Now, the following will, I submit, demonstrate clearly that the Actuary's remarks under this head are not only absolutely valueless, but also misleading. Policemen are drawn from persons of all occupations, trades, and professions. They remain policemen only so long as they are strong and active enough to perform police-duty, or are entlitled to a pension in forces where a pension-system exists. Immediately they break down in health, or through age become unfit for further service, they are sent out of the Force and return to private life. With very rare exceptions indeed they do not possess sufficient means to live on, and consequently have to resume their original vocation or take up some other, and at death are described not as policemen, but as belonging to the trade, &c., they were following at the time of death. The statistics show only those who actually die while serving in the police. As an illustration I may quote the returns given for the London Metropolitan Police for the year 1895: During that year fifty men died in the Force, while eighty-one were retired, with or without gratuities through ill-health, 385 on pension, sixty-three of the latter number being medically unfit at the time of retirement.

From the foregoing it will be seen that the actual deaths that occurred in the Force only represented about one-ninth of the removals therefrom, and the probability is that not one of the remainder will ever appear in the mortality returns as dying as a policeman.

Doctors, lawyers, merchants, bankers, architects, and surveyors, with very few exceptions indeed, follow the same profession throughout life, and die and appear in the mortality returns as such.

(3.) The Actuary questions that the fund could be administered free of expense.

I still adhere to the opinion that for many years to come at least the Fund could be so administered. I do not anticipate there will be a "rapidly increasing accumulation of capital eventually amounting to hundreds of thousands of pounds." If, however, such should be the case it would, I submit, prove (1) that the sources of income had been too heavily drained, and consequently would admit of a considerable reduction; and (2) that a fund with hundreds of thousands of accumulated capital would very well bear a small outlay as administrative expenses.

Paragraphs 3, 4, and 5 need no comment from me.

Paragraph 6: See remarks in reply to paragraphs 8 and 9.

Paragraph 7: The present liability of the Government in respect to the thirty-three officers referred to herein, in the form of compassionate allowance, is £8,556 7s. 6d., in addition to which there would be the deductions from salary, &c., that would continue to accrue so long as those officers remained in the Force. Under the scheme I propose this would continue for at least two years, as the Fund would not be drawn upon until after the expiration of that period.

Paragraph 8: As regards the "extra liability" of the Government in respect to present members of the Force who are not qualified for pension, estimated by the Actuary at about £100,000, I may say that the present liability of the Government in the form of compassionate allowance to these members when they retire is roughly £94,000.

Paragraph 9: The Actuary here states that to cover the ordinary liability refered to in paragraph 6, which would arise if payments were made into the fund on account of each member from the date of his joining the Force, would require a deduction of at least 18 per cent. from the men's pay.

I submit herewith four examples of men who join the Force at twenty-five years of age and retire at fifty-five.

(1.) The man remains a constable throughout the whole of his service; (2) a constable fifteen years and a sergeant fifteen years; (3) a Constable fifteen years, sergeant ten years, and sub-inspector five years; and (4) a constable fifteen years, sergeant seven years, sub-inspector five years, and inspector three years.

Example 1 shows that an 18 per cent. deduction from pay, with £1 per annum added as the proportion from the outside emoluments, with compound interest at 3½ per cent.. would produce the sum of £1,442 13s. 10d. Now this sum alone would purchase an annuity from the Government Life Insurance Department of £116 2s. 9d., whereas the pension the constable would be entitled to under the fund would be only £98 11s.

By adding to the foregoing amount the compassionate allowance, £164 5s., to which the constable would be entitled, the sum of £1,606 18s. is produced. This would purchase an annuity of £129 7s. 2d. For these calculations, however, this is not all. I find the establishment expenses of the Government Life Insurance Department represent about 21 per cent. of the annual income of the department, exclusive of the interest on accumulated capital; therefore, as the Pension Fund would be worked without expense, this 21 per cent. should be added to the amount of the annuity. By adding that amount the annuity would be equal to £156 10s. 3d., or £57 19s. per annum in excess of the pension the constable would receive.

Under Example 2, the annuity would be equal to £169 8s. 4d., or £48 19s. 4d. in excess of the pension.

Example 3, annuity £206 6s. 6d., being £63 1s. 2d. in excess of pension; and Example 4, annuity £218 10s. 8d., being £53 19s. 4d. in excess of pension.

I submit the foregoing proves that the Actuary has much overestimated the liabilities. I have had other examples prepared, but to go into them in this memorandum would take up too much space.

Paragraph 10: I agree in the main with what the Actuary states in this paragraph, and am now prepared to extend the age of retirement without medical certificate from fifty-five to sixty years of age.

Paragraph 11: The Actuary in the specimen case given herein has not taken into his calculations the amount derived from outside emoluments, the compassionate allowance to be paid by Government, and several other small sources of income to the Fund, such as fines for misconduct and moieties of penalties—which at present are paid to the Police Reward Fund—the amount standing to the credit of that Fund, unreturned deductions from unmarried men who die in the Force, men who voluntarily resign or are dismissed, &c. Therefore, here again his calculations are, I submit, not liberal enough, and the specimen case as a consequence is unreliable.