of your letter of the 19th September last, and in reply thereto to state that after the lapse of fifteen years I have great difficulty in recalling the circumstances of the case Regina v. Wylde; and in the absence of my papers, which I left at Grey-mouth, I am unable to give any fuller information than is contained in the newspaper report of the trial.

From perusal of this report, and after thinking over the matter for the last few days, I can say that it was only incidentally that your name and that of your late uncle transpired in the course of the proceedings. The alleged overpayment to Mr. N. Seddon was denied by you in your evidence.

Mr. John O'Hagan, the late Mayor, in his cross-examination stated that the overpayment was not to you, but to your uncle. I have been endeavouring to remember the circumstances relating to this alleged payment, but cannot do so; but I assume that the matter was fully inquired into by the Borough Council at the time, and had it been allowed that such payment had been made proceedings would, I believe, have been instituted for the recovery of the amount. No such proceedings were ever taken or contemplated so far as I can remember.

The Right Hon. R. J. Seddon, Premier of New Zealand.

Yours, &c.,

WILLIAM PERKINS.

### EXHIBIT K.

SIR,—

House of Representatives, 4th October, 1898.

I have the honour to inform you that at a meeting, held this morning, of the Committee appointed to inquire into the allegations made by the member for Patea the following resolution was carried:—

“That the Committee do now adjourn to Wednesday, 5th October; that Mr. G. Hutchison be asked to attend the next meeting; that he be supplied with a copy of *Hansard*, No. 17, marked, showing the portion containing the charges implied against the Right Hon. the Premier; and that, provided Mr. Hutchison attends the meeting, the proceedings be begun *de novo*.”

In accordance with the above, I have to inform you that the Committee will meet at 11.30 to-morrow morning in Committee-room J.

Under separate cover I am forwarding you the marked copy of *Hansard*.

I have, &c.,

W. J. POLLOCK,

Clerk of the Committee.

G. Hutchison, Esq., M.H.R., Wellington.

### MEMORANDUM FOR THE CLERK OF THE ALLEGATIONS MADE BY THE MEMBER FOR PATEA COMMITTEE.

5th October, 1898.

I am in receipt of your letter setting out the text of a resolution passed by the Committee, including an invitation to attend the next meeting.

I desire that you will convey to the Committee the expression of my regret that the inquiry into the correctness or otherwise of the allegations I made regarding the Premier should proceed under the auspices which appear shall control the investigation.

As stated by me in the debate last week on the motion to set up a Committee, I was—and I still am—prepared to appear before any impartial tribunal to support the material allegations I made. In spite of that wish, and possibly because of the further intimation that I would decline to appear before such a Committee as proposed, the present Committee was set up by a strictly party vote on the motion of the Minister of Lands, who in the original debate displayed the most bitter and malignant hostility to myself. As a significant feature of the proceedings, the Minister of Lands continues to take a prominent part in an inquiry having for its ostensible object the investigation of matters he designated in language which, if used by any other person, would probably have suggested the decency of not appearing in the triple character of slanderer, prosecutor, and judge.

I desire to say that, in the appointment of Chairman, a choice has been made which in itself could not be improved, but I cannot discern in that step (taken, I understand, on the motion of the Minister of Lands) any more commendable a desire than to give an appearance of fairness to a tribunal which retains the objectionable elements of a partisan Committee. The voting-power remains unaltered. The Premier has still his majority. The casting-vote of the Chairman could only be exercised in the event of a tie—a contingency which may be anticipated as never likely to arise.

In the circumstances, I beg to decline the invitation of the Committee.

GEORGE HUTCHISON.

### EXHIBIT L.

Mr. Wylde, Town Clerk, Kumara.

Kumara, 7th March, 1878.

PLEASE pay to Mr. R. J. Seddon all moneys due or coming to me from the Borough Council.

NATHAN SEDDON.

### EXHIBIT M.

To the Warden.

Kumara, 6th May, 1882.

THIS to certify that I have this day sold to Richard John Seddon all my right, title, and interest in certificate for creek-diversion and erection of embankment, the number of such certificate being 18642, and such diversion is upon Sum Tum and party's claim, in the Greenstone Creek, near Three-mile Creek. The consideration for same being five pounds, which said sum has been duly paid, £5.

Witnesses { Joe Tie.  
Robert Davidson.

his  
TUM x SHUM.  
mark.

I ACCEPT the said transfer.

RICHARD JOHN SEDDON.

*Approximate Cost of Paper.*—Preparation, not given; printing (1,525 copies), £88 13s.

By Authority: JOHN MACKAY, Government Printer, Wellington.—1898.