168. Do you know why it is a *sine qua non* that the third trustee must be a person drawing a pension or entitled to draw a pension?—That is really to narrow it down to some member of the association. Every member is entitled to draw a pension when he arrives at a specified age. The board can appoint a pensioner, or somebody who is a prospective pensioner.

169. Then, every youth joining the bank, after the first year of service, has to join this association?—It is not compulsory at the present time, to this extent: Another guarantee fund has been started, to which officers may elect to belong if by reason of being over sixteen years of age they would be subject to loading. If a boy under that age joins the bank, and is placed on the staff, we look to him, and it is compulsory for him, to join the old association. If a clerk says he prefers not to join, as he would be subjected to the loading in consequence of being over the age that would entitle him to come in free, then we say, "You can get your guarantee outside, and need not come into the association." If an officer is under the age of sixteen he is expected to join the association.

170. He is expected to join the provident fund?—It is optional with officers who are subject to loading joining the service at the present time to join the association or not as they please.

171. How long has that been in force?—Not for more than some eight or twelve months. It was chiefly in consequence of accessions to our ranks from another institution.

172. If an officer over sixteen joins your bank, and does not elect to join this association, he, of course, forfeits all rights to pension of any kind?—Entirely; he is not a member.

173. Then, the element of compulsion has been eliminated?—Only to that extent; old officers have still to contribute.

Archibald Davidson Sommerville was examined on oath.

174. *The Chairman.*] What is your position?—I am manager of the Bank of New Zealand at Wellington.

175. Have you been in the service of the Bank of New Zealand many years?—Seventeen years.

176. That is about the same length of time as the provident fund has been in existence?—Just about that.

177. Is it within your knowledge that there is dissatisfaction amongst many of the officers in regard to this fund?—I think so.

178. With what are the officers dissatisfied: is it because the pension fund was established at all, or only concerning the way the money is being administered?—I think it is more especially with this fund as at present constituted.

179. There appears to be a hardship in the case of a man who has been several years in the bank, and who gets no surrender value in event of his leaving?—Yes; or even if he should not leave, but die. You cannot get a pension until you are fifty-five—at least, they can retire you then. If a man dies at fifty-four and a half years his representatives get nothing.

180. No pension is made to his widow under the rules: it is a matter of charity?—A pure matter of charity, nothing else.

181. Does not Rule 23 seem to you to be dangerous?—Yes; the officers, in fact, have no voice in the management of the affairs of the association whatever.

182. *Mr. Fisher.*] That they consider a substantial grievance?—Yes.

183. *Hon. Major Steward.*] In the event of the bank getting into difficulty at any time it appears to me—you can state whether my view is correct or not—that the moneys which have accumulated in this way could be, if these rules were altered, diverted to any other purpose if the trustees think fit?—It is in the hands of the trustees; the money is invested in the names of the trustees—not the bank's.

184. That is under Rule 23, which gives these trustees power to alter this rule *in toto?*—If they choose.

185. As a matter of fact, there is nothing in these rules to protect these funds?—It is entirely a matter of faith in the trustees.

186. *The Chairman.*] We found in the investigation of societies in the South that one source of dissatisfaction resulted from the non-legal recognition of the society. As a matter of fact, in the event of a difficulty arising with the trustees, the contributors to the fund would have to go through expensive Courts of law to obtain possession of their funds; in fact, the trustees could fight them with their own funds?—Exactly; the rules are so drawn up that there is no chance whatever of fighting it.

187. *Hon. Major Steward.*] The last witness told us that within the last few months a new regulation has come into force to the effect that young men joining the bank can, if they think fit, elect to provide their guarantee without this association?—Yes; any one joining the bank has to find a guarantee for twelve months. Since the Bank of New Zealand took over the Colonial Bank they have got another association, which is on the lines of the Colonial Bank fund. It is a sort of fidelity or guarantee fund. Well, any officers joining the bank now can elect as to which of the two they will join. They all join the new one, because it is much better.

188. Do they forfeit all chance of pension by doing so?—No; it has a different constitution from our fund. It is a fidelity fund only.

189. Then, there is another fund which has been taken over from the Colonial Bank, which is both a guarantee and pension fund?—I am not quite sure.

190. Under the Bank of New Zealand association you get a pension under certain circumstances?—Yes.

191. Under the other, do they happen to get anything?—I do not know. Under this association, if they choose to leave, they get their money back. It is more a fidelity and guarantee fund.