

informed me that Mr. Lovell had bought a Government mare from Captain Rowe for £35, and that a pound deposit had been paid, and that Captain Rowe had sent him (Craig) for the balance of the money previously, telling him that he did not see why he should not make a pound when he had the chance, and that he was to deposit £30 in the Bank to the Government account, and bring him back the remainder. About the end of September, I saw Major Cooper, and told him of what Craig had informed me. He said he would bring Sergeant Craig and Mr. Lovell face to face and question them regarding the transaction. A short time after this, Mr. Lovell and Sergeant Craig were brought face to face opposite Mr. Fitzpatrick's store, in Newcastle. I was present, so was Mr. Hope, Sergeant Barlow, and Major Cooper. Major Cooper asked Mr. Lovell the price he paid for the mare. Mr. Lovell said he could not just then remember—in words to that effect; that he had got a place to call at, and would be back again to tell him.

On Mr. Lovell's return, Major Cooper repeated the question. Lovell took out a pocket-book and continued to turn over the leaves for some time. Major Cooper said it was extraordinary that he could not remember a transaction which took place so short a time back. Mr. Lovell then said he would see if he could find the receipt, and would let him have a copy of it. Major Cooper had then walked away, and Mr. Hope now said, "You know well, Lovell, that you gave £35 for the mare." Mr. Lovell hung his head and said nothing. We then proceeded down to the barracks (Mr. Hope excepted), and in my room Lovell admitted that he had given £35 for the mare, but that he did not wish to get Captain Rowe into trouble over it; that if he was put on his oath, he must tell the truth.

17. *The Court.*] Have you ever addressed any member of the Government on the subject of the perpetration of what you considered to be frauds against Government in your corps?—I did mention to Mr. Stevens, at the recent prize-firing, the stand I had taken against anything of a fraudulent nature which had occurred. I alluded specially to the case of certain screwjacks. He said that he had seen something of the matter in the office at Wellington.

18. Mr. Stevens not being a member of the Government, the Court wishes to know if it is not a fact that you addressed—what you therein termed a "private epistle"—a letter to the Hon. Dr. Pollen in January last?—I wrote a private letter to Dr. Pollen, in which I referred to the stand I had taken, assisted by others, with regard to certain fraudulent transactions which had taken place in the corps.

19. Was this mare transaction one of them?—It was one of them. I believed, from all I had heard, that this transaction was one of them, or of this nature. The words I used on the subject in my letter to Dr. Pollen were, "I have no hesitation in saying, although in a subordinate position, that had it not been for the firm stand I have made against any attempts to defraud the Government of moneys, by collusion with contractors and others, the corps ere this time would have been in a state unpleasant to contemplate."

*Mr. Craig.*] Have you any ill-feeling towards Captain Rowe?—None whatever.

The prosecution being closed, Captain Rowe is placed upon his defence, and is questioned by the Court.

1. *The Court.*] What sum did you hand to the Government as the proceeds of the sale of the mare?—£30.

2. Who authorized you, and in what manner, to accept that amount?—Major Cooper, by a telegram. I cannot produce it, as Major Cooper took possession of it, or rather I gave it to him. I also gave him the Bank receipt for the £30.

Captain Rowe then accepts the evidence of Mr. Lovell given on the side of the prosecution, in exculpation of the charges made against him by Craig.

3. *The Court.*] You have been accused, Captain Rowe, of having falsified the working accounts of two men under your command, by which means it is alleged that the Government have been defrauded of seven days' working pay. Is this true; state the particulars of the case?—I have not defrauded the Government of any working pay by the alteration of accounts, but I will give my explanation of the circumstances alleged against me on this point by Craig. (At this stage of the proceedings, Craig, whose conduct towards the Court, towards the accused, and towards some of the witnesses, Lovell in particular, from the commencement, was exceedingly offensive, became so intolerable that I was obliged to inform him that I could now proceed without him unless he chose to behave himself in a becoming manner. Whereupon he rose from his seat, put on his cap, folded his arms, and stood in the doorway, saying that he would not stay any longer. He withdrew, and I gave directions that he was not to be allowed on the barrack premises.) Captain Rowe proceeds: On the 20th August, 1874, I entered into an arrangement with Mr. Loveday to make fifty uniforms, more or less, for my company, and to supply twelve uniforms or more in each week. I agreed to pay £1 per suit on delivery, and the balance one month after, or on the nearest pay day. Consequently, on 20th September, the accounts for the financial month were being made up, when I ordered Pay-Sergeant Craig to make a column and stop £1 from every man who had been measured for his uniform, believing that it would arrive in a few days. The men previously had always agreed to such an arrangement. On the 24th or 25th September, the uniforms for Baskeville and Flynn had not arrived, and they refused when at the pay table to sign for the deduction of £1 without having received the uniform, and claimed the return of the 20s. Mr. Oldrey, the pay clerk of the Public Works Department, made them wait until the remainder of the company were paid, when he explained to them that the money was retained in the hands of the Government and would not be paid to the tailor until I gave authority to do so. I told Mr. Oldrey that, sooner than alter the accounts, and in order to obtain these men's signatures, I would advance the amount to each of them, if they would give me an order to receive it back next pay day, and they agreed to do so. These two men had on the previous day submitted passes for signature to absent themselves from camp for some considerable time, and their passes were granted. Their departure left in my hands an authority to sign on their behalf, and an order on the Paymaster, Mr. Oldrey, for the sum of £1 each. In the meantime, their uniforms had arrived and were thus thrown on my hands. At the time the accounts were being made up for next monthly settlement, I told Pay-Sergeant Craig to put Baskeville and Flynn down five days' pay each on the pay sheet, believing that they would be at work again in a few days when their passes expired. They never returned, and when I was satisfied that they were