

little ground for the objection stated. In a few instances there is justification for the view referred to, but they are bound to say in so few as not to be at all an important factor in the case. They agree in finding that in the main the operations of the private societies are outside, and do not trench upon, those of the ordinary friendly societies, while they are the means of inducing a considerable number of persons to insure. Such persons are generally those who, by reason of disability of age or physical conditions, or by reason of want of appreciation of the necessity of thrift or insurance against the risk of sickness, accident, or death, would otherwise make no provision for such contingencies. It is therefore, they think, unquestionable that the private societies fulfil a useful function, and that they do not clash, except in a very inappreciable degree, with the operations of friendly societies.

Your Commissioners have now to report upon certain provident societies established in connection with banking corporations trading within the colony. As will be seen in another part of their report, nearly all the banks doing business in New Zealand have a fund of this nature, to which the officers are compelled to contribute. Elsewhere the details are supplied, more particularly in the evidence appended to this report. Your Commissioners do not consider that it falls within their functions to make recommendations as regards those institutions the head-quarters of which are not in New Zealand; but, as regards the provident society connected with the Bank of New Zealand, they feel it incumbent upon them to make strong representations. In this bank there is an extraordinary state of things. The provident fund shows a total (in round figures) of £135,000, of which only £25,000 has been contributed by the bank itself, and, allowing £10,000 as accrued interest, there remains a balance of £100,000, which represents enforced deductions from the salaries of officers. Those officers are promised pensions on attaining the age of sixty, but it would appear that these promised allowances have been calculated on a basis of expected interest from investments at the rate of 6 per cent., and that, the value of money having since fallen, that basis is unsound, and that the anticipated pensions must therefore be, and, as a matter of fact, have been already, on this ground reduced. Further, that there is no surrender value attached to this fund, and that therefore, while one employé who has reached the age of sixty may secure his pension (at a reduced figure perhaps, on his retirement, notwithstanding that he may have contributed for only a few years to the fund, another who dies at fifty-nine years of age, and may have contributed many years longer than the former, has no interest whatever to leave to his representatives. Again, since the amalgamation of the Colonial Bank with the Bank of New Zealand another provident fund, which your Commissioners will refer to for convenience as "No. 2 fund," has been established, and officers newly joining the Bank of New Zealand have now the option of joining either the original or the No. 2 fund, the latter having a surrender value, while the former has not. The result has been that, without exception, so far as your Commissioners can ascertain, the new officers have elected to join the No. 2 fund. The effect, accordingly, is that the original fund has no new contributors, while it has, of course, prospectively an increasing number of beneficiaries—a state of things which must necessarily result in the further reduction of the pensions promised. It is quite clear that the large majority of the officers of the bank have no reasonable expectation of participating in the benefits of a fund to which they are compelled to contribute, and it is beyond question that at least 90 per cent. of them regard the present state of things as a grievous injustice, and desire that Parliament should provide some remedy. It is perhaps scarcely necessary for your Commissioners to point out that this particular bank occupies a different position as towards the State to that of any other bank trading in the colony, and they are of opinion it is expedient that the case, being an exceptional one, should be treated as such, and dealt with by special legislation. There are, it appears to your Commissioners, three courses open in dealing with the provident fund of this bank—namely, either—(a) To distribute the existing fund among the contributors, and, if it be decided to continue any provident fund in connection with the bank, to establish such fund on a new basis; or (b) to retain the balance