

1879.
NEW ZEALAND.

PRESS TELEGRAMS COMMITTEE

(REPORT OF, TOGETHER WITH MINUTES OF PROCEEDINGS AND EVIDENCE, AND APPENDIX.)

Report brought up 7th August, 1879, and ordered to be printed.

ORDERS OF REFERENCE.

Extracts from the Journals of the House of Representatives.

WEDNESDAY, THE 16TH DAY OF JULY, 1879.

Ordered, "That a Select Committee be appointed to inquire into and report to this House what facilities can be given to newspapers for the use of the telegraph, consistently with a due regard to its use by the public, and without entailing an undue loss on the revenue. Such Committee to consist of Mr. Ballance, Mr. Barff, Mr. Joyce, Mr. De Lautour, Mr. Montgomery, Mr. Stevens, Mr. Swanson, Mr. Wakefield, Mr. Whitaker, and the Mover; with power to call for persons and papers. Five to be a quorum; and to report within thirty days."—(*Mr. Macfarlane.*)

THURSDAY, THE 17TH DAY OF JULY, 1879.

Ordered, "That the number of the Telegraph Committee be increased to fourteen, and that Mr. Cutten, Hon. Mr. Fisher, Mr. Feldwick, and Mr. Pyke be added thereto."—(*Mr. Macfarlane.*)

WEDNESDAY, THE 23RD DAY OF JULY, 1879.

Ordered, "That Mr. McLean be added to the Committee for inquiry into the facilities to be given to newspapers for the use of the telegraph."—(*Mr. Swanson.*)

REPORT.

THE Select Committee appointed to inquire into and report to the House what facilities can be given to newspapers for the use of the telegraph, consistently with a due regard to its use by the public, and without entailing an undue loss on the revenue, have the honor to report that they have inquired into the subject so far as the time at their disposal would permit, and have agreed to the following resolutions:—

1. That the evidence taken has satisfied this Committee that the "special-wire" plan does not work satisfactorily.

2. That some new arrangement upon the basis of the plan in force prior to the 1st January, 1879, is desirable.

3. That the difficulty in the way of making such arrangement is the agreement dated the 21st April, 1879, made between the representatives of certain newspapers and the Government for two years from the 1st January, 1879.

4. That there appears to be some doubt as to whether the Order in Council of the 24th December, 1878, under which those agreements were made, is not invalid, as unauthorized by the 13th section of "The Electric Telegraph Act, 1875."

5. That, as a temporary arrangement, the Committee recommend that any of the parties to the agreement of the 21st April, 1879, should be allowed by the Government to withdraw therefrom; and that they should be allowed to transmit Press messages at the word-rate charged to morning newspapers, such messages to be received up to the hour of 12.30 a.m., and transmission to close at 1 a.m.

6. That the time at the disposal of the Committee does not permit them to thoroughly investigate the subject and suggest a permanent plan for the future, and they recommend that a Committee should be appointed in the next session, to whom the whole subject should be referred.

FRED. WHITAKER,
Chairman.

MINUTES OF PROCEEDINGS.

FRIDAY, 1ST AUGUST, 1879.

THE Committee met pursuant to notice.

Present : Mr. Joyce, Mr. Barff, Mr. Macfarlane, Mr. Feldwick, and Hon. Mr. Fisher.

On motion of Mr. Macfarlane, *Resolved*, that Mr. Whitaker be appointed Chairman.

The Committee then adjourned until Tuesday next, the 5th August.

TUESDAY, 5TH AUGUST, 1879.

The Committee met pursuant to notice.

Present : Mr. Stevens, Mr. Feldwick, Mr. Pyke, Mr. Macfarlane, Mr. Joyce, Mr. Swanson, Mr. Barff, and Mr. McLean.

The minutes of the last meeting were read and confirmed.

Resolved, That the Chairman (Mr. Whitaker) being absent, Mr. Stevens do take the chair *pro tem*. Dr. Lemon and Mr. Feldwick, M.H.R., attended and gave evidence. (*Vide Evidence*.)

On motion of Mr. McLean, *Resolved*, That Dr. Lemon proceed to make a statement of the arrangements between the Telegraph Department and the Press of the colony.

On motion of Mr. Joyce, *Resolved*, That Dr. Lemon be requested to draw up a statement showing the relations of the Telegraph Department—

1. With the general public: the hours during which, and the terms under which, their wants are supplied :
2. With the Press of the colony as a whole :
3. With the firms known as the Press Association and Press Agency: and to state all particulars connected with the "special wire;" and to submit to the Committee any alternative system which, whilst it would not interfere with the public interests, would place all newspapers on an equal footing. (*Vide Appendix*.)

On motion of Mr. Feldwick, *Resolved*, That the Clerk be directed to write to Dr. Lemon, requesting him, if possible by to-morrow, to furnish this Committee with information as to the cost of providing communication by pneumatic tube, for the transmission of Press and other messages between the Parliament Buildings and the Wellington Offices.

On motion of Mr. Feldwick, *Resolved*, That Mr. Gillon and Mr. McCarthy be summoned to attend the Committee to-morrow.

The Committee then adjourned.

WEDNESDAY, 6TH AUGUST, 1879.

The Committee met pursuant to notice.

Present : Mr. Whitaker, Mr. McLean, Mr. Stevens, Mr. Barff, Mr. Swanson, Mr. Macfarlane, Mr. Feldwick, and Mr. Wakefield.

The minutes of the last meeting were read and confirmed.

The Committee adjourned at ten minutes to 2 o'clock, and met again at 3 o'clock.

Present : Mr. Whitaker, Mr. Feldwick, Mr. McLean, Mr. Macfarlane, Mr. Stevens, and Mr. Barff. Dr. Lemon, Mr. Gillon, and Mr. McCarthy attended, and gave evidence. (*Vide Evidence*.)

The Committee then adjourned till 10 o'clock to-morrow morning.

THURSDAY, 7TH AUGUST, 1879.

The Committee met pursuant to notice.

Present : Mr. Whitaker, Mr. Macfarlane, Mr. Swanson, Mr. McLean, Mr. Wakefield, Mr. Stevens, and Mr. Feldwick.

The minutes of the last meeting were read and confirmed.

Papers were furnished to the Committee by Dr. Lemon, and Messrs. Berry and Montrose. (*Vide Appendix*.)

On motion of Mr. Whitaker, *Resolved*—

1. That the evidence taken has satisfied this Committee that the "special-wire" plan does not work satisfactorily.
2. That some new arrangement upon the basis of the plan in force prior to the 1st January, 1879, is desirable.
3. That the difficulty in the way of making such arrangement is the agreement dated the 21st April, 1879, made between the representatives of certain newspapers and the Government for two years from the 1st January, 1879.
4. That there appears to be some doubt as to whether the Order in Council of the 24th December, 1878, under which those agreements were made, is not invalid, as unauthorized by the 13th section of "The Electric Telegraph Act, 1875."
5. That, as a temporary arrangement, the Committee recommend that any of the parties to the agreement of the 21st April, 1879, should be allowed by the Government to withdraw therefrom; and that they should be allowed to transmit Press messages at the word-rate charged to morning newspapers, such messages to be received up to the hour of 12.30 a.m., and transmission to close at 1 a.m.
6. That the time at the disposal of the Committee does not permit them to thoroughly investigate the subject and suggest a permanent plan for the future, and they recommend that a Committee should be appointed in the next session, to whom the whole subject should be referred.

MINUTES OF EVIDENCE.

TUESDAY, 5TH AUGUST, 1879.

Dr. LEMON sworn and examined.*

Dr. Lemon.

August 5, 1879.

1. *The Acting Chairman* (Mr. Stevens).] Dr. Lemon, will you make a general statement of the present position of the Telegraph Department with respect to the Press of the colony?—The Press rates in force in the day-time are a halfpenny per word up to 5 p.m.; that is, one-half the ordinary rate. There is this exception: that the evening papers throughout the colony have the right to have 1,500 words transmitted at evening rates during the day up to 5 p.m. The evening rate is 1s. per 100 words. For every word over 1,500 the evening papers pay one halfpenny. Between the hours of 5 a.m. and 10 p.m. the Press rate is 1s. for every 100 words. After that time the local offices are closed to the public, except in the case of a member's speech being delivered, or any other important event transpiring, when the office is kept open to telegraph it. We have two wires leased—one to the Press Association, and the other to the Press Agency. These wires commence at Auckland, and pass from here through all the chief centres to Invercargill, with the exception of the Bluff. When the Australian mail is expected, the officer there has to be on duty in case the steamer should arrive late at night. During the session the hours for keeping open the special wire are extended to 2 a.m., up to which hour telegrams can be handed in by Press men, and they are sent so far as time permits. The price we get from each association is £2,000 per annum, payable monthly in advance. Those are the whole of the Press arrangements with the Telegraph Department in the colony.

2. *Mr. McLean.*] There are written agreements with those Press Associations? Yes; written agreements with each.

3. When does that terminate?—Two years from the 1st January, 1879.

4. Have you been able, consistently with the duty of the department to the public, to afford them two special wires for the hours you have mentioned?—In most cases; but not in places like Grahamsown. It involves additional staffs.

5. Can ordinary messages be sent in the same time as before these agreements were entered into with the associations? When in Auckland I have got telegrams from Dunedin that had been sent three hours previously. I used to get them in half an hour, or forty minutes at the outside.—I myself recollect when they were sent much quicker than now.

5A. Have you estimated the time it takes for all these telegrams to get through? Take the time before these agreements came into operation—are you able to afford ordinary telegrams the same facilities for quick despatch now as then?—With this difference. You must understand that the limit for evening papers used to be 500 words. During last session it was increased to 1,000 words; and in the following recess, on account of the morning papers having the special wires, it was increased to 1,500 words, or three times the old amount.

6. In what position do ordinary messages stand as to precedence with Press messages, under the arrangement of special wires?—When the wires are all working right, we send ordinary messages in the ordinary course. When some of the wires are deranged, we take the special wires to clear the ordinary work. We have a proviso in the agreements to that effect. If some of our wires are out of order during the day, we take their wires during the night-time, and give the lessees of the wire a rebate.

7. How much has that rebate amounted to during the last six months?—Very trifling; I think it would not be more than £150 or £200 at most.

8. Do you keep these two special wires especially at the use of these two associations for the hours you have named?—Yes.

9. Do you know how many papers there are in the Press Association—how many contribute to the £2,000?—No; I could not tell you. The offices are kept open at all the centres.

10. Can you not tell us from that?—During the last three or four months they have been changing.

11. Well, say in January last?—There was then one at Invercargill, one at Oamaru, one at Dunedin, one at Timaru, one at Christchurch, one at Wellington, one at Napier, and one at Auckland. That was in the Press Association. In the Press Agency at the same time there was none at Auckland, one at Wellington, one at Christchurch, one at Dunedin, and one at Invercargill. I will not be sure about the last.

12. Do you know as a fact that two newspapers are laying out and standing the cost of one of those wires, £2,000, and that all the other papers are standing the cost of the other one? Has that come to your knowledge?—Yes; the *Press* in Christchurch is bearing the principal part of the £2,000.

13. Do you consider an arrangement just that compels two newspapers to pay £2,000, while all the others together have only to contribute £2,000?—If I answer that question I may be traversing the opinions of the Government. If you will read my memorandum you will see my views on the matter.

14. But you admit that it is so. What will remedy this state of things? What do you suggest as arrangements by which you could keep faith with the public and transmit their telegrams within the ordinary space of time—that is, in the time it took before these arrangements came into force?—You are dealing with two classes of newspapers.

15. I ask you first exclusively as to evening papers, and then to consider the arrangements which you would make as to morning papers? Would you consider, so far as morning papers are concerned, that it would be better if the department, in the interest of the papers themselves, should make arrange-

* Some of the shorthand reporter's notes of questions and answers could not be touched without re-writing the whole.—C.L.

Dr. Lemon.
August 5, 1879.

ments that the offices should be kept open certain hours in the morning, and allow any one then to put in news and the public also at the same time, at special rates, of course?—Yes; I think it might be done in the chief centres without difficulty.

16. Supposing you made arrangements for sending messages up to midnight at certain rates, and then up to 2 o'clock in the morning at a higher rate. What I mean by that is, would it not be an inducement to those people to put in their telegrams before 12, leaving but little to be sent after 12, if it were necessary? It would only be necessary for you to keep a few hands on service after 12 at night. In case it was necessary for you to keep going through press of work all could be retained?—Generally the press of telegrams is over by 10 o'clock; but we could manage. It is only a question of increasing the staff. Would you like to see what has been done in this respect in other countries?

17. You can make a statement?—Without the least hesitation if it will not compel me to traverse the action of the Government. As a permanent officer at the head of a department I should not be placed in that position unless the Committee are prepared to protect me.

18. *Mr. Feldwick.*] If two papers are compelled to put on a special wire, could you not take an ordinary wire, not one kept open for Press purposes?—Only up to 10 p.m., unless with the exception I have stated.

19. Do you think it desirable to abolish the special wires and to put the papers on the old footing of paying per word?—To answer that question I should be traversing the opinion of the Government.

20. Is the special-wire agreement terminable on any notice?—Only by default of payment.

21. You cannot terminate the agreement without?—No.

22. *Mr. Joyce.*] It is terminable on default of payment?—It cannot be ended otherwise unless the associations are willing.

23. Supposing a Press Agency obtained a special wire for evening papers to take messages at ordinary morning-paper rates, would the same facilities be open to them up to the time the special wire is open?—The only wire open to the Press after 10 p.m. is the special wire.

24. Is there any way by which the customers of the Press Agency can put themselves on an equal footing with the customers of the Press Association?—Yes. The Government, by an Order in Council, could extend the hours at which telegrams should be received, except at certain offices.

25. *Mr. Stevens.*] Do you consider that that could be done without disadvantage to the public interest?—Certainly. It would handicap the Press Association, because it would be giving one a privilege, and making the other pay £2,000 for a wire.

26. *Mr. Feldwick.*] It would make them abandon the special wire?—No doubt.

27. Does the present dissatisfaction arise from the different rates in force? The number of words allowed to evening papers is 1,500, at morning-paper rates?—Yes, that is the case.

28. *Mr. Barff.*] How many papers are in the habit of sending continually, day by day, as many as 1,500 words?—I could not tell you that.

29. Is there one?—Yes; several papers publish two or three columns.

30. But are not the delays in the telegraph caused by that?—I cannot tell you. The wires are continually blocked between 1 and 2 p.m. with Press matter.

31. Could you make any guess as to the general average number of words in an evening publication? Would all the evening papers put together average 300 words?—Yes; more than that.

32. Could you mention what would be likely to be an average? What would be about the average, in your own opinion—how many words a day?—The average would be about 1,200 words per day.

33. Are the special wires used for the evening papers?—Matter is often sent on for evening papers at night over the special wire, to the extent of 1,000 or 1,200 words. The *Star* in Auckland gets more than that, but that is an exception.

34. What is the arrangement of "vides" for different papers? Suppose a message is put in at Christchurch for a number of different papers?—I will give an instance. Supposing a telegram is put in here for six different papers in the South Island, it will be telegraphed once to Blenheim with five "vides;" one copy will be taken at Christchurch and one at Dunedin; that would mean one taken off at Christchurch and one at Dunedin, one going to Hokitika requiring fresh telegraphing again. Then again from Dunedin to Invercargill it is fresh telegraphed again. What we gain, really, is the telegraphing once to two points on the same line; but in four cases out of five a telegram has to be actually telegraphed separately to every paper. Where we save is by transmitting once between two different points.

35. Can you fix an estimate of the amount sent through the department during the year?—The report of the department gives that.

36. *Mr. Feldwick.*] In point of fact the evening papers are the best customers by far?—Yes.

37. *Mr. McLean.*] Supposing morning papers were on the same footing as evening papers, would they not be quite as good customers?—At per word they would.

38. *Mr. Barff.*] Unless there was an alteration in rates that would not affect the delay. The alteration between the rates of morning-paper telegrams and those of evening papers is this, that the latter are made more expensive by being forwarded during the day?—Evening papers get the same rate during the day-time as morning papers at night.

39. Supposing an evening-paper telegram is sent through too late for publication, is there any reduction?—No reduction.

40. *Mr. Feldwick.*] Could arrangements be made for giving evening papers earlier hours in the day-time?—Yes, I think so; but the tendency is, unless there is a difference of rates, to send telegrams late up to the last minute. Thus, with public messages, there are more in the last half-hour, for stations closing at 5 p.m., than during the whole day besides.

41. *Mr. Stevens.*] You have heard the petition of Mr. Wilkinson read?—Yes.

42. There is a statement in it that Mr. McCulloch Reed offered facilities to Mr. Wilkinson, through the Press Association wire, as far back as December last; while to the Press Agency you refused a like arrangement?—Exactly.

43. Why could the Press Association be in a better position than the Press Agency, when both could have special wires by paying the same money?—The nature of the original agreement was that the Press Association wire should be open at the Bluff at times when the Australian mail was expected, with offices at Dunedin, Oamaru, Timaru, Christchurch, Wellington, Napier, and Auckland. That was all mentioned in the agreement, as far as my memory serves me. After that they wanted us to open as far as Grahamstown, with Hokitika and Greymouth also to be opened, but I told them it was not possible to do that, because at those stations there were only small staffs, and that it would require time to do it. While this was going on, the other association also came, and it was arranged that both were to be put on equal terms.

44. How then could Mr. McCullough Reed, acting for the Press Association, offer facilities to Mr. Wilkinson?—I do not know that. There was nothing about Grahamstown being included in the original agreement.

45. *Mr. McLean.*] Then, according to that, Mr. Reed made a false statement?—I could not say anything about that. Mr. Reed had no instructions from me.

46. *Mr. Feldwick.*] How do you arrange with matter that has to be left over? Do you not have some unsent at closing time every night?—Yes.

47. Good matter is often left out?—Certainly.

48. *Mr. McLean.*] If it was paid by quantity, would the large amount of rubbish now sent go through?—If it was paid for by the word, newspaper proprietors would see that their messages were condensed. I have seen a gentleman put in a message of 100 words, the whole purport of which could be compressed into ten. The rate is now so cheap that the time occupied in condensing is of more value than the cost of the message.

49. *Mr. Swanson.*] In fact, it is not worth the trouble to boil down?—No.

50. Are the wires often out of order?—Occasionally; at the beginning of the special-wire system there were several derangements. Thus, at Masterton some men were fencing, and threw their fencing wire across the telegraph lines, which made them unworkable. These and similar causes at the beginning of the year had been attributed to the department not wishing the scheme to be a success, and taking means to thwart it; whereas, actually, the officers of the department, I am convinced, did everything in their power to make the arrangement successful.

51. *Mr. Barff.*] Where many mistakes and delays occur, are they not caused, in your opinion, by there being a lot of incompetent boys in the department?—No. You must remember that telegraphy is a thing that has to be learnt, and it is best learnt young, like a young girl with the piano. You could not teach an old woman to play on the pianoforte. Through the rapid growth of the department in New Zealand, we have not enough good operators.

52. What becomes of the experts after they have learned it?—We have them now. There is a continual cry that we are losing them; but we are not losing them. We find that when an operator's salary reaches £180 or £190 a year, he does not leave us.

Dr. LEMON re-examined.

I wish to disabuse the mind of the Committee as to the term "special wire." The wire we have now is not a special wire. There was a special wire last year, when the telegrams only went one way between Wellington and Auckland. You cannot draw any comparison between what is called a special wire in New Zealand and what is really a special wire.

53. *Mr. Feldwick.*] Would the abandonment of one special wire be a gain to the department?—Decidedly so.

Mr. FELDWICK, M.H.R., sworn and examined.

I am a newspaper proprietor, and am conversant with what has taken place in connection with special wires. My paper is an evening paper. I have entered into arrangements with the *Press* at Christchurch for the use of their special wire. Under the present system a large amount of the matter telegraphed is put unused into the waste-paper basket; and much that is published, when we are pressed for time and cannot properly supervise, is very bad stuff, and would be much better left out. I have elicited by my questions to Dr. Lemon that there is a large amount that does not get through at all. I imagine that some of that would be better matter than what is actually sent. Necessarily what comes last is left, and it may be the best of the lot. On the other hand, an enormous amount is telegraphed and is actually destroyed, the labour and cost of sending it having been entailed in vain. My own opinion in regard to the matter is that it would be far better the special wires were abolished. I speak this entirely as I would speak it if, possessing the knowledge that I do possess, I were an outsider unconnected with either the Press or the Telegraph. Since the operation of the special wires the quality of the news-matter sent has greatly deteriorated, and I therefore regard the system as a great evil. There are two agencies in the colony obtaining news for the limited sum of £2,000 a piece. The result is that some papers are getting their telegraphing done in a lump extremely cheap; in one case, I believe, no more than £70 a year.

54. *Mr. McLean.*] You are connected with both associations. You know, then, from your connection that two newspapers are paying £2,000 between them?—I do not know it. I have heard it. We pay a small sum, £50 a year, to one. We do it for the honour and glory of having a special wire, We give the Association news as well.

55. You have heard Dr. Lemon's evidence, in which he states that two papers are paying £2,000 a year, as against all the other papers paying the same sum?—Yes.

56. Do you think it right to leave such an arrangement in existence one minute longer after the attention of the Government has been drawn to it? Is it not right that the whole of the newspapers of the colony should be put on one footing?—I do not think it right that two newspapers should be compelled to pay the whole of £2,000 a year.

57. What proposition would you make that general newspaper proprietors should be placed on an equal footing with the Press Association?—They should be allowed to transmit matter during the same hours as the Press Association, paying for that matter a word rate.

Dr. Lemon.

August 5, 1879.

Mr. Feldwick.

August 5, 1879.

Mr. Feldwick.

58. You think that would be doing justice to those two newspapers?—I would not look at those two papers specially. I look at the matter as it affects the whole Press.

August 5, 1879.

59. *Mr. Stevens.*] I understand you are of opinion, Mr. Feldwick, that all newspapers throughout the colony should be on an equal footing, and that wires should not be let to some journals so as to place others under disabilities?—Yes. As far as evening papers are concerned, the special wires give no benefit. Evening papers pay about six times as much for telegraphing as morning papers. I know in my own paper, which is an evening paper of a small circulation, we generally considerably exceed the 1,500 words allowance. We generally have to pay from 15s. to 30s. every day. One exceptional week it was £12. We are at great disadvantage as against morning papers.

WEDNESDAY, 6TH AUGUST, 1879.

Dr. Lemon.

Dr. LEMON re-examined.

August 6, 1879.

60. *The Chairman.*] You used the term "lease," Dr. Lemon; do you mean that a written agreement or lease was made?—Yes.

61. Was not one drawn up, but, owing to the dilatory conduct of some of the lessees, not signed until the new Governor arrived, and then a second lease drawn up?—It is not signed. It has not come back to us. This is only a copy of the original.

62. Are different copies sent to the different papers?—No; it is only one contract.

63. Where is it now?—I cannot tell you.

64. Who were the contracting parties?—Mr. Wilson, Mr. Horton, and Mr. Reeves, and the *Otago Daily Times*.

65. And they made their arrangements with the other papers?—Yes.

66. Under what authority was it made?—By Order in Council.

67. Then, under what authority was the Order in Council made?—The Telegraph Act enables the Governor to make Orders in Council for a lease.

68. You say it was under an Order in Council, and this was made under the Telegraph Act?—Yes.

69. What is now in force with regard to Australian telegrams as to the Press Agency?—They get their telegrams from Reuter.

70. You have nothing to do with that?—No; we keep open until midnight for cable messages, and they bear a proportion of the cost.

71. Then you have nothing to do with them when they have left the station?—No; that is all.

72. They make their own arrangements?—Yes.

73. *Mr. McLean.*] Was this agreement intended to be signed by the Press Association?—Yes.

74. Has Mr. McCarthy, of the Press Agency, signed an agreement?—Yes.

75. *The Chairman.*] What do the two agencies pay for the special wire?—They each pay £2,000 a year for the special wire between certain points.

76. Does that cover cost?—Just barely. I suppose I may say that we just pay out £1 for every £1 we take.

77. Then the Government make no profit?—No.

78. The actual cost is equal to what you receive?—We get nothing for the use of the wire.

79. *Mr. McLean.*] Suppose the two Press Agencies combined together, and only took one wire?—It would just bring us into the same position. We should just spend £2,000 and receive £2,000. We have to keep a double staff to man these two wires.

80. Is the amount of work you have to do with these two wires within the mark?—Sometimes they block the wires.

81. Both parties?—I do not believe that the Press Agency does so much as the Press Association. It has more papers to send telegrams to. A man sending from one end of the wire is ignorant of what goes on at the other places.

82. Do you think that the arrangement you are recommending would be a fair one for the newspapers and the public?—Yes, I think so. The great difficulty we labour under at present is that by decreasing the tariff at night you give facilities for loading the wires, and evening papers say they are being handicapped by the morning ones. Of course we could give the morning papers increased facilities at a lower tariff at a time when the wires are not loaded with public business, but then you are met by the difficulty that you must lower it to the evening papers, and that interferes with our work in the day-time.

83. Then you think that if the tariff were increased it would put an end to the sending of this rubbish over the wires?—I think the papers would get their telegrams in a more condensed form. If they were to do that they would get more value for the money expended.

84. *Mr. Feldwick.*] If one special wire were used you would receive £2,000 instead of £4,000?—Yes.

85. But would you again return to the ordinary morning rates?—No. The bulk of the matter now sent by both agencies is the same.

86. Suppose this Committee were to recommend that papers not connected with either association were to be allowed to put in telegrams up to the time when the wire stops, would it be any fairer to allow them to send up, say, to 1 o'clock, when you cease all messages?—Well, I do not know.

87. If you allowed papers to put in telegrams up to 1 o'clock you would get more?—There is more paid for special rates than for the special wire.

88. *Mr. Wakefield.*] Do not the Government, whenever they choose, take the special wire for their own purposes, and deprive the proprietors of the use of it without giving them any notice of it?—No; because by our agreement we have reserved the right, whenever any of the wires have been out of order during the day, to take their special wires and allow them a rebate on it. That is not done by the Government, but by the department.

89. So that the newspapers using the special wires may often find themselves without news?—They do under some circumstances.

90. *The Chairman.*] Would one wire be sufficient for the purposes of the Press?—No.

91. You think it requires absolutely two?—Yes; during session time we use three and four.

92. *Mr. Wakefield.*] Do you think the persons who are associated in the special wire would be disposed to put an end to the arrangement if they had the opportunity?—I think both sides are heartily sick of it. Last session we had a real special wire between Wellington and Auckland, and we gave the Auckland *Herald* more matter than it could print every night. They used sometimes to telegraph back, asking how much we had got, and when the reply was 5,000 or 6,000 words they would say "Condense it." When this special-wire system commenced, Mr. Horton and others thought they were going to get more, but they forgot that a wire was nothing less than a see-saw, and they could only get 700 words in the hour, and not that sometimes, because between the points one man would block the wire completely, and nobody in the system would have any control over him, and that a man in Wellington would not have the slightest idea of what quantity would be given in at Christchurch or Dunedin.

93. *Mr. Stevens.*] You say that in the case of evening papers you would allow a telegram not exceeding 100 words?—If that were done all the papers would pay wire charges independently.

94. *Mr. Feldwick.*] In your recommendations you evidently desire to force the papers to compress their matter, and give the same information in less space?—I have repeatedly made remarks to the gentlemen who supply the telegrams, and they say it is easier for them to write the telegrams out at length; so that the newspapers have to pay for the extensions. Those who pay 1d. per word for telegrams know the difference.

95. Do they wire an extra amount of rubbish at night?—Yes.

Mr. E. T. GILLON sworn and examined.

96. *The Chairman.*] What are you, Mr. Gillon?—Manager of the New Zealand Press Association.

97. Have you any statement to make to the Committee?—I wrote a note asking to be heard before any report was made affecting the interests of the papers included in the Press Association.

98. We will hear what you have to say.—Allow me to say, first of all, that I am at some disadvantage. You have examined the General Manager of the department on questions affecting our interests, and I think I should be allowed to see his evidence. The question is between the Press and the department. I should state that I represent thirty newspapers of all shades of political opinion in the colony, morning and evening, weekly and others. I also represent the contractors for the Association special wire, and I would ask the Committee whether they have a copy of the special-wire agreement before them. I should like the Committee to have a copy, because, I believe, a great deal depends upon it. I have a copy here certified by the Assistant Secretary of the department. [Agreement produced.]

99. Where is the original?—The Telegraph Department has it.

100. Was this signed while the Marquis of Normanby was here?—It was signed by us, but I believe the department neglected to get the Marquis of Normanby's signature to it, though I frequently applied to them for the counterpart, which I never got.

101. And now I understand a new agreement has been made out?—No; not a new agreement. It is in precisely the same terms. I would ask that I might see any statements that have been laid before this Committee affecting our interests. I am aware that two members of this Committee represent papers whose interests are strongly adverse to the interests of the papers I represent.

102. *Mr. Stevens.*] Before we proceed any further I desire you, Mr. Chairman, to ask Mr. Gillon who are the members who represent papers whose interests are strongly adverse to those which he represents.

Mr. Wakefield: I for one shall leave the Committee-room if such evidence is to be given.

Mr. Stevens: I now call upon you to request Mr. Gillon to state the names of those members.

Mr. Gillon: I do not object to the constitution of the Committee.

103. *The Chairman.*] Who are the two members to whom you allude?—Mr. Stevens and Mr. McLean, one being chairman of directors of the Canterbury *Press*, and the other largely interested in the Dunedin *Morning Herald*, and both concerned in the lease of the second special wire.

104. Upon what grounds do you assert that they are antagonistic to you?—I do not know whether Mr. McLean will permit me to use a private conversation that took place between us a few months ago.

105. *Mr. McLean.*] Are you aware that two members of this Committee are connected with your Association?—I believe they are connected with papers included in it.

106. *Mr. Feldwick.*] Is it not a fact that the paper with which I am connected, and that with which Mr. Wakefield is connected, are included in your Association?—Yes.

Mr. Wakefield: Mr. Gillon says he represents thirty papers. I should like to say that he does nothing of the kind. He is their agent for a particular purpose; but to say that he represents them, and is qualified to come before this Committee and to speak on their behalf, is entirely to misrepresent the facts.

Mr. Gillon: I say that the Association, of which I am manager, includes thirty papers.

107. *The Chairman.*] You are here now to make a statement. State what you desire.—In addition to what is comprised in the agreement, I wish to explain that we have had a number of additional stations opened in connection with the special wire. We have had the special-wire system extended by the department to Greymouth, Hokitika, Blenheim, Ashburton, and Grahamstown, and for these stations we pay £70 a year each, in addition to the £2,000 a year for the main wire. The special-wire agreement is made with the proprietors of three newspapers only, and is at the rate of £2,000 a year for a wire from Auckland, with the offices at Napier, Wellington, Christchurch, Timaru, Oamaru, Dunedin, Invercargill, and the Bluff connected. The condition of the agreement is that the contractors for the wire shall make no profit out of the transaction whatever. They may be required to make a return to the department of what they receive from other papers towards the special wire.

Dr. Lemon.

August 6, 1879.

Mr. Gillon.

August 6, 1879.

Mr. Gillon.
August 6, 1879.

The contractors, after getting this special wire, made arrangements with the *Southland Times*, *North Otago Times*, *Timaru Herald*, *New Zealander*, and *Hawke's Bay Herald* to subscribe a proportion of this £2,000 a year in return for receiving special messages by the special wire. One of the conditions of the contract with the Government is that no more favourable terms for a special wire between the same places shall be granted to any other paper. Subsequently another special wire was taken up by the Press Agency or the *Canterbury Press* at the same price and for precisely the same stations, the cost of each wire to the department being, I presume, exactly the same. There was a proposal made after the terms of our arrangement were agreed upon to divide the cost of a special wire into £1,000 for each Island; but that my proprietors strongly objected to, and desired that the amount should remain £2,000 for a special wire from one end of the colony to the other. Since January a competition between the contractors for the two wires has gone on. We apportioned the £2,000 in proportion to the circumstances of the subscribing papers. There are three rates of payment—the highest being £325; next class, £225; and the smaller class of papers on the special wire, £175. Since that was done the *New Zealander*, which had contracted for two years for the special wire at £225 a year, has gone into liquidation, and the contractors for the other special wire have underbid us, so that the new proprietors of the paper have gone over to the other agency, leaving the contracting parties for our wire to pay the £225 between them. In the same way we were in communication with the *Ashburton Mail* to receive by our wire, for which we pay £70; but the other contractors applied for a special wire there also, and underbid us. Our contractors now pay for their special wire to Ashburton, without getting anything towards the cost. In the same way the *Grahamstown Advertiser* was in negotiation with us, and we got the special wire open there at an expense of £70 a year; but the *Advertiser* now takes its telegrams from the contractors for the other wire. My object in mentioning these facts is to show that there is no partiality shown towards us, and that there is keen business competition between the contractors for the special wires. I desire to say that, from the first, the working of the special wire has been intensely unsatisfactory to the papers connected with it. The agreement was made at the suggestion of gentlemen connected with the Press, who are acquainted with the working of special wires in England, where they are constantly used—for instance, between London and Paris, to Manchester, Glasgow, &c.—and work excellently well; and they thought the system would work as well here. It did work very well last session, as between Wellington and Auckland, for the *New Zealand Herald*; but we were unfortunate enough in some way to excite the hostility of the head of the Telegraph Department to the proposals that we made, and every obstacle has been thrown in our way with regard to the use of that wire, so that its value to the papers has been rendered very small in comparison to what they had expected, and had a right to expect. Nothing could be more unsatisfactory or unfair than the way Dr. Lemon has carried out this agreement with us. We have been in constant antagonism with Dr. Lemon since the wire was started, and have had bitter cause for complaint at the way we have been treated. I will give two examples which have occurred within the last forty-eight hours—one example connected with the system of Press telegrams, and the other relating to the special wire. They are examples of what is constantly taking place. The *Tauranga Times* takes telegrams from our office, and the station at Tauranga is open on their publication nights to receive telegrams up to 10 o'clock. The office is open up to that hour for Press telegrams. It will be in the recollection of the Committee that the Loan Bill was an important matter the other night. I was anxious to get the result of the debate on that Bill to Tauranga that night, and at a quarter to 10 o'clock I took a telegram of about seventy words for Tauranga to the office here. I said to the officer, "Do not let Tauranga go; it is a 10 o'clock station." He said he thought it was an 8 o'clock station, but went and looked, and came back and said "All right." The station is a 5 o'clock one on off-days. Last night, after 5 o'clock, I received this memorandum from the Telegraph Office here, when it was too late to inform the *Times*:—[The memorandum was left with the Committee. It stated that, through an oversight on the part of some operator, who was under the impression that Tauranga was an 8 o'clock station, my message had not been sent.] The office did not give me an opportunity during yesterday to send a telegram explaining what had occurred. That is not a solitary instance. Hardly a week passes that numbers of telegrams are not returned to me in the same way, and I very often get back a memorandum that the officer has been fined half-a-crown, and the fine I believe goes to the revenue. There have been occasions on which the department, by not sending the telegrams, has by the fine made 100 per cent more than it would if the telegram had been forwarded. That is a sample of the way Press telegrams are treated. The other case refers to the special wire. Last night a telegram of between 3,000 and 4,000 words of parliamentary news was put in. The instructions are that the parliamentary news shall take precedence of all other matter, but only about 1,500 words of the message in question got beyond Christchurch. It all went North, but, with the exception of about 1,500 words, it was stuck up in Christchurch, and yet I received a number of ordinary interprovincial messages of particularly little interest. I received last night a large number of these messages, which ought to have been stopped at the sending station to give precedence to the parliamentary. I will read a list which I have here of the number of words: Napier, 130; Christchurch, 238; Auckland, 300; Dunedin, 50; Christchurch, 106; Invercargill, 40. All this interrupted the parliamentary message. There is hardly a night that the special-wire work is cleared off. The transmission rate should, I believe, be about 1,200 words an hour with fair working, but our rate of transmission does not average 800 words. I have here a record of our messages for months back, and it shows an average of under 800 words per hour. The other night, on the occasion of the moving of the want-of-confidence motion, I obtained a general order that all the parliamentary news that could not be sent through by special wire should go through after 2 o'clock as Press telegrams, and be charged for as such. This was that all that was unfinished at 2 o'clock on our special wire should go as a Press message at ordinary rates. The consequence was that the average on our wire was from 1,500 to 1,700 words up to 2 o'clock, and there was very little to send through after. This shows what could be done, and contrasts strongly with the usual rate of special-wire transmission. The officers have told me, "We are obliged to remain until 2 o'clock, and there is no need for any hurry. We plod along slowly." The whole of the arrangements between the Press and

the Telegraph Department are very unsatisfactory. Dr. Lemon appears to have a general dislike to Press interests. There are now 1,500 words allowed at day rates to evening papers, but the amount is very seldom taken advantage of. I do not suppose it happens more than four or five times in a month that any of our evening papers get this quantity. No paper of mine except one takes full advantage of it. The delay which takes place in the transmission of day messages, however, renders the concession practically useless to the evening papers. Indeed, I think the papers are practically worse off now than when only 200 words were allowed at day rates. Then the messages used to get through. Now, evening-paper messages are, I believe, systematically neglected in the offices. It frequently takes about three hours to get a telegram to Christchurch. Messages lodged at 11 o'clock in the day often do not get to their destination in time for publication, except at an immediate next station, and it is a wonder if they arrive there. To show the admirable system of management in the department I may say we are entitled when the special wire is interrupted to a certain rebate off the amount paid for the use of the special wire. The first quarter I took the department's return of interruptions, but I had strong suspicions to its accuracy, and after that we entered every time when we got notice from the department. In the majority of cases they were written notices. At the end of the quarter I received a schedule showing that rebate would be allowed to the amount of £16 19s. 11d. for the quarter. I checked the dates, and found them particularly incorrect. Time after time the wire had been interrupted, and no record of it had been kept by the department. I sent back the schedule, and got a further record of interruptions to the amount of £4 12s. 3d., admitting my dates, so far, were correct. That amount was, however, still incorrect. I applied for more, and got the amount again corrected, making the additional rebate £5 4s. 4d. I should have been £5 4s. 4d. out of pocket if I had not kept this check upon them. I have all the notices filed. Now, the department are bound to give us notice of every interruption when it takes place; but a few days ago, during the sitting of Parliament, I received a memorandum from the department to this effect: "We will allow you a rebate of two hours for the time we took your special wire last night." They had never informed me of their taking the wire. If the special wire is interrupted we have a right to use the ordinary wire up to 10 o'clock; but they, on this occasion, took the special wire, and did not give us the chance of sending our news by the ordinary wire, as they only told me next day that they had used our special wire for two hours. There is a large amount of correspondence which I should like to read if the Committee had time to go through it. The whole of the existing relations between the department and the Press are, I think, bad.

108. *The Chairman.*] Then the purport of your statement is that the special wire works badly?—Yes; through the fault of the department. I think a much better arrangement than the special wire one could be made, but it would work very fairly if the department tried to make it do so.

109. Are you aware whether the papers with which you are connected would be willing to forego this agreement with regard to the special wire?—I cannot say they would. We have signed and stamped agreements made with other papers on the strength of this one. Those are with the *Oamaru Times*, *Timaru Herald*, *Southland Times*, and *Hawke's Bay Herald*, and are for two years.

110. You think that a much better arrangement could be made, but you are not able to say whether the papers with which you are connected would consent to it?—I think they would be quite willing to accept a manifestly better arrangement if one was offered them, but everything would depend on the terms.

111. Would the papers with which you are connected be willing to give up the present agreement with the view of making a new one?—I could not tell without putting the question to them. My own opinion is that terms much more acceptable to the Press generally could be made. I admit that the department is overworked with two associations. I think it is a great mistake, in the interests of both Press and department, to have two associations duplicating the news.

112. Is not this competition between the two associations a very objectionable thing?—I consider it, in the interests of the Press, very objectionable. I do not know whether any accusation has been made against the Association I represent of any political feeling or anything of that kind; but I desire to put in the basis of our Association, to show that it is entirely a non-political one.

113. Has not this contract of £2,000 a year for a special wire a tendency to make the wires blocked, through sending a great deal of matter that might be condensed?—I believe it has.

114. That is, more is transmitted by being able to send any quantity of words?—I believe it is. The difficulty is to get men who can condense into small space. You cannot get twenty or thirty competent agents round the colony.

115. Would not the telegrams you send yourself be capable of being very much reduced in bulk?—I do not know that I send a single message that I would not consider it necessary to send as a Press message.

116. Then, your telegrams are a perfect model?—I do not say so; but I have had a great deal of experience, and I am not aware of any complaints about my messages. I think a great deal of local information is now sent which, if it had to be paid for, would probably not be sent. For instance, it is no interest to a man in Auckland to be informed that Timothy Jones was fined for a breach of the by-laws of the Borough of Kumara, or anything of that kind. I have done my best to check this sort of thing, but it is not always possible to prevent agents from sending what is not necessary, or of mere local interest.

117. Then, on the whole, you think this special wire is a bad arrangement for the Government and the public?—I think it is a good arrangement for the Government.

118. But you think it is not a good one for the Press?—As it is being carried out by the department, I think it is not as good a one for the Press generally as they had a right to expect it would be. It might work better if there was only one special wire for all papers. The department is now kept sending double matter, and is not equal to the strain.

119. Do the agents now compete in sending rubbish?—They do. I estimate that every 100 words sent by special wire costs between 4d. and 5d. to each paper; but there is no certainty about receiving anything sent out by the wire, and this greatly detracts from its value. The ordinary rate is 1s. per 100 words.

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120. Mr. McLean.] You say you represent thirty papers; how much does each paper pay towards the £2,000?—I will give you a list if you will take down the figures: *Otago Daily Times*, £325; *Lyttelton Times*, £325; *New Zealand Herald*, £325; *Timaru Herald*, £225; *Hawke's Bay Herald*, £225; *North Otago Times*, £175; *Southland Times*, £75: total, £1,775. The *New Zealander* was to pay £225, but changed hands, and the new proprietor went off to the other side, and the consequence is that the amount which it should have contributed falls upon the contractors. The three first papers will have to make up that sum for the *New Zealander*, £70 for Ashburton, and £70 for Grahamstown. The other papers are not contractors; they simply pay the contractors a specified sum for the use of the wire, and have no further responsibility.

121. What benefit do these papers which you have not referred to get from the special wire?—They do not pay 6d. towards it. The evening papers, say in Invercargill, certainly have the right to cut the special-wire messages out of the morning paper and use them, but they could legally do the same if they did not belong to the Association. It has been decided that there is no copyright in telegrams once published. In taking the messages the evening papers may have the moral satisfaction of knowing they are entitled to do so, but that is all.

122. Are you aware what the papers pay to the other Agency?—Only from report. I know what papers are supplied by them.

123. Are you aware whether or not the *Press* in Christchurch, and the *Herald* in Dunedin, pay the whole amount?—I am not aware what they pay, but I am aware that they do not pay the whole.

124. Do you recollect the *Herald* in Dunedin asking to come into your Association, and to pay their share of the contract?—The *Herald* did not do that; Mr. Fraser telegraphed to me, "Is there any objection to the *Herald* joining the Association." Those were his words, I think.

125. And did you not reply that you would decline to take them?—The answer was that our Association was confined to one morning paper in each town, the one in Dunedin being the *Otago Daily Times*.

126. Did the *Press* in Christchurch offer to come in in the same way?—I have had many conversations with Mr. Briggs on the subject, and with Mr. Leys, of the *Auckland Star*, who represented this, amongst other papers, I believe. I am not aware that the *Press* ever made any direct offer.

127. Mr. Wakefield.] Are we to gather that the *Press* did or did not apply?—It did not apply directly, but indirectly. I understood it was anxious to join.

128. Mr. McLean.] Why did you not accept these offers?—I have no power to go outside my instructions.

129. What reason have you for saying that the other Agency pays nothing for Ashburton, while you pay £70 for keeping it open?—They pay the same as we do, but have a paper there which takes their messages, and pays for the wire.

130. You stated you were paying £70 a year for Ashburton and Grahamstown; who pays you for it?—We have no subscribers there.

131. Why do you pay there?—To receive telegrams from Ashburton and Grahamstown to our papers. Wherever competition exists it becomes a matter of necessity to pay the cost of a special wire. Thus we have had to pay for Ashburton and Grahamstown, because the other people have a special wire there.

132. You say there is a large amount of rubbish sent on those wires?—I believe there is.

133. And you blame the department, and say it is badly conducted?—Yes.

134. How can you control the amount of special-wire matter sent in?—I can control it in this way: The department does not time or count the special-wire messages officially, but I have from each agent every night a short telegram addressed, "Gillon, Wellington," in which the agent says, for instance, "Ninety words at 8 o'clock." I make each of my agents count their words, and put in the time, so that I am in a position to know every night exactly what is put in and on the wire, even to such messages as coursing matches, for instance, from Timaru or Oamaru, which would be of no interest to the North, and are only sent where they are of interest. I have here a record of every message, where to and from; and every night I am in a position to judge what is on the wire, and, if required, to instruct an agent to cut down his message.

135. Is it not a fact that every day you put in far more matter than it is possible to send along?—No; but a great deal more matter is frequently put in than is sent.

136. Mr. Wakefield.] You speak of making your agents do so-and-so; is it not a fact that you have no agents at all?—They are under my instructions.

137. I understand that the arrangement is this: that each contractor to the Press Association finds an agent for his particular place for the transmission of news, but I do not understand how you can have any particular control over them. For instance, if there was a race meeting at Oamaru, how could you prevent your agent sending such a thing?—I could prevent his sending messages by telling Dr. Lemon not to take them. Under the agreement I have that power. The contractors delegated to me full control over the wire and the agents, who, by agreement between the papers and the Association, are bound to act under my instructions.

138. I do not see that you can have any control over them if each agent is to put in what he likes?—If an agent chose to do it in defiance of my instructions, for one night he might do so, but I should take care that he did not do it a second time.

139. Mr. McLean.] Do you instruct the agents each day as to the quantity to come over the wire?—No; but I very often instruct an agent to cut down a message.

140. How can you tell how much?—He sends me a precedent message of the length.

141. Mr. Wakefield.] How long has that been in force?—The first instructions in regard to it were issued in January.

142. How long has it actually been done?—By some agents ever since the Association commenced, by others at intervals since. I have a complete record in this book from the 29th of May of all special-wire messages. The sending of these messages is occasionally omitted. The instructions were issued in January, and it has been done, with one or two exceptions, pretty regularly ever since.

143. You also stated that Dr. Lemon has thrown every obstacle in the way of the newspapers?—Yes.

144. Have you had any personal quarrel with him?—I do not know of any. I do not think so.
 145. I suppose because you cannot get all you want you think he is throwing obstacles in the way?
 No, I do not.

146. You made some statement about 1,500 words?—I say that the evening papers are really in a worse position with 1,500 words at day rates than they were when they only got 200 words.

147. Do you mean to say that none of the papers get 1,500?—I say very few of them get anything like it.

148. Suppose one witness were to give evidence that he gets more, would you contradict him?—Yes. So far as our Association is concerned the messages all come to me, and I can produce a record of the number of words of each day since the Association started.

149. *The Chairman.*] Are you the agent referred to in the 15th clause of the contract?—I am.

150. *Mr. McLean.*] Then, is it a fact that several of the papers connected with your Association have got independent sources of news?—I believe nearly every paper has.

151. Then, how can you say that no paper connected with the Association can get 1,500 words?—I am speaking of Association messages.

152. We are not examining you as to the amount got by the Association, but as to how it is that no evening paper gets more than 1,500 words?—I believe the Auckland *Evening Star* probably gets more, but I do not think any evening paper connected with our Association receives an average of anything like 1,500 words from all sources. The *Star* does get a large amount through.

153. These thirty papers all pay something?—They pay from £10 upwards as subscription. The highest that any pays is £50. I think the lowest is £10. The special wire is a matter entirely separate. We draw on the special-wire papers for their contribution in advance every first of the month.

154. Suppose it turns out that the *Lyttelton Times* only pays £325, while the *Canterbury Press* pays £1,500 towards their special wire, do not you think that is wrongly handicapping the *Press*?—No, I do not.

155. You think if the Government compels them to pay £1,500, and the *Lyttelton Times* only pays £325, that that is a fair arrangement?—The *Lyttelton Times* pays that because it has sub-let its wire to other papers. The *Press* had an equal opportunity.

156. If it turns out that the *Lyttelton Times* pays £325, and that the *Press* has to pay £1,500 to be in the same position, do not you think that an oppression?—I think it no more oppression than if I were to buy 50,000 acres of land from the Government and had partners with me, and if you were to buy the same quantity with your own money. It is a business competition. They have entered into a speculation to rent a wire. The *Canterbury Press* might take away every paper from us to-morrow, so far as the Government is concerned, but we have agreements with them.

157. *Mr. Stevens.*] Is it not a fact that, owing to the action of the Government at the start, the papers connected with the Press Association were enabled to make such advantageous terms?—It is not a fact. Last session Mr. McLean brought the matter up in the House, when the whole question was discussed, and it was stated that any other paper might get a special wire on the same terms as ours.

158. *Mr. McLean.*] Is it not a fact that, before I brought it out in the House, the matter was only discussed by the three papers?—I do not think it was a secret. I consider it was a business arrangement entered into by the papers.

159. Is it not a fact that none of those papers entered into business arrangements with other papers until this agreement was signed?—The agreement was not signed for months after the thing came into force. None of the agreements with other papers were made till long after last session.

160. From what reasons can you state that?—I made the whole of the arrangements with the papers. We had a meeting in Dunedin, I think, on the 17th October. That was the first meeting. At that time I was appointed manager *pro tem.*, and had to go round the colony to see all those papers and arrange terms with them, which I did.

161. Suppose it were stated in evidence that the *Lyttelton Times*, *Dunedin Daily Times*, and *Auckland Herald* were arranging terms before that with other papers; could they not have done that without your knowledge?—They had been in communication with other newspapers, which were dissatisfied with the system, but nothing was settled about terms. I did not go to Invercargill; but Mr. Fenwick went there at the same time as I went to the North.

162. You say no positive arrangements were made by the contractors, now called the Press Association, with any of their present customers; then, at the time when the arrangement was made with the Government by the contractors, nothing was definitely arranged with the papers?—No, nothing beyond the intimation that they were trying to obtain a special wire, and establish a Press Association.

163. Are you prepared to state distinctly that there was no arrangement between the papers that, if this concession were obtained from the Government, they would be prepared to give certain terms?—So far as I know, there was not. They said, We are trying to get a special wire, and if we get one, will you share it? They said, If you get the special wire, we are disposed to do so, if the terms suit.

164. Suppose the Government was prepared to enter into an arrangement by which all these thirty papers contributed to a special wire, and two other papers were shut out, do you think it would be right that those two papers should remain under that disability?—I do not think it is right for me to express an opinion as to the policy of the Government.

165. Suppose you found those two papers obtained such a concession, and you did not, would you think it fair?—I should try to get a better arrangement if I found myself at a disadvantage.

166. Would you think the conduct of the Government was fair?—I must decline to express any opinion with reference to the conduct of the Government.

167. Do you know from your own knowledge that you do not get sufficient use of the special wire?—I find that constantly every day.

168. You put the blame on Dr. Lemon. Do you not know that he has had nothing to do with it?—Recently he has not, since Mr. Maginnity took charge.

Mr. Gillon.

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169. Has there been any improvement since Mr. Maginnity took charge?—There has been a much greater willingness to meet our requirements; but I do not think Mr. Maginnity is sufficiently independent to do what the occasion demands. I believe Dr. Lemon still controls the business.

170. Are you not aware that these mistakes you complain of are made under Mr. Maginnity's charge?—Yes; but I could bring a hundred and fifty other instances. These are only recent instances.

171. You said in your remarks that you considered the second special wire to be a breach of the original agreement with the Association?—No. It was only provided that they were not to get better terms.

172. Mr. Feldwick.] Are you working the central system, receiving messages from all quarters, and then sending out?—No.

173. Would you, as manager of the Association, object to a word rate to 1 a.m., in preference to a special wire?—That would depend a great deal upon the rate; if it were a favourable rate, I would not. I would not limit it to one association. I think during the session the wire should be open for half an hour after the House rises—up to 3 o'clock for instance—so that the news might be sent out. There should also be a large reduction on "vides." I think a great concession might be made in a word rate on those terms. The true solution of the difficulty is to encourage "vides" of messages which only go once along the wires; encourage one transmission, and allow a large rebate on "vides;" instead of charging eight papers full rates each for a message, one full rate only should be charged.

174. It strikes me you put matters unfavourably for evening papers. How do they subscribe to your Association?—They subscribe towards the general expenses of management, correspondents, &c.

175. Do you not secure to evening papers the right to copy from morning papers?—They do it, but they have a legal right to do it even if they were not in the Association.

176. Is it not a matter of agreement?—No, it is not included in the agreement; but we do not repeat to the morning papers what is sent to the evening papers, and *vice versa*, where we have both morning and evening papers.

177. Then, do the evening papers diminish the expenditure of the contributing morning papers?—No, I hardly think they do. In Auckland and Napier we have no evening paper, and we send everything to the morning papers there.

178. Is it not a fact that, under this special-wire arrangement, a Government department is farmed like a private company?—No, the special wire is kept entirely distinct. The wire is let to a company, practically.

179. Have not the evening papers power to send messages by the special wire during hours at which the special wire is available?—No.

180. Suppose an evening paper puts in a telegram of their own, would you not send it through?—No, I would not. I could not, without informing Dr. Lemon, to whom I have to give a list of agents authorized to use the wire. I keep the two distinct.

181. Mr. Wakefield.] I should like to get from Mr. Gillon whether there is any means of communication between him and the Government as to the transmission of information by telegraph at the instance of the Government?—No, certainly not. I never had telegrams sent down for me by Ministers. There was one exception—a letter addressed to me by Colonel Whitmore to correct an error. I sent that out. I think the same information which I get from Government is also sent to the other Agency. Every month we get information from the Post Office about the sailing of the mail steamer, and I know that this is sent to both parties. I, as a newspaper man, very often wait on Ministers, and ask them if there is any information; and sometimes I get it, and sometimes do not.

182. You mean to tell me that the Association does not send anything away for the Government as a means of colouring the public intelligence?—I say, most positively, that the Government does not exercise any influence over the Press Association. My instructions to every agent are to carefully avoid sending any opinions, or anything which can be construed into an expression of opinion. I may say that last night I had to send a telegram on this subject to my agent at Christchurch. He stated in a message that Sir George Grey would be sure to be returned for Christchurch, and I told him I did not want any speculations on the result, but would wait to see what the result of the election would be. Again, in consequence of another message, I sent to Timaru to-day, stating that I did not want any information as to the chances of candidates, that it was an improper thing to send. Agents have sometimes sent out extracts from leading articles expressing strong political opinions, contrary to my instructions, which are not to send telegrams which can possibly have any colour in them whatever.

183. Are you aware that on one occasion a leading article was telegraphed from Christchurch all over the colony on the night before it was published?—I am; and I should be very happy to show you my telegram in answer to the one sent by the agent excusing his action in the matter.

184. Can you understand how a leading article could be telegraphed all over the colony so as to appear simultaneously with its publication in the *Lyttelton Times*?—Yes; my agent is a newspaper man. He telegraphed to me, stating, "I have sent 800 words of a leader which will appear in the *Lyttelton Times* to-morrow morning. This I have done at the expressed wish of the editor." I telegraphed back to the effect that I could not sanction his acceding to such requests. I consider it wrong for an association such as ours to send out any telegram that has any party colour at all.

185. Would such a thing be done but for the existence of the special wire?—I believe it would.

186. Do you mean to say that any one would send a telegram of that kind as a Press telegram?—I have known it to be done before.

187. Does it not, going through the Association, go with a certain imprimatur?—Yes; and I was very sorry it went. The best I can do is to give special instructions against such things. I consider it was a most improper article to send out.

188. Suppose there was no special wire, would the Telegraph Department allow a leading article to go as a Press telegram?—The department would have allowed it if it had been commenced, the *Lyttelton Times* says.

Mr. Wakefield: I know the Telegraph Department would allow nothing of the kind. I have had to send such matter as ordinary matter. I know I have, within the last six weeks, sent upwards of 10,000 words of leading articles, not on the special wire, but as Press telegrams from our own correspondent.

Mr. Gillon.
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189. Are you aware that a great deal of the matter that is published in the *Lyttelton Times* appears simultaneously in other papers?—The news is the same, because we have agents on the same staff.

190. I mean that the very words that appeared in the *Lyttelton Times* on the following morning appear simultaneously in other papers as Press telegrams?—I am not aware of it; but it is extremely likely, because the agents get accounts of fires, attempted incendiarism, accidents, &c., at an early hour, to send out, by using the proofs.

191. Then the Press Association special wire has been used by particular persons, not for the dissemination of news, but to the detriment of public interests and the falsification of current events?—No. I only know of two or three instances in which political articles were sent; but in every case I have drawn the attention of the agent to it, and requested him not to repeat it. The proper course is for the Association agent to send only ascertained facts, leaving the papers, if they want anything more, to get it through their own correspondents.

192. *Mr. Stevens.*] You state in your evidence that, in your opinion, better arrangements than the special wire could be made?—Yes.

193. What are the better arrangements?—It would be a difficult thing to propose a complete scheme now. I do not think it is quite fair to ask such a thing. I have indicated in my answer to Mr. Feldwick that, allowing an extension of hours, a reduction of rates, and the encouragement of agents to send one message so as not to duplicate, would be an improvement.

194. Was I right in understanding you to say that one association would be better than two?—Yes. It would greatly relieve the wires.

195. That it would be a benefit for one of the present owners to absorb the other?—Yes.

196. Is it not a fact that your contractors can exclude one of the evening or one of the morning papers, or both, in any of your centres?—It does not rest solely with the contractors.

197. The contractors, I presume, would be able to make the concession?—Not where there is an agreement to supply only one paper.

198. Would not your contractors be willing to agree to an amalgamation of the two agencies?—There has been no meeting to consider the question. I believe some would be opposed to it.

199. Do you think your proprietors would agree in any arrangement that could be made by which there would be only one association?—I say it would be a decided benefit to every one concerned if it could be brought about, but I doubt whether it can be.

200. To the public?—Yes, and to the Government, and the department.

201. Suppose it could be shown that the Government would be benefited by having only one association, would your Association be in any worse position?—It would relieve the department. I consider the present competition is beyond the ability of the department to bear, and the competition involves a large amount of loss to the Press generally.

202. Are your proprietors aware of your opinions on this subject?—I have placed them in possession of them. As to the special-wire business, my opinion is that the Press is engaged in a useless competition, which places difficulties in the way of insuring the transmission of really important news.

203. Are you able to say why your proprietors have not acceded to your view of the case?—There has been no time for me to ascertain their views. It was understood that if this session had lasted Mr. Horton was coming down from Auckland to give evidence; and I believe that Mr. Reeves and Mr. Fenwick would also tender evidence. Overtures were made to us some time ago to absorb other papers, but they failed to result in any satisfactory arrangement.

204. *Mr. Stevens.*] You think that if an arrangement were made to have only one association instead of two it would be an improvement?—I think so; but I only state my own opinion on the subject.

[At a subsequent stage the witness produced copies of agreements made with special-wire papers.]

Mr. F. McCARTHY sworn and examined.

Mr. McCarthy.

206. *The Chairman.*] What is your name?—Florence McCarthy.

207. What is your profession?—At present I am a Press Telegraph Agent residing in Wellington.

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208. We are ready to hear from you any representations you wish to make on Press telegraphic business?—I had no intention of making any particular representations.

209. Have you any complaints?—I have no specific complaints beyond the general complaint that there are frequent delays in the transmission of messages, but I would not attempt to fasten the responsibility upon any person.

210. Have you any complaint to make against the special-wire system?—The system has some advantages, and many disadvantages. The advantage is that you can get a quantity of news through at a reasonable rate, providing the wires are working well.

211. Cheap?—Yes, cheap. The disadvantages are that you are liable at any moment to have important news cut off in a manner that you cannot understand; but I do not attempt to fasten any blame on any one, as in such circumstances the wires may not work well.

212. You do not complain of any breach of the special-wire agreement?—No; but it very often works awkwardly. There is another disadvantage, which I need scarcely allude to as nobody is to blame: The system has a tendency to demoralize telegraphy. Men seem to forget that, when more news is put in at one end than the wire is capable of carrying, it is likely to be shut out at the other end.

213. And does that arise from the fact that there is no specific sum charged for any number of words you want to send?—It has a tendency to induce a man to believe that the wire is capable of carrying any amount, and to pile it on.

Mr. McCarthy.

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214. They do not take the trouble to condense?—It arises from the system.

215. So far, then, the system works badly?—Yes.

216. Then the only advantage, as I understand you to say, is that it works cheaply?—Yes, I believe it is cheap if distributed amongst the papers of the colony, but as it is distributed it is not particularly cheap.

217. How many papers have you connected with the Press Agency's special wire?—So far I know of only two papers which contribute towards the cost.

218. Have they any subsidiary agreements?—They have; but it is no assistance towards paying the cost of the special wire.

219. You say you have only two papers contributing towards the special wire, which would involve an expenditure of £1,000 each; do they get relieved of any portion of that?—No.

220. Do they supply any other papers with news?—The *Press* may to the extent of £50, but that is all I know of.

221. Can you give us any scheme by which the present difficulties may be remedied?—The special wire would not remedy them unless it were kept open night and day. The simplest way would be to return to the old arrangement, by which all the papers got their messages through.

222. And you think the old arrangement was a better one than the special wire?—Yes, I do.

223. You mean the system before the special wire commenced in January last?—Yes. It is known as the 1s.-per-100-words system. After 5 o'clock you could lodge whatever was necessary for Press purposes, and if the office could transmit it the department would do so if it took them up to 8 o'clock next morning. The charge was 1s. 3d. for the first 100 words, and 1s. for every succeeding 100 words.

224. Mr. McLean.] How many papers are connected with your Agency that bear a share of the cost?—The special wire and ordinary wire are different. I could not tell you precisely without reference. The number is about twenty-five. The newspapers are pretty equally divided between the two agencies, and all, with the exception of two of these, contribute towards the expenses of agents. There is so much charged to each paper by way of subscription.

225. What two papers pay the cost of the special wire used by the Press Agency?—The amount is £2,000, for which the Canterbury *Press* is responsible, but they recover something of it.

226. So that the two newspapers practically bear the whole cost of the special wire?—Yes; and it practically devolves on the Canterbury *Press*.

227. Have you endeavoured to get any papers to contribute towards the expense?—Yes; I have endeavoured to induce several papers to give up the Press Association and rejoin the Agency; and I have reason to believe that at least three would come back if they could cancel the agreement under which they are bound to the Association; but the agreement is such a binding one that they do not like to risk the expense of a lawsuit. I could give you a copy of their agreement, which I have in manuscript, but I have not brought it with me.

228. Then these two newspapers are compelled to pay the £2,000 for a special wire, in order to get the same advantages as the Press Association?—Yes; in order that they may be placed on an equal footing with the papers connected with the Press Association as regards telegrams.

229. Suppose you did not use the special wire for your telegrams, up to what hour could you lodge telegrams for transmission?—Up to 10 o'clock at night.

230. How long can the Press Association use the special wire?—Up to 2 o'clock.

231. Therefore, if you did not use the special wire, you could send no news after 10 o'clock, while the Press Association could transmit up to 2 a.m., and thus those two papers have to pay £2,000 to be placed on an equal footing?—Unless in special cases; we could not do it as a general thing.

232. Then, suppose you did not use the special wire, you would require, in order to put you on an equal footing with the Press Association, that the department should receive your messages after 10 p.m. up to 2 o'clock in the morning?—I should require that to be on an equal footing with them.

233. Therefore do you not think that these two newspapers are unfairly handicapped by the existing arrangements?—I do not say that it is unfair, but they are handicapped out of all proportion to any other newspaper in the colony.

234. You say that this special wire encourages the sending of a lot of rubbish over the wires?—It has a tendency to demoralize the agents as to the quality of news they send. Under the system it is almost impossible to induce agents to take trouble in eliminating rubbish from the news they lodge for transmission, and the consequence is that a large amount of it is sent.

235. Mr. Stevens.] Are you aware that the second special wire was given to the Press Agency at the same time as the other was?—So far as I am aware the Press Agency did not succeed in getting a special wire from the Government until some time after it was granted or promised to the Press Association.

236. Are you aware whether or not in consequence of that the Press Association succeeded in obtaining customers for their wire which they would not otherwise have got?—I could not prove anything of the kind; but I have every reason to believe that, owing to the promises they got from the Government, they were able to make such representations as induced many papers to join them.

237. You believe that the action of the Government gave the Press Association a basis upon which to work?—I believe so.

238. A basis of a preferential kind?—Yes; I always thought it was an unfair thing that such an arrangement should have been made without our having an equal chance. I thought that rather hard on the Government and the officers of the department.

239. What do you think would be the best arrangement for supplying the newspapers with telegrams? Do you think the continuance of a special wire is necessary?—My private opinion is that it is not. From my own experience I should say that the most equitable plan would be to keep the offices open until midnight.

240. Would you not require something later?—We might, occasionally; but, as a rule, very little news went after 10 or 11 o'clock at night before the special-wire system. On rare occasions there might be a fire, a disturbance, or a riot occurring late, which we desired to send; but it is very seldom that anything of importance occurs after midnight.

241. What is your view as regards the interests of evening papers?—The evening papers are very difficult to supply. There is a great deal of public work which interferes with the Press work, which is no doubt very heavy. I am not able to speak of the facilities which the department is able to give.

242. What would you consider would be the best form of meeting the requirements of the evening papers?—There would require to be some limit as to what they would require in the shape of telegraphic intelligence. It would be advisable to facilitate the transmission of their news between 2 and 3 p.m. They would require that more than any other concession.

243. Do you think it would answer the purpose if they had a right to have, say, 100 words between 1 and 2 o'clock in the afternoon, with perhaps an occasional extension up to 2.30 p.m.?—I do not know how that would work.

244. You have not considered that question?—No, I have not.

245. Do you consider it would be necessary to have an extension after midnight for morning papers?—I do not think there is any necessity for it; as I have said before, very little news transpires after 10 or 11 at night.

246. Do you think it advisable that any special arrangements should be made at the request of papers?—That is a matter for the department. I have heard a suggestion that the offices should be kept open till 12 o'clock, and that some person should sleep in each office and receive messages up to the limited extent after that hour.

247. *Mr. Feldwick.*] Do you as a telegraph agent think that the news has deteriorated since the special wire?—It has in every respect.

248. Do you find that at some stations from which you desire to get news the messages do not come through?—Very frequently.

249. And matter of inferior quality does get through?—Sometimes.

250. You have been sub-editor of a newspaper?—Yes.

251. Do you think it would be fair that the newspapers that have a special wire, and desire to abandon it, should be allowed to put in telegrams up to the time that the wire now closes?—Yes, at a word rate.

252. Your association is largely supported by evening papers?—Yes.

253. Are they not very large customers of the Telegraph Department?—They are.

254. Do you think they usually exceed the 1,500 words given them during the day?—On an average they do not come up to it. There are only probably two papers in the colony that come up to that limit. I am speaking from the knowledge I have, and I include the cable messages and other telegrams.

255. Do you not think it is a matter of public importance that evening newspapers should be well served?—I think it is a matter of public importance that all should be well served.

256. Do you think that evening papers or morning papers pay most to the department while the special wire exists?—That I cannot say.

257. What do you imagine?—It would be difficult for me to say. I fancy one pays quite as much as the other in the long run.

258. But you think evening paper telegrams sent at a word rate are much better compiled?—Most decidedly.

259. *The Chairman.*] Are the Press Association and the Press Agency at the present time on an equal footing? Have they equal privileges?—So far as I am aware.

260. Has the Press Agency an agreement with the department?—Yes, I believe so.

261. Is it the same as the other one?—I believe it is.

262. Who signed it?—I signed it on behalf of the Press Agency.

263. When was it signed?—I cannot tell you the exact date.

264. Have you any fault to find with Dr. Lemon personally?—No, I have not.

265. Would you be willing to give up the agreement you have signed with the Government provided you get a fair arrangement and the office were kept open at a word rate until midnight?—Yes, we would gladly give it up. It would never have been entered into but to prevent certain papers being placed at a disadvantage.

266. You would rather go back to the old plan?—Certainly.

267. Was this concession which was made to the Press Association, and the manner in which you were handicapped by having to enter into this agreement with the Government, the cause of your partnership with Captain Holt being brought to an end?—Yes, it was. I thought if the personal hostility to Captain Holt were removed I might struggle on and be able to survive.

268. Then, through the concession given to the Press Association, you lost money personally.—Yes.

269. What leads you to think that any person entertained personal hostility to Captain Holt?—Well, the general impression got abroad. That was the idea I had, and many others had the same. I knew there were not very amicable relations between Sir George Grey and Captain Holt, and one circumstance that I may mention assisted in creating this feeling. A few years before Sir Donald McLean died he came to Captain Holt and asked him if he knew anything about the Omaramui transaction, and if he would have any objection to supplying the information. He gave it on a piece of paper, and Sir Donald McLean made no use of it whatever; but, in a debate which occurred after his death, Mr. Ormond made use of it, when political feeling was running high, and from the paper having no date upon it it appeared as if it had been just supplied, whereas it had been supplied to Sir Donald McLean a year before. I have often thought that the misapprehension which the fact of the date being omitted created did Captain Holt a great deal of injury, and indirectly, of course, it injured me.

270. *Mr. McLean.*] That was your feeling with reference to the matter?—That was the only feeling I had. I proposed to Captain Holt that it would be better, under the circumstances, if he withdrew, as there was nothing for it but loss, and Captain Holt had something to occupy him, and I had nothing but to stick to the Agency, or to throw it up altogether.

271. Was there a living in the Press Agency before the Government gave this concession to the Press Association?—There was just a fair living in it, for which we worked hard.

Mr. McCarthy.

August 6, 1879.

Mr. McCarthy.

August 6, 1879.

272. And after they gave this concession to the Press Association you began to lose money?—It was simply ruin, that is all.

273. But were you not put to great disadvantage and loss through the action of Reuter's Company?—Yes. I believe the proprietors of Reuter's Company would never have given those telegrams to the Press Association except for the action of the Government.

274. Then you have no complaint to make as to the action of the department in respect to the special wire?—I have no complaint to make. I know when any delay takes place it occurs through circumstances over which nobody has any control.

APPENDIX.

MEMORANDUM by Dr. LEMON.

MR. GILLON says, The agreement was made at the suggestion of gentlemen connected with the Press, who are connected with the special-wire work in England, where they are constantly used between London and Paris, and where they work excellently well, and they thought the system would work as well here; and further states, That it did work well last session between Wellington and Auckland for the *New Zealand Herald*, but we managed in some way to excite the hostility of the head of the Telegraph Department, &c.

What Mr. Gillon calls a special wire in his acceptation of the term is not a special wire. The instance where he quotes that a special-wire worked well—namely, between Wellington and Auckland—is really what a special wire is—that is, between two points with no interruption or intermediates between those points, consequently the matter flows in one direction. There are twenty-two such circuits in the London central office. The matter is put in at the central office, and is telegraphed to some particular newspaper on each circuit. The matter put in at the central office is telegraphed direct into the office of the newspaper to which the special wire belongs. For the finding of the wire and the operator at each end each newspaper pays £500 per annum. The *London Times* has a special wire from the London central office to Paris, joined up at night into their own office in Printing House Square, for which it pays the British Government and the cables who give the wire £8,000 per annum. They collect all their news on the Continent into one centre at Paris, and telegraph it nightly into Printing House Square. The wire leased to the Press Association and Press Agency is not a special wire, but simply the exclusive use of one of the wires belonging to the department during certain hours. It is absolutely impossible that, where matter can be placed upon the wire at a number of points at the same time, any individual paper can reap the advantage of the wire to an extent equal to what a newspaper leasing a special wire proper can; and Mr. Gillon's own statement bears this out. By his statement he says the average does not reach 800 words per hour. This I grant, but if the Committee will understand that on this wire change and interchange have to be accepted, say hypothetically from A to B, and from B to A, and that 800 words have been landed at A within the hour, and 800 words landed at B within the same hour, then it must necessarily follow that 1,600 words have passed over that section within the hour, and it must be self-evident that, if A had been telegraphing to B the whole of the time, B would have received 1,600 words instead of 800. Mr. Gillon proves that this would be possible by his own argument, for on the night he says a general order was obtained, &c., he says the average was 1,700 words per hour up to 1 o'clock. This result was arrived at through the matter flowing all one way, or, in other words, from A to B. I think I may fairly say that Mr. Gillon, in condemning the department, has only proved, by his own showing, that he has been most fairly dealt with, and the wire worked to the fullest capacity. As regards Mr. Gillon's statement, to the effect that officers had told him they performed the special work at their leisure, I append a reply elicited by me from the officer in charge of the night staff at the Wellington station. (See papers marked A.) Mr. Gillon quotes, as one of the shortcomings of the department, and as asserting Dr. Lemon's antagonism to him, an example of the *Tauranga Times* not getting a telegram put in by him at the Government Buildings at 9.45 p.m. He would lead the Committee from his broad statement to infer that this arrangement of 10 p.m. to Tauranga has been in force for some time. As a matter of fact the opening of the office till 10 p.m. at Tauranga has only been in force since Tuesday last. This station is not one of the special-wire stations, but was opened at the request of the proprietor of the Tauranga paper, and the officer in charge of the night staff at Napier, through a misunderstanding with the Wellington office, allowed Tauranga to go at sharp 10. The message was not put in till 9.45 at the Government Buildings, and it will be observed is timed 10 o'clock at the Wellington office. Mr. Gillon's not being advised of the non-transmission the first thing on the following morning was an oversight on the part of the officer in charge, who, it may be stated, is not the same officer who has charge of the night staff.

Mr. Gillon states that the fines inflicted on the officers he believes go to the revenue. This is entirely wrong. The Fine Fund is under the immediate control of the Telegraph Commissioner for the time being and the General Manager, and is returned to the officers of the department in various ways, such as giving aid in cases of sickness, providing means of recreation, and such like. The books kept at the head office, as well as the records of the department, will prove this.

Mr. Gillon states that last night a telegram containing parliamentary news of between 3,000 and 4,000 words was put in early, but only 1,500 words got beyond Christchurch, and would lead the Committee to infer that his instructions respecting parliamentary news taking precedence had not been carried out. As a matter of fact all the parliamentary news went south of Christchurch, and I attach in support of this Mr. Mason's telegram dealing with the matter. (See papers marked B.)

Mr. Gillon states that "Dr. Lemon appears to have a general dislike to Press interests." Dr. Lemon, in reply to this assertion, takes to himself the credit of having done more for the Press of New Zealand in obtaining concessions for the Press than Mr. Gillon is aware of, and if the system which was inaugurated by Mr. Montrose, in which Dr. Lemon greatly assisted by advising that gentleman, was in force now, complete satisfaction would be the result. The system was to gather all matter into one centre and catering (in a condensed form if required) for each newspaper according to its requirements, and not, as now obtains under the present system, of loading the wire from one end of the colony to the other with matter of only interest to one section of the community represented by perhaps one or two papers. The telegraphic columns of all the local papers will bear out this statement.

Mr. Gillon's statement as to delay may or may not be correct. Delays when the wires are out of order or working indifferently cannot be avoided, but every endeavour is made under all circumstances to reduce delays to a minimum. As regards the errors as to rebate the mistake arose through omission on the part of the officers at Blenheim and Christchurch omitting to report the fact of certain suspension of the special wire. This is now guarded against by a daily report being forwarded of each section. To show that Mr. Gillon was not exceptionally treated it may be mentioned that the same error affected the Press Agency.

Mr. Gillon states that I have been in constant antagonism with him since the wire started, &c. If adhering to the terms of the agreement may be termed antagonism, and allowing each agency what it is entitled to under such agreement, then I plead guilty to the charge; but the Committee may rest assured that I have faithfully discharged the trust reposed in me by the Government, and have given effect to their wishes to the fullest degree. The agreements in question were submitted to the Government, approved of by the Government, and I have carried them out faithfully, and any officer of the department, from the Assistant Secretary downwards, will indorse my statement.

Mr. Gillon, in his evidence, states that the agreements not being completed by the Governor is the fault of the department. This I utterly deny. On the 31st December, 1878, I forwarded to Mr. Reeves the bond for the signature of himself and others of the contracting parties. It was not returned to me until the month of April, when the Marquis of Normanby had left New Zealand, and the records of the department will prove beyond dispute that I wrote and telegraphed to the contractors to forward me the bond duly completed. Had this received their proper attention the bond could have been returned to me by the end of January and completed by the then Governor.

In conclusion, I may state that, since the 12th of April last, the internal routine and official management have been under the charge of the Assistant Secretary, and that gentleman has not been biased or in any way interfered with by me in his relations either with the Press Association or Press Agency. I handed over to the Assistant Secretary an organization, the outcome of twelve years' personal management, and without any egotism on my part, based on the observation of what I have gathered from other administrations of a similar nature, I may say that it is as near being perfect as it is possible to be, and nothing would give me greater pleasure than to have a most minute and searching investigation made of my management of the department during the past twelve years. That the result would be favourable to me I am quite confident of.

The attached memorandum (C) approved of by the Commissioner shows how the department is now administered, and was done on my sole recommendation, based upon the fact that the work of the department was getting beyond the minute control and supervision of one man. Since the year 1868 the management both inside and outside has been vested in me. The salary then drawn by me was £400 per annum. The salary drawn by the engineer was £600 per annum. On his being dispensed with, my salary was increased to £500 per annum, and by this amalgamation £500 per annum was saved to the country. Within the last few years my salary has been increased to £700 per annum. At the time the amalgamation took place there were 1,100 miles of line carrying 2,200 miles of wire, and 31 stations opened to the public. There are now 3,500 miles of lines, 8,100 miles of wire, and 195 stations open to the public. These figures speak for themselves, and the smoothness with which the department has run as a whole proves that I was equal to the management of it; and they also prove that the assistance readily accorded me by the present Commissioner was not asked for before it was fairly warranted.

C. LEMON,
General Manager.

Enclosure A.

Mr. BALLARD, Assistant Officer in Charge, Wellington Station.

Mr. GILLON, in his evidence before Telegraph Committee, states that "The officers have told me, 'We are obliged to remain until 2 o'clock, and there is no need for any hurry; we plod along slowly.'"

As you have had charge of the night-work since Parliament opened as Assistant Officer in Charge, from your observation based upon your experience as an operator, can you inform me as to the correctness or otherwise of this assertion? Note your reply hereunder. Please show this to the officers of your staff.

C. LEMON.

6th August, 1879.

FROM my experience as an operator in the chief offices of the colony, and as officer in charge of the night-staff here, I can state that the speed at which the special wires are worked at this office is more rapid than at any other, and that the greatest despatch is given to "special" memoranda.

I may add that the operators employed on "special" wires always push off their work in order to get clear, and so keep it well in hand.

6th August, 1879.

J. G. BALLARD.

Enclosure B.

(Telegram.)

Wellington, 6th August, 1879.

PLEASE reply to my Service telegram of the morning *re* Association's specials of last night.

W. Mason, Christchurch.

A. T. MAGINNITY, Assistant Secretary.

(Telegram.) Christchurch, 6th August, 1879.
CANNOT answer Service telegram *re* Association's specials till Mr. Harrington comes on duty at 4 p.m.
Assistant Secretary, Wellington. MASON.

(Telegram.) Christchurch, 6th August, 1879.
RE Association's specials of last night. The message unfinished was one of general news. The parliamentary was sent. We can never get work off to Timaru, Oamaru, and Dunedin together as fast as we can receive it from Blenheim. Last night Dunedin complained of weather contact. Operators here do all that can be done.
Assistant Secretary, Wellington. MASON.

Enclosure C.

New Zealand Telegraph, Head Office, Wellington, 22nd April, 1879.

MEMORANDUM.

HIS Excellency the Governor having appointed Mr. A. T. Maginnity to be Assistant Secretary to the Telegraph Department, the following division of the work of the department between the General Manager and the Assistant Secretary has been decided upon. Officers will therefore be good enough to address the General Manager or the Assistant Secretary only upon matters in connection with the duties under their respective control, as shown in the subjoined list.

The General Manager will superintend: 1. The construction of lines. 2. Erection of offices and fitting up of same. 3. Arrangement of circuits. 4. Maintenance of lines. 5. Training of cadets. 6. Control of linemen. 7. Control of inspectors. 8. Requisitions for instruments, home and departmental. 9. Requisitions for stores for maintenance of lines and construction. 10. Contracts for material, poles, arms, &c.

The Assistant Secretary will superintend: 1. The internal organization of the offices, which includes supplying with operators, cadets, counter clerks, and messengers, also officers in charge and assistant officers in charge. 2. Supervision of the revenue. 3. Supervision of the expenditure incurred inside offices. 4. Control of relieving officers and application for leave of absence of operators. 5. Requisitions for stationery, home and departmental. 6. Requisitions for fuel, light, &c. 7. Requisitions for cleaning offices. 8. Distribution of cadets after training. 9. Applications for appointment. 10. Applications for opening stations and guarantees for same if required. 11. Procuring of sites for stations. 12. Arranging with Secretary, General Post Office, respecting joint appointments. 13. Attention to complaints, searches for telegrams, &c.

It will be seen from the foregoing that all out-door duties are under the control of the General Manager, while the internal official routine with the exception of the arrangement of circuits, is under the control of the Assistant Secretary.

So far as the present duties of inspectors come under the supervision of the Assistant Secretary—namely, in the inspection of officers' accounts, &c.—they will act under his direction in this respect when the necessity arises.

C. LEMON,

General Manager.

MEMORANDUM by Mr. W. BERRY.

I WISH to premise that I do not speak on behalf of the proprietors of the *New Zealand Herald*. The past working of the special wire has not been satisfactory, owing chiefly to the arrangements of the department. I doubt whether news agencies can satisfactorily work a special wire, as in their hands it becomes not a special wire at all, as that term is applied at Home. I will confine myself to giving my opinion of what would be satisfactory arrangements in the event of the special wire being discontinued. I think the principal offices should be kept open for the reception of Press messages till 12 o'clock, and, if necessary, a higher fee to be charged on all messages lodged after 10. At present operators are kept at the principal offices to send through cable messages coming between 2 and 3 o'clock a.m. In the event of a fire occurring at any of the principal towns, or any event of great importance, it should be possible to send such messages through to all the towns at which operators are kept up till 4 o'clock in the morning. When Parliament is sitting, the Wellington office should be kept open till half an hour after the adjournment, when the House sits beyond 12 o'clock. I would suggest that no determination should be come to on the subject of special wires till the proprietors of the newspapers chiefly interested are examined.

WILLIAM BERRY.

MEMORANDUM by Mr. C. O. MONTROSE.

GENTLEMEN,—

As you were good enough to grant me permission to make a statement in writing to the Committee, I desire to say that, in 1870, I started the first Press Telegraph Agency in New Zealand, on the Government abandoning the supply of Suez and Australian telegrams to the Press. I carried on that agency for a period of nearly four years, when an opposition was established by Sir Julius Vogel, Mr. Reeves, and Mr. Harrison, representing respectively the *Daily Southern Cross*, *Lyttelton Times*, and *New Zealand Times*. Their agency was subsequently absorbed by mine, and shortly afterwards my interest passed into the hands of Messrs Holt and McCarthy.

Speaking from my experience of Press telegraphy, I should say that the existing special-wire system is wasteful, extravagant, and inefficient, for the following reasons:—

1. The two special wires duplicate the same matter to a very large extent.
2. Agents do not exercise discretion in the selection of news, and take no pains to condense.
3. There is no efficient check upon the quantity of telegraphic matter wired, and the consequence is that an indiscreet and over-zealous agent will frequently block the whole wire throughout with matter of practically little or no interest, to the exclusion of all news from other points. This was avoided by the central system established by myself, under which all telegraphic intelligence was sent

to Wellington in the first instance, and redistributed according to the special requirements of each journal. By this means also there was an effective check at the central agency upon the quantity of matter distributed; while, in all cases where events of importance occurred, discrimination could be exercised in the amount of news sent out in the aggregate by curtailing messages from other places than that the news from which deserved prominence.

4. I should like to add that the blocks which have sometimes occurred on the wires since the special-wire system came into operation were, in my opinion, not caused by any want of efficiency in the Telegraph Department, or any unwillingness on the part of the officials to aid the Press in the distribution of news. I think the special wire, from the competition between rival agents to send quantity and not quality, has very greatly overstrained the resources of the Telegraph Department, Press telegraphy having since the beginning of the year been carried to an extent in New Zealand far in excess, in proportion to population and the resources of the newspapers, of any other British colony.

I may add that, if the Committee desire any further information, I shall have much pleasure in affording it to the best of my ability.

I have, &c.,

Wellington, 7th August, 1879.

CHARLES O. MONTROSE.

STATEMENT made at the request of the Committee by Dr. LEMON relative to the Telegraph Department.

1. *Relations with the General Public: The Hours during which, and the Terms under which, their Wants are supplied.*—The hours open to the public are from 8 a.m. till 8 p.m. at all large stations, and at small stations from 9 a.m. till 5 p.m. At some of the small stations the public can send telegrams between 7 and 8 p.m. On Sundays the hours are, for all stations, from 10 a.m. till 10.30 a.m., and from 5 p.m. till 5.30 p.m. The tariff rates in force are three in number, namely—(1.) Ordinary: 1s. for the first ten words, and 1d. for every additional word after ten. Address and signature up to ten words free. This tariff is from any point to any point in New Zealand. Telegrams of this class can be taken as "Collect," and also made "Reply paid." (2.) "Urgent telegrams:" The tariff rates in force for messages of this code are 2s. for the first ten words, and 2d. per word after ten; address and signature free up to ten words. (3.) "Delayed telegrams:" The tariff rates in force for this code are 6d. for the first ten words, and $\frac{1}{2}$ d. per word after ten; address and signature free up to ten words. These telegrams are taken from the public and telegraphed on at convenient opportunities during the day to their destination, at which they are posted, after the close of business, and reach the receivers through the ordinary channels of the Post Office. In conjunction with the Post Office a money-order telegraph system is in force, of which the public can avail themselves, between any two money-order offices in the colony. The rate is 1s. for the telegraph fee, and a commission to the post office of 4d. in the pound on the amount of the order. Telegrams of the ordinary class can be posted at any post office, addressed to the nearest telegraph station, the amount chargeable on such telegram being affixed in stamps by the sender, any deficiency in computation being collected from the receiver. As to transmission: Ordinary telegrams are telegraphed in their order of reception as to time, and are delivered in the large offices in batches. Urgent telegrams take precedence of the above, under the same conditions as to time of presentation, and are delivered by special messenger immediately upon arrival at destination. On Sundays urgent and ordinary telegrams double above rates.

2. *Relations with the Press of the Colony as a Whole.*—Press telegrams can be put upon the wires for any paper, morning or evening, at the following rates—namely, between the hours of 8 a.m. and 5 p.m., for every ten words or fraction of ten words 6d., for every additional word $\frac{1}{2}$ d.; between the hours of 5 p.m. and 10 p.m. 6d. for the first twenty-five words, and 3d. for every additional twenty-five or fraction of twenty-five. Exceptions to the above: Papers publishing before 5 p.m. are allowed, between 8 a.m. and 5 p.m., 1,500 words, at the rates in force between 5 p.m. and 10 p.m.

3. *Relations with the Firms known as the Press Association and Press Agency.*—A special wire is leased for two years from the 1st January, 1879, by each of the firms named, touching at all the chief centres from Auckland to the Bluff. The sum paid by each firm for this privilege is £2,000 per annum, payable monthly in advance. The stations opened for this sum are Auckland, Napier, Wellington, Blenheim, Christchurch, Timaru, Oamaru, Dunedin, Invercargill, and the Bluff, the last-named station is only included in the list on those nights upon which it is expected an Australian steamer will arrive at the Bluff. The wires are placed at the disposal of the above-named firms between the hours of 8 p.m. and 1 a.m. on all nights excepting Saturdays and Sundays, when the hours are from 7 till 10 p.m. and from 6 till 7 p.m. respectively. During the session of Parliament the days on which the wires are open till 1 a.m. during the recess are extended till 2 a.m.

3A. *Particulars connected with the Special Wires.*—In addition to the above, either of the above associations can have any station on the line of route not mentioned in the foregoing list opened to the special wire so soon as the department can make the necessary arrangements for providing requisite staff, upon their notifying their readiness to pay the extra cost—viz., £70 per annum. This has been done with the Press Association in the case of Hokitika and Greymouth, and with both associations in the case of Grahamstown and Ashburton. This supply of wire only relates to one copy at each point named; should two or more copies be required an additional charge of 5s. per night for each additional paper so supplied is made. Rebates are allowed in the event of interruption to lines, and the department reserves the right, subject to such rebate, of taking either or both special wires for the public use should the wires during the day become crippled to an extent to warrant its doing so. Neither of the agencies is allowed under the terms of the agreement to collect in the aggregate more than £2,000 per annum each, exclusive of such sums as the department may collect for copies or for additional stations opened, or, in other words, this restricts the contracting parties from farming their right out at a profit. The contracting parties under the title of the Press Association are Messrs. J. L. Wilson, Horton, Reeves, and Reynolds as chairman of the *Otago Daily Times*, and the Press Agency, F. McCarthy.

3A. *Alternative System, which, whilst it would not interfere with the public interest, would place all newspapers on an equal footing.*—This portion of the question can only be met by having one tariff in operation from 8 a.m. till close of office, hour of closing at certain points to be extended till midnight. The rate I would recommend would be one halfpenny per word to all papers irrespective of morning or evening publication, with this exception: In the case of evening papers I would allow a telegram not exceeding 100 words to be put in at any point between 1 and 2 p.m., such telegram to take precedence of all other matter, excepting urgent telegrams, up till 2.30 p.m., the matter in telegram to be outcome of events happening between those hours, such telegrams to be specially addressed by the sender, "Take precedence." As regards extension of hours after midnight, at the request of any paper; such request to be complied with up till 2 a.m. on payment of an advance of 25 per cent. upon the rate mentioned. During the session of Parliament the hours to be extended till 2 a.m. at the ordinary Press rate above indicated. At all the stations which are opened till midnight the public to be allowed to present telegrams for transmission at double the ordinary rates now in force.

Attached hereto is a tabular statement showing the tariff rates in force in the adjacent colonies, as also in America and England, and those in force in New Zealand.

New Zealand Telegraphs, Head Office,
Wellington, 5th August, 1879.

C. LEMON,
General Manager.

TABLE showing the Press Tariff Rates in force in the Australian Colonies, Great Britain, America, and New Zealand, &c.

Country.	Hours	Rates in Force.	Remarks.
Adelaide ...	9 a.m. till 8 p.m....	6d. for first ten words, and $\frac{1}{2}$ d. per word after.	Offices kept open at night when requested to do so.
Queensland ...	After 8 p.m. ... 9 a.m. till 6 p.m....	Double the above rate. 6d. for first ten words, and $\frac{1}{2}$ d. per word after.	Telegrams transmitted at any hour of the night where night clerks are in attendance.
New South Wales	After 6 p.m. ... Day-time and night-time. 1 p.m. till 2 p.m....	Same rate. 6d for first ten words, and $\frac{1}{2}$ d. per word after. 1s. 6d. for 100 words to evening papers, but quantity of matter limited. If matter not all through in the hour, remainder sent on when lines not engaged with public messages.	Do not keep offices open for Press unless specially requested to do so. The Sydney office always available.
Victoria ...	8.30 a.m. till 7.30 p.m. 7.30 p.m. till 11 p.m. After 11 p.m. ...	6d. for first ten words, and $\frac{1}{2}$ d. per word up to thirty-four. Over thirty-four words and under 100 words, 1s. 6d. Each additional fifty or under, 6d. 100 words and under, 2s. Each additional fifty words, 9d. 100 words, 4s. Each additional fifty words, 9d.	Stations where papers take reports nightly are in attendance at 10.30 p.m.; and stations are kept open upon notice being given that reports will be sent. If none sent, minimum rate still charged.
Great Britain ...	9 a.m. till 6 p.m.... 6 p.m. till 9 a.m....	1s. for every seventy-five words or portion of seventy-five words. 1s. for every 100 words or portion of 100 words.	An additional charge of 2d. for seventy-five, or 2d. per 100, as the case may be, for every additional copy to same town.
America	One cent per word for every 500 miles. Additional copy to same town, half rate.	
New Zealand ...	8 a.m. till 5 p.m.... 5 p.m. till 10 p.m....	6d. for first twenty-five words, and $\frac{1}{2}$ d. per word after. 6d. for first twenty-five words, and 3d. every twenty-five words after.	Evening papers allowed 1,500 words at evening rates during day-time. Offices kept open after 10 p.m. at evening rates, if specially requested for particular purposes.

5th August, 1879.

C. LEMON,
General Manager.

The CHAIRMAN, Press Telegram Committee, to Mr. C. E. BRIGGS.

(Telegram.)

Wellington, 6th August, 1879.

PLEASE state for information of Telegraph Committee the names of newspapers, and amounts paid by each, subscribing to the Press Agency special wire.

Mr. C. E. Briggs.

FRED. WHITAKER,
Chairman.

Mr. C. E. BRIGGS to CHAIRMAN, Press Telegram Committee.

Christchurch, 9th August, 1879.

UNTIL quite recently whole cost borne by *Press*, Christchurch, and *Morning Herald*, Dunedin. Now *Press* pays £1,276; *Morning Herald*, £500; *New Zealander*, £87; *New Zealand Times*, £87; *Thames Advertiser* and *Ashburton Mail*, £10 each; *Southland News*, £30. Press Association having large number of subscribers, each gets his telegram for less than ordinary Press rates would amount to.

C. E. BRIGGS.

F. Whitaker, Esq., Chairman, Press Telegram Committee.

COPY of Incomplete AGREEMENT referred to in Evidence by Dr. LEMON and Mr. E. T. GILLON.

AGREEMENT made the 21st day of April, 1879, between George Augustus Constantine, Marquis of Normanby, Governor of the Colony of New Zealand (herein referred to as "the Governor"), of the one part, and William Scott Wilson, Joseph Liston Wilson, and Alfred George Horton, trading under the style of "Wilsons' and Horton, *New Zealand Herald*, Auckland, William Reeves, proprietor, *Lyttelton Times*, Christchurch, and the *Otago Daily Times* and *Witness* Newspapers Company (Limited), who, and whose heirs, executors, administrators, successors, and assigns, is and are, unless where the context requires a different construction, referred to and included in the term "the contractees," of the other part: Whereas for the purpose of giving facilities for the transmission by the electric telegraph of news intended for publication in newspapers, the Governor has agreed with the contractees to give them special use of the wire hereinafter referred to during the periods and upon the terms and conditions hereinafter set forth: Now this agreement witnesseth that the Governor and contractees mutually covenant and agree as follows:—

1. That for the space of two years, from the 1st day of January, 1879, and during the periods following—that is to say, while Parliament is in session, on every Monday, Tuesday, Wednesday, Thursday, and Friday, between the hours of 8 p.m. to 2 a.m., and on Saturdays between the hours of 7 p.m. and 10 p.m., and on Sundays between the hours of 6 p.m. and 7 p.m.; while Parliament is not in session, on every Monday, Tuesday, Wednesday, Thursday, and Friday, between the hours of 8 p.m. and 1 a.m., and on Saturdays and Sundays between the same hours as fixed while Parliament is in session, the General Manager of Electric Telegraphs shall give the contractees the use of a wire to the following places, namely: Invercargill, Dunedin, Oamaru, Timaru, Christchurch, Wellington, Napier, and Auckland, and shall transmit thereby all telegraphic communications presented during such periods as aforesaid by the contractees or their agents at any of the telegraph offices in any of the places aforesaid for transmission to any other of such places. No telegraphic communication will be transmitted under this agreement unless it solely relates to news intended for publication in newspapers; and if any dispute shall arise on this provision the Electric Telegraph Commissioner for the time being appointed under the Electric Telegraph Act (hereinafter referred to as "the Commissioner"), shall decide, and his decision shall be final and conclusive. The telegraph offices at the several places aforesaid will be closed immediately upon the expiration of the latest hour fixed as aforesaid for the use of the wire, and no telegraph communication, or portion of a telegraphic communication, not transmitted before such hour shall be transmitted thereafter.

2. That for the purpose of this agreement the agents of the contractees shall be appointed by notice in writing, signed by the contractees or by one of them, to the General Manager of Electric Telegraph lines (herein referred to as the "General Manager"). Notice of the revocation of an agent's appointment shall be given by the contractees to the General Manager.

3. That, if the contractees so require, the officer in charge of any telegraph station situate in any of the places aforesaid will supply any newspaper office situated in any of such places with a manuscript copy of the telegraphic communications presented for transmission by the contractees or their agents under this agreement, and which arrive at such station during any night: Provided that, if more than one newspaper office situated in the same place is supplied, every copy exceeding one shall be charged for at the rate of 5s. per copy. Notice in writing shall be given to the General Manager and the officer in charge by the contractees of the newspaper offices required to be supplied under this provision.

4. That all telegraphic communications, or copies thereof, arriving before the hour of 10 p.m. will be forthwith thereafter delivered by the Telegraph Department as addressed. That telegrams, or copies thereof, arriving after that hour will not be delivered, except at the telegraph office.

5. That, if requested by the proprietor or publisher of a newspaper published in any of the places aforesaid, which the contractees have agreed to supply with telegraphic communications or copies under this agreement, the General Manager will cause the office of such newspaper to be connected with the telegraph office by a wire and bell. When a telegraphic communication or copy is ready for delivery the telegraph officers will signal by means of such bell to such newspaper office.

6. That the Telegraph Office at the Bluff will be opened and the operator be in attendance thereat during each month when steamers from Australia are expected. During these times that office is to be the terminal office instead of the office in Invercargill. Except as above, the office at the Bluff will not be open for the purposes of this agreement.

7. That, whenever any of the wires communicating with any of the places aforesaid are out of order, and of which fact the General Manager shall be the sole judge, the General Manager may temporarily suspend the contractees or their agents from using the wire under this agreement. During such suspension the contractees or their agents shall not be entitled to avail themselves of such wire, and the telegraphic communications required by the contractees or their agents to be transmitted during any such period of suspension shall be treated as Press telegrams, and paid for and dealt with accordingly. In every case of suspension a reduction after the rate of £1 5s. 6d. per hour for the whole use of the line, taken as a mileage of 1,280 miles, and for any portion or section that amount divided by the proportion that the section disabled bears to the whole mileage for every hour during which under this agreement their telegraphic communications ought to be transmitted but are not, will be made to the contractees.

8. That the contractees shall not receive nor make any contracts whereby they shall be entitled to receive in the aggregate for any one year more than the sum of £2,000 as payment from any newspaper proprietors, publishers, persons, or corporations whatsoever for telegraphic communications supplied under this agreement, exclusive of such sums that the department may collect for copies under clause 3 of this agreement.

9. That the contractee shall, whenever required by the Commissioner, furnish a statement in writing, setting forth accurately the names of every newspaper proprietor, publisher, corporation, or person to whom the contractees supply, or have agreed to supply, their telegraphic communications or copies, and the amount received or agreed to be paid to the contractees therefor. Such statement shall be verified by the statutory declaration of the contractees.

10. That the contractees agree to pay into the Colonial Treasury the sum of £2,000 per annum, by equal monthly payments in advance, the first of such payments to be made on the 1st day of January, 1879.

11. That if the contractees shall fail to furnish such statement as mentioned in paragraph 9, or to verify the same, or if it shall be found that the contractees receive from any newspaper proprietor, publisher, corporation, or person for the use of the special wire under this agreement more than £2,000 in the aggregate, exclusive of such sums that the department may collect for copies under clause 3 of this agreement for any one year; or if the contractees otherwise commit a breach of the provisions of this agreement, or fail to observe and perform any of the provisions on their part herein contained; or if the contractees shall, for ten days after any of the days hereinbefore appointed for payment of the instalments of the yearly sum of £2,000, fail to pay any of such instalments, then the Commissioner may, after giving fourteen days' notice in writing, delivered to the contractees or any of them, or left at their or his usual places or place of abode or business, determine this agreement; and upon the delivery or leaving of such notice as aforesaid this agreement shall be determined accordingly.

12. That if at any time during the continuance of this agreement the Governor shall make any agreement for the use of a special wire for Press purposes, the terms whereof as to payment or otherwise are more favourable than those contained herein, the contractees shall be entitled to similar concessions or modifications; and if any dispute shall arise as to the concessions or modifications to be made the same shall be settled by two arbitrators, one to be named by the Commissioner and the other by the contractees; and in case of their disagreement then by an umpire, to be chosen by the arbitrators previously to entering upon the consideration of the matter referred; and in case either of the parties shall neglect to name an arbitrator for the space of ten days after a notice in writing so to do shall have been given to him by the other party, or shall name an arbitrator who shall refuse to act, then the arbitrator named by the other party may make a final decision alone, and the submission may be made a rule of the Supreme Court of New Zealand on the application of either party.

13. That, except as by this agreement specially provided, all regulations made under "The Electric Telegraph Act, 1875," and for the time being in force, shall apply and extend to the telegraphic communications and copies transmitted or supplied under this agreement.

14. That if any dispute or difference shall arise between the General Manager or any of the officers of the Telegraph Department and the contractees touching the true construction to be given to any of the provisions of this agreement, the same shall be settled by arbitration, as provided in clause 12.

15. The contractees shall be entitled from time to time to appoint, in writing, a general agent or manager to represent them, and such agent shall have power to do all such things as the contractees may by this agreement do or be required to do, and any notice which might be given to the contractees under this agreement shall be deemed properly given if given to such agent, or left at his last known place of abode or business in the Colony of New Zealand. Notice of the appointment and place of business of any such agent, or any revocation thereof or alteration therein, shall be given to the General Manager as often as occasion shall require.

In witness whereof the parties hereto have hereunto set their hands and seals.

Signed, sealed, and delivered by the said William
Scott Wilson in the presence of—

(L.S.) W. S. WILSON.

E. T. GILLON.

Signed, sealed, and delivered by the said Joseph
Liston Wilson in the presence of—

(L.S.) J. L. WILSON.

J. E. HAVEN.

Signed, sealed, and delivered by the said Alfred
George Horton in the presence of—

(L.S.) A. G. HORTON.

J. E. HAVEN.

Signed, sealed and delivered by the said William
Reeves in the presence of—

(L.S.) W. REEVES.

JAMES C. WILKIN,

Bookkeeper, Christchurch.

The common seal of the Otago Daily Times and
Witness Newspaper Company (Limited) is
hereunto affixed by William H. Reynolds
and R. H. Leary, two of the directors of the
said Company, in the presence of—

(L.S.) { WILLIAM H. REYNOLDS,
Chairman.
R. H. LEARY.

GEORGE FENWICK,
Managing Director.