(1.) That I understood the defence works were to cease to be further practically developed, and that a legitimate occasion appeared to be thus brought about, inasmuch as

(2.) Regarded from a professional point of view, the grade of Resident Engineer was a step back in rank compared with those previously and now held by me, and therefore, in my humble opinion, foreign to the spirit of the agreement made with, and confirmed to me by, the late Government. [Vide letter to the Hon. Minister for Public Works, dated 26th June, 1890 (copy appended), and indorsements thereon.] I pointed out to the Minister that, when lately Engineer-in-Charge of Buildings, I ranked as head of the department for the colony, that as Engineer for Defences, as at present, I was no longer head of a department, but still exercised control throughout the colony, and that as Resident Engineer, as proposed, I would rank as such of course, and for a district only, that, at this down-the-ladder rate, it appeared to me that I was in a fair way to arrive at the foot of it again eventually while the successive descents must necessarily connote, with the outside world (unacquainted with the amenities and exigencies of the public service), that I had been tried and found wanting in higher positions, the disproof of which, so far as to be inferred from the official communications to me of successive Ministers, including himself, I could not publish from the housetops, and that thus my professional standing and repute could not but be injuriously affected, &c.

affected, &c. (3.) That by my re-entry into the Public Works Department, under the conditions of the above-quoted agreement, the flow of seniority and promotion in that department might be deemed to be interfered with, and that I had no desire to be the occasion of this.

I therefore respectfully submitted that my services might, at this juncture, be dispensed with, as at my own request.

The Minister replied to the practical effect that, as regards reason 1, what was or was not to be the case with regard to the defence works was a matter for the Government. As regards reason 2, while not refusing to admit force in the contention from a professional point of view, the present case, from his more general point of view, was sufficiently covered by the retention of the rank as well as the salary of my present office, neither of which, he distinctly stated to me, were to be affected or reduced in any way As regards reason 3, he could not admit the view, the position was analogous to that of an officer, seconded for special duty for a period, returning in ordinary course on completion thereof to his regiment, carrying with him any rank meantime acquired. And summed up the matter by saying that, on these and other general grounds, which he had incidentally mentioned, but which it is not necessary to refer to, he, as Minister, definitely declined to entertain the question of retiring me at present.

I then asked for time to reconsider the position from additional points of view (covering the issue of resignation among others, and relating rather to personal affairs) It is not necessary in this connection to state more than that the Minister met me with very courteous consideration, and at once accorded till the new year as indicated by the terms of your letter My note of the 10th instant explained the position as at that date, suggesting that the issues involved might stand over till the Minister's return, and I was given to understand that he did not press for an earlier determination thereof.

Mr Seddon having now returned, I have to state that I do not see my way to voluntarily retire from the service, and to ask you to be so good as to convey to the Minister that I have the honour in consequence to remain at his disposal.

I ask leave, however to again argue against the grade of Resident Engineer It is impossible to cover the position by the conjoint rank of Engineer for Defences When, in the words of your letter under reply "I take up the duties of Resident Engineer to the Public Works Department, at Wellington," I must necessarily appear as of that rank in any advertisements of local works, in all conditions of contract, and in various other formal, official, and public ways. While, therefore, I should at any time consider it an honour to return to my old department in which I commenced my service in New Zealand and again to serve under the Engineer-in-Chief, I do maintain that this rank and title of Resident Engineer is nothing if not hard upon me professionally, and I enter my respectful but strong protest against it under clause 9 of the Act of 1866 (under which my service is, though I do not propose to carry the point to appeal as therein provided for) as being foreign to the spirit of the agreement of June, 1890.

I venture to submit whether the rank and title of District Engineer might not be accorded to me under the circumstances, pointing out that the supervision of the chief local professional officer of the Public Works Department now extends over no less than five provincial districts, of which two are in the South Island, and includes an area of control and works fully as large as it has been the custom to intrust to an officer of the rank of District Engineer

I will ask you to convey to the Hon. Minister my sense of the consideration he has displayed towards me throughout this matter, and particularly in the extension of time, and also the expression of my confidence that he will not conceive the views which I have frankly stated at the interviews and in this memorandum to arise from any spirit of opposition, but rather from the right which every permanent officer of the Civil Service may claim and ought to claim, to speak out straight for himself to the Minister of his department when his position in that service is under review I have, &c., ARTHUR D. BELL, M.Inst.C.E.,

The Under-Secretary for Defence.

P.S. I have marked this memorandum "Confidential," inasmuch as it contains reference to conversations in the Hon. Minister's room and without his confirmation of their correctness as set down, and sanctioned to their embodiment herein, I do not hold myself at liberty to send forward in open course, but have handed a copy to the Under-Secretary for Public Works in accordance with the intent of paragraph 3 of your letter. If the Hon. Minister does me the honour to concur in and confirm my apprehension of these conversations as set down the "Confidential" may be thereupon cancelled.

Engineer for Defences.