

given to the association by the bank—the bank gave some £25,000 as an endowment for the foundation of the fund—was given with a view to providing loading in lieu of the provision of the officers who might be old officers, and consequently come on the fund sooner than they would otherwise have done.

65. *Hon. Major Steward.*] Well, now, as to that fund, you will see it stands at £135,000: do you think fully £100,000 represents the contributions of the staff?—Yes, together with interest accretions.

66. Therefore, to the extent of four-fifths the fund is really the fund of the officers?—Certainly, on the basis stated.

67. Well, if, as stated, some of the persons are drawing the highest amount of pension after only contributing to the fund for a very short period of time, and others who have been contributing for twenty-five years are not entitled to a pension, does that not seem to be an unfair state of things?—Of course, there are unfortunate circumstances which happen to some men. Mr. Murdoch, when he drew pension, was, I believe, over sixty years of age, and he had the right to claim to come on the fund. He had contributed to the fund from its foundation, and, of course, must be brought under its rules.

68. When was the fund founded?—1878.

69. If that is so, as Mr. Murdoch's pension began on the 18th June, 1888, he had paid ten years, and Mr. Larkworthy had paid ten years; I presume there are officers in the bank who have been contributing ever since 1878?—Yes; I have been doing so myself.

70. If you left the bank of your own volition to go into other employment you would not be entitled to any pension?—No; but if I was sixty years of age, as was Mr. Murdoch, I would be entitled to it.

71. In the event of a complete distribution of the funds, would not those men who have left the service of the bank within the last four or five years, and who had previously contributed for fifteen or twenty years to the fund, have a sort of equitable right to some share as well as those in the service?—It depends upon the cause of their leaving the service; they may have left for their own advantage.

72. Whether do you think it would be better, to put, if possible, this pension scheme on a sound footing, and give the staff some proper share in the management, or to end the whole thing, and divide the fund?—Of course, what occurs to my mind in connection with it is that there are alternative arguments. I think, if the fund was put on a sound footing by a reasonable increase of the contributions to it by the staff, and the bank would further fortify the fund by a contribution, that it would be a most desirable thing to have a pension fund in existence for the future benefit of the staff.

73. In all fairness, if the bank enforces the joining of such a fund, the bank should be prepared to guarantee the payment of these pensions when they fall on the fund?—Well, the bank should so fortify the fund as to give a reasonable chance for the pensions being paid.

74. *Mr. Fisher.*] If meantime the fund was remodelled, I suppose it goes without saying it would be broadened to give the staff more say in the management?—Undoubtedly; I think that is a condition precedent to any remodelling.

75. *The Chairman.*] On the rule of no taxation without representation?—Exactly.

THOMAS STEELE was reheard.

76. *The Chairman.*] I understand you want to correct your evidence?—To the extent that there is some evidence which appeared in the papers which seems to want to correct my evidence, and I wish to say that my evidence was correct. One witness, Mr. J. B. Hobart, said that this fund had been founded on a wrong basis, officers being allowed to count their years of service in the bank prior to the formation of the fund without any loading. I can produce a document [Exhibit 49] which shows that the old officers are quite within their rights in claiming their pension from the day they joined the bank. The initial paragraph in that clearly indicates that the provident fund and the Colonial and Foreign Banks Guarantee Fund had the same elements in them—one, according to that paragraph, is taken as an equivalent of the other. At the time the old officers were told to join the Colonial and Foreign Banks Guarantee Fund contributions were exacted from them large enough to cover their fidelity, and enable the Bank of New Zealand to exact from the trustees of the Colonial and Foreign Banks Guarantee Fund a promise that any surplus that resulted from the fund would be handed over as a benefit to the contributors. They originally intended to make it a guarantee and provident fund, and they elected to go to the Colonial and Foreign Banks Guarantee Fund, which professes to have these two elements, and they exacted contributions from the officers large enough to cover both items. On that ground the bank itself, when it instituted the guarantee and provident fund, stated that the old officers guaranteed in the Colonial and Foreign Banks Guarantee Fund were members of the provident fund from the date they joined the Colonial and Foreign Banks Guarantee Fund. The officers make the statements I have referred to simply because they have not got to the back of the facts, and have not read that circular which may be described as the letter instituting the bank's guarantee and provident association.

77. This circular relates to the original fund?—Yes; and it corroborates my statement the other day that the rules of the fund set forth distinctly promises of great advantages to be derived, which have not been fulfilled.

STATEMENT BY THE TRUSTEES OF THE BANK OF NEW ZEALAND OFFICERS' GUARANTEE AND PROVIDENT ASSOCIATION.

The following statement was received by the Chairman of the Commission after the sittings of the Commission for taking evidence had closed, and was ordered by the Commissioners to be attached to the evidence:—