

to point out that the entrance-fee is not asked for in consideration of participation in any special concession or privilege granted to the Association by the Government. It is demanded of all papers, and is quite independent of any agreement with the Government, as it applies to other than special-wire papers. The entrance-fee is asked for in consideration of admission to the general business advantages which the Association is able to offer to its members, and which it has cost the Association so much to secure. The entrance-fee is not for any private or personal benefit, but for the general advantage of the associated papers. If a £300 fee were received it would enable the Association to make a reduction in the subscription of ten or fifteen per cent. for a year. Then it seems to me that there is an impression in the minds of some members of the Committee that the larger papers are desirous of establishing a monopoly, to the injury of the smaller ones. I should like the Committee to consider, in regard to that, the division of the special-wire rent amongst the papers now. There is no restriction of papers at present. The lease is to the three larger papers; yet, in distributing the charge paid amongst the various papers, they have taken the largest share of the burden upon their own shoulders. The larger papers pay £240, the smaller £175, and some only £100, for precisely the same services. This voluntary act on the part of the big papers shows there is no desire to oppress the smaller ones or exercise any monopoly. Again, certain witnesses—Messrs. Montrose and Marten—seem to labour under the idea that the special wire acts injuriously to the evening papers. Those gentlemen admit that they do not know much about the business arrangements of the Association or the working of the special wire. I would point out particularly to the Committee that the application from Mr. Horton for the renewal of the lease of the special wire was made pursuant to a resolution unanimously passed by the committee of the Press Association on the 12th February last; Mr. Brett, of the Auckland *Evening Star*, and Mr. Blundell, one of the proprietors of the *Evening Post*, being members of the committee present, and agreeing to the application without any objection. Mr. Horton's letter was written pursuant to that resolution. With regard to reverting to a "word"-rate for morning papers, which has been suggested, instead of the special wire, that would press much more heavily upon the small papers than upon the large ones. Instead of, as Mr. McCarthy and Dr. Lemon seem to think, the Government getting more revenue, while the papers paid less, the effect would really be the opposite. The papers would get less for the same money, and the Government would have to do more work for the same money. If there was no special wire at least three versions of every item of news would have to be written out for transmission to the various classes of papers. At present the whole news practically goes in one message sent to all the special-wire papers. If there was no special wire, and we had to prepare three separate versions, the news would be sent quite as fully as now to the larger papers, the middling papers would take a more condensed account of the most important items, and the smaller papers again would have to get a third account made up. That would put them at a great disadvantage in regard to circulation and everything else as compared with the larger ones, while the department would have to transmit three separate messages where now there is only one. It was stated that the cost to each paper was 4d.—I think I formerly made that statement myself—per 100 words for what they receive. But that does not really represent what the department gets; because a message from here to Invercargill is taken off for eight papers. If I put in a Press message to Invercargill of 1,000 words, 10s. 3d. would be the price, but the same number of words sent by the special wire to eight papers represents £1 6s. 8d. to the department for one transmission. It is said that the special wire encourages a redundancy in the transmission of words. I do not think that applies now. Formerly, when there was competition, a great deal of useless items of news were sent through; but since there has been only one special wire the quality of the news has greatly improved, and the quantity has, I think, decreased considerably. The instructions issued to our agents are these: "The carrying capacity of the wire being limited, agents must exercise discrimination in the selection of news, and avoid blocking with long messages. Reasonable condensation should also be exercised, and the practice of sending slips from proofs as telegrams without any condensation or alteration should not be indulged in. Too much trivial matter of purely local interest has frequently been sent. The Association being strictly a non-political body, agents must exercise the greatest caution in refraining from any expression of political opinion. Unbiased statements of facts are what is wanted, and neither the opinions of agents nor newspapers are to be included in the definition of 'news' which should be sent." That is one of our instructions to our agents.

532. What is it dated?—There is no date. It was issued upon the amalgamation, and is generally carried out. I believe Dr. Lemon said if there was a word-rate the agents would condense a great deal more. That would not be the case as regards the larger papers. Even with the rate of transmission higher for Press telegrams than it is now, I used to send messages to the larger papers almost ready for publication. The reason is this: it is very difficult indeed for the sub-editor of a morning paper receiving "flimsy" copy, probably badly written, in a very condensed form, at one or two o'clock in the morning, to prepare it for the printers. The delay thus caused probably keeps the hands idle, and they have to be paid for their time. Besides, the practice leads to all sorts of mistakes. Some years ago, when I was acting as correspondent for the *Otago Daily Times*, I sent five or six thousand words frequently to them. They instructed me not to strike out the small words, as it was cheaper to pay for the extra words than to get messages in a condensed form, and waste time and gas in filling them up, besides avoiding the risk of misinterpretation. Messages would be sent just as fully to the larger papers with a word-rate as on the special wire. It has been suggested that any agreement should be made terminable by notice. I think there would be no objection to that if the Government thought it necessary. I presume, if such a clause were inserted, it would apply to both sides. I do not think there would be any objection to that. As to giving notice of terms, I may say that in the very resolution which was passed to negotiate the lease, it is specially said that all papers affected should be consulted as to terms. One great advantage in the special wire to us is that it gives us a certain amount of control over the order of transmission—as to what shall go first, &c.—which we would not have by a word-rate. We can now send instructions to our own agents about cutting down messages, if the wires are likely to be blocked, and can give precedence to important items of news. That is a very important concession, especially when we want to avoid blocks. An impression seems to have been suggested that there are conflicting interests between the morning and evening papers. I do not