

127. *Hon. Major Steward.*] Would you make clear the exact position in relation to the officers. We will say a young man joins your bank. To make the thing as clear as I can, we will say he is guaranteed out of the bank, and has nothing to do with the guarantee fund. He then comes under the operation of that portion of the fund which relates to the provident fund?—At the present time there is no disconnection—the guarantee fund and the provident fund run together. If a member, then it would be necessary for him to come under guarantee, as well as the provident section.

128. Is it not the case where young men have fidelity guarantees in outside companies?—Yes, for the first twelve months.

129. But in that case they still only contribute to the provident fund?—No. For the first twelve months an officer is called upon to find an outside guarantee for his fidelity. At the end of that period he makes application to the Bank of New Zealand Guarantee and Provident Association, and then he comes under the entire rules.

130. In that case, what amount is deducted from his salary for the purpose of this provident fund?—1 per cent. of his salary is deducted, or he is called upon to pay it, which is equivalent, at the end of each half-year.

131. Are you sure it is not a great deal more than that?—10s. in every £100 of salary is collected from members on the 30th June and the 31st December— $\frac{1}{2}$ per cent. for the half-year.

132. Are you sure that is the sum?—Yes; but not for both funds—the 10 per cent. is for the provident section only. To the guarantee fund he pays at the rate set out in Schedule 8, which distinctly lays down that “Every member guaranteed by the association shall also contribute to the said guarantee fund five annual payments of 11s. per cent. on the amount for which the member is guaranteed by the association to the bank.” Then, if you go a little further on, it says, “Each member shall also contribute to the provident fund at such rate in proportion to his total remuneration from the bank as the trustees may from time to time determine, but such rate, until altered by the trustees, shall be 1 per cent. per annum, payable half-yearly.”

133. Then, every member has to pay on a guarantee for £1,000, or whatever the amount?—According to his salary. That is usual in all financial institutions who require fidelity guarantees.

134. What is the amount to be paid by ordinary clerks in their second or third year receiving a salary from £60 to £80 a year?—For the first year or two, until a clerk's salary reaches £100, he would be guaranteed for £500, and on that he would pay an annual premium, for guarantee purposes, of £2 15s. for five years, and he would also pay an entrance-fee of £1. In addition to that, at each half-year, on, say, £50 of salary, he would pay his 5s. to the provident fund—at June and December.

135. So that if a man receives £100 a year he would pay £1 to the provident fund?—He would pay £2: 15s. for his guarantee (annually for five years) and £1 to the provident fund; and an entrance-fee of £1—£4 15s. to start with.

136. Then, he goes on paying into this fund, and he is not entitled to draw anything by way of benefit until he has been fifteen years in the service?—Rule 1 says, “Members of the association who have been ten years and upwards in the service of the bank shall be entitled to the benefits of the provident fund according to the rules and regulations for the time being in force relating thereto.”

137. Then, he has to pay in for ten years before getting any benefit at all?—That is so.

138. Supposing a young man has joined the bank at sixteen or seventeen, and by the time he is twenty-five he sees something outside which gives him a better chance of promotion, and he leaves the bank: he has paid on an average, we will say—because his salary would be increasing £7 or £8 a year—for the whole period, and he would have paid in £73, would he not?—That would be a higher sum than he would have paid, in all probability.

139. Well, say £60; he would not be entitled to draw anything at all because he leaves the bank?—He leaves the bank, and he leaves behind whatever contribution he has paid in.

140. The position is the same to those who have been in the bank for twenty or twenty-five years?—Just the same; there is no surrender value.

141. The man who joins at twenty years of age is not entitled to take anything out of the fund until he reaches the age of fifty-five?—The bank can retire him on pension at fifty-five years of age; he can claim pension at sixty.

142. He joins at twenty years of age, and if he chooses to exercise his option of leaving before he is sixty years of age he forfeits everything he has paid into this guarantee and provident fund?—That is so. But the question must be looked at from the bank's as well as the staff point of view. Of course, as secretary, I should also voice the trustees. Looking at the question from the bank's point of view, it would be said to be a very good provision, inasmuch as it preserves to them the services of officers in positions where they require men to remain for a length of time—in positions of a confidential nature. A bank is somewhat differently situated to other classes of business institutions, inasmuch as their confidential dealings with the public require that their officers be bound to the institution more permanently, and no doubt this fund has an influence in retaining the men in the service.

143. *The Chairman.*] Is it not a fact that officers have joined the bank at a mature age, and after paying in for a few years have retired with large pensions?—That is a fact.

144. Do you know that such a thing is very well calculated to make junior officers complain about the way the funds are being spent?—Undoubtedly they would consider that these men perhaps were getting more than their due; at the same time, from the bank's standpoint, it must be borne in mind that the funds were subsidised to the extent of £25,000, which to a large extent went to provide pensions which fell upon the fund at an earlier date than would otherwise have been allowed.

145. That is quite true, but it hardly meets the case of officers who joined the bank after that time, and yet were able to draw their full pensions. I mean that provision was probably made by the bank to meet the case of officers of long standing in their service, and provide a pension for