

195. Would it surprise you to learn that another officer of the bank who was a pensioner had his pension reduced from £600 to £500 at the same time?—It would not surprise me; it would make me aware that he was not subjected to the 40-per-cent. reduction.

196. He was not treated in the same manner as you were treated?—No; nothing they did in that bank would surprise me unless they did anything just.

197. What was the former amount you were receiving?—It was close on £175.

198. The effect of the reduction was to reduce your pension by three-sevenths?—It worked out to exactly 40 per cent.

199. Have you any security that the amount which you are at present drawing will not be further reduced?—No; the rules under which this guarantee fund was originated provide that the trustees may do what they like with the officers, subject to the approval of the board of directors. They could reduce the pension by 60 per cent. further—that is, reduce it to zero.

200. You are aware that there is a second fund which has come into existence lately by which new officers joining the bank are allowed to join a guarantee fund, which has nothing to do with this guarantee and provident association?—I have been informed that a fund of that description was formed at the time the officers were taken over from the Colonial Bank.

201. Would that, in your opinion, have the effect of further reducing this fund, there being now no new life-blood coming into it?—Yes.

202. *Hon. Major Steward.*] If no new contributors come into this fund from which you draw, and all the existing contributors who live will eventually become persons drawing instead of contributing, will it not follow that there will be no fund at all?—Yes; but the bank has provided against that by failing to give to the existing pensioners the amounts which they stated at the determination of their appointment with the bank we were entitled to. I have a letter saying I am entitled to £174 18s. 6d. per annum, and five months after I receive a letter telling me I am to get a smaller amount.

203. *The Chairman.*] It is within your knowledge that most of the officers of the bank were very dissatisfied about the fund?—Yes; I have met several of them, and have conversed with them about it, and they are very dissatisfied with the state of the fund. I myself criticized the fund in 1878 from the very time it was first instituted. I interviewed several of my fellow-officers about it, and told each one that it was a one-sided thing altogether, containing a lot of matter which seemed to convey the impression that there was an agreement between the board and its staff, but when carefully considered or examined the whole of that instrument is simply the Bank of New Zealand. The staff is frequently mentioned in it, but when any benefit is set forth which it is said the staff may derive it is invariably stated that they may get nothing at all, and all control is reserved by the trustees.

204. Would you kindly look at Rule 10, which begins “Any officer”: in your opinion, reading that just as a layman, not as a lawyer, would you consider that the trustees under that rule cannot be attacked by any legal process?—I should certainly consider they could be attacked by no legal process, and they multiply their difficulty there by saying that while they bar an officer from any legal or equitable right in this pension, thereby securing to themselves the right to withhold it from him, they go further still, and say if we have given it to him we will take it back to keep it from other creditors. You see the absurdity.

205. *Hon. Major Steward.*] Do you think an officer could enforce the payment of his pension at law in the face of what he signs under that rule?—I certainly say that that clause, in my opinion, is altogether *ultra vires* of the directors of the bank.

206. That is a legal point. If it were held that a contract existed between the bank and its employés by virtue of that document which they have respectively signed, is it not a fact that a man could not enforce his claim?—Undoubtedly.

207. If the contract were not held good in law, upon what ground could an employé claim?—I should claim on this ground: that, although in law there is no contract, in equity the bank has made an instrument, which it had distributed amongst the officers, conveying the impression that the object of this concern is to provide to the officers pensions suitable for their old age, and in conformity with their position. That would make it an equitable position to affirm that the bank officers of twenty-nine or thirty years' standing, whatever it might be, should have from the bank upon its own no-contract instrument a pension suitable to their position in life.

208. It comes to this, then: that your reliance would be solely on equity, and not on law?—Solely on equity; there is no law in the document at all.

209. *The Chairman.*] If you had left the bank of your own accord you would have had no money at all from the fund?—No.

210. That is one of the strongest points of dissatisfaction, I believe—that a man may have paid in for twenty years, and then on leaving the bank gets nothing from the fund he has subscribed to?—That is one of the strongest points; but I consider it a sort of subsidiary point. I consider the whole concern is simply a fraud from beginning to end. I put it in this way, from a business point of view: They hold before their officers the prospect of having a pension in their old age, be it greater or less. A prudent man at a certain time of life may desire to make some provision for old age. He says, “Never mind about my old age; I am protected by the bank's provident fund.” Hence he decides he will not purchase an annuity in a public provident society. The bank keeps him on the string during the whole time with the vague information that he will get something creditable to the bank and useful to himself. He is brought face to face at the end of his period of service with what is described as a pension, and that pension is what may be called a vanishing quantity, subject to a reduction of 40, and a chance to-morrow of a further reduction of 60 per cent.

211. Do you not also think it is a hardship upon junior members that having to subscribe to this fund prevents them from making proper insurance for their wives and families?—Yes. I have all along thought that if the bank wanted its officers guaranteed it should send them to a public