

from £150,000 to £200,000, I should suppose that no more suitable or likely time for effecting such a saving as I have indicated is likely to arise. Of course, if there is financial difficulty in the matter, with an exceptionally plethoric exchequer, any further argument would be hopeless; but you can hardly mean it.

3. The Government, you assure me, pay the amount of one year's salary as retiring allowance only on the completion of twelve years' service. Quite so. There is no likelihood of being called upon to pay to any others. But it is worth noting, by the way, that, assuming the continuance of these retiring-allowances, the amount is more likely to increase than diminish. The understanding at the time of provincial abolition was a month's pay for each year's service on retirement, converted by a stroke of the pen into a year's wages and no more, except in the case of officers who have been paid two years' salary and three months' leave of absence on full pay. It is not probable the country will long tolerate an arrangement so inequitable, an arrangement rendered still more inequitable for the men by the fact that retirement at twelve years is as fully compensated as retirement at thirty years. It can only be because the public are unacquainted with Police management that such a state of things has continued so long.

4. "I cannot learn from the proposals from what fund it is proposed to pay the compensation now granted to men of the Force when retiring between this and the 1st of April, 1898, which will amount probably to some £1,600 a year." What fund? The same fund from which compensation has hitherto been paid; and as at most there can only be twenty-five men to deal with at an average, say, of £200 a-piece, the amount would be £5,000, not at least £8,000, as you state it. The amount is not very material, but it is as well to be accurate.

5. You say it seems somewhat unfair that those not drawing long-service pay should be put on exactly the same footing as those who do. You omit to show how or why it would be unfair. Every man pays 5 per cent. upon the wages he receives whatever their amount (long-service pay included). Nothing could be more fair, and the men recognise it to be so.

6. You are informed that the long-service pay was granted in lieu of pension. This is an extraordinary statement, and your informant is entirely mistaken. As it is of some importance, in any dealing with the financial position of the Police, that the origin of the long-service pay should be clearly understood, I will relate it here.

In 1872, the pay of the Otago Police was reduced by 1s. a day all round. A strike followed, and the daily shilling was restored in the shape of long-service pay. This continued till 1883, when the Government, recognising the injustice of the Otago Police receiving a 1s. a day more than the police in other parts of the colony, decided to extend the payment to the whole of the Force. Intimation to this effect was made by circular of date 2nd March, 1883—a circular which does not contain a single word capable of being construed by the utmost ingenuity into long-service pay being either pension or compensation. As a proof of the absolute correctness of this statement, I may point out that, so far as I have been able to learn, the Government have always paid compensation in addition to the long-service pay, reckoning it, indeed, as part and parcel of the ordinary wages in their computation. I may add that the Government have been amply recouped for the long-service pay, if in no other way, at least by their having ceased to make promotions in the Force since it was granted, save in a few very exceptional cases. I submit that whatever scheme of superannuation may be adopted, the long-service pay should form no subtractive element to the injury of its recipients.

7. "Another point brought forward, which I am unable to grasp, is that as the £70,000 represents money paid annually in salaries, it would always have to be provided. How then could the grant of £20,000, which is an additional charge upon the department, quite independent of the amount paid in salaries, be the means of saving £50,000?" This paragraph is a singular mixing up of figures which have no connection one with another, and the whole lands you in confusion worse confounded. In speaking of £70,000, I have not been referring to the annual expenditure on the Police, but to the amount required to compensate the men at present in the Force when they retire. The annual payment of the Police of course remains. You do not expect a volunteer Force. But it is proposed to wipe out all payments for compensation. Let me restate this point with all the plainness of which I am capable: The compensation paid to a member of the Force on retirement is one year's pay; there is no difference of opinion between us on that point; it therefore follows that in the course of years, assuming the present system to be continued, and all the members in due course receives a year's pay on leaving the service, the annual payment on the Force being £70,000, then the Government will have also paid £70,000 in compensation, and be no better off than now—this latter sum, of course, by instalments from year to year, as retirements occur. And it is here the present proposals come in. The members of the Force are willing to accept from the Government, in lieu of such compensation, a present payment of £20,000, and relieve them of all future liability on this score. Clearly a saving of £50,000. But you say, "It may be approximately stated that it would take many years under the present system to absorb £20,000 . . . to be dispensed in one grant." Assuming your own estimate of the compensation annually required as £1,600 to be correct, it follows that this amount would be exhausted in twelve years and a half—not such a protracted period after all.

8. You are mistaken in supposing that no provision is made for members of the Force who may be promoted. All members of the Force—officers and men alike—who are under the age of fifty-five on the 1st of April next, will be participants in the scheme. The Commissioner is included, if he pleases.

9. You do not look with favour upon the proposed Board. There is room for reasonable difference of opinion as to its constitution, and in some respects, it may be, as to its powers—so far the utmost deference is ready to be paid to your wishes; but of the necessity for a Board—an independent Board of appeal—no one who has had occasion, as I have had, to gather up the opinions of the Force, or who cares for the efficiency and comfort of the service, can have any reasonable doubt.