

171. Do you know of any other cases not covered by Rule 5?—No; there are no officers who have been put on the pension before fifty-five to my knowledge, and I should certainly know of that. Might I be allowed to correct a misapprehension which appears to have crept in. I read in the paper, and it would appear as if the impression had gained, that this fund was not kept separate from the funds of the bank. I desire the Commission to understand that the funds are in the names of special trustees, and are entirely separate from the bank.

172. *The Chairman.*] The Commission fully understand that; but they regard section 23 as being very dangerous; they do not know at what moment the trustees may make a new rule diverting these funds from their present use. Who can prevent you doing anything you please with the funds?—No one but the board of directors.

173. *Mr. Fisher.*] Mr. Callender would not dispute the stringency of that rule?—I do not support that rule; I hold that the staff should be represented. I hold that the trustees should be elected by the staff, and I have put that before the board. It would give great satisfaction; it would alleviate one cause of the discontent to which you have alluded.

174. *Hon. Major Steward.*] If the trustees were elected by the staff, should alterations to any of these conditions which they had signed be subject to the approval of the staff also, and not that of the directors only?—I quite agree with your remarks; in fact, it was one of the suggestions I made that no alteration be made in the rules without the consent of a majority of the members.

175. *The Chairman.*] Is it not also the case that, although a man on reaching the age of fifty-five may be retired on pension, and also on reaching the age of sixty can retire, his claim is entirely at the option of the trustees as to whether he shall have the pension or not?—No; he is entitled to a pension.

176. In what way? How could he get it?—I will put it in this way: At fifty-five the Board can retire him, and give him his pension; at sixty he can go out, and can claim it.

177. But the rules say that he shall not be subject to any legal or equitable right. Is it not entirely in the hands of the trustees to give or not to give the pension, although it may be claimed?—No, emphatically No. As trustees we are bound to give a man his pension on reaching the age of sixty. The clause you are referring to means that it cannot be anticipated or assigned in any way. That is the meaning of "no legal or equitable right therein"—no assignable right. I may call your attention to Rule 2, which says, "Every officer of the bank shall be entitled to retire upon pension upon attaining the age of sixty years." It would be a terrible thing if the trustees could say to any member, "You are not to have your pension."

178. You could under Rule 23?—But the board of directors would not sanction that. I may say the action of the board of directors has, in permitting the institution of the new fund, taken from us our life-blood, and therefore the whole position of this association should be revised. There are many things in it to which the staff take exception. In point of fact, the fund has been styled a huge tontine. If an officer lives to sixty he gets a benefit; if he does not live till sixty he may get nothing.

179. You get a benefit if the fund holds out; if there are too many of you live to sixty it will fall to a very small amount?—You must bear in mind that the basis is on the authority of a competent actuary in England. The whole pension scale will have to be modified, and will be before long.

180. *Mr. Fisher.*] Were the existing pensions reduced on the advice of the London actuary?—Yes. The last actuary's report was on the fund as at December, 1894. Prior to that we had been paying on a basis of 80 per cent. of the average salary, and it has been reduced to 48 per cent.

181. It is because of this that Mr. Murdoch's pension, which was formerly £600, is now £500?—Yes; he receives the maximum, formerly £800, but it has been reduced to £500.

182. Is the reason the same in the case of Mr. Steele and Mr. Fildes?—Mr. Steele and Mr. Fildes suffered as all others did. I think Mr. Steele went on pension since this new scale; his was a case of what we call disablement. Mr. Fildes was one of those who suffered a drop from 80 to 48 per cent. One reason why the reduction was made was that the rate of interest is lower, and then again we have not so large a sum coming in from the guarantee fund as formerly.

183. So the scale has practically been reduced three-tenths by one actuary's advice?—Yes.

184. And in all probability there will be a still further reduction?—Yes, I fear there will be a further reduction.

THOMAS STEELE was examined on oath.

185. *The Chairman.*] Are you an officer of the Bank of New Zealand?—I am at present a pensioner of the Bank of New Zealand.

186. How long is it since you left the active service of the bank?—I left in July, 1895.

187. And, previous to that time, how long had you been in the bank's service?—Twenty-nine years.

188. Would you mind telling us why you left the bank?—I got an eye trouble, ulcer of the cornea, and they referred me to the doctor. He advised that I would not be able to do any more "near" work, and in consequence of that the board told me if I could not do clerical work I would have to retire on my pension.

189. Were you at the age which entitled you to a pension?—I came under the rule referring to disablement. I was two years under the age for retiring.

190. What was your age?—Fifty-two.

191. What proportion did your pension bear to your income?—The first pension that was announced to me as being due to me represented about half-pay of the average salary I had been drawing during the whole time I was in the service.

192. About 48-100ths?—Yes.

193. Was that amount afterwards reduced?—It was reduced about five months afterwards.

194. In what degree?—By 40 per cent. of the amount paid to me. I have the letter intimating the reasons for which it was reduced. [Exhibit 48.]