

one circumstance—that you remain in the bank's service until sixty years of age?—That is all. If a man paid in for fifty-nine years and eleven months and died there would be nothing handed over to his heirs, and if he left the bank at fifty-nine years and eleven months he would get nothing. If you look at the evidence given before the Legislative Council in 1896 you will see that some of our permanent officials said something like this: that the fund was formed to compel men to stay in the service of the bank. We call the fund a carrot, because it is held before the unfortunate bank clerk to make him keep following it as long as the directors like.

80. Do you know of any officers of the bank who have been put on the pension fund before reaching pension age?—Mr. John Murray, who was our inspector. The rule was made elastic and comfortable for him, and he is drawing a pension now from the fund.

81. Is he not sixty years of age?—No, he is not a very old man. He was not even fifty-five when he began to draw a pension.

82. How long after 1877 had Mr. John Murray been in the service of the bank before drawing pension?—I think he retired in 1890.

83. Then, he would be subject to thirteen years' deductions as contributions?—Yes.

84. Then, there are other officers who, if they retire after twenty years' service, would not be entitled to pension?—No.

85. And this man, after fifteen years' contributions, draws a pension?—Yes. There is one point about this fund, and I do not know whether other witnesses have mentioned it to you. It was wrong at the very beginning. When the fund was started in 1877 the way they got bank officers to agree to it was by holding out benefits which they would not have to pay for. They were told that the pensions would commence at once, and that they would be allowed to count their years of service in the bank prior to the formation of the fund as financial years of contribution, the bank having donated £25,000 to enable pensions to be drawn earlier than they otherwise would. The fund was started on a wrong basis. An actuarial calculation should have been made, and all these officers should have been subject to loading. As it was, some of the officers paid in a small sum and drew a large pension. The earlier officers, like Mr. Murdoch for instance—he only paid in about seven years, and his total contribution would only amount to about £300, and then went on to the pension fund and drew £600 a year.

86. And the £25,000 which the bank gave, with the interest added, was nothing like enough to provide these pensions?—No.

87. How long did Mr. Murdoch pay into the funds of the association?—I do not think he paid in more than seven or eight years.

88. And Mr. John Murray?—About thirteen years.

89. And these two gentlemen drew the highest pensions?—Yes.

90. *Hon. Major Steward.*] You state that one of these pensions was at one time allowed at the rate of £600 a year; it has since been reduced to £500?—Yes.

91. Has there not been a process of that sort going on in other cases? Have you heard of other cases where pensions have been reduced?—Yes; it is because the fund has got into such a state through the errors at its inception that they cannot do otherwise. I would like you to call Mr. Steele, who is an old officer of the bank, and Mr. Fildes. These gentlemen are pensioners, and when they went on to the pension fund they got fully 30 per cent. more than they do years afterwards. Speaking from memory, I think Mr. Fildes got a pension of £250, and when he has been on the pension fund he gets a circular to tell him his pension is reduced to so much, and he only gets about £153, or about £100 less.

92. Then, in addition to what you told us before, that a man has to live until fifty-five or sixty before he can get a pension, he is not by any means sure that he is going to get the pension he thought he was going to receive?—That is the point. The fund has nothing to do with the bank itself, because it is based on such bad lines. It was a tontine started for the benefit of two or three men, and no one else.

93. Will you tell us about Mr. Larkworthy?—He has a pretty big pension; I cannot say how much, and, of course, his pension would be subject to the same reductions, probably, as Messrs. Steele and Fildes had to put up with. Still, being a very prominent man in London, I believe he got more favourable treatment than an ordinary clerk would get; they looked at his case differently, in the same way as they looked at Mr. Murdoch's and Mr. John Murray's.

94. *Mr. Fisher.*] The association exists for the benefit of a few people?—Exactly so; and if you took the evidence of every one of our officials who contribute to the fund you would probably find that there are two or three fighting to keep it going. You would find Mr. Butt a very ardent supporter of it; Mr. Embling a very ardent supporter; and Mr. Parfitt, in Sydney, in favour of it; and all those gentlemen who are near the benefits. None of the younger men like it; we do not like the delusion and uncertainty of it. I have paid, myself, into the fund about £103, and if I was going to an employment somewhere else I would leave £103 in the service. I could not force them by any legal process.

95. And any other officer in the bank?—Yes.

96. *The Chairman.*] And they could fight you with your own funds?—Yes. To take my own case: I joined in 1879, and they never told me there was any provident fund or any guarantee fund. I was told I would have to get a private guarantee, and I got two friends to guarantee me for £1,000. One morning, twelve months afterwards, I was told my private guarantee had ceased, and they said I would have to join the provident fund. I read the rules, and I said No; and they said, "If you do not join you will have to leave." I did not want to leave the service just then, and I joined; but it was under compulsion. I may say this: If I had known of the existence of the provident fund I would probably have joined it. We had a meeting in Auckland about seven years ago, and we formulated a lot of resolutions, the main points being that we were prepared to pay up to 5 or 6 per cent. if we got a surrender value. If we paid this higher rate, and our widows and orphans were to get benefit from it, we were to be entitled