

office to be guaranteed. It is clear the bank went into this thing with a deliberate intention of misleading the officers when they made the fund, and fixed it up so that they should have the whole and sole right of creating or altering anything in it.

*Mr. Fisher*: All the witnesses have said that the fund is a fraud.

*Witness*: I am very glad to hear it.

JOHN GIFFORD FILDES was examined on oath.

212. *The Chairman.*] You were formerly an officer of the Bank of New Zealand?—For thirty-one years.

213. How long is it since you left the bank?—February, 1893.

214. After that you drew a pension from the bank?—Yes; the pension given me then was not the same as the sum given now.

215. Have you any objection to telling us what the first pension was?—Speaking from memory, £257 per annum.

216. After that time you had a letter telling you of the reduction?—I think it was in December, 1895, that I received the intimation from the secretary telling me that, owing to the reduction in the rates of interest and other causes, the fund was paying pensions in excess of its capabilities, and a reduction of two-fifths, bringing me down to £154, took place. It was like a bolt from the blue, because I thought it was a settled thing for life.

217. It has been stated in evidence that one gentleman drawing a pension was reduced from £600 to £500: does that represent the same rate of reduction?—I lost two-fifths, and if all the reductions were not made in the same scale unfairness must have existed. If I had known of it before my voice would have been raised in strong disapprobation of it.

218. Did you hold the position of manager?—Yes; I was twenty years manager.

219. *Hon. Major Steward.*] Do you know anything about the finances of this provident association?—No; I do not think any officer outside the charmed circle of the inspector's office has any knowledge of it at all.

220. Have you any confidence, in your own mind, that this is the last reduction you will have to submit to?—Not at all, because I have gathered from those who really ought to know that the fund at present is not self-supporting, and unless it is helped or strengthened in some way—and we know the reverse is going on, because no new members are joining—the pension list will have to be still further reduced. Therefore I was one of those who, when the feeling of officers was tested as to whether the fund should be wound up or not, certainly was in favour of winding it up, and taking the actuarial capital value rather than see it dwindle away to nothingness in the future.

221. *Mr. Fisher.*] Why did you retire? Had you reached the retiring age?—It was compulsory, and altogether unexpected by me. W. T. Holmes ruled the bank then, and the London board had very little sympathy for old colonial servants; and in February, 1893, I was never more astonished in my life than when I opened a letter telling me that the actuaries who had examined into the state of the fund had recommended that the retiring age should be fifty-five instead of sixty, and that the board had decided to put that recommendation into force at once, and that, as I had passed the time, I was to retire as from the 30th March. That was turning me out after thirty-one years' service at two months' notice. I thought it was very harsh and very inconsiderate; but, as I say, we were ruled by a London board. I had looked forward to retiring at sixty years of age, and had made plans for my future at that age; so this upset my plans and caused me pecuniary loss.

222. That you give as one of the effects of the institution being ruled by a London board?—Yes; had John Murray ruled the bank then, he would not, I feel sure, have suffered an old servant to be treated so uncereemoniously for a moment.

*Mr. Fisher*: I asked that question in connection with a society in the South, and it has been said that it was outside the scope of the Commission. I am glad I asked that question, because your evidence bears also on the point.

*Witness*: Certainly; the fact as to whether the service is ruled by a colonial or London board bears very largely indeed upon the well-being of the officers in that service.

*Mr. Fisher*: That is why I asked the question in connection with the government of the Union Steamship Company in New Zealand.

*Witness*: I think it has a very great deal to do with it. When there was this diminution in the rate of interest it was not fair to seek to put this rule of retirement at fifty-five at once into force, and throw a great many old servants out of the service, and put them on the pension list, while their places were filled by men receiving far less salary. In this way the pension fund suffered in a double way—it was weighted with the pensions of all those who were forced out at fifty-five, and received less contributions from those filling their places. It meant that the bank had to pay less and the fund more.

223. *The Chairman.*] Do you not think that one great reason for grumbling amongst the officers in regard to the fund to which they subscribe is that they have no voice in the management?—That is a great reason.

224. And also the point that if an old officer who might have been in the service of the bank for thirty years happens to die a year before attaining pension age nothing whatever comes to his wife and family?—Nothing whatever. I might instance the case of Mr. Jones. He died after many years' service, and I heard that they gave his widow £1,000. That was an act of grace; it was not the right of the widow to receive it.