

1880.  
NEW ZEALAND.

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# PRESS TELEGRAMS COMMITTEE

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

*Report brought up 4th August, 1880, and ordered to be printed.*

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## ORDERS OF REFERENCE.

*Extracts from the Journals of the House of Representatives.*

WEDNESDAY, THE 30TH DAY OF JUNE, 1880.

*Ordered*, "That a Select Committee be appointed to inquire into and report to this House what further facilities can be given by the Government to the public Press for the use of the telegraph; three to be a quorum. Such Committee to consist of Mr. Bain, Mr. Barron, Mr. J. T. Fisher, Mr. Fulton, Hon. Mr. Gisborne, Mr. Ireland, Mr. Murray, Mr. Ormond, Mr. Shephard, and the Mover. To report in a fortnight."—(*Hon. Mr. Hall.*)

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TUESDAY, THE 13TH DAY OF JULY, 1880.

*Ordered*, "That the Press Telegrams Committee have leave to postpone the bringing up of their report for a fortnight."—(*Hon. Mr. Gisborne.*)

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FRIDAY, THE 16TH DAY OF JULY, 1880.

*Ordered*, "That the evidence taken by the Press Telegrams Committee be printed."—(*Hon. Mr. Gisborne.*)

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THURSDAY, THE 28TH DAY OF JULY, 1880.

*Ordered*, "That the Press Telegrams Committee have leave to postpone the bringing up of their report for fourteen days."—(*Hon. Mr. Gisborne.*)

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## REPORT.

THE Select Committee appointed to inquire and report what further facilities can be given by the Government to the public Press for the use of the telegraph, have taken evidence, and have agreed to the following report:—

The pressing question which has chiefly engaged the attention of the Press Telegrams Committee was, whether the agreement, which expires at the end of this year, between the Government and the United Press Association for the use of a special telegraph-wire should be renewed, and, if so, upon what terms.

Under the present agreement, a special telegraph-wire is leased to the United Press Association for certain stations. The rental paid is £2,000 per annum. The wire is placed at the disposal of the Association between the hours of 8 p.m. and 1 a.m. on all nights excepting Saturdays and Sundays, when the hours are from 7 p.m. till 10 p.m., and from 6 p.m. till 7 p.m. respectively. During the session of Parliament the time for which the wires are open during the recess is extended till 2 a.m. Some extension is also allowed, if required, on special occasions, such as the arrival of the San Francisco and Suez mails. Evidence taken shows that the Association is not yet a private limited joint-stock company, and that its affairs are conducted by a committee of five members, the first committee to hold office for two years, and thereafter to be annually elected at a general meeting of the members of the Association. The Committee also learn from the evidence that, in addition to the apportionment of the special-wire rent, and to the terms of subscription towards general expenses, the fees of admission of papers into the Association after the 1st day of January, 1880, are—for daily morning and evening papers at Auckland, Wellington, Christchurch, and Dunedin, £500; for daily morning and evening papers in Grahamstown, Napier, Wanganui, Timaru, Oamaru, and Invercargill, £300; and in other towns in the colony £100. Other papers are chargeable at the discretion of the committee.

The Press Telegrams Committee have come to the conclusion that, in making to the public Press a concession of the kind now under consideration, the Government have a right and ought to require that the parties to whom the concession is made shall not use it as a means of securing a monopoly, and of practically imposing a disabling penalty on the establishment of other newspapers. The Committee are also of opinion that, in a future agreement, either the time for the use of the special wire should be shortened, or that the charge for its use should be increased, as it has been shown to the Committee that the present payment of £2,000 per annum does not reimburse the Government for the expenses which the agreement now involves. The Superintendent of Telegraphs has furnished a return, printed in Appendix C., showing that this cost, including interest on construction, but excluding any charge for instruments, chemicals, stationery, fuel, officers in charge of stations, and general administration, amounts to £2,361 per annum.

Another important point that has impressed itself on the mind of the Committee is the necessity, in making future agreements for the enjoyment of any special privilege in the use of the telegraph, of taking every precaution to insure fair and public competition for that privilege, and to guard against the possibility of secret or specially favourable terms being accorded to any particular person or persons.

Actuated by these considerations, the Committee have the honor to make the following recommendations:—

1. That the special telegraph-wire system be continued by agreement for a term not exceeding two years, such agreement to be terminable during that time by six months' notice on either side.

2. That the rental be either at the rate of £2,000 per annum, the time of closing the wire to be one hour earlier than at present, except during the session, and on other special occasions to be agreed on; or, at the option of the Association, the payment to be at the rate of £3,000 per annum, and the hours of use not to be changed.

3. That the agreement be subject to the condition that other newspapers shall be admitted to the advantages of the Association on payment, in addition to their *pro rata* share of the apportioned contribution towards the rent of the wire and towards general expenses, of the following entrance-fees:—

Daily papers in Auckland, Wellington, Christchurch, and Dunedin—	£
Morning, not exceeding ... ..	150
Evening, not exceeding ... ..	75
In all other places, either daily morning or evening, not exceeding ...	50
Papers published at longer intervals than one day to be charged such entrance-fee, not exceeding £50, as may be agreed on between themselves and the Association.	

4. That no agreement shall be entered into by the Government with any other person or association on more favourable terms than those specified in the foregoing resolutions, nor unless the terms proposed shall have been previously advertised for two months in the *New Zealand Gazette*.

5. That the privilege of an agreement on the above-named conditions shall not be confined necessarily to one association, but the same terms shall be conceded to other responsible associations or persons if desired.

Doubt exists whether the Government have power to grant any lease for a special wire. The Committee therefore recommend that "The Electric Telegraph Act 1875 Amendment Bill" now before the House be passed with such alteration as will bring it into general accord with these recommendations.

As the arrangements for the use of the telegraph by the public Press, outside the special-wire system, appear on the whole to be working well, the Committee do not recommend any alterations at present in those arrangements.

The evidence taken by the Committee, and authorized by the House to be printed, will be presented to the House as soon as the printing is completed.

W. GISBORNE,  
Chairman.

4th August, 1880.

## MINUTES OF PROCEEDINGS.

FRIDAY, 2ND JULY, 1880.

The Committee met pursuant to notice.

*Present*: Mr. Bain, Mr. Fulton, Hon. Mr. Gisborne, Hon. Mr. Hall, Mr. Ireland, Mr. Murray, Mr. Ormond, Mr. Shephard.

The order of reference, dated the 30th June, 1880, was read.

*Resolved*, unanimously, on the motion of Mr. Bain, That the Hon. Mr. Gisborne be appointed Chairman.

*Resolved*, on the motion of the Hon. Mr. Hall, That Mr. E. T. Gillon and Mr. F. McCarthy be summoned to attend the Committee at next meeting to give evidence.

The Clerk was directed to obtain, for the information of the Committee, copies of all printed documents bearing upon the subject of Press telegrams.

The Committee then adjourned till 10.30 a.m. on Wednesday, the 7th July, 1880.

WEDNESDAY, 7TH JULY, 1880.

The Committee met pursuant to notice.

*Present*: Mr. Bain, Mr. J. T. Fisher, Mr. Fulton, Hon. Mr. Gisborne (Chairman), Hon. Mr. Hall, Mr. Ireland, Mr. Murray, Mr. Shephard.

The minutes of the previous meeting were read and confirmed.

The following witnesses attended and gave evidence: Mr. E. T. Gillon, Manager of United Press Association; Mr. F. McCarthy, late Manager of Press Agency.

Mr. A. T. Maginnity, Secretary of Telegraphs, was in attendance, to afford any technical explanation the Committee might require.

The Clerk was directed to summon Mr. C. Rous Marten and Mr. C. O. Montrose, to attend the Committee at next meeting to give evidence.

The Committee then adjourned till 10.30 a.m. on Friday, the 9th July, 1880.

FRIDAY, 9TH JULY, 1880.

The Committee met pursuant to notice.

*Present*: Mr. Bain, Mr. Barron, Mr. J. T. Fisher, Mr. Fulton, Hon. Mr. Gisborne (Chairman), Hon. Mr. Hall, Mr. Ireland, Mr. Murray, Mr. Shephard.

The minutes of the previous meeting were read and confirmed.

A letter received from Mr. E. T. Gillon, dated the 7th July, 1880, on the subject of the minutes of proceedings of the United Press Association was read. (*Vide* Appendix A, No. 1.)

The Clerk was directed to summon Mr. E. T. Gillon to attend, and produce, for the information of the Committee at next meeting, the minute-book of the United Press Association.

Mr. A. T. Maginnity, Secretary of Telegraphs, was again in attendance.

The following witnesses attended and gave evidence: Mr. C. Rous Marten; Mr. C. O. Montrose.

On motion of Mr. Shephard, *Resolved*, That the Chairman be requested to communicate, through the Telegraph Department, to every newspaper in the colony, that the Press Telegrams Inquiry Committee is now sitting, and is ready to take any evidence or statements they may desire to offer.

The Clerk was directed to summon Mr. E. E. Collins, Reuter's agent at Wellington, to attend and give evidence before the Committee at next meeting.

The Committee then adjourned till 10.30 a.m. on Tuesday, the 13th July, 1880.

TUESDAY, 13TH JULY, 1880.

The Committee met pursuant to notice.

*Present*: Mr. Bain, Mr. Barron, Mr. Fulton, Hon. Mr. Gisborne (Chairman), Hon. Mr. Hall, Mr. Ireland, Mr. Murray, Mr. Ormond.

The minutes of the previous meeting were read and confirmed.

A list of newspapers supplied with telegrams by the United Press Association was received from Mr. E. T. Gillon. (*Vide* Appendix A, No. 2.)

Telegrams from the under-mentioned persons were read: Proprietor of *Picton Press* (*Vide* Appendix B, No. 7); Messrs H. and J. Feldwick, proprietors of *Southland News* (*Vide* Appendix B, No. 8); Mr. W. Wilkinson, proprietor of *Thames Advertiser* (*Vide* Appendix B, No. 9); Mr. W. J. Ward, Manager of *Waimate Times Company* (*Vide* Appendix B, No. 11).

Mr. A. T. Maginnity, Secretary of Telegraphs, was again in attendance.

Mr. E. T. Gillon attended and gave further evidence. He also read certain resolutions from the minutes of proceedings of the United Press Association, showing the basis upon which the Association is constituted.

The following witnesses also attended and gave evidence: Mr. E. E. Collins, Reuter's agent, Wellington; Dr. Lemon, Superintendent of Telegraphs.

The Chairman was requested to move in the House that an extension of time be granted the Committee for bringing up their report.

The Committee then adjourned till 10.30 a.m. on Friday, the 16th July, 1880.

FRIDAY, 16TH JULY, 1880.

The Committee met pursuant to notice.

*Present*: Mr. Bain, Mr. Barron, Mr. Fulton, Hon. Mr. Gisborne (Chairman), Hon. Mr. Hall, Mr. Ireland, Mr. Murray, and Mr. Shephard.

The minutes of the previous meeting were read and confirmed.

Order of reference, dated the 13th July, 1880, granting extension of time, read.

Paper dated the 14th July, 1880, from Mr. E. T. Gillon, giving detailed information as to the constitution of the United Press Association, read. (*Vide Appendix A, No. 3.*)

Also a letter dated the 14th July, 1880, from Mr. Gillon, was read, requesting permission to see the evidence given before the Committee, which request was complied with. (*Vide Appendix A, No. 4.*)

Also the following communications, containing suggestions as to what further facilities should be granted to the public Press for the use of the telegraph:—

Telegram dated the 9th July, 1880, from Messrs. Galvin and Co., proprietors of the *Hawera and Normanby Star*. (*Vide Appendix B, No. 10.*)

Letter dated the 14th July, 1880, from Mr. Gilbert Carson, proprietor of the *Wanganui Chronicle*. (*Vide Appendix B, No. 12.*)

The Committee then adjourned.

#### FRIDAY, 23RD JULY, 1880.

The Committee met pursuant to notice.

*Present*: Mr. Bain, Mr. Barron, Mr. Fulton, Hon. Mr. Gisborne (Chairman), Hon. Mr. Hall, Mr. Ireland, Mr. Murray, Mr. Ormond, and Mr. Shephard.

The minutes of the previous meeting were read and confirmed.

The Clerk, having been called upon to explain the cause of delay in getting the evidence to date printed for circulation among the members of the Committee, stated that the evidence taken on the 13th July had not yet been obtained from the extra shorthand writer who took notes of the same, although repeated applications had been made for the transcripts.

A letter dated the 17th July, 1880, from Mr. W. Reeves on the subject of admittance-fees to the United Press Association, was read. (*Vide Appendix A, No. 5.*)

Mr. E. T. Gillon, manager of the United Press Association, requested, and was allowed, to give further evidence before the Committee.

Mr. J. C. Harris, proprietor of the *New Zealand Times*, attended and gave evidence.

Mr. A. T. Maginnity, Secretary of Telegraphs, was again in attendance, and handed in a statement, dated the 21st July, 1880, jointly signed by Dr. Lemon and himself, which was ordered to be printed and circulated among the members of the Committee. (*Vide Appendix C, No. 14.*)

The Committee then adjourned.

#### MONDAY, 2ND AUGUST, 1880.

The Committee met pursuant to notice.

*Present*: Mr. Bain, Mr. Barron, Mr. J. T. Fisher, Mr. Fulton, Hon. Mr. Hall, Mr. Ireland, Mr. Murray, Mr. Ormond, and Mr. Shephard.

In the absence of the Hon. Mr. Gisborne, it was *Resolved*, on the motion of Mr. Bain, That Mr. Fulton take the chair.

The minutes of the previous meeting were read and confirmed.

The Hon. Mr. Gisborne having arrived, Mr. Fulton vacated the chair.

A memorandum dated the 2nd August, 1880, jointly signed by Mr. C. Rous Marten and Mr. F. McCarthy, as representing the two Wellington evening newspapers, was read. (*Vide Appendix B, No. 13.*)

Also a memorandum dated the 27th July, 1880, jointly signed by Dr. Lemon and Mr. A. T. Maginnity, setting forth the amount Government should receive in consideration of the use of a special wire for Press purposes, was read. (*Vide Appendix C, No. 15.*)

Mr. Bain moved, and the question was proposed, "That the Government be authorized to renew the lease of the special wire to the Press Association, to be terminable by notice of six months from either party, at a charge of £3,000 per annum. The hours to be as at present, and no other conditions to be imposed than those now existing. The agreement to be published in the *New Zealand Gazette*, with the intimation that any other association or individual may make a similar agreement."

And the question being put, the Committee divided, and the names were taken down as follows:—

*Ayes*, 1.—Mr. Bain.

*Noes*, 8.—Mr. Barron, Mr. J. T. Fisher, Mr. Fulton, Hon. Mr. Hall, Mr. Ireland, Mr. Murray, Mr. Ormond, Mr. Shephard.

So it passed in the negative.

On motion of Mr. Ormond, *Resolved*, That the special-wire system be continued by agreement for a term not exceeding two years, such agreement to be terminable during that time by six months' notice on either side.

Mr. Ormond moved, and the question was proposed, "That the sum to be paid be £2,000 per annum, the time of closing to be one hour earlier than at present, except during the session and on other special occasions as now arranged."

Moved by Mr. Murray, That the question be amended by omitting "£2,000," and inserting "£2,500" in lieu thereof.

And the question being put, the Committee divided, and the names were taken down as follows:—

*Ayes*, 4.—Mr. Barron, Mr. J. T. Fisher, Mr. Ireland, Mr. Murray.

*Noes*, 4.—Mr. Fulton, Hon. Mr. Hall, Mr. Ormond, Mr. Shephard.

And the numbers being equal, the Chairman gave his casting vote with the *Noes*.

So it passed in the negative.

And the original question being again proposed, Mr. Barron moved, That the following words be added at the end thereof: "or, at the option of the Association, the payment to be £3,000 per annum, with the present hours."

And the question being put, it was resolved in the affirmative.

*Resolved*, That the sum to be paid be £2,000 per annum, the time of closing to be one hour earlier than at present, except during the session and on other special occasions as now arranged; or, at the option of the Association, the payment to be £3,000 per annum, with the present hours.

*Resolved*, on motion of Mr. Ormond, That the agreement be subject to a condition that other newspapers be admitted to the advantages of the Association on payment of the ordinary subscription and payment of the following entrance-fees:—

Daily papers, in Auckland, Wellington, Christchurch, and Dunedin—Morning, not exceeding £150; evening, not exceeding £75.

In all other places, either daily morning or evening, not exceeding £50.

Papers published at longer intervals than one day to be charged such entrance-fee, not exceeding £50, as may be agreed on.

*Resolved*, on motion of Mr. Fulton, That no agreement be entered into with any person or association on more favourable terms than are provided for in the foregoing resolutions, nor unless the terms proposed shall have been previously advertised for two months in the *Government Gazette*.

*Resolved*, on motion of Mr. Fulton, That the benefits of an agreement on the above-named conditions shall not be confined necessarily to one association, but the same terms shall be conceded to other associations or persons if desired.

The Committee then adjourned.

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WEDNESDAY, 4TH AUGUST, 1880.

The Committee met pursuant to notice.

*Present*: Hon. Mr. Gisborne (Chairman), Hon. Mr. Hall, Mr. Barron, Mr. Fulton, Mr. Ireland, Mr. Murray, Mr. Shephard.

The minutes of the previous meeting were read and confirmed.

A letter dated the 3rd August, received from Mr. E. T. Gillon, in reference to the report of the evidence given by him before the Committee on the 13th July, 1880, was read, and ordered to be printed. (*Vide* Appendix A, No. 6.)

The Chairman submitted a draft report, and it was resolved that the same be adopted, and presented to the House. (*Vide* page 1.)

*Resolved*, That the minutes of proceedings and evidence taken before the Committee be presented to the House when printed.

The Committee then adjourned.

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# PRESS TELEGRAMS COMMITTEE.

## MINUTES OF EVIDENCE.

WEDNESDAY, 7TH JULY, 1880.

Mr. E. T. GILLON examined.

1. *The Chairman.*] Mr. Gillon, what is your name?—Edward Thomas Gillon.
2. What position do you hold in reference to the United Press Association?—I am manager of the United Press Association.

*The Chairman:* You have heard what the object of the appointment of the Committee is. We now examine you in order that members may ask you questions with reference to the subject. I think the most convenient way will be for members to ask Mr. Gillon questions.

*Hon. J. Hall:* Perhaps it will be most convenient if Mr. Gillon makes an explanation.

3. *The Chairman.*] We have a letter laid upon the table from Mr. Horton to the Commissioner of Telegraphs: have you seen it, Mr. Gillon?—I have a copy of it.

4. We want to know, first, generally how the present system works, and, secondly, what alterations the Press Association have any wish to be made in the present system?—Well, Sir, we really do not require any very great further concessions from the Government than those which we enjoy at present. There are a few minor points which experience shows from the working of the special wire to be desirable, and these are fairly set out in Mr. Horton's letter. Since the amalgamation of the two agencies, and practically the whole of the Press is supplied by the Association, I think the special-wire system works admirably. Now there is only one we have had several accidental errors, but they are apart altogether from the system. The system works excellently. The present lease expires at the end of the present year, and the committee of the Association are desirous of obtaining a renewal of that lease. The question, I believe, has been raised, however, as to the power of the Government to grant a lease of the kind, but we have been promised legislative authority this session for the purpose. I desire to impress upon the Committee the importance of continuing the special-wire system. Under no "word" system can the Press enjoy anything like the same facilities. It is of the greatest importance to them to have a special wire on which they can to a large extent regulate their own work. The alterations which we should like to see in any new agreement have been set out by Mr. Horton in his letter.

5. Will you tell us what has been carried out and what has not?—The suggestion that a new lease be granted for a special wire between Auckland and the Bluff, for a period of three years from the 1st of May, has not been carried out. The suggestion that the hours for the use of the special wire should be from 7 p.m. to 1 a.m. on Mondays, Tuesdays, Wednesdays, Thursdays, and Fridays, when Parliament is not in session, and from 7 p.m. to 2 a.m. on the same days when Parliament is in session, has not been carried out. It differs from the present system in commencing an hour earlier. It would be an advantage if the wire was open on Saturdays during the session from 7 p.m. to 12 midnight. At present there is no difference whether Parliament is in session or not; we only have it open till 10 o'clock. We find that, when the House sits on Saturdays, or late on Friday nights, the three hours afforded us for getting the parliamentary work through is not always sufficient. It would meet our wishes if extended to 12 o'clock on Saturday nights. We desire the extension of time on Sundays from 5.30 to 7.30, that is, an extension of half an hour each way. The time at present allowed is practically too short to get any appreciable amount of news through. That has not been granted—that is, that the wire should be open from the time it is closed to the general public, and should continue for half an hour later than at present—from 5.30 p.m. to 7.30 p.m., instead of from 6 to 7, except when the San Francisco mail arrives on Sundays, when we ask for an extension to 10 o'clock. That has only happened once, and then the Telegraph authorities met us in the most liberal manner. But it is necessary in any new agreement to provide for the mail arriving on Saturday night or Sunday. The Government have kindly granted to us the concession that all messages unfinished at closing time may be finished to all papers requiring them at Press rates, and I think the system works satisfactorily. Since this has come into force it prevents important messages being cut suddenly short.

6. What are the charges?—The ordinary Press rates. We left it to the Government to charge so much per hour during the time the wire was in use, or by the word, according to Press rates. The proposal that the special wire should not be taken under any circumstances for ordinary Press purposes was not acceded to. The Government, under the present agreement, have the right to take the special wire whenever they consider it necessary. It very often has happened: it used to happen more than now, when there were two agencies. We felt it a hardship to be deprived of the use of the special wire for the morning papers, when it was taken for the transmission of Press telegrams. Frequently telegrams addressed to evening papers, and intended only for publication the following night, were forwarded to the exclusion of news intended for the morning papers. We do not so much object to the wire being taken for ordinary telegrams, but we do object to its being taken for outside Press work. Nothing has been done with regard to that, except that we have been promised legislative authority shall be asked to enable the department to suspend the transmission of ordinary work when too late for delivery, in order that Press messages which can be delivered in time for publication the following morning, might be sent through.

7. *Hon. J. Hall.*] Look at No. 4 in Mr. Maginnity's letter in the correspondence?—I do not know of anything official done in that; but it is practically done. Last night was a case in point. We were given the special wire although the wires had been interrupted during the day, and ordinary and Press messages were put aside. With regard to the request that a substantial rebate should be allowed when the special wire is interrupted, under the present system the rebate is calculated simply for the section interrupted in the same proportion as the total mileage bears to the total amount paid; but when the line is interrupted between here and Christchurch communication is cut off between the two Islands, and, although we get a rebate, that very partially represents the loss to the papers. The rebate does not at all represent the loss to which papers are put through the interruption.

8. Supposing an interruption occurs between Wellington and Blenheim?—The department has not adhered to the strict letter of the law. A rebate was only allowed as far as Blenheim—a distance of thirty-five miles—all the time the cable was interrupted. I pointed this out as a hardship, especially as we had no paper there; and the department allowed it and calculated the distance as to Christchurch. £26 has, I think, been the highest rebate we ever had in a quarter.

9. You do not get what you consider a substantial rebate?—No.

10. You ask that all messages should be timed, what does that mean?—That is a very unimportant matter, and practically is now carried out. It means that the time messages are received and finished shall be placed on them. With regard to the request that no charge should be made for extra copies, when the amalgamation took place a charge of 5s. was made for an extra copy of a message. That came very heavy for simply taking a duplicate copy. The department does not insist upon that now.

11. *Mr. Shephard.*] Was that before the special wire was established?—We get two copies now, the department has granted us that. That is really all we require in special-wire matters.

12. *The Chairman.*] What have you to say with regard to the suggestions under the head "General"?—We ask that messages for morning papers put in at 5 o'clock stations between the hours of 4 and 5 p.m. may be transmitted that night at evening rates. The morning papers feel it to be a considerable hardship having to pay  $\frac{1}{2}$ d. per word on messages received from country stations. Supposing a fire breaks out at Russell, at the Bay of Islands, or Whangarei, the *New Zealand Herald* is charged  $\frac{1}{2}$ d. a word, although the message may not be transmitted to the morning papers till after 5 o'clock. We ask that we should be charged the same rates on such messages as if they had been put in at a 7 or 8 o'clock station. The question of opening the principal stations until 10 o'clock, as was formerly the case, is of course a matter of finance with the department, and is outside special-wire arrangements. All the suggestions under the heading of "General" are.

15. *Mr. Shephard.*] Practically, then, the morning papers are shut out from all up-country stations?—Yes; they have to pay morning rates. The next proposal is that the head office of the Association in Wellington should be allowed to receive 2,000 words during the day at evening rates, the Wellington papers being reduced to 500 words each. That is not of so much importance. At present each evening paper is allowed to receive 1,500 words during the day at evening rates. Of course, for the Wellington papers, all messages come to the Association, and are divided between the two papers. The Association would have to pay  $\frac{1}{2}$ d. per word, but the Government allowed the evening papers to give up their 1,500 words to us, and so we have a right to 3,000 words; but that tells upon the evening papers if they have "own correspondents," because they have to pay day rates for what they receive from them, although the Association may only receive 500 or 600 words during the day. The department will not allow any division of the right to the 1,500 words. We suggested that, in Wellington, instead of the Association getting 3,000 words of information, we should be allowed directly to receive 2,000 words, and the evening papers 1,000 words between them. Of course this is a mere departmental matter, which can be settled very easily.

16. *The Chairman.*] I should like to know what difference has been made in relation to the Press of the colony as a whole outside of the special wire. Dr. Lemon, in August last, says 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. The exceptions to the above are—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. There is no difference in the rates, which are very fair.

17. I see that the Committee, on the 5th December, 1879, proposed, that the evening papers should be allowed 1,000 words during the day at present rates, and 100 words to take precedence of all messages except urgent messages between half-past 1 and half-past 2. That has not been carried out, and I am afraid that would scarcely answer. One hundred words would not be any practical advantage. There is no precedence now. That is one point upon which the Government might give us facilities. It is by no means an uncommon occurrence for our messages to take three hours in transmission to or from Invercargill. The number of messages rendered practically useless through delay is very considerable indeed. The delay is most annoying. I will give one instance. Through a blunder in the Blenheim office, Major Atkinson's speech on the no-confidence debate was broken off in the middle. The officer got tired, and the message was cut off, and no intimation was given to me till I received a message from Christchurch at 12.15 the next day, asking me to send the remainder. I believe the officer has been severely punished. I went to the office at once, and Mr. Robertson, who was very obliging, promised to *vide* the unsent portion to the evening papers. Although it was twenty minutes past 12 when the *vides* were put in, the continuation of the speech did not reach Christchurch in time for the evening papers, and there were only 300 or 400 words.

18. Have you anything to say about the cable?—I had a letter the other day from Mr. Feldwick, complaining that cable messages were frequently three hours coming during the day, and reminding me of a half promise given by Dr. Lemon that cables during the day should have precedence. Of course we do not receive cables here, so I cannot speak from personal experience as to delay. I know the general run of messages to evening papers are fearfully delayed, and that is a great grievance with the evening papers.

19. Will you state what papers the Association represents, and how many papers it does not



represent?—All that it does not represent are the *Whanganui Chronicle*, *Foxton Herald*, *Wairarapa Daily and Standard*, the *Northern Luminary*—I do not know where that is published, but I think at Whangarei—and the West Coast evening papers, and a few up-country papers in Otago and on the West Coast.

20. *Mr. Shephard.*] You have not the *Lyell Times*?—No; not the smaller West Coast papers. We supply the *Grey River Argus*, the *West Coast Times*, and the *Westport Times*. With regard to the latter it has ceased to subscribe, as the times were so bad that it could not afford to do so; but they act as correspondent for us: so that I may say we still represent that paper. There are a lot of these little papers. We represent all the other papers.

21. *Hon. J. Hall.*] What about the Grahamstown papers?—They all belong to us. We have forty-three papers, both morning and evening.

22. *The Chairman.*] Have you all the southern papers?—Not papers like the *Dunstan Times*, and *Wakatipu Mail*, and *Bruce Herald*. They copy the telegrams from the big morning papers.

23. *Mr. Murray.*] Perhaps Mr. Gillon can give us a list of all the papers belonging to the Association?—The *New Zealand Herald*, *Auckland Star*—

24. *The Chairman.*] You might supply us with a list of all the papers that belong to you.—I will do so.

25. Have you any other suggestion to offer?—There are one or two things we rather complain of. In regard to *vides*, for instance, we have asked the department to allow us to have the names of all the evening papers printed on the first sheet, instead of having to put in a separate *vide* sheet filled up and signed for each paper. At present we have to write out separate forms for each paper.

26. *Hon. J. Hall.*] You do not mean that the messages have to be written out to each paper?—No; but we have to put a separate address, date, and signature to each *vide*, and, if we want to get a message off in a hurry, time is lost in getting these *vides* filled up. We were told that there would be a risk by having the names printed on the first slip, but we are quite willing to take the risk. There would be less risk than if you put in twelve or thirteen separate sheets. It works well in the case of the special wire, and we want it in the evening papers, to save time in the transmission. There is another point. When an interruption takes place, the same as yesterday, when the wire North was down, as soon as the wire is down, the department will receive no messages. They will not take any to send till the wire is restored. Well, that puts us in this position: If the wire is down North at 5 or 6 o'clock, we put in a number of messages for the South, but cannot put in *vides* for the North. It is contrary to rule to take a *vide* after the original message is deposited, and if the wire is right at 7 o'clock, it is practically impossible, if the message is a long one, say, 1,000 words, to re-write it. When the wire is interrupted, we have to send a person down to the office, and keep him waiting to the last moment, to see if the wire is restored, so as to get the messages in. A little concession by the department that way, would save us an infinity of time and trouble.

27. *The Chairman.*] They apply the same rule to ordinary telegrams, do they not?—They refuse to take them; but it is particularly hard on us in busy times.

28. *Hon. J. Hall.*] Would they not send you word when the wire is right?—Probably it would reach us too late; the wire might be right the last five minutes.

29. *The Chairman.*] Have you anything more to state?—I do not know that there is much. I have always found the officers of the department here very willing to oblige us.

30. I see in your former evidence you complain of antagonism; I am glad to hear you call that back.—Since the amalgamation things have worked better. Before that the Press generally were spending a great deal more money than they could possibly afford, and that was not good either for the public or the department. The amalgamation has given satisfaction on all sides.

31. Are the Press generally satisfied?—I think so; we have had no complaint in any way. With regard to the special wire I desire to point out one thing. Without the special wire it would be impossible for the Press to give such full reports of parliamentary proceedings as now. We can now put in messages up to 1.30 or 2 o'clock in the morning, but by a "word rate," closing at any hour, such full reports could not be given; nor could the Press bear the expense of a word rate. If every word had to be counted and considered as paid for, they could not give anything like the information to the public that they can now.

*Mr. Shephard:* The reports are better than those in the Wellington papers.

33. *Mr. Murray.*] Is the parliamentary report distributed to every paper?—It goes to every special-wire paper. Then there is another report, of from 400 to 600 words, which goes before 8 o'clock to the bi-weekly and tri-weekly papers, the *Nelson Colonist*, the *Wanganui Herald*, the *Taranaki Herald*, and others. That is a separate report altogether. Those papers are out of the line of the special wire. Then, in the morning, those papers get from 300 to 600 words of the night's proceedings. Then there is another smaller report, of from 50 to 200 words, sent at night to the smaller papers which cannot afford the long one. Then, in the morning, the *Star* at Grahamstown receives the report from where the *Advertiser* leaves off at 10 p.m. So that altogether five or six reports are made up. In fact, it keeps Mr. Carrick and myself constantly employed in the House.

34. Up to what hour in the morning do papers receive the latest parliamentary intelligence?—Two o'clock; but the larger papers—at Dunedin, Timaru, Christchurch, and Auckland—have their reports marked "to be finished at Press rates if not finished at 2 o'clock." They are then finished at Press rates.

35. Then the wires can be kept open at Press rates after 2 o'clock?—Yes.

36. Would it be better to have your report available to appear in the morning papers throughout the colony?—We do that now.

37. It is not very long then—I mean a report more like an abbreviated *Hansard*?—I do not think the Press could get more in than they do. We send from two to three columns. I do not know that it would be possible to get much more through.

38. *Mr. Shephard.*] The mechanical difficulties would be too great?—The transmission does not begin till 8 o'clock, and the first parts do not reach their destination till after 9. The House sits till

12.30, and that throws them very late in getting the conclusion, and it requires a large staff to "set" more after that. We report pretty fully up to the adjournment, and after that we cut it short.

39. *Mr. Murray.*] You are not in a position to adopt the same course as is taken by the Home papers in reporting parliamentary proceedings?—I think our reports are more full as a rule. They do not report anybody but principal speakers, one or two on each side.

40. Have you had any experience as to the reports of debates in America?—No; I do not know what they do in the shape of reporting there. In Victoria the up-country papers never think of getting a full telegraphic report. They get perhaps a few lines and perhaps a division list, but not the replies to questions and a general outline of all the proceedings, as here. In fact, I know of no other country in the world where this is done by telegraph.

41. *Mr. Bain.*] You must bear in mind Victorian papers are peculiarly situated. They get news every day by rail, so that it is unnecessary to get long reports.—It would really be easier for us to give more; the difficulty of giving a good condensation is greater than giving long reports, but we should mar their usefulness by giving them to a greater extent. A great many people would not read a longer report. It would really be much easier for us to give double the quantity.

42. It could be done if made a consideration to a paper like the *Otago Daily Times*?—I see what Mr. Murray is driving at—if it is possible to do away with *Hansard*.

*Mr. Murray.* Yes.

44. *Mr. Shephard.*] Supposing Parliament made three times more than it does, it could be published?—Of course; it would be a matter of mere pounds, shillings, and pence.

45. *The Chairman.*] Do you employ a shorthand reporter?—Mr. Carrick is a shorthand reporter. He takes the answers to questions down in shorthand, and writes out the speeches as spoken.

46. *Mr. Murray.*] Do you think there is any likelihood of the Associated Press taking a shorthand report and sending summaries out?—I can hardly answer that question. It would be entirely a pecuniary consideration with the papers.

47. Have you given the matter any consideration?—No.

48. Can you give any information as to the cost of the transaction with additional privilege to those you have now?—I do not know what information the proprietors could give unless you made a definite proposition.

49. They would not be in a position to make a proposal themselves?—I do not think they could.

50. *Mr. Bain.*] The work could be done if they could commence about 5 o'clock sending Press messages.—They could publish eight or ten columns.

51. *The Chairman.*] I do not think the reference includes an inquiry in that direction. It says, "What further facilities can be given to the public Press for the use of the telegraph?"

52. *Mr. Murray.*] It might be necessary to consider the matter if it is resolved to do away with *Hansard*, to enable them to give fuller reports.

53. *Mr. Shephard.*] That would rather come before the Reporting Debates Committee.

54. *The Chairman.*] The facilities they would require would be money.—It would really be a question of money. There is one statement in this published letter (No. 9) with regard to opening stations at 10 o'clock. That would be a great convenience. There is one point dealt with in the Bill which is now before the House of considerable importance: that is, that when interruptions occur ordinary messages should be allowed to be put aside when all chance of delivery is past, in order that messages to morning papers may be sent on. I believe there is no legal power to do so now, although the Government have taken the responsibility of that. This Bill provides for that. It gives power to the Commissioner to authorize the suspension of the transmission of business telegrams which cannot be delivered until business hours, in order that Press messages may be delivered to the morning papers.

55. How do you mean?—Messages which would be received during the night. Messages sent after 9 or 10 o'clock to business men are no use to them till they come to business in the morning.

56. Supposing it were a matter of life or death?—Then it would be delivered; but the general run of work could be done before 10 o'clock next morning. It would be a most important matter that for us. There is a statement in Mr. Maginnity's letter, paragraph No. 9, with regard to the opening of Nelson and Ashburton in the evening. I believe it must have been put in by mistake. No extension has been made with regard to Ashburton and Nelson. There was a misapprehension.

57. *Mr. Maginnity.*] The stations were opened.—They were kept open for a time, but you did not allow us to send to them.

58. *Mr. Fulton.*] In the report of the Committee last year there was a suggestion about a wire being put up for Press use day and night. I should like to know if any proposals have been made by the Press on the subject?—Not to my knowledge, and under present circumstances I think the suggestion quite impracticable.

59. *Hon. J. Hall.*] Do you represent the Press Association?—Yes; I am the manager.

60. How is it managed?—There is a committee of five members—two representing morning papers, two representing evening papers, and the fifth—the chairman—is both a morning and evening paper proprietor.

61. How are they elected?—They hold office for two years, and will then be elected by the members. The committee were to be elected annually originally, but on the amalgamation it was agreed that the first committee should hold office for two years.

62. *Hon. J. Hall.*] Till the end of 1881?—The committee will then be re-elected.

63. Have they all equal power?—Yes.

64. Who compose the present committee?—Mr. Horton, of the *New Zealand Herald*; Mr. Fenwick, of the *Otago Daily Times*; Mr. Blundell, of the *Wellington Evening Post*; Mr. Brett, of the *Auckland Evening Star*; and Mr. Reeves, of the *Christchurch Times and Star*. He is chairman. I may say that this letter which Mr. Horton has written was written in pursuance of a resolution passed at Christchurch by the committee.

65. Supposing another paper was established in any place, upon what terms would that paper be

admitted?—It would have to pay an entrance fee, and would then be admitted upon an equal subscription.

66. Is that provided for by the deed of association?—There is no deed of association. It is provided for by resolution. Any paper has a right to be admitted upon payment of the entrance fee, and to be on equal terms with all the others.

67. What is the amount of the entrance fee?—That would rest with the committee. In the principal towns £500 has been spoken of. I think that is intended to be the maximum.

68. Then it is fixed at £500?—That is the sum fixed in the resolution, but it is really not to exceed £500. The reason for an entrance fee is this: These papers at present in existence have for years been spending money very freely in trying to build up a proper system of telegraphy, and have lost a great deal. They do not want to exclude any new papers, but think they should pay an entrance fee. Any surplus money would be devoted to reducing the subscription.

69. How are the expenses divided?—The special-wire amount is divided between the special-wire papers only.

70. Equally?—No, not equally, because the larger papers are best able to pay the larger proportion. It is not fixed upon any absolute system, but according to what the papers can pay. The principal morning papers pay £20 per month now, and the smaller papers pay £14 11s. 3d. per month, according to their circumstances. They all enjoy the same service. This is simply to make up to £2,222. In regard to subscriptions the papers are divided into four or five classes. For general expenses and management they are classed according to their position, the subscriptions varying from £66 per annum down to £22 per annum, which is the lowest for the regular classes; but there is an irregular class which varies from £20 to £10 per annum—small bi-weekly papers, and so on. The subscriptions are just calculated to meet the bare expenses of management.

71. If any new paper was admitted it would be for the committee to say what it would have to pay?—It would be classified according to the rank of the town, and would pay in accordance with what the other papers pay. If it was a morning paper in Christchurch, it would pay the same as the other morning papers there; if it was an evening paper, then it would pay the same as the evening papers in Christchurch are required to pay. These rates would be subject to a *pro rata* reduction if there was a surplus, and if there was a deficiency, to an increase in the rates.

72. You say the fee is not to exceed £500?—That is the sum in the principal towns.

73. Is there any rule binding upon the Association as to the amount to be paid?—There is that rule.

74. That is, any sum they like to charge, not exceeding £500?—Yes.

75. What I want to elicit is this: As we are giving practically a monopoly to the Press Association for Press telegrams, to what extent papers newly established might or might not be deprived of privileges by act of the Association?—The general scale fixed was—for first-class towns, £500; £300 to £100 for the smaller places and towns; and in the country districts probably £50 or so. All the Press Agency papers which joined the Association had to pay entrance fees. The *Canterbury Press*, *Dunedin Herald*, and *New Zealander* had to pay £250 each, and the smaller papers entrance fees down to £10. That was to liquidate the amount expended by the old association—it was to clear off the liabilities.

76. You say there is no deed of association. Supposing a new arrangement was made with the Association for a period of two years, what is there that could compel the Association to admit any new paper?—A clause in the agreement might easily be inserted.

77. There is no such clause at present?—No; but entrance on fair terms would not be objected to. But we should not consider it fair for a paper started in opposition to those for years established to be admitted without paying anything, and to enter into competition with them on precisely equal terms.

78. It would give papers now under the Association enormous political power if they could prevent the establishment of any new paper?—I am sure the committee would not object to a clause being inserted, fixing the terms on which the entrance fee is to be paid.

79. Do you speak with authority when you say that?—I think so, for this reason: In the new agreement we have made with Reuter in connection with cable matters the same question cropped up, and such a clause was inserted in general terms. Mr. Collins, Reuter's agent, was informed of the existing resolution, and a general clause was inserted in his agreement to prevent our arbitrarily refusing any papers: so I do not think the committee would object to that course.

80. Do you know if any members of the committee of management are likely to be in Wellington?—I do not think so. I wrote to Mr. Reeves, and I do not think he is likely to come. Mr. Blundell is here.

81. *Mr. Bain.*] You say there is no other Press Association in existence?—No.

82. Are the papers generally satisfied?—Well, I can only speak from having received no complaints, and from receiving many assurances that the system is working well.

83. Do I understand you ask exclusive privileges?—No.

84. Is it necessary, in working the Press-telegraph system generally, you should have a monopoly?—No; I do not think so. We have no right to object to any other association starting.

85. If the Government made regulations similar to those made for the public at present, would it interfere with the work?—It would depend upon the nature of them.

86. What I mean is, the same regulations that govern the public business?—That is, the same as now?

87. What I mean is, an open arrangement that any paper could receive at a fixed Press rate?—We should not object so long as we had our wire. We want no monopoly.

88. *Hon. J. Hall* (to Mr. Bain).] Do you mean through the Association?

89. *Mr. Bain.*] No; I mean the Government should fix certain regulations with the Press—the same as those which govern the public business—and do away with the special wire, so as to have an open regulation which any paper can take advantage of?—It would not at all enable us to carry out anything like an efficient supply.

90. Your Association is not registered?—No; there was some talk of registering under the Joint-Stock Companies Act.

91. That would be better. I do not think you are legally constituted at all, because your number is more than seven?—The Act does not forbid more than seven carrying on business.

92. You say the Association does not make profits?—Yes; no individual profits can be made by the members of the Association.

93. Do you think the special-wire business effects a saving generally to the Press?—A very large saving; and, I think, to the public too. By the special wire the papers get a good deal more for their money than they otherwise could. Any increased rates would not lead to increased revenue, because the papers now spend every sixpence they can afford. I do not think another £200 or £300 could be squeezed out of them.

94. Is it absolutely necessary to keep the office open till 1 o'clock at the end of Parliament?—We do not find it too much.

95. Do many papers take advantage of the clause that all messages unfinished at 1 o'clock may be finished at Press rates?—The two Dunedin papers, the *Timaru Herald*, the *Lyttelton Times*, the *Canterbury Press*, the *New Zealand Herald*, Auckland, and the *New Zealand Times*.

96. Then I think you said, with regard to extra copies, two were as many as you asked for?—Yes.

97. *Mr. Ireland.*] Has the Association any power whatever to exclude a paper wishing to join?—No, not if it paid the entrance fee. It was fixed by the committee, and a circular was sent to each of the papers, and only two or three refused to pay the fee.

98. *Mr. Shephard.*] I should like to ask Mr. Gillon as to what existed before the Press Association came to life, under the Press Agency. There had been for years a growing dissatisfaction with the management in several ways. The news was bad, and it had a strong party taint?—I do not like to express any opinion upon that.

99. You know complaints were made very generally from one end of the colony to the other as to the management?—Yes.

100. Then, after that, a number of papers which previously subscribed to the Press Agency seceded, and the present Association is the outcome of that secession. If the Press Agency at the time had had exclusive right to the special wire, could that secession have worked?—I do not think it could. I think there is a mistake in the way you use the word "exclusive." It means exclusive to us as far as the particular wire is concerned, but not exclusive of others having similar privileges. The wire shall be for our exclusive use, but not to interfere with any wire which others may obtain.

101. That would be very expensive—to put up an additional wire. Is there anything to prevent the present Association drifting into the same mismanagement, or doing things which we know very well were done by the late Press Agency?—I think there is—a very strong reason. The former Agency was a business firm beyond all control by its clients. It simply sold the telegrams, and the purchasers could take the messages or leave them alone as they liked. There was no control over the management. But the present Association is not one formed for profit, and is entirely under the control of the papers themselves. A committee of five is chosen to represent all the papers, and it is very improbable that all would be on one political side. Besides, all the members have a say in the management; and, unless you can conceive a case in which the whole of the members would be united with one party, there could be no danger.

102. A majority would be sufficient to determine that?—I do not think so. The rules are very strict that nothing of a political or party character should be sent.

103. Is there anything to prevent these rules being altered by the members of the Association? Can the Government have any control?—No; it would not be desirable to give them control.

104. Is there nothing to prevent this Association deteriorating?—I think it is possible; but precautions are taken to prevent it.

*Mr. Shephard:* Yes; but changes may take place.

105. *Hon. J. Hall.*] You say the Association is not incorporated?—No.

107. Then with whom would any agreement on the part of the Government have to be made?—I apprehend with the five members of the committee.

108. Then practically they would have absolute power in their hands to do what they liked with the special wire?—That was talked of, and the chairman was requested to see if the Association could be formed into a joint-stock company. We found a difficulty in the matter of suing subscribers, from being an unincorporated Association, and also in making agreements. In fact, all the agreements have had to run in my name as manager.

109. The present agreement rests with three members, and if it were made with the five practically everything would be left in their hands?—I do not know whether it would be possible to include all the papers; it might be possible to include all the special-wire papers.

110. *Mr. Fisher.*] I understand from you, Mr. Gillon, that things work very satisfactorily, and that you do not want any more concessions?—Only in the small points of which I have spoken. If the Government had power to enter into an agreement there would be very little difficulty as to the details of it.

111. Did I understand you, in your answer to Mr. Fulton, to say that the Association had not considered the third clause of the last report—that the representatives of the various morning and evening newspapers in the colony should be invited to unite in making proposals which would warrant the department in providing a wire specially for the use of the Press night and day?—I do not think it has ever been brought before them particularly, and I am afraid at the present time the Press would not be able to bear the cost. The question was discussed of putting up a fresh wire when times were brighter; but I do not think the Press could now bear the cost. It has not been taken into consideration by the committee as far as I know.

112. *Mr. Murray.*] I do not quite understand your statement with reference to the charges made by the Association. Are they fixed by the size of the town, or by the wealth or circulation of the paper?—In a town the charges are uniform—morning and evening papers, however, pay separate

rates; but in classifying the papers the committee, with a large knowledge of their circumstances, took into consideration what the papers were able to afford. Some papers that from their position ought to pay a much larger sum than they do, were put into a lower scale because they could not afford the higher one.

113. In the event of a newspaper starting in a city like Dunedin, or Auckland, or Christchurch, would it have to contribute the same for entrance fees and annual charges—although perhaps a smaller paper—as the old-established papers?—It would have to pay the same price for the same services as the papers with which it entered into competition.

114. Would not that act detrimentally, and create a monopoly among existing newspapers?—I do not think it would be fair to encourage newspapers in opposition to old-established ones by giving them the same service at a less price than the others. I do not think it would be at all fair to fix a different rate of subscription for them. As a matter of actual fairness, I suppose all the special-wire papers ought to contribute the same amount to the cost.

115. The tendency would be more favourable to the more wealthy papers than the small papers?—The subscription would not be much to any paper. The highest is £66 per year—not a very large subscription; and the special wire £5 per week, which is not a very large sum. If a new paper came in on the special wire at £225, the Committee would have to make a reduction all round. I think our present rate leaves a margin of 10s. per annum on the special wire: that is as close as we can possibly bring it.

116. *Mr. Fulton.*] You said, Mr. Gillon, that when the morning papers came in you charged them an entrance fee of £250: why do you propose to charge a larger sum now?—Because not only did these papers pay £250 entrance fee, but they had spent a great deal more than that in their attempt to establish a Press Association. The *Press*, I believe, spent £3,000 or £4,000 to get things into a satisfactory state, and they were glad to come into the Association and pay £250. But that by no means represents all that was spent.

117. Do you not think that to ask such a large contribution, seeing it is in the hands of a committee, is practically keeping the special wire in their own hands?—I do not think so, for this reason: A paper starting in either Auckland, Dunedin, or Christchurch, with any hope of success, must have a large capital, and £500 would be a very trifling matter in comparison. It would be impossible for a paper with a small capital to start in Auckland, Christchurch, or Dunedin with any hope of success.

118. *Mr. Shephard.*] The *Herald* started in Dunedin with a very small capital.—The difficulty is greatly intensified now by the position taken by the *Herald*. There was then only one morning paper; now there are two.

119. *Mr. Fulton.*] Would there be any objection to your supplying this Committee with a copy of the resolutions upon which the Association is founded?—I would like to ask Mr. Reeves about it.

120. *The Chairman* (to Mr. Fulton).] Do you mean to include the resolutions which provide for the admission of newspapers?—Yes.

121. *The Chairman.*] You understand that, Mr. Gillon?—Yes.

*Mr. Fulton:* In fact, the articles of association.

122. *The Chairman.*] I suppose there could be another resolution passed at any time increasing the fee: there is nothing binding in it?—I do not remember the precise wording of the resolution, but I think the amount fixed to be the highest amount that can be charged. I do not think it was intended to be a hard-and-fast rule at all.

123. I understand there is no clause to prohibit the Government making any other arrangement for the use of another special wire?—We do not ask it; but they should give no more favourable terms to others than they do to us.

124. I suppose the position you take up is that you pay full value for the use of the wire you have?—Yes. We of course know that with the amount of words transmitted we do not pay equal to the ordinary Press rates for it—we send a greater quantity; we know that—but we say we take this wire and pay for it whether we transmit or not, and we take it at hours when it is not otherwise occupied. In addition to the £2,000 under the original agreement for the main line, we pay £70 each for Blenheim, Hokitika, and Greymouth, and £1 a month for the extra hour on the arrival of the mail.

125. Have you anything to say as to facilities to the Association with regard to the submarine cable?—We act as agents for the Melbourne *Argus* and *Sydney Morning Herald*, that is all.

126. You have nothing to say to that?—No. We asked for longer hours to send to Wakapuaka, and Mr. Maginnity acceded to that.

127. Any member can secede at any time, I suppose?—I do not know anything to prevent any paper going out. The original arrangement was for two years. Other papers cannot come in until they pay the subscription and entrance fee.

128. Can the Association make any profit?—Not in any way.

129. Then, how do they pay for their staff?—By the subscription. The special-wire subscription is specially calculated to pay the cost of the special wire; but then there is a subscription for general expenses also.

130. *Mr. Bain.*] When the present Association started, was it not laid down as a leading feature that one paper only should be admitted?—It was.

131. In regard to Reuter's telegrams, the papers subscribe independently to that?—Yes. The Association have an agreement with Reuter; but he collects his subscriptions directly.

132. I suppose they pay for the telegrams as received?—Yes, as they come, except the special-wire telegrams. We allow Reuter to send cables to the special-wire papers at night. I do not know what Reuter's subscription is in each case, but it varies from £150 downwards. Reuter acts now as our Australian agent at Sydney and Melbourne. Mr. Collins is Reuter's agent here; but Reuter acts as our agent at Melbourne and Sydney. They prepare summaries of the English and Australian news and send them down by each steamer.

135. *The Chairman.*] Mr. Gillon, we need not keep you any longer. We are much obliged to you.—I will send the list of papers, and telegraph to Mr. Reeves about the resolutions.

## Mr. FLORENCE MCCARTHY examined.

136. *The Chairman.*] What is your name, Mr. McCarthy?—Florence McCarthy.
137. Are you connected with the United Press Association?—I am not.
138. Were you ever connected with it?—Never.
139. You represented the Press Agency?—Yes.
140. Have you any special means of knowing how the Press Association is working, or the nature of the changes necessary?—I know generally; I have no special means of knowing beyond my former knowledge as telegraph agent.
141. Would you give us your opinion?—You had better ask me specifically. It is too great a latitude to ask me to analyze the working of the Press Association.
142. You have no means of knowing, you say, how the Association is working?—I am not interested in the Press Association in any way, and the thing does not trouble me.
143. As one of the public you are interested in anything to be done in connection with an Association of this sort, and, having had sufficient knowledge of the Press Agency, have you any objection to state if the system is altogether working beneficially?—I do not think it is working detrimentally, but I do not know if it is satisfactory. I think there is rather a falling-off in the telegraph service lately.
144. Do you think it would work better with the two agencies?—Yes, because there was keen competition. The Press Association had to flog their men to keep up with the Agency, and the Agency had to flog their men to keep up with the Press Association, and there was very keen competition. But now the service is sluggish, and has fallen off in excellence.
145. Do you consider it practically a monopoly?—It is a monopoly, not in name only, but in actual fact, because it is perfectly impossible to operate against it. The hold they have is too great, unless another company started, and you granted it a special privilege as was granted to the Association.
146. There is nothing to prevent that in the agreement?—I do not know, I am sure.
147. Have you any remarks to make as to any changes you would suggest in any arrangement made between the Government and any body or persons with regard to the special wire?—No. I happened to glance over the correspondence between Mr. Horton and the Government, and I think there is only one improvement which can be effected—that is, to give them their telegrams for nothing, and place the whole department at their service.
148. What is your opinion with regard to the best arrangement for giving facilities to the public Press. The order of reference to us is to inquire and report as to what further facilities can be given by the Government to the Press for the use of the telegraph. Now you are an expert in that matter from your former connection with the Press and Press Agency, and I should like you, if you can, to make any statement on that point, and indicate the general nature of the facilities to be given?—The opinion that I have formed is that the arrangements made for supplying the public with information through the Press are now of the most liberal character. I cannot conceive of your doing anything more liberal without keeping the office open all night, or placing the whole department at the service of this Association. They do not pay more than one-third of the ordinary rates on the special wire. I do not know how much Government could do for the evening papers, but the special-wire people have the whip-hand of both them and the Government, as they get their telegrams at about one-third the price paid by the ordinary rates. By referring to Dr. Lemon's report, when this negotiation was entered into, it will be seen the cost was estimated at £4,008, and they get it for £2,000.
149. Do you think the Government would make more for the use of the wire if there was no such arrangement?—A great deal more, and it would not cost the newspapers practically any more, because they would not send so much, but would use more intelligence and discrimination in their messages. There would be better messages, and the Government would save in the wear and tear of material and expense of operators. Of course the Government have now to keep a staff on from 8 o'clock in the evening till 1 o'clock in the morning whether they work or not.
150. Outside the special wire, you see no way in which special facilities can be given?—No; unless the Government could keep open certain stations a little later than at present. I do not know of any other facilities that can be desired. At the small stations, where there is very little traffic, it would be a great convenience if they could be kept open, but it would be a great expense to the Government.
151. *Mr. Murray.*] You estimate, then, that this Press Association enjoys an advantage at a cost to the country of £2,000 more than what it pays?—I do indeed.
152. Do you consider that the terms upon which this Association is formed would be likely to prevent the establishment of an independent Press in the colony in the event of that Association assuming a political aspect?—It could not assume that, because it would be smashed up at once. I think it is perfectly impossible for any association to become a political power. Our Press Agency was accused of it, but of course it was a lie. There were plenty of lies flying about then. No Press Association could do it, because it would be condemned daily.
153. Do you think the Press Association is a monopoly?—Yes; no doubt it is a monopoly, and it is in the hands of three or four people. It will grow daily, and will bind the whole Press of the colony in bonds of iron. If the proposals of Mr Horton are acceded to this year, more will probably be asked for next year, and there will be nothing more to grant if they get all they want.
154. You do not think the Press Association is in danger of becoming a powerful political organization to get unfair privileges conceded to the Press?—Yes; but as regards coloured telegrams it can only do so by suppression, not by the dissemination of falsehoods.
155. That this Press Association will begin to exercise for its own advantage a political influence on the Legislature in order to get favourable terms for itself?—I think it is doing so already, and I look upon the last proposal as an indication of what is coming.
156. *Mr. Fulton.*] Are you aware of any objections on the part of the Press, outside of this Association, to the privileges which are accorded to that Association?—No; of course it is to the

advantage of the morning papers. The evening-paper interest is distinct from this. The more advantages you give to morning papers to glean all the news the more you deprive the evening papers of getting anything fresh the next day. Practically, the evening papers have only between the morning and 2 o'clock in the afternoon to get anything fresh; therefore anything that takes the news from them is a disadvantage to them, but it is an advantage to the general public.

157. Then any objection you have to the present monopoly is not in the interest of the Press but of the public.

158. *Mr. Bain.*] Are you a Press telegraph agent at present?—I correspond for two newspapers.

159. Do you think a return to the old arrangement, by which the papers paid 1s. per 100 words, desirable?—I think it would answer the papers, providing you gave them the same facilities, by keeping the telegraph stations open to as late an hour. It would answer all public requirements.

160. You say a return to the old system would not increase the amount spent by the papers?—They would cut their coat according to the cloth.

161. Do you think the special wire necessary?—I think it is unnecessary, and I think it is a danger.

162. You say it costs, then, only one-third the ordinary Press rates?—I do not suppose it costs them any more. It will be found, I think, it does not cost more.

163. I understood you to tell Mr. Fulton you have not heard of any dissatisfaction about existing arrangements?—I have heard something: one gentleman went so far as to offer me £50 if I would undertake to start in opposition. The cause of objection was that these proprietors of the Press Association impose an entrance fee, or, as some people call it, "black-mail," before one can join, and after that a regular subscription has to be paid.

164. It is generally understood that that is meant to bar any new papers starting in the principal towns?—That is one of the objects of the monopoly, to secure themselves.

165. Then, generally, you have no suggestions to make, except that the Association is extending, and will get their telegrams for nothing?—I consider it is a blot, and ought to be swept away. That is, the Government should not hold out any extra inducements, and should not allow these people to hedge themselves in with rights and privileges, so as to grow up a power in the land, when they will plead vested interests.

166. *The Chairman.*] If each paper used the wire as it liked, it would be impossible to get so much through in a given time?—Well, there is something in that; but there never was any practical difficulty realized. In fact, I may state that the wires were used to a much greater extent than now in consequence of the competition between the papers; but now they are all reduced to a dead level there is an easiness of feeling. A proprietor will say "Anyway my contemporary will not have more than I have," and that feeling lessens the expending power. There really was a great deal more sent before the special wire was used.

167. You consider this arrangement tends to check the growth of wholesome competition?—There is no doubt about that. In fact that was one of the reasons urged against the old Press Agency; they said it reduced papers to a dead level, and they did not like it. But that kind of reasoning I do not hold to be good, as they can always employ special correspondents.

168. When the Press Agency was in existence, did the Government make any arrangement for the use of this special wire?—That is how the Press Agency got swept away.

169. And when the Press Agency applied for a special wire on similar terms it was granted?—Yes; but not until the Agency received a fatal wound, which it never recovered from. Directly the Association got the special wire, they sent Mr. Gillon round the colony, and what with threats and cajolery they got all the papers.

170. How many papers did you represent?—We represented nineteen-twentieths of those in the colony.

171. Newspapers might secede from the Association, and the Government might make another arrangement?—Yes, secretly.

172. There is a Bill before the House called the Electric Telegraph Act Amendment Bill. It says the 13th section shall be amended by inserting the following paragraph: "For contracting with any person or persons, or body corporate or unincorporated, for the exclusive use of a special wire or wires, and for fixing the terms and conditions, rates and charges, to be paid for the use of such wire or wires." Do you think it fair to the public, and politic, that the Government should have the power of making a secret arrangement with any body or person for the use of the special wire, and of arranging terms and conditions?—I suppose it is fair enough, but I doubt if it is politic.

173. Does it not mean that the Government may make such an arrangement unknown to the public. That is what I mean by "fair"?—Yes; if publicity had only been given to such an arrangement, the Press Agency would have been in existence to-day, and two private individuals would not have been ruined pecuniarily by the arrangement.

174. I suppose now, with reference to the existing arrangement with the Press Association, if the Government choose they could kill that Association by making a secret arrangement with others?—Undoubtedly; if the Government were unscrupulous enough to do so they could wipe out this Association.

175. You think publicity would prevent that, and would tend to do away with such arrangements?—I think so; and it seems to me that that ought to be the basis upon which all public business should be conducted.

FRIDAY, 9TH JULY, 1880.

Mr. CHARLES ROUS MARTEN examined.

176. *The Chairman.*] I believe, Mr. Marten, you are connected with the papers included in the present Telegraphic Association?—Yes; I am editor of the *Evening Post*.

177. Do you know the terms upon which the present arrangement with the Association is based?—I believe I know generally the terms of that arrangement. I cannot say that I am thoroughly acquainted with the details. It does not come within my department.



178. The Committee wants to know whether you have got any statement to make in reference to the matter—that is, to state your views generally as to the arrangement as it exists—and whether or not you have any suggestions to make that would be beneficial either to the papers themselves or to the public interest, as also your views as to the propriety of renewing the arrangement with the present Association?—I do not know that I quite understand the purport of the question.

179. What we want to know is, first, if you have got any objections to make to the present arrangement; secondly, that you will give us your views upon the general aspect of the arrangement hitherto in existence; and then, that you will be kind enough to give us any suggestions you have got to make in reference to any change in the present order of the arrangement?—I believe that the feeling generally on the part of the evening papers is that they are placed at a disadvantage as regards the superior provision made for the morning papers. I refer to telegraphic arrangements generally.

180. Will you state how?—The number of words allowed to be transmitted at reduced rate within day hours is quite insufficient, and the absence of any provision for precedence during the day-time renders the arrangement most inconvenient for the evening papers. The effect of the latter is that telegrams not unfrequently arrive at an hour which precludes them from appearing in the evening papers at all.

181. You are talking now of the privileges provided by the Association for these papers?—I am speaking generally of the effect of the existing telegraphic arrangement on the evening papers. As to the details of the arrangement made with the Association, that is not in my department. I only speak of the general working of existing arrangements in respect of the telegrams so far as they come under my notice editorially.

182. I understand you to be speaking of the *Evening Post*, which is one of the papers connected with the Association; or do you mean that the arrangement generally is injurious as regards the evening papers?—I am speaking generally as to the effect of existing arrangements. We find that we do not get our messages through during the day-time with sufficient rapidity. We find that a great many delays occur in the transmission of Press telegrams during the day, and the consequence is that a great deal of the matter transmitted comes too late for that day's publication, the result being that the evening papers lose it altogether, and the morning papers get the advantage of it.

183. Are you alluding to Press Association messages, or messages sent to you outside the Press Association?—That experience applies to both, but I am speaking more particularly of messages outside the Association. Of course the morning papers have all the advantage of the evening rates and the special wire. The consequence is that they get their messages much more rapidly and fully than those transmitted to the evening papers. The evening papers have to contend with all the disadvantages arising from a press of work during the day-time; and it not unfrequently happens that the messages transmitted during the day—I mean for publication in the evening papers—are delayed to such an extent as to render them perfectly useless for publication in that particular evening's issue. That is one very grave objection to the present system; and by the provision in the proposed Bill dealing with the facilities provided for Press messages the danger of a block in the wire would be very much increased.

184. That provision to which you have referred is contained in the 2nd clause of the Bill?—Yes. Of course, at present, if any block takes place on the wire by which the evening messages intended for publication in the morning papers are detained, then the evening papers get the advantage of that. Under this new Bill we should lose that benefit. The 15th section of the Act provides,—

It shall be the duty of the Commissioner, and of all officers, servants, or workmen employed in the working of any such telegraph line, to transmit all messages, despatches, or communications which may be lawfully transmitted under this Act or any regulations for the time being in force hereunder, in the order in which they may be received; and every officer or person offending against this provision shall pay a penalty of not less than one pound, nor exceeding twenty pounds: Provided that all Government messages or despatches, and all messages relative to the arrest of criminals or accused persons, the discovery or prevention of crime, or matters connected with the administration of justice, may be transmitted in priority to any other message or despatch: Provided also that, unless otherwise directed by any such regulation as aforesaid, no person shall be bound to transmit by telegraph line any message or despatch except for the purpose mentioned in the last preceding proviso, unless the fee or rate for transmission and delivery of such message or despatch shall, if demanded, have been previously paid.

Under that system, when there is a block on the wire the ordinary messages are sent through; and the result is that the Press messages are detained until too late for publication. The new Bill makes provision that all messages or despatches received for transmission for or on account of the public Press may, between such hours as shall be fixed by the Commissioner, be transmitted in precedence of all other private telegrams or messages, without reference to the order in which they were originally received for transmission at the office of origin. Now, that proposal may at any time subject the wires to a second block during the day; consequently the evening papers are liable to a constant block—both that daily arising from the press of ordinary business on the wires during day hours, and possibly an additional block during the first morning hours, owing to ordinary messages being sent through after being delayed during the night to give precedence to the Press messages for the morning papers.

185. The 3rd section of the new Bill makes some provision of that kind—within what hours Press messages shall take precedence of all other business. The clause provides that—

In case of interruption or partial interruption to the telegraph lines, all messages or despatches received for transmission for or on account of the public Press may, between such hours as shall be fixed by the Commissioner, be transmitted in precedence of all other private telegrams or messages, without reference to the order in which they were originally received for transmission at the office of origin. But such precedence shall not be permitted except by the authority of the Superintendent or the Secretary of the New Zealand Telegraph, and unless in his opinion the actual delivery of such private telegram or message would not thereby be delayed.

It seems, according to that, that hours within which Press messages may obtain precedence over private messages may be fixed by proclamation during the day-time?—That is only in the case of interruption. There is no regulation for Press messages obtaining precedence of private messages under other circumstances.

186. What facilities would you suggest should be given?—One of the principal grievances the evening papers have to complain of in connection with their messages sent during the day is, that, if



there happens to be a press of other business, there is no regulation for the Press messages to obtain any precedence; and the result is that these messages are so seriously delayed that they very often reach us too late for publication. An event may occur between, say, 10 and 11 o'clock in the morning, and if the telegraphic message is delayed an hour or two in transmission, the result is that it does not reach us until too late for publication. If it comes in after 3 o'clock, which is very frequently the case, it reaches us too late for that day's publication.

187. *Hon. Mr. Hall.*] Is 3 o'clock the latest time you can receive messages for that day's publication?—We can take nothing much after half-past 2 o'clock.

188. *The Chairman.*] Do the present arrangements of the Press Association aggravate these evils, or do they leave them as they are?—I do not suppose they have any great effect on this particular grievance, which arises from the telegraph arrangements generally.

189. How does the working of the special wire affect them? Does it aggravate or alleviate them?—It has no effect whatever on the evening papers, excepting so far as in giving undue advantage to the morning papers. The special wire is entirely a morning-paper privilege; and in reference to that matter I should like to say that the proposal in regard to the leasing of the special wire seems to me to be very unfair. I gather that, under the conditions proposed by the lessees of the special wire, its effect will be to preclude any new paper getting the advantage of the wire unless upon extravagant terms, thus securing an entire monopoly to the Association and its newspapers.

190. Do you mean to say that that effect is produced in consequence of the arrangement as between the Government and the Association, or is it in consequence of and entirely due to the regulations made by the Association itself?—It is in consequence of both.

191. How do you arrive at your conclusions in regard to the first?—Because I understand it is proposed as a condition—in fact, a stipulation under the special-wire lease.

192. At what page?—The first page. It provides, under the heading "Special Wire," "that the wire be not taken under any circumstances for ordinary Press purposes." I understand that that is one of the proposals as a condition in the lease of the special wire to the Association.

193. It is for the renewal of the lease, is it not?—It is a proposal for the lease of the special wire under certain conditions. It is to lease the special wire for Association purposes exclusively.

194. It is not exclusively for the Press Association. Any other association might obtain the same privileges?—The proposal is respecting "a fresh lease of a wire between Auckland and the Bluff, with such changes and modifications as have in the course of the past fourteen months been found to be absolutely necessary to the successful working of the system for Press purposes." In fact, it is a proposal for a lease of the wire to the Association for its own exclusive purposes.

195. There is nothing in the lease granted to the Press Association to prevent any other person entering into an arrangement with the Government for the use of another wire?—As I understand the arrangement, it stands thus: The present Association, under its lease, has the entire right to the wire; so that, were any other association to be formed, many papers would be unable to join it so long as the old Association enjoys this special privilege.

196. I understand from what you say that you consider that in the circumstances the granting of a lease of the use of the special wire to this company gives it a monopoly of the newspapers?—Yes, I do.

197. Do you happen to know the terms under which the Association has obtained this lease?—I believe I am acquainted with the general terms.

198. And do you consider that these terms practically amount to the granting of a monopoly to the Association?—Certainly I do; and I think also that the way in which I understand they have been laid down by the Association, precluding any new paper from participating in its telegraphic benefits unless on condition of paying a sum of £500 for the privilege of joining the Association, practically gives a monopoly of telegraphic news, not only to the Association, but also to the papers at present connected with it, because very few new papers could afford to pay such a bonus as £500 at first starting.

199. I have here the report of a Select Committee which sat in December, 1879, of which Mr. Walter Johnston was the Chairman. The second section of that report reads to the following effect:—

That evening papers should be allowed one thousand words during the day at present rates, and one hundred words to take precedence of all messages (except urgent messages) between half-past one o'clock and half-past two.

That recommendation, I understand, was never given effect to. Now, will you be good enough to state your opinion upon that proposal? Will you state whether or not you think it would be beneficial to the evening papers were we to adopt it?—It would certainly not be more than a step in the right direction.

200. Would it be better than the present arrangement?—It has some advantage over existing arrangements, but it does not go far enough. It proposes to give the Press a precedence of only one hundred words altogether, from all stations. To make the concession of any real value it would be necessary that it should apply to each station—that is, that we should be allowed to get precedence for a message not exceeding one hundred words from any station. It is very seldom indeed that any important message is much less than one hundred words. If we could get a message of that length from any station, or from each of several stations in special cases, it would be of some value; but, if the precedence were limited to one hundred words altogether, which might all have to be sent from one station, the value of the concession becomes very doubtful indeed.

201. As the representative of an evening paper, then, you do not, as I understand you to state, attach much value to this recommendation?—No. It is a slight improvement, so far as it goes; but it does not go far enough.

202. *Hon. Mr. Hall.*] Would it not be of some practical use so far as your Australian telegrams are concerned?—Not as regards our Australian summaries from Auckland and the Bluff. It would, of course, be of some use so far as the cable messages are concerned which are sent through from Wakapuaka.

203. You were one of a deputation from the evening papers that waited on me?—Yes.

204. The deputation objected to the form of the Bill as it at present stands?—Yes.

205. Will you state, for the information of the Committee, the nature of the suggestions that were made by the deputation?—I believe that they were much the same as those I have already mentioned. The main objection lay in the fact that the Bill appeared to give a great deal too much in the shape of a monopoly to the Association.

206. Did you advise that the agreement between the Government and the Association should be subject to termination on six months' notice being given?—Yes. I think that we also suggested notice being published in the *Gazette* of any such agreement.

207. Notice of the intention should be given a month before, so that the whole public might know about it?—Yes; that was what we suggested.

208. So that any person might have an opportunity of objecting to the proposal?—Yes, if it was not on a fair basis.

209. Do you think it would be wise for Government to stipulate in the agreement with the Association that the Committee of Management should be elected by the subscribers generally?—I think that would be a very good plan, and I imagine it is one that would meet with general favour; but, as I have explained, I have no personal knowledge of the internal management of the Association.

210. At present the agreement stipulates for a committee of three gentlemen; and therefore that puts all questions of management and control into the hands of these three gentlemen?—I do not know the exact number of the directors, but I imagine that would be the case.

211. Supposing the whole of the subscribers objected, their objections, as against the opinions of these three gentlemen, would be powerless, would they not?—I presume so.

212. Do you not think that that state of matters would be alike unsatisfactory to the public as well as to the papers themselves?—Yes, I do. I think the suggestion you have made would be much fairer.

213. *Mr. Fulton.*] Will you state your opinion as to the propriety of a change being made for the entrance-fee of new papers into the Association. At present, I understand, they are charged as much as £500?—I certainly think it quite fair some change should be made in that respect. The Association requires a large expenditure of time, labour, and money on the part of the promoters, and it is only just that those coming after, who reap all the benefit from this, should pay for the advantage: at the same time the effect of so heavy a charge is practically to prevent new papers being started.

214. Have you formed any opinion as to what you would consider to be a fair and reasonable scale of charges?—No, I have not. Indeed, I can scarcely say that I am fully acquainted with all the charges that are made.

215. What I understand you to say is this: You think that the charges at present made would have the effect of preventing another association from starting?—The charges made at present by the Association are calculated to prevent new papers starting; and under the terms of the agreement between the Association and the Government no association outside the present one could be formed. Therefore a complete monopoly is given to the present Association, and I think it is very desirable the agreement should be so framed as to prevent this monopoly.

216. The papers which have paid this large sum to join the Association are, naturally enough, tied neck and heel to it: consequently, do you not think that they would be averse to enter into any new arrangement?—Of course it would have that effect also.

217. *Mr. Ireland.*] Do you not think that the newspapers could just as well supply themselves with news as to get it through the Association?—I think that would be scarcely possible. There must always be some sort of association for the purpose. Sometimes papers form a kind of association amongst themselves for the interchange of special telegrams. There must always be some association for this purpose.

218. You mean in connection with the telegraphic system?—Yes.

219. Would you suggest that the terms should be made by the Government instead of leaving the proprietors of the Association free to make their own terms?—Do you mean as shareholders of the Association for obtaining its privileges?

220. Would you prefer the present practice of the Association being allowed to make its own terms, or would it not be better, in your opinion, for Government to bind them down to certain specified terms and conditions?—I think that that would be preferable to the present arrangement; but I have not thought the subject out, as the suggestion has not been brought under my notice before.

221. So that the papers would in a manner come directly into contact with the Government, instead of having, as at present, to deal with the Association exclusively?—Yes. I have not thought the point over carefully, but I fancy that some such arrangement as that would have a tendency to improve the position of newspapers.

222. *Mr. Bain.*] The *Evening Post* is a subscriber to the Association?—Yes.

223. Do you consider that the Press Association is any improvement on the Press Agency?—Perhaps in some respects it may be. You mean, I suppose, the Press Agency of which Mr. McCarthy was manager. I must confess, however, that on the whole I do not see much improvement.

224. Is it any improvement editorially?—No. In some respects I think it is less satisfactory. It seems to me that not only the special wire, but also the whole working of the Association goes almost entirely in the direction of promoting the interests of the morning papers.

225. The arrangement as it stands is that the evening papers get 1,500 words at 1s. 3d. for the first hundred, and 1s. for each subsequent hundred?—Yes.

226. Now, is it a fact that you take advantage of this privilege to the full extent?—Yes; very often we require fully that number of words. Sometimes we take four, or even five, times as much as that, as was the case no further gone than yesterday.

227. Did that telegram come during the day?—No, I forgot; that came during the previous night.

228. Was the telegraphing better under the Press Agency system than it is at present?—I do not know that there was very much difference. I have not compared the two with sufficient minuteness to express a positive opinion.

229. You consider that the recommendations of the Select Committee of last session about giving Press messages a precedence over other messages would not be sufficient?—No, if it is limited to a hundred words in all.

230. Supposing it were to be increased to two hundred?—The objection would still remain. It would be quite sufficient if all the stations were allowed to transmit messages of that length, and to have precedence for them.

231. You do not consider that the 2nd section of the Telegraph Bill will be of much service?—No, not under ordinary circumstances. If a message is put in at 10 or 11 o'clock and it does not reach us till 3 o'clock, it is practically of no use. We have to take them and pay for the whole, even if we do not use a hundredth part of them for lack of time to set them up.

232. What instructions do you give to your agents at the different stations about despatching messages?—To get them away as early as possible.

233. That is the general instruction?—Yes.

234. Still you find considerable delay in transmission?—Yes; as much as three and four hours sometimes.

235. *Mr. Barron.*] Are you acquainted with the articles of the Press Association?—Yes.

236. Have you formed any opinion as to the cause of the mishaps which occur in the news summaries?—I do not quite see your meaning.

237. Do you think that, if any one is to be blamed for the mistakes that occur in the news summaries, it is not those in connection with the Press Association?—I really cannot say. I am the special correspondent of the *Otago Daily Times*, the *Canterbury Press*, and the *Auckland Herald*, and during the session of the General Assembly I have often to send away very long telegrams. I find that as a rule they are as well sent at one time of the day as they are at another. Mistakes occur at one time just as often as they do at another, and, so far as I can judge, these mistakes do not occur in the Press Association telegrams any oftener than they do in my own specials.

238. Do you think there is any difference between the messages sent during the day and those sent during the night as respects accuracy of transmission?—No, not so far as it has come under my notice.

239. You say that the Association demands £500 in name of an entrance-fee?—Yes, I understand so.

240. A paper joining the Association after a certain date, I believe, has to pay that fee?—I have said that I am not personally acquainted with all the details of the arrangement.

241. Do you happen to know of any newspaper having secured this privilege without making such a payment?—No.

242. *The Chairman.*] Do you not think that if the papers were to make arrangements for their own purposes without the Association interfering at all, then it would follow that each paper would have its own separate telegram?—I do not quite understand the question.

243. Were the Government to publish the terms upon which each paper would get the use of the special wire, and each paper was to come to these terms, and, as it were, stand upon its own bottom, would it not follow that the telegrams in each of these papers would be separate—would be different from each other, I mean?—Yes; but then that would involve a large expenditure, such as papers are not at all likely to incur when, by associating and having the same telegrams, they would so greatly lessen the expense by sharing the wire-charges.

244. The same amount of matter—I mean, as much—could not be telegraphed to the public Press as under the arrangement with the Association?—No; I imagine not, in that case.

245. It could not be telegraphed?—No, I hardly think it could. Each message in that case would be distinct, and the aggregate amount would be enormous.

246. *Mr. Bain.*] Do you think that it would be to the interest of the papers to deal directly with the Government instead of dealing through the Association?—I do not know what advantage would be gained. What I understood Mr. Ireland's question to mean was this: that the papers should arrange their wire-terms with the Government, and that they should join the Association with regard to the purveying of news. Some sort of association or combination among the papers themselves for that purpose is absolutely necessary.

247. Is it your opinion that no arrangement made with the Government for getting news would be beneficial?—For the Government to become reporters would not, in my opinion, be beneficial, but very much the reverse.

248. *Mr. Shephard.*] You think the maximum charge for new papers entering the Association is unfair?—I think it is so high as to be prohibitive.

249. You think a certain sum should be charged new papers, do you not?—Decidedly so. It is quite fair that they should pay something towards the original cost of starting the Association.

250. *Hon. Mr. Hall.*] Do you not think that the rules and regulations of any association to which the Government gave a monopoly of this kind should, in the first instance, be submitted to and approved of by the Government?—Yes, I do.

251. Would there be anything unreasonable in such an arrangement?—No, certainly not; especially seeing that such important concessions are proposed to be made.

252. Were precedence to be given, as far as possible, to messages for the evening papers between the hours of, say, 1 and 2.30 o'clock?—Were an absolute precedence to be given between these hours for a message of a hundred words from any station, then it would be a very great advantage.

253. Then how would it affect the working of the department if that precedence was to be claimed at every station?—That is a very extreme case, which would not be at all likely to arise. Some limit, I imagine, might be put upon the exercise of the privilege without impairing the general efficiency of the concession, and it would be a great benefit. The concession is one we are very anxious to secure. It would be easy to guard against its being abused.

254. *The Chairman.*] You would have this privilege without any condition as to the stations?—It would be very difficult to specify any particular station. A very important occurrence might take place in a most unlikely quarter, and the telegram have to be sent from some unimportant station.

For example, the Kumara accident, which took place the other day, or the Kaitangata colliery explosion, which took place some time ago. In each of these cases the telegrams about the accidents were sent from minor stations. There could, I imagine, be some arrangement so that the privilege might not be abused.

255. *Mr. Barron.*] When it is an urgent message you could get it along in the ordinary way?—Yes, by paying double the ordinary charges; not merely double Press rates.

256. Fifty words would enable you to telegraph any very urgent matter in such a form as would make it interesting, to the Press?—Probably it might in some cases.

257. That is to say, that a telegram of fifty words might be of use to you?—It might be of some use; but a message of a hundred words would be a great deal more advantageous.

258. From your own experience, can you say whether or not a telegram fifty words in length is not usually as large as you get during the day-time?—Scarcely. Where the matter is of sufficient importance to make the precedence necessary, the telegrams are usually much longer.

259. When the message is of sufficient importance you do not care to pay ordinary rates?—If the telegram is marked "Urgent," that means a very heavy charge indeed. You have to pay double the ordinary rates, as there is no urgent Press message tariff. That makes the expense very heavy.

260. *Mr. Shephard.*] Fifty words would be about six lines ordinary newspaper measure?—About that, I should say.

260A. That's but very little?—Yes, it is very little—not sufficient for our requirements.

Mr. CHARLES O. MONTROSE examined.

261. *The Chairman.*] You are connected with one of the papers, Mr. Montrose, belonging to the United Press Association?—Yes.

262. What paper?—The Auckland *Evening Star*.

263. Do you happen to know the general nature of the terms entered into between the Government and the Press Association?—Yes, generally.

264. Do you wish to make any general statement of your opinion regarding the working of that arrangement before the Committee proceeds to put questions to you on the subject. I mean, have you got any remarks to make upon the arrangement—any alterations or improvements you may be inclined to suggest? If so the Committee will hear them.—I may state that I have prepared a few notes on the subject which I desire to read. It will not take more than half an hour to read them over. These notes travel over the whole ground in reference to the question now before the Committee. I may state as a preliminary that it was myself who started the first newspaper telegraph system in New Zealand; and, having conducted its operations for some years, I can claim, without egotism, to have considerable knowledge of these matters.

265. When was it that you first started the system to which you refer?—It was in the year 1869.

266. That was a company, was it not?—It was at first called the New Zealand Press Telegram Company. It was formed about the month of September, 1869, when the Government abandoned the practice they had previously followed of supplying Australian and Suez summaries by telegraph to the Press. The Government at that time supplied the Suez mail, and subsequently a San Francisco summary of news. At the date to which I allude notice was received from yourself (Mr. Gisborne) by the Press that the Government would for the future abandon that service. I then took the matter in hand, reorganized the service on a different footing, and carried it on for some years—I think, if my memory serves me rightly, for a period of four years. During that time difficulties were constantly arising, particularly with the morning papers. In fact, my experience was this: that during the whole of the time the morning and evening papers were engaged in a constant struggle for the survival of the fittest. The morning papers were persistently endeavouring to obtain concessions as to the quantity of telegraphic news. Indeed, I may say that, during the time I was proprietor of the agency, great inducements were held out to me by gentlemen occupying influential positions in the colony to give the morning papers the preference over the evening papers; which inducements I refused, more, I am afraid, from a feeling of sentiment than from a selfish regard to business considerations and my own personal profit. The evening papers had remained loyal to me, and I steadily refused to place them at any disadvantage as regards the morning papers. I held then, as I hold now, that evening papers are specially adapted to the characteristics of the country. We have here an industrial population; and the evening papers are specially well adapted to the circumstances and requirements of a population of that character. We have in New Zealand no great metropolitan focus for news, but a number of more or less isolated centres; and the leisured and professional classes are not yet sufficiently numerous to maintain their own special organs. I had every confidence in their future, and I therefore refused to give the morning papers any undue advantage over them, taking care to divide the news between the evening and morning papers as fairly as could be done. I say this, however, that the evening papers have been always handicapped as regards the morning papers.

267. From your own knowledge of all the circumstances, is it your opinion that the present facilities granted by the Government for the use of the telegraph for press purposes could be improved; and what alteration would you propose to make?—That brings me to speak of the provisions contained in this new Bill, intituled, "The Electric Telegraph Act 1875 Amendment Act 1880," now before the House. I particularly notice clause 2. By that clause it is proposed to amend the Telegraph Act, enabling the Government to contract with any person or persons, or body corporate or incorporate, for the exclusive use of a special wire or wires, and for fixing the terms and conditions, rates and charges, to be paid for the use of such wire. I believe the reason for giving that power is, that it was found necessary to validate the existing special-wire contract, and to provide also for the future. Unless some provision is made enabling Government to offer facilities on the same terms to any other body, it will, as in times past, give one section of the Press a decided advantage over others. In the correspondence between the Telegraph Commissioner and Mr. Horton, Mr. Horton writes suggesting "that all messages unfinished at closing-time be finished to all papers requiring them, either on time or at Press rates," and that the special wire should not be used for ordinary Press telegrams. The tendency of that arrangement would be to give the morning papers possession of the wire all night, and all day too.

268. *Hon. Mr. Hall.*] Do the morning papers require this? Have they not got time enough to get their messages sent through during the night?—The message may be sent to the telegraph office very late—too late to be transmitted that same night. If the message is not lodged by 1 o'clock a.m., the chances are that it does not go through. The effect of the proposed arrangement would be, that, if all the wires were down but the special wire, all the Press messages would be shut out by the special messages, and the ordinary Press messages would not get through in time for publication in the evening papers; and the result would be, that the morning papers would again get an advantage over the evening papers. If another organization had a special wire on the same terms as proposed by the Association (and I apprehend the Committee will admit that the principle is a fair one), and if only the two special wires were working, then the ordinary messages would be shut out, and the messages of every paper that did not happen to belong to either association. These organizations would have the exclusive use of the special wire, and all papers outside these organizations would have to take their chance with the ordinary messages on the general wire. Then, again, if there were one association, and if only one wire were available during the day-time, the evening papers would be shut out also in that case. What I would recommend is, that the special-wire business should revert to the old arrangement—it worked very well—and that, instead of any special contract being entered into, the facilities to be granted for Press purposes should be permanently fixed by Act of Parliament, and not left to the operations of any chance pressure that might happen to be brought to bear upon the Government for the time being that might happen to be in office. That would be the means of removing the Government from any imputation of Press influence. If two simple tariffs were arranged for the morning and evening papers, and permanently fixed by Act of Parliament, that would, in my opinion, answer all the requirements of the Press. That is the conclusion I have arrived at after many years of active Press telegraphic experience. A great deal of rubbishy telegrams are sent through by rival associations. It is the quantity, and not the quality of the matter, that they look to. Indeed, they send through some of the greatest rubbish imaginable. Some men, who have had no experience in Press telegraphy, get a pair of scissors and cut out wholesale; and the result is, that when the matter gets through a great deal of it is found to be such utter nonsense that it is thrown into the waste-letter basket. I have received matter in this way, as a sub-editor, that I would not cut out of the exchanges.

269. *Mr. Shephard.*] But is that not the fault of the agents?—Yes, to be sure it is; but still, I have formed the opinion that the Press telegraphic system is to some very considerable extent responsible likewise. Practically speaking, the morning papers get their messages at the rate of 4d. per 100 words. That is absurdly cheap. I do not think the evening papers would be placed on an equal footing unless they received 2,000 words in the day-time at 6d. per 100 words, and 100 words of precedence messages from any part of the colony. Another matter to which I would wish to direct the attention of the Committee is the question, or, rather, the practice, of "*vides*." Under the present arrangement, where a general message is put in, and it is necessary to send copies of that message to various newspapers, the department insists that a separate form be made out for each paper to which the message is sent. That entails a serious and unnecessary waste of telegraph forms to the department, as well as waste of time to the sender in making out separate forms. I would suggest that, if it were possible to register the names of all the papers on the one form, that would save all this trouble and waste. The messages to all the papers could then be sent simply on the one page. Another matter to which I will allude is one upon which I believe some difference of opinion exists in the department. When the lines are down, we take a message to the office, and it is refused. They refuse to receive it in consequence of the interruption. Then we have to send to the telegraph office, and, indeed, keep on sending, to inquire if the line has been got into working order again. That is a great inconvenience to the newspaper offices, and it could easily be prevented were a rule made that messages should be received and filed for despatch in the order in which they were received so soon as the communication had been restored.

270. Do you know the articles of the Association?—Yes; I have a general knowledge of them.

271. Do you consider that the entrance-fee charged for admission has a tendency to create monopoly?—I cannot say.

272. Do you know the amount?—I do not. I think it varies according to the position of the paper.

273. Have you heard what the largest amount is?—I think it is £200 or £300.

274. Suppose, for argument, it was as high as £500, what effect would that have—I mean as regards the establishment of a new paper?—Unless the paper were backed up by a large capital it would be prohibitory.

275. Do you think that it would be unreasonable in the case of an Association receiving valuable privileges from the Government for the Government to insist upon smaller fees being fixed for the entrance of new papers?—Decidedly not. In the case of Reuter's, an arrangement of that kind is stipulated for. I believe their agency is equally open to all newspapers—that they make that a leading principle in the conduct of their business.

276. Do you not consider that it would be to the public interest if a similar arrangement existed here also?—Yes, I think it would be only fair.

277. As the matter stands, would it not be almost impossible for a new paper to begin?—It would certainly be placed at a disadvantage.

278. Would there be any chance of a paper succeeding unless it had the advantages provided by the Association?—Without some provision for telegraphic news it would be absolutely hopeless.

279. You mean, to enable it to succeed?—I do. Without good telegraphic news, no daily paper can hope to succeed in New Zealand.

280. You consider that the present entrance charges would have the effect of preventing a paper, unless with a very large capital, from making headway?—Yes, they would handicap the paper very much.

281. After you gave up the telegraph agency, Captain Holt's agency sprang into existence under the protection of Messrs. Brogden and Son?—Brogden and Co. advanced me capital, and ultimately got the business into their own hands. Holt held a power of attorney from them, and I left Holt in possession in consequence of a disagreement as to the mode of conducting the business.

282. Under that arrangement did not the news supplied by the agency fall off materially, and at one time assume a strong political bias?—I do not think it is correct to say that any political bias was given to it. I do not think that Mr. McCarthy was the man to do so. I selected Mr. McCarthy myself—at all events, I recommended him to Captain Holt as my successor; and on my recommendation he was appointed, and ultimately became a partner in the business.

283. Had not Captain Holt a tendency that way?—I think he had some grievance against Sir George Grey.

284. Would a similar tendency not be created in the case of an association receiving special privileges?—It might be. An association which received special privileges from a Government to the exclusion of all other papers would probably, in return for these concessions, consider it politic to support the Government.

285. Then, as a natural consequence it would be unsatisfactory to the public?—To that extent it might.

286. It would operate to the prejudice of other papers?—These other papers would, as a matter of course, be borne down.

287. *Hon. Mr. Hall.*] I think you were a member of a deputation that waited on me in reference to this Bill—the Bill now before Parliament?—Yes, I was.

288. Will you state, for the information of the Committee, any suggestions you made at that deputation on behalf of the evening papers?—I think I went pretty well over the ground I have already stated. I may perhaps have omitted one or two matters.

289. Did you at that deputation suggest that the agreement made with the Government and the Association should be terminable at any time on giving six months' notice?—Mr. Marten made a suggestion of that kind.

290. Who is Mr. Marten?—He is editor of the *Evening Post*, and was one of the deputation.

291. Do you think that proposal would be a reasonable condition?—It would be a reasonable condition. I do think some power reserved to the Government to terminate the agreement very desirable. If it could be shown that the agreement was being made to operate against the public interest, such a power should be exercisable.

292. You would also suggest that a stipulation should be made admitting papers into the Association upon the payment of a reasonable sum?—Yes.

293. Also that the terms of the agreement should be made public for some time before being concluded, so that the Press as a whole might have an opportunity for seeing what was proposed being done?—Yes.

294. Do you think that it is possible for the evening papers to enter into an organization amongst themselves for the purpose of obtaining facilities similar to those obtained by the morning papers?—I believe that their number is too limited. At present the Press is not sufficiently strong for two sections to pay for these privileges separately.

295. Do you know for what period the present agreement is made between the Press Association and the papers?—I believe that it is up to the end of the present contract.

296. That is, to the end of this year?—I suppose so.

297. *Mr. Fulton.*] Do you know whether or not the articles of Reuter's Company are open to the public?—Yes. I know that the motto used by Reuter's Agency is to the effect that it is open to all, and partial to none. That is the meaning of the motto. When I was in Sydney I impressed upon them the necessity of placing their facilities open to all the newspapers.

298. You think that the agreement should be not only an article of agreement between the Government and the Association, but that Government should also insist upon articles of association being made in that particular way?—Yes; and the articles of association should contain a clause making the facilities provided open to all newspapers that liked to go in for them. In saying that, of course I am speaking more in the interest of the public than in that of any special association of newspapers.

299. You suggest that we should deal with the matter in a public view more than has been done?—Yes.

300. *Mr. Ireland.*] You said something about a lot of rubbish sent through the special wire?—Yes.

301. Can you suggest any remedy for that?—The only remedy I can see is that the rates should not be so low as they have been fixed under the special wire. The average rate is 4d. per 100 words. That being the case, it makes the news agent less careful about the news he sends than he would otherwise be. He takes a whole lot of matter out of the paper with his knife, and does not use proper judgment in the selection. He puts the whole lot upon the wire, and says to himself, "Oh! it does not much matter. They can take what they like, and leave the rest. It is cheap enough. Only 4d. for the hundred words."

302. You mean by that that they will send you trifling incidents, such as the intelligence that some one has broken his leg?—Yes, and more trifling matters than even that. I myself have had as much as half a column telegraphed to me from some place called Oamaru about a coursing match, giving the pedigree of all the dogs, and a lot of other stuff that was only fit for the waste-letter basket.

303. Would it not be well that the Association should take care to get their news from good condensing reporters?—Of course that would be a matter of importance.

304. Would it not be well to have men of that class in connection with the Telegraph itself?—Mr. Gillon himself is a good condenser. Do you mean to have men of this class in connection with the telegraph offices at the various places throughout New Zealand, and then allow them to revise the Press messages? I am afraid that would never do. You must get the agents to exercise judgment in the matter themselves. If you gave any one in connection with the Telegraph Department power to take out words or remodel the messages, you would at once provoke the outcry that the Telegraph Department was setting up a censorship over the Press.

305. *Mr. Barron.*] Do you think that 1s. per 100 words would operate as a check upon carelessness in the selection and transmission of these news items?—I think that 1s. per 100 words at night

would be a reasonable rate; and I think it would have the effect of making agents more careful as to the kind of matter they selected, and, if they were not, they would be more likely than at present to be remonstrated with by the papers themselves. The increased rate would have a greater tendency in that way than the present rate.

306. You think that the public would benefit by the change, and that they would not suffer. I mean in the amount or character of the news supplied?—I believe the telegraphic messages would be of a much better character than they are at present, and much more care would be taken to condense matters of real interest. As it is at present, I have explained to you why it is that the telegrams are not so satisfactory to the public as they ought to be.

307. *The Chairman.*] You spoke about the arrangement between Reuter and the Government. You mean by that with the Imperial Government?—Yes.

308. Do you happen to know whether that arrangement is publicly notified, or is it entered into privately with Reuter?—I do not know; but my opinion is, that all these transactions are made after public notice. I know that upon one occasion it was proposed to give them concessions over the Eastern lines owned by companies, and they published the whole terms of the proposed contract before the contract was entered into.

TUESDAY, 13TH JULY, 1880.

Mr. E. T. GILLON examined.

309. *The Chairman.*] You have heard the telegram read in reference to the *Thames Advertiser* being represented in the United Press Association. I wish to ask you the reason it is not included?—The *Thames Advertiser* is included in the papers supplied with news by the Association at present. It is supplied by us with news every night up to 8 o'clock out of session, and up to 10 o'clock in session. And the same with the *Ashburton Guardian*. We did everything we could to keep these offices open till 10 o'clock every night, out and in session. We tried for a time the experiment of having both stations on the special wire, but we found it did not answer. Another thing was that the *Advertiser* would not pay its fair proportion of the expense of the special wire. There being so many small stations on the special wire, a good deal of additional work was thrown on the department, and the transmission of messages generally delayed, as I think Mr. Maginnity will admit; and therefore it was determined to ask the department to relieve us of the payment of £70 each, which we were paying for keeping the Grahamstown and Ashburton Stations on the special wire. Mr. Wilkinson still owes the old association money on account of the special wire, and it was kept open for him at a loss. He seemed to think he should have the use of it for the £70 we had to pay the Government for opening the station, without contributing anything of the £2,000 a year which we pay for the main line. Grahamstown being on the special wire used to delay the transmission of messages between this and Auckland. The ordinary subscription paid now by the *Advertiser* is a very low one. It was placed in a lower class than a daily morning paper in a large town should have been, because Mr. Brett, who appeared well acquainted with its circumstances, assured the Committee that things were so dull at the Thames that the paper really could not afford to pay more.

310. The Committee asked Mr. Gillon whether they could be informed what was the constitution of the Association; and in reply Mr. Gillon wrote to me on the 7th July as follows: [Letter read]. I laid this letter before the Committee at its last meeting, and it was then resolved that Mr. Gillon should be summoned for this morning and bring the minutes with him. [To Mr. Gillon.] I do not quite understand the distinction you drew. Have you any objection to lay the resolutions which were passed, showing how you arrived at that result, before the Committee?—I think I would prefer not having the minutes made public. I shall be happy to show them to the members of the Committee; but there is an objection to having them published. I have consulted Mr. Blundell, a member of the committee here, and it is considered undesirable that the minutes should be published as evidence. The general tenor of the resolutions has been given in the evidence which I gave upon the last occasion.

311. *Mr. Bain.*] I understood you to say that the cost of the Thames and Ashburton Stations for the special wire was £70 each per annum?—Yes.

312. And that the department relieved you of that expense?—Yes.

313. And the only payment you received from the *Advertiser* was £33 a year?—No; that is the subscription since the special wire was stopped.

314. There was no profit?—No; no profit, but a decided loss, unless the *Advertiser* paid a fair share of the full rent. Of course, if it came in on the special-wire arrangement we should expect it to pay a proportion of the whole of the £2,000; but Mr. Wilkinson wanted all the advantages without paying any part of the cost.

315. Then, do I understand from you that Mr. Wilkinson now gets telegrams for the *Thames Advertiser* for £33 a year?—Yes.

316. You supplying the telegrams?—Yes.

317. And he paying no wire-charges?—Oh, no! he pays the ordinary wire-charges. We have done all we could to get the Thames put upon the 10-o'clock time out of the session.

*The Chairman:* Now we will go to the real part of the evidence. Mr. Fulton, it was you who suggested that the minutes should be brought.

318. *Mr. Fulton.*] The object of getting you here, Mr. Gillon, was, I understand, to question you on the subject of what articles of association you had. You produce the minutes. I want to know if they contain anything of that sort?—They contain all that has been done. Everything is in the minutes of the conference which was held after the amalgamation of the Agency and Association.

319. I suppose at that conference those present decided upon a series of resolutions?—Yes; these resolutions were passed after the amalgamation took place. [Witness here read the minutes of the meeting in question.]



320. Does it say what papers were represented?—No; but it gives a list of the people who were there, and who represented various journals. [Witness continued the reading of the minutes of the meeting.] This is really the basis on which the Association was formed. Mr. Horton's letter was written in compliance with a resolution passed by the Board of Management, to negotiate with the Government for a new special-wire lease between Auckland and the Bluff.

*The Chairman*: I do not know what the feeling of the Committee is upon this subject of what you are stating from the minute-book not being in evidence.

*Mr. Bain*: I do not think we should press to have anything entered in our evidence that Mr. Gillon objects to.

[The witness was here asked to retire for a few minutes, and did so. On his return—]

*The Chairman*: The Committee are of opinion that, as the United Association are asking certain further concessions from the Government than those which you have at present got from the Telegraph Department, the Committee have a right to know the situation of the Association itself; but, as you take certain objections, the Committee do not insist upon the resolutions read being taken down as part of the proceedings, but will let you give in your evidence the purport of the resolutions, so as to show the situation of the Association. But, with regard to the evidence which you give, it will have to be taken down by the shorthand-writer. Will you give us the resolutions, then, on which the Association was formed.

[The witness was reading over the resolutions.]

*Mr. Bain*: The purport of these resolutions has already been given in print?

*The Chairman*: I think so.

321. *Hon. Mr. Hall*.] The terms and conditions—have they been given?—Yes.

322. *The Chairman*.] I think you had better prepare a written statement regarding the minutes of your Association, and the resolutions on which the Association is based. It will be sufficient time for you to give them when you hand in your statement.—I have no objection to do that.

323. It would be useful for you to say who the present Committee are, and for what time they hold office, and on what terms other accessions to the Association will be allowed.—I will do so. Mr. Horton's letter to the Government was written in pursuance of a resolution passed on the 12th February, at Christchurch, commencing, "That the chairman be authorized," &c.

324. *Mr. Bain*.] There is one thing I wish to ask you with regard to your scale of charges. You state that the *Thames Advertiser* is a paper which would have to pay £300 to join the Association. You stated a short time ago it would not belong to the Association?—No; that is not so: it belongs to the Association. A paper starting in the position of the *Thames Advertiser* would, by these resolutions, be required to pay an entrance-fee of £300.

325. You say nothing about the *Dunedin Herald* and the *Christchurch Press*?—They had joined before the date of the Timaru meeting, having already paid £250 each to join the Association. With regard to the constitution of the Association, a resolution was passed, at a meeting on the 13th February, 1880, that steps be taken to register it as a joint-stock company. [Resolution read.]

326. *Hon. Mr. Hall*.] And what has been done in pursuance of that?—I do not know beyond the chairman consulting a firm of solicitors in Christchurch, who, I believe, were to draw up articles of association which were to be sent to the members of the Association; but that has not yet been done so far as I am aware. I have nothing more than the resolutions of the 13th February. When I stated the amounts fixed as entrance-fees I added that I understood them to be the maximum amounts; and I referred to Reuter's agreement, one of the terms of which was that it was understood that all papers should be allowed to join on fair terms, and that Reuter's arrangements were to be respected. If we refused to allow any papers to come in it might determine our agreement with Reuter if he thought we were unfair. Therefore I thought our committee might be willing to make a similar agreement with the Government.

327. Perhaps you will be good enough to put that in your statement?—Yes.

328. I do not ask the amounts paid by the various papers; but can you give us the names of the different journals?—This is a list of those who contribute to the special wire. [List read.]

329. How much does the *Lyttelton Times* pay?—£240, as do all the other leading morning papers; smaller papers pay £175. The *New Zealand Times* pays £195, and the *Blenheim and West Coast papers* pay £100 and £105 respectively. I will read the classification of the various papers in regard to subscriptions if the Committee desire it.

330. You can put it in your statement.—I scarcely think it would be desirable to make public the subscriptions paid by every paper.

330A. On the other hand, if the Government are to make further concessions for the benefit of the Press generally, it is only fair that the benefits derived by the various papers in the colony should be known to the Committee, and the terms on which they derive those benefits.—The list of subscriptions has nothing to do with the special wire or any Government concession.

*Hon. Mr. Hall*: Oh! then of course we have nothing to do with it; but the Committee might like to know what they pay.

331. *Mr. Bain*.] Those figures you read just now are what are paid as contributions to the special wire?—Yes; and these the subscriptions to purposes of general management. [Mr. Gillon here read the classification.]

332. *Mr. Fulton*.] How do you arrive at that classification?—Simply from the circumstances of the papers.

333. Do you go from the circulation?—No. The directors know very well what are the circumstances of the various papers, and what it would be fair to charge. The total of subscriptions is just calculated to cover the cost of management. After the first classification it was found necessary to raise the amount 10 per cent. all round to make the total equal to the estimated expense.

334. What agreement is entered into by the incoming paper?—There is no agreement; we do not require them to sign any. They simply signify their wish to join us, pay their entrance-fee and subscription, and are then on a footing with the other subscribers.



335. *Hon. Mr. Hall.*] Do they pay in advance?—Yes; if they did not pay in advance we should not supply them with the news.

336. *Mr. Fulton.*] With regard to the evidence given just now as to the first start of the Association, I should like to know whether all the papers in the colony were invited to be present at the meeting?—No; the committees of the Association and the Agency were there, and practically they represented all the papers.

337. Then I understand only a certain part of the Press was represented?—The committees of the two associations practically represented all the subscribers to each, and all the papers were offered an opportunity to join.

338. *Hon. Mr. Hall.*] Who were the representatives of the evening papers?—Mr. Reeves, of the *Christchurch Star*; Mr. Brett, representing the *Star* in Auckland; Mr. Briggs, representing the *Christchurch Globe*; Mr. Jago, the *Dunedin Star*; and Mr. Blundell, the *Wellington Post*.

339. Practically, therefore, at that time everything was in the hands of the two committees?—Yes.

340. You say instructions were given to prepare a deed of association?—Yes.

341. Do you happen to know the terms of that deed?—No; the committee did not say how it was to be drawn, but the chairman was to see the lawyers, and it was to be left in Mr. Reeves's hands to consult with them and write to the other members on the subject.

342. The arrangement leaves the present committee in power for two years?—That question was never discussed.

343. *Mr. Bain.*] I think you said, Mr. Gillon, that the committee made the classification. Is there any appeal?—No.

344. I suppose the committee have had a good many complaints as to classification?—No; I think I may say we have only had one, which was from the *Southland Times*. I think the papers generally were agreeably surprised at the amount of subscription fees.

345. You say intimation of the intended proceeding was not sent to all the papers?—Yes.

346. And the committee holds office for two years?—Yes.

347. *The Chairman.*] Supposing a newspaper now wished to enter this Association, would the terms rest altogether with the committee?—Yes, subject to the general resolutions. If it was in Dunedin or any other town, they would have to pay the entrance-fees set down here unless the committee met and decided otherwise, and the subscriptions would be the same as paid by the papers of the same class in the same town.

348. Is it a right of any paper to come in on these terms, or is it left to the Association to decide whether it will admit them or not?—It has a right to come in.

349. Have you had any applications from new newspapers in town?—No. I have had a private letter from Mr. De Bourbel, of Christchurch, about a new paper starting there; but it came to nothing.

350. Has the committee power to exclude any paper now on the list so long as it fulfils the terms?—No, it has not.

351. *Hon. Mr. Hall.*] The committee of the Association might suggest some rule which would enable the Government to make some concession to the Association upon terms which would enable them to make terms upon their own part with papers which are either not in the Association or which may be started hereafter. I think you have gathered that there is a feeling that, if any new concession is granted, it should be surrounded by something of the kind—some special agreement to prevent the existing papers having the entire monopoly; and it would be very desirable for your committee to consider this question and to make some proposal?—It is not easy to get our committee together, as the members reside in different parts of the colony.

352. It is an important question, and it should be settled. Your chairman might make some proposal to this Committee?—The matter has been settled to some extent in the agreement with Reuter which I have quoted.

353. It is rather with a view of satisfying the Committee that such suggestions should be made?—I will write to Mr. Reeves and ask him if he will make a proposal.

354. *Mr. Barron.*] I will just ask Mr. Gillon if the reply sent to Mr. De Bourbel was that the £740 would have to be paid?—No; that sum would not have to be paid under any circumstances. In the first place it was an evening paper that was contemplated, and I told him that the entrance-fee would be £500, with a yearly subscription of £44.

355. The evening papers have to pay the wire-charges. If it had been a morning paper that was to have been started, I understand the entrance-fee would have been £500, and the usual special-wire rent of about £18 a month. That would have been about £540?—Being an evening paper it would have had to pay £11 a quarter subscription.

356. The difference is the evening papers have to pay word-rates?—Yes.

357. *Mr. Ormond.*] Mr. Gillon will understand the Committee insist upon this point. It is necessary before we can deal with the question?—Yes; I will write to Mr. Reeves.

358. *The Chairman.*] You can hand in a statement as soon as you have written it.

Mr. ERNEST E. COLLINS examined.

359. *The Chairman.*] Would you please state the office you hold?—I am the agent in New Zealand for Reuter's Telegram Company (Limited).

360. This Committee is appointed by the House to inquire as to what further facilities can be given in the way of telegraphic communication to the public Press. Would you like to make any statement as to the present system, and whether any alteration could be made with advantage?—I should scarcely like to make any statement.

361. Only to answer questions, perhaps?—I should prefer to do so. I have not had much experience of the New Zealand system of telegraphy; still, I shall no doubt be able to answer any questions the Committee may choose to put to me.

362. What are the facilities given to your Company with regard to this colony?—We have no special facilities beyond those granted to the public and the Press.

363. Is that speaking of the special marine service?—The cable and the land services. Telegrams received by the daily papers are paid for at the ordinary rates. We use the special wire at night-time.

364. Is there any special arrangement between the Telegraph Department and Reuter?—None, except with the Government regarding the midnight cable service. The Government and the Company contribute £250 a year to the Cable Company for the use of the cable from 12.30 a.m. to 1.30 a.m., New Zealand time. The Company pays half of whatever the cost is after deduction of the rates on the messages which go through the cable at night-time. Of late we have had to pay nothing, as the rates on the midnight cable messages have more than covered the £250 a year paid to the Cable Company. At least, I gather that to be the position of affairs, because the Government have not called upon us to make good any deficiency.

365. With regard to telegrams you get from England, do you make any special arrangements with the newspapers?—Yes. We contract with the principal newspapers, they paying us so much per annum, and paying wire-charges. We pay all the expense of cable messages to Wellington.

366. Is there any agreement between Reuter and the Imperial Government?—I know of none.

367. Has not Reuter any concession?—There was none when I left England six years ago. The Company conducts its business in England in the same manner as in New Zealand. It contracts to supply papers at so much per annum.

368. And it pays the Telegraph Department certain rates?—Yes. Of course in England we pay the agency-fee on the wire, and from England we pay much in the same way as in New Zealand. There is no agreement whatever.

369. Have you any suggestions to offer to the Committee with regard to facilities with the Company as to the use of the telegraph?—Well, I can scarcely say I can make any suggestions.

370. It has been pointed out that the messages take a great deal of time in their transmission to the evening papers during the day. When they have been handed in to the telegraph office at, say, 1 o'clock p.m., they have then reached their destination too late for publication in some parts of the colony where the papers go to press at 3 or 4 o'clock. Have you heard of any such complaints?—I have myself had to make complaints on the subject.

371. How long since?—Within the last six months.

372. That the messages do not reach the papers in time for publication?—Yes; but principally in places far away from Wellington. They would be received here in time, but not in distant places.

373. I suppose your Company has regular printed rules as to agreements?—We have a printed form of agreement which the papers sign; and we bind ourselves on the payment of so much a year to supply the news.

374. Would you have any objection to produce such a form of contract?—None whatever; but I am afraid the agreement can give you little information.

375. When you say "agreement," I wish to ask you whether the agreements you enter upon are upon a regular fixed scale?—Well, scarcely. We have different arrangements with different papers, and we have different terms with papers. We do not charge all papers the same rate.

376. *Mr. Fulton.*] According to classification, I suppose?—Yes.

377. *Mr. Ormond.*] Can you give the Committee any information as to the classification?—What, as to papers? Well, first there are the morning dailies in the large towns of the colony, which are recognized as the first-class journals and pay full rates. Then there are the Invercargill, Oamaru, and Napier papers, which are the second-class town papers. The bulk of the other papers are bi- and tri-weeklies, which only pay a small rate.

378. *Mr. Barron.*] I suppose sufficient to include the cost of the cable messages?—Yes. All they have to pay beyond the subscription is the ordinary wire-charges of the Press.

Dr. LEMON examined.

379. *The Chairman.*] What is your exact position, Dr. Lemon?—I am Superintendent of Telegraphs.

380. You know the object of the Committee, I presume?—It is to inquire what further facilities can be given by the Government in connection with Press messages.

381. In the printed papers which were laid before the House in August, 1879, you wrote a memorandum relating to the telegrams supplied to the various newspapers by means of the telegraph wires. Has there been any material alteration since then?—None, Sir.

382. I think the Committee would like to hear from you any statement in regard to the arrangements between the public Press and the Telegraphic Department generally, and also with regard to the special-wire system. I do not know whether it would be convenient for you to make a written statement, or whether you would rather make your statement to the Committee by word of mouth now. There are arrangements of the Press outside the special wire, and other arrangements with the Press with regard to that wire. The two parts into which the Committee wish your statement divided are as to the merits and demerits of the present system, and what alterations you can suggest; and the same with regard to the special wire?—I do not think I can do anything beyond the information I gave to the House at the time to which you refer. That suggested the placing of the various newspapers on an equal footing proportionately. I think my statement was exhaustive as to the questions you are asking now. Shall I read you my reply which I wrote you last year? [Dr. Lemon proceeded to read a part of it.]

383. You adhere to the opinion which you then expressed?—Yes.

384. Perhaps I had better read it? [The Chairman did so.]

385. Have you made any calculation what it cost the persons who came into the special-wire system—what it cost them per 100 words?—During June, 1880, there were telegraphed to the various newspapers 1,880,000 words.

386. During one year?—No; for the month of June alone.

387. What is the cost of that?—The Government got for it £166 13s. 4d.

388. *Hon. Mr. Hall.*] That was not during the session?—Yes; it was in the month of June. The number of words sent and received was 1,880,000.

*The Chairman* : I think it is better that you should make a statement.

*Hon. Mr. Hall* : You can give us an approximate estimate for the six months, and send in a statement afterwards.

*The Chairman* : Yes; showing what the Government received both in and out of the session.

*Witness* : I have heard it stated that it cost the papers about 4d. per 100 words.

389. Then what are the additional payments outside of this special wire?—A shilling per 100 words, and that is the rate for some papers after 5 o'clock.

390. *Hon. Mr. Hall* : And before 5 o'clock?—A halfpenny a word.

391. And if they take 1,500 words in a message they pay 1s. per 100?—And anything after that they pay a halfpenny a word.

392. And to what extent is precedence given to messages?—For the evening papers we generally push the messages through between 1 and 2 o'clock in the afternoon; but there is no absolute right in the matter. The only right of the kind is in the case of urgent messages, which, as a matter of fact, are the only messages which take absolute precedence.

393. Suppose a paper wanted a message urgently, would it have to pay the ordinary urgent rates?—Yes.

394. Do you know if it is sometimes a fact that evening papers avail themselves of this, and that precedence is then given to get their messages through?—If paid at urgent rates; but the operators will push the ordinary Press messages through between 1 and 2 o'clock, so that they can reach their destination in time for publication in the evening papers.

395. Would it be possible to prove that there is no delay in these messages, as it has been said there is sometimes considerable delay in certain messages; can you, by reference, prove what amount of precedence is given to these messages that are sent in at 12 or 1 o'clock?—We can arrive at the time messages are put in and delivered. We can take a week's messages put in for the evening papers throughout the colony.

396. Perhaps you will have a statement showing that made out, showing what time they are put in, and how long they are delayed. Have you never had any complaints from the evening papers?—What, about the delay?

397. Yes.—They always complain when they do not get their messages in what they consider time. There is some little delay occasionally during the sitting of Parliament. They get their messages in good time nine times out of ten, and we never hear anything about that.

398. *Hon. Mr. Hall*.] About the cost of the special wire. Have you prepared any statement showing what is the actual cost to the Government of working the special wire. Is there a detailed statement giving that information?—I have a statement showing month by month the amount of overtime paid.

399. Is it all overtime?—We reckon the overtime from 10 o'clock. This return has been compiled from 10 o'clock every month right from the very commencement of the special wire, and in June it shows a total of 1,800 hours.

400. I do not want you to go into details now. I only ask you if you have prepared a return of that kind?—Nothing beyond this.

401. Did you not prepare a statement for me when the last application was made on the subject of this special wire?—No; I did not prepare it.

*Mr. Maginnity* : Yes, you prepared it—the actual cost of the work.

402. *Hon. Mr. Hall*.] Can you (to Dr. Lemon) not put that statement into writing?—Yes.

403. Did you say you had the actual statement as to the overtime?—When I say overtime—there is no overtime now—but what we call after office hours.

404. Well, I do not wish to press for the information now, but you say you have such a statement, and can put it in. But with regard to the special wire, can you state to the Committee generally what are the results to the Government? What do they get for it?—We receive £2,000 a year from the special wire.

405. And what does it cost the Government, excluding the interest on the cost of the line?—Well, I think we stand to lose about £600 a year.

406. How do you make that out? What do the Government expenses include?—Wages principally. I dare say the loss will be £700 a year, and it may be more.

407. That is without charging interest on the capital?—Quite so.

408. Do you include anything for the maintenance of the line in that estimate?—No, certainly not.

409. *Mr. Ormond*.] The labour and actual expenses of working the line only?—Yes.

410. Can you suggest any way by which the special wire can be continued without the Government incurring a loss, by diminishing the work without interfering with the newspapers, and at the same time producing a larger revenue?—You cannot do that. At present the staff is worked as low as it can be. There is only one man employed at each station.

411. What class of operators do you employ?—We give them all a turn right round. We employ both first- and second-class operators. We cannot keep one particular class of men to do this work.

412. Do you pick out your most or your least competent operators for the work?—We have half a dozen grades of operators.

413. Do you use the most or the least competent?—No; we take them all in their turn. It would not do to pick out special men for this class of work.

414. Are you aware that there have been great complaints from the Grahamstown Station?—The 10-o'clock arrangements have been done away with there. They only get their messages up to 8 o'clock, unless it has been altered lately—except through the session.

415. That is what they complain of: before they got their messages up to 10 o'clock?—Yes; and the men were kept waiting about until 11 or 12 o'clock at night, because we used to take messages in up to 10.

416. But the office closes generally for Press messages at 8 o'clock?—Yes.

417. But it was formerly kept open until 10 o'clock?—Yes; that was before the special wire came into vogue.

418. Was the office being kept open from 8 till 10 for Press messages, independently of the special wire, a source of loss to the department?—No, I do not think that.

419. You mean outside the special wire?—The offices which were kept open for Press messages now close at 8 o'clock. Formerly they used to be kept open for ordinary messages from 8 o'clock till 10.

420. Was that a source of loss?—It was after the establishment of the special wire, but not before.

421. And do you think if the office had been kept open between 8 and 10 for ordinary Press messages that it would have paid the extra expense of keeping the office open?—No; that it would not.

422. Would there be much loss?—No; I cannot say that—it would be the expense of keeping the operator and clerk there. But the paper which did not contribute to the special wire would derive advantage from it, and we should have to be ready to both send and receive messages.

423. If Grahamstown kept open until 10 o'clock, would it not mean that other offices must also keep open until that hour?—It would, of course, depend on the number of stations kept open. Of course, during the session it is necessary, for the sake of getting the parliamentary news, that the office should be kept open, but not during the rest of the year.

424. Supposing the special wire were abolished altogether, would it not greatly increase the work of the department?—No, I do not think it would.

425. Would you not in that case, instead of having to send a single message, have to send a great variety?—It just depends upon the writer. I am certain that the Press telegrams now sent by the special wire are fully 50 per cent. more redundant than they need be, and that they load our wires with just double the amount of verbiage that there is the slightest occasion for.

426. Why?—Because they have told me it is cheaper to send a telegram *in extenso*, as there is no time lost in amplifying it on its arrival at the newspaper office. This I consider is altogether wrong. The telegrams sent to the papers are very different from those which are sent by the public. In the former instance they are sent in the same way as you read them in the papers, and you have only to see the difference between them to appreciate what I say. The difference is very great from the ordinary public telegrams where they have to pay a penny a word.

427. You mean that the same message, if sent by one of the public who has to pay, would be sent in a very much less number of words?—Yes. I took the trouble the other day to count a message which had come to one of the papers, just as it was wired, and I put the whole thing in thirty words.

428. And how many did it contain as it was sent?—One hundred and fifty.

429. *The Chairman.*] Your objection rather refers to the lowness of the charge?—Yes; the lowness of the tariff. And besides, if the papers pay so much per word, their news, or rather the actual words, is condensed, which keeps up the class of correspondents; but the present system makes them lazy. The net result would be the same to the newspaper, but would be a great saving in the amount of work required to be done by the operators.

430. I understood Mr. Hall to ask as to a better system of working the special wire than that which prevails now in the matter of independent messages. Even when the wires appear to be overloaded by a number of independent messages, is it not a fact that, by the use of the special wire, and the same message going to many papers, there is in reality a saving in the work actually done? That is what I understand him to mean?—I am aware of that, and will admit that sometimes this is so. But sometimes a reporter, who only wishes to send a message to one station by the special wire, will be told that it cannot be taken, as all the papers, who are on an equal footing, have an equal right to it. He will then say, "Well, then, send it along to all stations—everywhere;" and then it has to go through the colony, and everywhere the papers get it who may not want it, and who will not use it. That I know for a fact. We have instructions from the Press Association not to take messages to an individual paper; therefore, on such occasions as that to which I have referred, the correspondents will make it "*vide*" through the whole colony.

431. *Mr. Ireland.*] Would you kindly state if, in your opinion, the special wire were done away with, the various papers at one part of the colony would get as full information as those at another, at a less cost to the colony than is the case now. I mean if this Press Association were done away with, so far as the special wire is concerned?—You mean to say, instead of our spending 1s. and only getting 9d.

432. Supposing that this special wire were done away with, and that all the papers in the colony were placed upon equal terms, do you believe that the telegraphic system could be worked at a less cost than it is at the present time?—Do you mean, and get more money for less work?

433. I mean at the present rates that are paid, and under the circumstances you have described?—Yes. There is a vast lot of matter placed upon the wires that is not news, and what in the newspaper offices themselves is known as "padding." There are large numbers of words put in which the newspapers themselves could insert to complete the telegrams. Before this cheap rate came into use correspondents only sent the skeletons of their messages.

434. Then the public lost nothing?—Nothing whatever; and, as I told you before, the other evening I put a message of 150 words into thirty.

435. From which I infer that there might be made a saving of £700 a year to the colony.—And also a large saving to newspapers as well.

436. *Mr. Bain.*] When the two Associations had the special wire between them, was the department working at a profit?—Yes, we were, though not a very large one.

437. Then, as to this proposal to charge a halfpenny a word?—I do not say that that should be the charge; it is only a proposition. At the same time it is one which I believe would greatly increase the revenue of the department.

438. Yes; but you did not state that in your memorandum.—No; that is not for me to fix.

439. At the ordinary Press rates I suppose that the telegrams, condensed in the way you have stated, would produce a revenue equal to that which the Government now gets from the special wire?—Well, not at 1s. per 100 words.

440. It is 1s. 3d. the first hundred, is it not?—Yes; 1s. for the first seventy-five words, and 1s. per 100 for the rest.

441. Then you say the condensation is not what it used to be.—I have not the slightest doubt about it.

442. But you must admit that a great many mistakes arise from over-condensation.—I have no doubt about that either—from over-condensation.

443. From experience I would not trust one man out of a dozen to extend a telegram. It is a difficult matter.—I admit that.

444. You admit that it is a matter of some difficulty. It requires exceptional skill of a high class. That is what you mean?—If you get a good man he can do it.

445. My experience is that you may get a good man, but to properly extend telegrams requires a special kind of skill, which very few men possess: it is quite a specialty.—Telegraph men make the best condensers, in my experience.

446. We have had it stated that the time occupied in the transmission of telegrams from Invercargill to some of the evening papers in various parts of the colony is three hours.—Very likely; for the mails arrive there and leave, and have to be made up before going off to or on arrival from the steamers. There is a vast amount of correspondence to be looked after, and it takes the postmaster and the staff at the Bluff—who are only limited in number—all their time to sort the mails. The master of the telegraph station is also the postmaster, and has to look after the personal supervision of these things.

447. Has he no assistant?—Yes, but the mails are made up as the steamers are going away, and there is very little time to spare; and the same may be said as to their arrival.

448. I understand you to say that you have a postmaster and assistants, but that the former is also in charge of the telegraph office.—Yes; but he is always very busy at these times despatching his mails, and I suppose he is as much out of the office as in it.

449. Could you not rectify this by relieving him of the duties of postmaster to some extent?—Yes; it is only a question of expense.

450. But it is a question of great importance that he gets notice of all mails as soon as they arrive, either inwards or outwards.—Of course; and he gets notice of the postal portion of the subject as far as is possible, and as far as the mails are concerned.

451. Have the cable messages precedence?—You mean from Wakapuaka. Not that I am aware of. They may have occasionally, in the case of evening papers. When there have been cablegrams there, under those circumstances, precedence may occasionally have been given.

452. But there is no distinct rule on the subject?—No; the only cases of precedence are when the messages are marked "Urgent."

453. Could not some one be sent from Invercargill on arrival of the mail to help the Bluff operators?—No, I do not think so—not with the present staff.

454. When before examined on this subject, in answer to certain questions, you replied that the old price of 1s. per 100 words should be reverted to. You tell us the aggregate is the same.—Yes; the same money, but we do two-thirds more work.

455. So that the result is a vast advantage to the Press.—Undoubtedly.

456. Of course I understand you to say that the work of the department must have been reduced since the amalgamation of the Associations.—Yes; of course the same news is not sent twice over to the same town.

457. But the Government is not making the same profit as it was doing when the two Associations existed?—I do not think it makes much difference when all the circumstances are considered.

458. Would it not be possible for some one to be sent from Invercargill to help the operators there on the arrival and departure of mails?—Not always: they could if the mail came in pretty regularly.

459. But you know within a few hours when a steamer comes in, and you have a staff of operators, one of whom could surely then be spared for the purpose of getting off these Press messages?—That is just the time when they are required at the office.

460. But surely it could be done?—It is all a question of expense.

461. I do not see where the expense would accrue if a pass were given to one of the men to carry him to and from the Bluff. Is that not a suggestion which might be given effect to, to facilitate the transmission of Press news at that time?—Of course it could be done. As I said before, it is only a question of expense. There is nothing you cannot do if you have plenty of money.

462. I cannot see the difficulty about the expense. A pass and the expense of a dinner would be all that were required. There are three trains running every day, so that I think there would be little difficulty experienced in relieving the operators at the Bluff. Either that, or a post-office official should be sent down to take charge of the mails—either one or the other. I know what it is receiving and sending away mails, and I think some relief might be given by sending down an operator from Invercargill. I can easily realize the fact that there is a large amount of work going on at the times stated.—Yes; there is no doubt about that.

*The Chairman:* But they can tell within two or three hours of the departure or arrival of the mail—certainly within about four hours.

*Mr. Bain:* And we also know when they leave the other side by the cable, and can tell when they will arrive within a very short time.

*Mr. Barron:* And they are signalled for two or three hours before they come in, so that the operator could be got down by the train. I think that the suggestion that an operator should go down is a very good one.

*The Chairman:* Yes, the idea is a good one.

463. *Mr. Barron.]* Would it be possible to lease the special wire to any company, such company to find their own operators, and the department only to be responsible for the maintenance of the line?—Do you mean between two points?

464. I mean throughout the colony with the stations which they have now. Could not an association take the responsibility, finding their operators, and the Government looking after the

maintenance of the line without the department going to any other expense? Could not that be done?—Yes.

465. Have you any idea what rate would pay the Government?—Between London and Manchester, a distance of between 140 or 160 miles, the Government supply an operator and charge £500 a year. Here we give 2,000 miles of wire and supply operators for £2,000.

466. Would it be possible to specially establish a wire all over the colony, and charge by the year?—It could be done.

467. Would it pay?—That is another question.

468. I mean, would it pay, the Association paying for the use of the wire and finding their own operators, the expense of maintaining the line being borne by the Government? What would the cost then be to the Government?—Well, our cost of maintaining the line now is £4 8s. a mile, and on an average we have four wires on a pole.

469. That is about an average of £1 a mile per wire?—Yes; and we should then have to look to 4 per cent. interest on the cost of construction to lose nothing, and then we should commence to look for profit. £5,000 a year would be a fair thing.

470. Say the wire is 2,000 miles long—that would be £2,000 a year for maintenance?—That amount of line would cost us £25,000, which, at 4 per cent., would be £600 a year. That would be £2,600 a year for interest and cost of maintenance.

471. *Mr. Bain.*] It would be £3,000 a year?—We should have to get this before we talked about profit.

472. *Mr. Barron.*] Then if we got £5,000 a year it would be profitable?—Yes.

473. Have you any idea what it would cost the Press for operators?—Yes, I could tell you. It would cost them 1s. 6d. an hour. That is what it cost in June, when the amount we paid for this work for the special wire was £225.

474. That is £3,000, making a total of £8,000 a year?—That is what the *Times* pays for a wire between London and Paris.

475. Do you think it would be possible for the department to set aside such a wire; and do you think it would be profitable for the department to refuse to give them any other concessions—that is to say, the Association to pay ordinary rates unless when transmitting their Press messages on their own wire?—I think that would be a very unfair arrangement as regards the Press, as it would create a monopoly and crush the small papers. There is as much interest taken in small centres, where there are struggling papers in existence, as there is in the big ones; and many of the small papers would not be able to join such a scheme. I think Mr. Bain knows that in such districts the country papers are looked forward to with even more interest than in the large ones.

*Mr. Bain:* Yes, that is so.

476. *Mr. Barron.*] Then you think that it would be better that the present monopoly that you are giving should continue?—This present arrangement is no doubt a monopoly to a certain extent, because there are some papers which cannot afford to go into it.

477. The Government does not control the rates?—According to the terms of the agreement the Association cannot make any profit out of it; but where they have handicapped newly-started papers is that they cannot go into the arrangement except at a very heavy charge, on the ground that they (the Association) have to recoup themselves. It amounts to the same thing; and there are not many papers which could afford to pay.

478. Do you think it likely that any association would take advantage of such facilities unless they had certain power. Supposing a company had to pay £8,000 a year and find their own operators, do you believe the wire would be used oppressively, and that privileges of getting news by it would be denied to other papers?—Well, you see, papers on the main line of wire between Auckland and Invercargill would be able to take advantage of it; but papers on the branch lines would not be able to do so. There could not be branch lines constructed—there are too many papers. They could not have branch lines to Hokitika, Wanganui, and such places. It would be almost impossible for such papers to join. Of course the question of these branch lines, however, could be arranged—it is only a question of money. But that cost of £2,000 a year for maintenance would not cover any branch lines. That would be handicapping the thing to a very great extent. What between the original question of cost and additional branch lines of, say, three or four hundred miles, the total expense would be a very large one.

479. *The Chairman.*] Could you furnish us with any paper showing us the use of the wire by the English Press?—Oh, yes! I have here the minutes of evidence taken before the House of Commons, where the whole thing was gone into, and every part of it mentioned in reference to the Press telegrams. [Extract read.] The system they have there is this: Supposing they were sending a message to Christchurch, they would charge 1s. per 100 words to the one paper, and to other papers a copy of the same for 2d. Those are the rates at Home. All the papers would have to pay the 2d. for every hundred words if it was duplicated to another paper, the original copy being charged 1s.

480. Have you not a printed statement on the subject?—Yes. [The witness continued reading from the matter in question.]

481. Are there no printed rules in England, or is it a matter of arrangement?—The scale is fixed by Act of Parliament.

482. Are there printed conditions under which any one can apply for the exclusive use of a wire?—Some of them pay as much as £8 a mile for a private wire.

483. Do they come under printed conditions or make their own arrangements?—I think they make their own arrangements; but the charge to a newspaper for a wire is £500.

484. Tell us what you understand by the term "special wire"?—It would mean that, supposing a paper had an operator here, at the Bluff, Invercargill, or Dunedin, as the Association has here, it would have to pay £500 for the wire between any two of those points.

485. Have they a wire of their own—for their own exclusive use?—No; only from 6 p.m. up to 6 a.m. That is what the *Times* pays for its English land wire between Paris and London. The wire is laid on to the office.

486. Does the Government provide the operators or do they provide their own?—I cannot say.

487. What special arrangements are made between the *Times* and the Government; or do they come under the published conditions?—I explained that they have to pay £500 a year.

488. I mean, is the arrangement made between the *Times* and the Telegraph Department, or is it according to certain printed conditions?—I think there is a fixed rule that the amount to be paid shall be £500 a year.

489. *Mr. Barron.*] Do other papers have the same advantages?—Yes. I explained that the money lies in the cable and not in the land-lines.

490. Is there any arrangement in the Australian Colonies for the use of a special wire?—No.

491. And you do not know of any other country where there are similar arrangements for a special wire?—A wire like this?

492. Yes?—No; but this is not a special wire. It is a wire leased, and going to many stations. What they call a special wire has only two termini—from a telegraph office to a newspaper office.

493. Can you suggest any system by which under published conditions the use of the special wire can be had, either by one or any number of papers, on certain terms, so that by public competition the Press shall have an equal chance of its use?—You mean, to put a rate upon it so low that any paper can avail itself of it.

494. No, I do not mean that; but that there should be certain fixed published conditions for the use of the special wire, and providing that news at a certain rate should be given to the Press generally?—You mean a lease of the wire.

495. Yes. Can you give no suggestion by which all papers alike shall have a fair chance, and there shall be no monopoly?—The only way I see out of the difficulty is, that the House shall determine what the rates shall be, and fix them by Act of Parliament.

496. What the rates shall be for the use of the special wires?—By public conditions or otherwise. That would take a great deal off the Government.

497. Are the rates now fixed by the Government?—Yes—by Order in Council. At Home they are fixed by Act of Parliament.

498. You think there is a way of fixing the rates to be paid by those who use the special wire, by statute?—No doubt—the same as at Home.

499. Do they?—Yes; they have it stated in the Act at £500 a year.

500. Irrespective of the length of wire?—They do not mention the length of wire. It is 400 miles from London to Edinburgh.

501. *The Chairman.*] Is there information that the rates now charged for the special wires result in a loss?—Yes; we do not make any money out of them.

502. I mean in comparison with the rates charged to the Press outside?—Yes, I think there is. The whole question resolves itself into a commercial one. If we are to go on with the wire at a loss, it is for the Government to decide it. If we are to make a profit, we must charge special rates.

503. Have you read this paper before [referring to correspondence *re* the special wire by the Commissioner and Secretary of Telegraphs and Mr. A. G. Horton and others, presented to both Houses of Parliament]?—Yes.

504. Will you give the Committee your opinion on it? The first clause of the special-wire contract runs as follows:—

That a new lease be granted for a special wire between Auckland and the Bluff, for a period of three years from the 1st of May next.

What do you say to that?—Well, provided we got money enough, no one could object to it.

505. You mean, if the entire rates were charged?—Yes. £2,000 a year was not enough. Clause 2 runs,—

(1.) That the hour for the use of such special wire be from 7 p.m. to 1 a.m. on Mondays, Tuesdays, Wednesdays, Thursdays, and Fridays, when Parliament is not in session, and from 7 p.m. to 2 a.m. on the same days when Parliament is in session. That on Saturdays, when Parliament is not in session, the hours be from 7 p.m. to 10 p.m., and when Parliament is in session, from 7 p.m. to 12 p.m. (2.) That on Sundays the hours be from 5.30 to 7.30, except when the San Francisco mails arrive after 10 o'clock on Saturday or Sunday, when the wire shall be open to 10 p.m. on Sunday. (3.) That all messages unfinished at closing-time be finished to all papers requiring them, either on time or at Press rates. (4.) That the special wire be not taken, under any circumstances, for ordinary Press purposes. (5.) That a substantial rebate be allowed when the special wire is interrupted. (6.) All messages to be timed. (7.) No charge to be made for extra copies.

Subsection (1) of the second paragraph gives them an extension of one hour.

506. For the same charge?—Well, I do not say anything about the charge. Subsection (2) is asking for two hours more. Subsection (3) practically cuts out the evening papers altogether. It does not give them a show for the day's telegrams. With regard to (3), I do not know what time we should be able to close the office; and it would put us completely at the mercy of the newspapers.

507. Some of those proposals had been agreed to?—I think the 500 words had. [The witness proceeded to read over Mr. Maginnity's letter on page 2 of the same paper.] With regard to (4), if they pay for a special wire, they should have it. With regard to (5), that they have now. With regard to (7), I do not know exactly what "extra copies" means, except in the case where there are two papers in the same town. With regard to (8), it was this way: where there were two papers in the same towns outside, the one had to pay 5s. per night. That was a matter between the two papers. In that sense no charge would be made for extra copies. With regard to (8), I think it would have this effect: men could go to the office and put in as much work as would keep the operators going for three or four hours, after they had already had eight or nine hours' work in the day-time; and we should have placed ourselves in this position, that we should have always kept ourselves at work. I do not think that it would have been right to ask a man, after working from 9 till 5, to put a long message through. It would have been rather hard upon him.

508. What does the "head-office" mean?—That is the office in Wellington.

509. It is the evening papers referred to, I suppose?—Yes. Each of the evening papers here has a right to receive 1,500 words during day-time at evening rates. If the evening papers were acting in-



dependently, a great deal of the matter which they get would be duplicated. That is the effect when there are two evening papers in the same town.

510. Have you seen the Bill laid before the House—"The Electric Telegraph Act 1875 Amendment Act"?—Yes.

511. Have you any reference to make on the provisions of it?—Well, yes. The Act, so far as it affects anybody here, simply throws the responsibility on myself. It is not an Act in the true interpretation of the word: an Act gives finality, which this does not. The responsibility begins and ends with me.

512. That is the 2nd section?—No; it is the 3rd.

513. Are you speaking of both sections?—At present the law seems to rule that the present contract is *ultra vires*—nothing in the present Act authorizing us to carry it out. That is inserted there to make it legal.

514. It leaves the whole power in the hands of the Government of making arrangements with any company?—By an Order in Council.

515. That is, the Government. And the 2nd section states [quoting it]?—You see the clause leaves it at my discretion whether to bring the Act into force at all.

516. You would have to exercise that discretion?—Yes.

517. Complaints have been made, Dr. Lemon, of the arrangement which provides no power, in the case of interruption, for the department to take messages in during the time which that interruption lasts, and that the bearers of the messages must renew their application to leave them at the office. They are thus either compelled to go back with their messages, or hang about the office until they can be taken in; and I have also been informed that the same complaint has been made by private persons with private telegrams, and that in the case of some of these persons going away by steamer, they were unable to have their messages sent at all, as you refuse to take them in during the time of such interruption. Can you state any arrangement by which this inconvenience can be avoided?—No, I cannot. It is done all over the world, and it cannot be avoided. We continually get notice from the other side of the line about the cable being interrupted. The reason we decline to take messages then is this: formerly we used to make no difference when interruptions took place. We used to take them in; and the consequence was this, that sometimes we would have the accumulation of messages of a whole day on hand by the time the line was right, and we had our current work running at the same time.

518. Then you mean that it threw back your current work?—Yes; the whole work had to go. The way we overtook it was simply by turning night into day. But it is not of very frequent occurrence now.

519. Are you aware that the same practice prevails in other countries?—I told you we had continual advices of the line being interrupted.

520. That is not my question. Are you aware that in those cases the offices refuse to take in the messages?—No, I cannot say so. The bulk of them are so differently situated from what we are. They have nearly all got alternate routes, which we have not. If the line goes down on one side, then they have the other.

521. Practically, then, it means that the lines are not interrupted. Do I understand you to say that if you took in telegrams while the line was blocked, they would afterwards interfere with your current work?—Yes; and that there are a great many of the telegrams which by the delay become valueless.

522. I suppose many of the telegrams which would be sent if the line was not interrupted would be rendered valueless by the interruption continuing for a certain time?—Yes. And another thing: I do not see how we are going to accept the man's telegram because he is in the office. He may say that he is going away, and wants to leave it behind him; but how are we to know if that is correct? If he is going away, he can easily leave it to be brought back again when the interruption is over. And when the public knew we would take one telegram because people were going away, they would come to us with all sorts of excuses.

523. Have you ever considered the question of posting telegrams?—You can now post telegrams.

524. How do you do if they can be posted?—We take them in and send them forward when we can.

525. Well, you do that?—Oh, yes!

526. Suppose I came to your office now, and the line was interrupted, have you the means for me to post a telegram there?—No.

527. Where? Could I post it at the post office?—Yes.

528. And it would reach you the same day?—Yes.

529. *Mr. Bain.*] In reference to the report sent from the Committee last year (the third section), to the effect that it would be desirable to provide wires, and that the various papers should be asked to unite in making suggestions: have any such proposals been made, do you know?—No; no applications have been made.

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FRIDAY, 23RD JULY, 1880.

Mr. E. T. GILLON further examined.

530. *The Chairman.*] Are you aware, Mr. Gillon, that we have received a letter from Mr. Reeves?—Yes; it came to me.

531. Have you any statement to make with regard to it?—Yes. Mr. Reeves says he was acting upon his own authority, as he had not had an opportunity of consulting the committee. I may say that since then at least a majority of the committee, if not the whole of them, have assented to the terms of the letter, so that it may be taken as representing not only Mr. Reeves's opinion, but that of the committee of the Association. This Committee have kindly allowed me to see some of the evidence that has been given, and there are a few points in it upon which I should like to offer some explanation. The first refers to the subject dealt with in Mr. Reeves's letter—the entrance-fee. I should like



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

think that is the case, speaking from experience, especially where the two classes of papers are served by the same Association. But, even if served by different Associations, each class of paper, as far as it could afford, would get all the news arising in time for publication, if properly served. Now, when both classes are served by one agency, a great deal is saved by copying, because the senders to the evening papers are already aware of what has gone to the morning papers, and the senders to the morning papers know what has gone to the evening papers. Therefore repetition is avoided, and a great deal saved to the papers in that way. One thing we do suffer from to a large extent is piracy of our telegrams. There is a considerable number of the smaller papers which do not belong to the Association, and do not pay us a farthing, but take all our telegrams. We have never asked any protection from this, but we have suffered a good deal from it. As to evening papers being unfairly handicapped in regard to morning papers, I do not think there is any ground for such an accusation. If any concession is made by the department to one class more than another, the evening papers have the advantage, in being allowed to get 1,500 words during the day at evening rates, while all the morning papers have to pay  $\frac{1}{2}$ d. per word for day-messages. If a cable message came now from Wakapuaka about a war in Europe, which would be very important news, like the telegrams during the Franco-German war, when all the papers used to issue extras, the morning papers would have to pay  $\frac{1}{2}$ d. per word for the *vide* of the message which the evening papers would get during the day at the rate of 1s. per 100 words. The papers which have really cause for complaint are the smaller morning papers not on the special wire—papers at stations which close at 5 o'clock. Their use of the wire is practically confined to half an hour, and that is the only opportunity they have of getting the news at all at a low rate. The evening papers also have not only the opportunity of getting 1,500 words during the day at evening rates, but are allowed the same privileges at night as the morning papers, from 5 to 8 o'clock. Mr. Marten suggested that 100 words from each station might be allowed to be sent to evening papers, to take precedence of other messages, between 1.30 p.m. and 2.30 p.m. I must say that would be a great advantage to evening papers if granted. It would practically remove all source of complaint. I have complained of the delay which takes place in day messages, which frequently arrive too late. In order that the Committee may see exactly how we suffer from this, I have here a schedule for the month of June last showing the number of messages which arrived too late for insertion in the evening papers. The total is fifty-three during the month, and only six of those messages were above 100 words. The schedule shows that on the 1st June two out of ten messages arrived too late; on the 4th, two out of five; 7th, two out of nine; 8th, six out of fourteen; 9th, four out of six; 10th, four out of eleven; 11th, three out of six; 14th, one out of eleven; 15th, three out of eleven; 16th, four out of ten; 17th, two out of five; 18th, one out of five; 19th, two out of eight; 22nd, one out of eleven; 23rd, five out of twelve; 24th, three out of five; 26th, two out of five; 28th, one out of six; 29th, three out of eleven; 30th, two out of five: total, fifty-three messages. It would also be a great boon to evening papers if they were allowed to receive, say, during mail-days, an extra 1,000 words of mail news, and during the session 2,000 words instead of 1,500. The third clause of the Telegraph Bill has been objected to on the ground that it would block the wires for the evening papers next day; but it is expressly stipulated that, in stopping the transmission of ordinary telegrams, the Superintendent is to be perfectly satisfied that it shall not interfere with their delivery; so that there is no force in that objection. Dr. Lemon, I believe, seemed to think that, when I mentioned Invercargill with regard to delay, it was meant for the Bluff. The complaint relates to transmission generally. Invercargill was simply mentioned as being a terminal station. With regard to the Bluff, the department usually do what they can to expedite Australian summaries, and they come with fair rapidity. The suggestion about having our own operators would hardly answer.

533. What was that?—There was a suggestion made about leasing a wire, and the Association finding its own operators. That would be impracticable. We could not do it unless the department could force their operators to accept pay from us, because there are no operators outside of the department. In London it is different. As to the price paid for the special wire between London and Manchester, I think it will be found on inquiry that the "Wheatstone" automatic instruments are used; and they can transmit nearly as many thousands of words as we can hundreds. By it the wire is capable of carrying a great deal more than under our system; and I believe the wires are leased from 6 a.m. to 6 p.m., which is very different from ours. There was also a statement made about our sending a great lot of useless matter to different papers, and that every message has to go to each paper, whether it is of interest or not. That is not precisely the case. The rule on the special wire is this: that messages, say, from Invercargill to Christchurch shall be taken off at each intermediate station. Nor is it the practice for messages only interesting to the Middle Island to be sent up to the North. The instructions to agents are that "the use of the special wire must be confined strictly to the transmission of news and necessary memoranda relating to it. No ordinary business communications are to be sent by it, nor messages intended for the use of only one paper. All Press messages must go to all the special-wire papers between the terminal stations from and to which it is addressed." The reason of this is that a paper which pays for the use of the special wire would naturally feel aggrieved if it found that messages, of whatever kind, were sent past it: therefore we insist on all papers along the line having a copy. But that does not involve sending all messages to places where they are of no interest whatever. We frequently send messages north which do not go south, and *vice versa*. Coursing events, for instance, are only sent to places where they are of interest—principally in the South; but every paper along the line the message passes over gets a copy of the message. I think those are the only points upon which I have to offer any explanation to the Committee.

534. Mr. Shephard.] What would be the effect of sending these 100 words to the evening papers? It seems to me, Mr. Gillon, it would amount to this: Suppose you have, say, fifteen stations, each station would be entitled to send 100 words as an urgent message, and the whole quantity would impede the general business far more than if the papers had 2,000 words in the ordinary way?—No; I think ordinary messages would still be put in as early as possible, and agents would be instructed to send as urgent only news which could not otherwise be sent in time, and only important news. I do not think advantage would be taken of it by more than one or two stations a day.

535. I think it would be likely to upset the whole arrangements, and be one of the most troublesome concessions we could give.—As a rule day-messages do not average anything like 100 words each. The average is really about fifty words.

536. Yes; but if you had such a privilege as this, we know what agents are: they would rush off with an urgent message just at the last moment, and the greater part of the evening-paper messages would not be in time for press, unless made urgent.—The great safeguard against this would be that it would not suit the evening papers at all. There is hardly any paper which could set a lot of messages after 2 o'clock. If the agents attempted to do that, it would act as badly for the papers as for the Telegraph Department, and would soon be put a stop to.

537. I do not think it could possibly work.—It might be limited to the four principal towns.

538. Even then I fancy there would be continual confusion as to the amount of matter which had a right to go through.—It might be open to abuse in that way; but the experiment might be tried.

539. The 1,500 words they get would be equal to a column and a half of ordinary measure, would it not?—Yes—set out with headings.

540. Then, in addition, they have the right to copy from the morning papers?—Yes.

541. So that altogether, under the present arrangement, the evening papers can get something like three or four columns of matter a day?—Of telegraphic matter; but not all original.

542. They can get from one to two columns sent them. Is that not a fair amount in proportion to the quantity of reading-matter?—I think it is a fair amount; but, as a matter of fact, they do not get anything like the 1,500 words every day. Except on mail days, or the arrival of Australian steamers, they do not get anything like that.

543. There is one point you laid stress upon—as to the quality of the matter—about agents being so careful. I saw, from somewhere in the North the other day, you had a telegram of about ten lines announcing that at a masonic lodge meeting a jewel had been presented. Is not that trash?—Yes. An evening paper sent it, and we had to pay for it. I wrote a letter about it at the time to the agent.

*Mr. Shephard:* Then, if a man gets drunk and falls down in the street and breaks his finger, that is telegraphed. These kind of telegrams are habitual.

544. *Mr. Bain.*] I wish to ask if the large expense incurred by your Association was not incurred in running off a rival association?—I do not think so. A very large expenditure was necessarily incurred in establishing the Association, and the rivalry no doubt involved considerable expenditure; but it tended to establish the business much better than if it had been unopposed from the first.

545. *Mr. Barron.*] Is this entrance-fee absolutely necessary in order to pay the annual expenses?—The subscriptions are supposed to cover the actual expenses. The whole of the entrance-fees coming in would go into a general fund, and, if there was a surplus, the following year the subscriptions would be reduced all round.

Mr. J. CHANTREY HARRIS examined.

546. *The Chairman.*] We understand, Mr. Harris, that you wish to give evidence in this matter?—What is the object of the inquiry?

547. We are to inquire what further facilities can be given to the public Press for the use of the telegraph?—You do not go into the present system?

548. We are quite willing to listen to any statement you like to make?—Is it with regard to the present system, Mr. Chairman? Of course, there are a great many rumours outside of what is going on in this Committee; and I have heard that a series of propositions have been put with regard to telegrams supplied to morning papers, and the question of profit and loss to the department. I thought I would like to give you my opinion as to the working of the system so far as concerns my own paper.

549. It opens up the whole question of the present system, and what will be best for the future?—With regard to the present system, there seems to be an idea that the subscription paid by the morning papers to the special wire constitutes the major part of their contributions. That is a mistake. I went through my books this morning to ascertain at what rate we paid, and I find, besides the monthly subscription to the special wire (which amounts to £16 10s.), we pay at the rate of from £5 to £13 per month in what we term “payments over the counter”—that is, for messages at half day rates. We also pay from £6 to £12 per month for what we term “Press telegrams;” and here comes in our connection with the evening papers. They receive so much per day, for which they pay so much; but if telegrams come through the Association too late for the evening papers, the Association puts them on one side and sends them to us, and we have to take these telegrams and pay Press rates for them: so that, altogether, the yearly average is between £600 and £700 for telegraph charges. This is no slight drain upon a morning paper. I certainly do not think the Government would be justified in increasing our cost, because, in the first place, we are already paying heavily; and, secondly, because there is no morning paper in the colony that is really paying. After all said and done, considering the time we have the special wire (from 8 p.m. to 1 a.m.), and that it is the wish of the Association not to send extraneous matter, the price we pay is, I think, ample. And, moreover, we do not want to occupy the wire during the whole of the time, but only so long as is necessary to send the day's news through. If, therefore, the Government thought proper, they might utilize the wire in other directions than for Press messages. I hear that certain proposals have been made with regard to changing the form of contribution from that of running the special wire—namely, charging so much per word. I do not think that would be fair to the papers or beneficial to the public. It might possibly be more profitable to the department; but then I take it, with regard to the public Press, the Government should give some slight consideration to public convenience, and afford the Press every facility to give the public as much and as late news as possible, provided it can be done without loss. I am not prepared to make any definite proposal as to what the Association would be prepared to do. If there was a meeting of the Association, I should advocate paying more if the present rate is unprofitable to the department; provided, if we have the special wire, there is no

vexatious interference on the part of the Government. The Association is a body corporate as it stands. We have only to take one step more, and enrol ourselves as a joint-stock company. Our business then is private; and if we can rent from the Government a wire, we have a right to be regarded as a private company, and to be free from vexatious interference. I wish to impress upon the Committee that the morning papers are very heavily handicapped in this matter of Press telegrams.

550. Is there anything else you wish to state?—No. I am prepared to answer any questions.

551. *Mr. Shephard.*] Will you tell the Committee your opinion as to the convenience or otherwise of having late hours for the transmission of telegrams? At what hour would it be sensible and proper to stop the receipt of Press telegrams at night?—I say, at midnight at the latest. If we cannot get all the news of the day up to that time, there must be something radically wrong. Either the Association would not be doing its duty, or the telegraphists would be all behind. Of course, there may be special occasions when it would be necessary to have the wire open longer; and for this the Press would no doubt be willing to pay.

552. You mean in such a case as the Financial Statement?—Well, that is supplied by the Government; but in the case of the arrival of the English mail, for instance.

553. It would not do in the case of a big fire breaking out?—If it broke out after 12 o'clock, of course we should not get it.

554. Then, as to the advisability of keeping the wires open to a later period than 12 o'clock?—I think, as a general rule, 12 o'clock would be quite late enough.

555. *Mr. Bain.*] Did I understand you to say that the total cost to your paper for telegraph service amounts to £700 a year?—Yes, Mr. Bain—very close to it.

556. That includes your contribution to the Association?—Yes.

557. Now, you referred to vexatious interference on the part of the Government: what do you mean by that?—That might be too strong a term. I mean the interference, on the part of the Government, with our private rules and regulations. Touching the entrance-fee, we have decided, in the event of any new paper joining, to charge £500. I think, having gone to a great deal of expense in forming the Association, I, for one, feel much inclined to stand upon my rights as a private proprietor and say, if we have an Association and are prepared to pay the Government what is fair, we should be permitted to maintain our own private rules.

558. Then you are prepared to pay the Government what they think fair?—The Government may consider one thing fair, and we another. I presume, if any basis was established, the Association would be consulted.

559. Do you think £3,000 a year unfair for the special wire?—I do not think I would like to give a definite answer to that without consulting my colleagues. As a member of the Association, I am quite willing to pay the Government more than is now done if it is shown that the Government are making a decided loss, and are really not getting enough money from us for the use of the special wire.

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## APPENDICES.

## APPENDIX A.

## THE UNITED PRESS ASSOCIATION TO THE PRESS TELEGRAMS COMMITTEE.

## No. 1.—UNITED PRESS ASSOCIATION.

SIR,—

7th July, 1880.

I have obtained permission from Mr. Reeves to afford the Committee the information asked for from the Association. It would, however, I think, be inconvenient to furnish copies of the minutes, which might be published as part of the evidence. The better course, I think, would be for me to attend the Committee again with the minute-book, when the original entries required could be shown to the members. If this course meets with the approval of the Committee, I shall be glad to attend at any time which may be named.

I have, &amp;c.,

E. T. GILLON,  
Manager.

Hon. W. Gisborne, Chairman, Press Telegrams Committee.

## No. 2.—LIST OF NEWSPAPERS SUPPLIED WITH TELEGRAMS BY THE UNITED PRESS ASSOCIATION.

Herald,	Auckland	Times,	Christchurch
Star,*	Auckland	Press,	Christchurch
Times,	Hamilton	Globe,*	Christchurch
Advertiser,	Grahamstown	Star,*	Christchurch
Star,*	Grahamstown	Herald,*	Ashburton
Times,	Tauranga	Guardian,	Ashburton
Herald,	Napier	Times,*	Timaru
Telegraph,*	Napier	Telegraph,*	Timaru
Herald,*	New Plymouth	Herald,	Timaru
Mail,	Waipawa	Mail,*	Oamaru
Times,	Palmerston North	Times,	Waimate
Herald,*	Wanganui	Times,	Oamaru
News,	New Plymouth	Star,*	Dunedin
Times,	Wellington	Herald,	Dunedin
Post,*	Wellington	Times,	Dunedin
Chronicle,*	Wellington	Star,	Riverton
Express,*	Blenheim	Chronicle,	Naseby
Colonist,	Nelson	News,*	Invercargill
Mail,*	Nelson	Times,	Invercargill
Times,	Hokitika	Advocate,	Marton
Argus,	Greymouth	Guardian,	Carterton
Star,	Hawera		

Those marked \* are evening papers.

E. T. GILLON, Manager.

## No. 3.—MEMORANDUM for the PRESS TELEGRAMS COMMITTEE.

United Press Association, Wellington, 14th July, 1880.

THE United Press Association was formed at a conference held at Timaru on 20th December, 1879, when, terms of amalgamation having been settled between the New Zealand Press Association and the Press Agency, it was resolved,—

That an association be formed to be called the United Press Association, to consist of Messrs. Horton, Brett, Belfield, Reeves, Briggs, J. C. Harris, Blundell, Frazer (for Dunedin *Morning Herald*), Fenwick, and Jago (for proprietor of Dunedin *Evening Star*), with power to add to their number.

It was resolved to take over the business and responsibilities of the New Zealand Press Association, and to commence business on the 1st January, 1880.

Entrance-fees having already been paid to the New Zealand Press Association by the Canterbury Press (£250) and Dunedin *Morning Herald* (£250), Auckland *Star* and Wellington *Post*, it was resolved that the following papers be admitted to the benefits of the entrance-fees set opposite their names:—*Globe*, Christchurch, £50; *Telegraph*, Napier, £50; *Telegraph*, Timaru, £25; *Mail*, Nelson, £25; *Star*, Greymouth, £25; *Wairarapa Daily*, £25; *Herald*, Gisborne, £25; *Waikato Times*, £25; *Chronicle*, Wanganui, £50; *Advertiser*, Grahamstown, £25; *Mail*, Ashburton, £25.

It was also resolved that the affairs of the United Press Association should be conducted by a committee of five members, two representing morning and two representing evening journals, with a chairman interested in both; three to form a quorum. The first committee to consist of Messrs. Horton, Fenwick, Blundell, Brett, and Reeves; Mr. Reeves to be chairman. It was further resolved that the first committee should hold office for two years, and that thereafter the committee should be elected annually at a general meeting of members of the Association, to be held in the first week in December in such place as the committee might determine.

It was also resolved that no member of the Association should join any other agency for procuring telegraphic news, or in any way compete with the Association in procuring news from outside the colony; that any breach of this condition should render the offender liable to a warning from the chairman, and a second offence be punished by expulsion from the Association.

Members of the Association were also forbidden to supply non-subscribing papers with other than strictly local news.

It was resolved that the fees of admission of papers into the Association after the 1st day of

January, 1880, be as follows:—The Auckland, Wellington, Christchurch, and Dunedin papers, daily morning and evening, £500. In Grahamstown, Napier, Wanganui, Timaru, Oamaru, and Invercargill, £300. In other towns in the colony, morning and evening papers, £100. Other papers at the option of the committee.

At a meeting of the committee of the United Press Association held in Christchurch the 12th February, the special-wire rent was apportioned between the various papers in the following proportions:—The Auckland, Christchurch, and Dunedin dailies, £240 each; the *New Zealand Times*, Wellington, £195; the smaller papers on the main line, £175 each; the Blenheim paper, £100; and the West Coast papers, £105 each, subject to further revision from time to time so as to bring up the total contributions to the amount of rent paid. The terms of subscription for the various papers towards general expenses vary from £66 per annum to £10 per annum.

At the meeting on the 14th February in Christchurch a resolution was passed that it was desirable the Association should be registered as a private limited joint-stock company, and the chairman was authorized to take the necessary steps towards carrying this resolution into effect.

In a contract entered into at this time with Mr. H. Collins on behalf of Reuter's Telegram Company (Limited), a clause was inserted that all papers should be entitled to join the United Press Association on fair and reasonable terms.

E. T. GILLON, Manager.

#### No. 4.—UNITED PRESS ASSOCIATION.

SIR,—

Wellington, 14th July, 1880.

Yesterday the Committee were good enough to have read for my information certain evidence given by telegraph by Mr. Wilkinson, of Grahamstown, and I was thereby enabled to explain certain matters in his statement which otherwise might have prejudiced the interests of this Association. I understand that the Committee have taken other evidence bearing on the points raised in the application of the committee of this Association, through Mr. Horton, for a new special-wire lease; and I would respectfully ask you to permit me to peruse the evidence so given, in order that I may be enabled to afford the Committee such further information or explanations as possibly adverse statements by other witnesses may require from me to enable the Committee to fairly judge on the merits of the application now before it.

I have, &c.,

The Chairman, Press Telegrams Committee.

E. T. GILLON.

#### No. 5.

SIR,—

Times Office, Christchurch, 17th July, 1880.

Mr. Gillon has informed me that he has been requested by your Committee to ask upon what terms newspapers which may hereafter be established will be admitted into the United Press Association to share in any concessions which may be granted to it by the Government, and whether the present fee for admittance cannot be reduced.

In reply to these questions, I beg to say the committee of the Association have no wish, in asking for a fresh special-wire lease, to secure any monopoly, or to exclude any papers which may hereafter be established from participating in any privileges which may thus be granted. As the papers at present forming the Press Association have been at great trouble and expense in forming and consolidating the business, they consider it only fair that candidates for admission into the Association should pay a reasonable entrance-fee.

I beg now to submit the following scale to your Committee, with the remark that, though, from want of time for consultation, I have not yet obtained the consent of the other members of committee to the reduced scale, I have reason to think the majority will agree with it.

#### Admittance Fees.

For daily morning or evening papers at Auckland, Wellington, Christchurch, or Dunedin (three hundred pounds) ... ..	£300 0 0
Daily morning or evening papers in any other towns of New Zealand (one hundred and fifty pounds) ... ..	£150 0 0
Papers (not daily) to be charged less in proportion.	

In any arrangement to be made with the Government, the committee of the Association would be willing to stipulate that all or any papers hereafter established in any of the towns included in the special-wire service shall be entitled to claim admission by right to the Association on equal terms with existing members, on payment of the entrance-fee as above.

Trusting that the Telegraph Committee will approve of these proposals,

I have, &c.,

WM. REEVES,

Chairman, Telegraph Committee.

Chairman Committee, United Press Association.

#### No. 6.—UNITED PRESS ASSOCIATION.

SIR,—

Wellington 3rd August, 1880.

Referring to the evidence I gave before the Committee on the 13th ult., I desire to point out that the report is not by any means a full and complete one. It is fairly correct now as far it goes, but a good deal of what took place is omitted.

I have, &c.,

The Chairman, Press Telegrams Committee.

E. T. GILLON,

Manager.

#### APPENDIX B.

#### SUGGESTIONS FROM NEWSPAPER PROPRIETORS AS TO WORKING OF SPECIAL-WIRE SYSTEM.

#### No. 7.—PICTON "PRESS."

Picton, 9th July, 1880.

Would suggest advisability of permitting Press to receive telegrams any time during day at present evening rates.

PROPRIETOR OF "PRESS,"

A. T. Maginnity, Wellington.

Picton,

## No. 8.—“SOUTHLAND NEWS.”

Invercargill, 9th July, 1880.

“SOUTHLAND DAILY NEWS,” evening paper, paid last year, ended 31st March, for telegrams, telegraph agency, &c., £451. Of this, £202 18s. 10d. was paid department for wireage, besides £30 contributed to the special wire formerly rented by *Christchurch Press*. Paying as we do at least double what our morning contemporary has to pay, owing to the advantage it derives from the special wire, we are handicapped to that extent. Same must be case in greater or lesser degree throughout New Zealand. Are strongly of opinion that means should be devised place morning and evening papers on an equal footing.

HENRY and JOHN FELDWICK.

Proprietors *Southland News*.

Hon. Mr. Gisborne, M.H.R.,  
Chairman, Press Telegrams Committee, Wellington.

## No. 9.—“THAMES ADVERTISER.”

Grahamstown, 9th July, 1880.

FOLLOWING evidence from Mr. Wilkinson, of the *Advertiser*, for Telegraph Committee :—

In reply to your circular memo. *re* telegraph facilities for Press of colony, I have the honor to submit the following suggestions :—

1. That no special privileges should be given to one section of the Press of the colony which are not available for others, *i.e.*, that no newspapers should be allowed to combine and obtain the use of such other newspapers as they may think proper.

This has been done since January last by the proprietors of the *New Zealand Herald, Times, Christchurch, and Times, Dunedin*.

The result of this combination was to exclude the *Advertiser*, Grahamstown, and other newspapers ; in my case simply to leave the wire clear for the *Herald*, and enable them to reap the additional advantage which such exclusion would give them. Of course, the Committee are aware that the newspapers having special wires frequently send exclusive news to each paper ; hence the advantage of lessening the number of those on the wire-circuit. It would pay the *Herald*, for instance, to exclude the *Advertiser*, and make up any extra expense involved by such exclusion, in order to secure this advantage ; hence I maintain that provision should be made to prevent any newspaper, however influential, from obtaining such an advantage. I was admitted to the advantages of a special wire under the old arrangement ; but since January last have been deprived of such for the reason stated.

2. Uniform hours should prevail in all offices for morning newspapers (of course I have only to do with such). The consequence of the closing of special-wire privileges to this station has been the closing of the office at 8 p.m. except during the session, when it is open until 10 p.m. for messages from Wellington only.

In answer to a remonstrance on the closing of the office at 8 p.m. instead at 1 a.m. as formerly, I received the following letter :—

“SIR,—I am directed by the Hon. the Telegraph Commissioner to inform you that from Monday next, and during the session only, the Grahamstown office will be kept open till 10 p.m. for Press news on the evenings of Monday, Tuesday, Wednesday, Thursday, and Friday in each week. All telegrams for transmission after 8 p.m. must be presented at the Wellington office, as the Government Buildings office closes at 8 o'clock. The Commissioner regrets that he cannot grant any further extended hours, and that the additional expense entailed will prevent him continuing the extension after the session. The Commissioner desires me to say that it appears to him your difficulty would be best met by your insisting upon being admitted into the special-wire arrangement.—I have, &c., A. T. MAGINNITY, Secretary.”

3. I would suggest that any special-wire arrangements should in future be undertaken by the department, instead of allowing a few influential newspapers to control the same ; or else that one of the conditions of the department should be that all newspapers desiring to come in should have the privilege of doing so.

4. No special-wire privilege should be more advantageous in the matter of extended hours ; but that all papers should be upon an equality in this respect. At Grahamstown the hours could be made the same as at Auckland without any increased expense, as an operator is kept in attendance all night for midnight messages, who could just as easily receive any other messages which are now excluded through the closing of the office at 10 p.m. You will perceive that my remarks are confined to a private grievance arising from the reduction of hours at this station, and I have no doubt it would also apply to other stations, if I had any means of ascertaining the same ; and it is chiefly in that belief I trouble you with such reply to your circular of this day's date.

I have, &amp;c.,

WM. WILKINSON,

Proprietor, *Thames Advertiser*.

Hon. W. Gisborne, Wellington.

## No. 10.—“HAWERA AND NORMANBY STAR.”

Hawera, 9th July, 1880.

In reply to telegram, would suggest that office be kept open for country papers one hour (6 to 7), instead of half-hour (7 to 7.30 p.m.) as at present ; that all messages, whether marked “Press” or not, should be at Press rates, so long as no private matters were mentioned. At present, if not marked “Press” at top, full rates charged ; great hardship. Would also suggest that messages received by country papers apart from the hours set down for their convenience should be charged at quarter usual rates, instead of half ; that all messages should be added together, and charged on the total number of words, instead of total of separate messages.

Hon. W. Gisborne,  
Chairman, Press Telegraph Committee, Wellington.

GALVIN AND CO.,  
*Hawera and Normanby Star*.



## No. 11.—“WAIMATE TIMES.”

Waimate, 11th July, 1880.

*Re* your message. Please be good enough to convey following to Chairman, Press Telegraph Committee, House of Representatives: In reply to circular memorandum inquiring as to facilities desired in connection with Press telegraphy, I have the honor to represent that it is very desirable that the hours for receipt of Press messages at this place should be extended on Tuesdays and Fridays to 11 p.m. The present hour (8 p.m.) on those nights does not admit of any parliamentary news being wired after the afternoon sitting, and for same reason we are often unable to obtain reports of public meetings, race-meetings, &c.

A. T. Maginnity, Esq.,  
Secretary, Telegraph Department, Wellington.

WM. J. WARD,  
Manager, *Waimate Times* Co.

## No. 12.—“WANGANUI CHRONICLE.”

Wanganui, 14th July, 1880.

SIR,—

In reply to your telegraphic memorandum of the 9th instant, I wish to point out that the readers of my paper are placed at a disadvantage as compared with residents in other large centres, from the fact that, no matter how important the news may be, no messages for Wanganui are allowed to be put in at any telegraph office in the colony after 8 p.m. As the offices in the large centres are always kept open until a late hour, and as the Wanganui operators are generally obliged to work till 10 o'clock or later to clear up their work, it would be no hardship to receive a few extra Press messages. I think, therefore, that the present regulation might, in the interests of the public, be relaxed so as to permit of Press messages being sent to Wanganui after 8 p.m. I wish, further, respectfully to urge that no concessions be granted to any Press association such as will enable them to coerce papers that object to comply with their terms.

W. Gisborne, Esq., M.H.R.,  
Chairman, Press Telegraph Committee, Wellington.

I have, &c.,  
GILBERT CARSON.

## No. 13.—MEMORANDUM for the CHAIRMAN of the PRESS TELEGRAMS COMMITTEE.

THE representatives of the New Zealand evening papers desire to draw the attention of the Committee to the unfair disadvantages to which they are now subjected, as compared with the morning papers, in respect to Press telegrams.

1. The evening papers have to pay 4s. 2d. per 100 words for all telegrams after the first 1,500 words, while the morning papers only pay 1s. per 100 after the first 100; and, taking into account the special wire, which is solely beneficial to the morning papers, the latter really pay on an average only at the rate of about 4d. per 100.

2. The evening papers are subject to an almost constant “block” on the wires during the day-hours, in which their telegrams are sent, owing to the pressure of private and Government work; whereas the morning papers are wholly exempt from this drawback, except in cases of an accidental interruption: while even this is now proposed to be guarded against by the new Bill, which accords precedence to morning-paper telegrams, in such a case thus rendering the evening papers liable to a second “block” from the pressure of the private messages of which the morning-paper telegrams had taken precedence during the night.

3. The Wellington evening papers are subject to a further disadvantage in the allotment of the 1,500 words (to which they are entitled at evening rates) to the Press Association, as, although the Association's telegrams seldom absorb the whole 1,500 words, the papers are not allowed to count the unused balance towards their special telegrams, for which they have to pay at full day-rates.

The remedies now ventured to be suggested are — (a) to grant precedence to evening-paper telegrams to the extent of 100 words from any or all stations during one hour of the day—say, from 1.30 to 2.30 p.m., when the ordinary work on the wires is understood to be slackest; (b) to allow the evening papers their 1,500 words in day-hours at evening rates, irrespective of those granted to the Press Association.

C. ROUS MARTEN,  
Editor, *Evening Post*.  
F. MCCARTHY,  
Editor, *Evening Chronicle*.

Wellington, 2nd August, 1880.

## APPENDIX C.

## MEMORANDUM FROM THE SUPERINTENDENT AND SECRETARY FOR TELEGRAPHS.

## No. 14.—MEMORANDUM for the CHAIRMAN, PRESS TELEGRAMS COMMITTEE.

THE following statement in respect to the purposes for which the Committee is now sitting is respectfully submitted:—

To deal with the subject in an exhaustive manner, it will probably be as well to point out to the Committee the privileges granted to the Press during the past eleven years; and that statement will, it is thought, show the department has not been backward in encouraging newspaper enterprise.

In 1869 the Press tariff was 1s. 6d. for the first 10 words, and 6d. for every additional 10 or fractional part of 10 words. This tariff was continued until April of the following year, when the tariff was further modified by making the additional words after the first 10, 15 or fractional part of 15. In January, 1873, the Press tariff was further reduced to 6d. for the first 25 words, and 6d. for every additional 25 or fractional part. In November of the same year further concessions were granted by making a separate day and evening rate—the former, from 8 a.m. till 5 p.m., being 6d. for the first 10 words, and 3d. each additional word; and the latter, from 5 p.m. till 8 p.m., being 6d. for first 25 words, and 3d. for every additional 25. In addition to this, all papers were allowed 200 words during the day at evening rates on the arrival of an Australian or San Francisco mail, and a similar allowance to evening papers (that is, papers publishing before 5 p.m.).

In June, 1876, the allowance of 200 words during the day to evening papers was increased to 500 during the session of Parliament. This increased allowance was continued temporarily until the 31st January, 1877, but subsequently made permanent.



On the 1st July, 1878, the allowance to evening papers was, during the session of Parliament, increased to 1,000 words; and on the 1st January, 1879, the permanent allowance to evening papers was increased from 500 to 1,500 words. Upon this date also the system of special wire was introduced.

From January, 1879, till December, 1879, two special wires were leased—one to the Press Agency, and the other to the Press Association. The former terminated their contract in December, 1879; the latter's arrangement with the Government terminates on the 31st December of present year.

Prior to the introduction of the special-wire system, the revenue derived from Press work for the year ended 31st December, 1878, was £8,630 17s. 4d. During the year 1879, when two rival agencies were in operation, each having a special wire, the ordinary Press revenue amounted to £6,871 5s. 2d., and subsidies for special wire £4,005 7s. 5d.; making a total for the year of £10,876 12s. 1d. The ordinary Press revenue for the first quarter of 1880 amounts to £1,421 7s. 3d., and special-wire subsidy for the same period £560 0s. 3d.; being a total of £1,981 7s. 6d., or at the rate of £7,925 10s. for the year. The Press revenue, therefore, for 1880, in comparison with that of 1878, when no special wire was leased, shows a decrease of £705 7s. 4d. It should be stated that the revenue of 1878 was collected within hours much shorter than the present, and therefore at very much less cost to the department. The hours in 1878 were till 10 p.m. only; while, under the special-wire arrangement, offices are open till 1 a.m., and during session until 2 a.m.

As regards any further facilities which can be granted to the Press, the writers are unable to suggest any. They are of opinion that the present special-wire arrangement gives morning papers an advantage over evening papers, owing to the small cost at which it enables the former to obtain news (about 4d. per 100 words). To overcome this difficulty, they would suggest a uniform tariff of, say,  $\frac{1}{2}$ d. per word, and opening all first- and second-class stations till midnight during recess, and till 1 a.m. during session. Evening papers to have a precedence-message of not more than a hundred words between the hours of 1 and 2.30 p.m. If any offices are required after the above hours, an advance of 25 per cent. on above rates to be charged. Tariff to be fixed by Act of Parliament.

A statement is attached showing the actual cost to the department of the special-wire arrangements, calculating interest on outlay at 5 per cent. From this it will be seen that our loss per annum is above £361.

It is thought that a uniform tariff will prove more satisfactory to all papers, morning and evening, and that both the public and the Press will be better served.

The special-wire system, from its very cheapness, encourages the transmission of a quantity of matter which is not in any way interesting, and a larger quantity still which is never published.

With regard to the taking-in of messages during interruptions of lines, it is highly undesirable to take messages in during interruptions, and thereby clog the wires to the serious disadvantage of current work. The present arrangement is a convenient one, and affords all a fair chance of getting work through when communication is restored.

Some objection has been urged to the system of "*vides*," which means an original reference message to a complete message. Thus, a message addressed to *Times*, Dunedin, containing say, a thousand words, which the sender also wishes sent to Christchurch, Oamaru, and Timaru, the department requires three "*vides*" to the original message, which have to be addressed and signed, the body containing "*Vide Times, Dunedin.*" The proposal to place all the addresses on the one copy would result in error, and it would frequently be found that one or more addresses had not been sent. Having a separate copy for each message greatly reduces the probability of errors from this cause. The system entails upon the sender very little extra trouble; and the department, for official purposes and for effectual check, requires a complete file of every message transmitted.

Respecting any new lease of a special wire, should such a course be deemed desirable, we consider that if such is granted some regulations should be stipulated for as to terms upon which any newspaper desirous of joining should be admitted. The necessity for conditions in this respect is shown by the case of the *Thames Advertiser*, which the Press Association positively declines to admit into the special-wire arrangement. During the first year of the special-wire arrangement the Grahamstown Station was open for the special wire, and for this station the Association paid to the department £70 per annum, in addition to the general subsidy. To meet the requirements of the *Thames Advertiser*, but yet to keep it off the special wire, the Association applied to the department to keep open the Grahamstown Station for ordinary Press messages until 10 p.m.; but, owing to the expense which this would entail in the department, the Commissioner declined the application.

Some complaints have, we understand, been made to the Committee respecting delays in the transmission of telegrams for evening papers. The statement attached, giving one week's received messages for evening papers at four of the chief stations, will show that there is no real cause for complaint.

In the evidence given before a Committee of the House of Commons in 1876, it was stated that the present Press tariff of 75 words for 1s. during the day and 100 words for 1s. at night, the same as in New Zealand, was unremunerative. The tariff in Canada and the United States is 4s. per 100 words.

In conclusion, we would point out that the facilities already granted to the Press in New Zealand are very considerable, and far in excess of those given by any other Telegraph Department, excepting in one particular, connected with the Telegraph Service in Great Britain, which supplies additional copies of messages to newspapers in the same town for a payment of 2d. per 100 words.

C. LEMON,

Superintendent, New Zealand Telegraphs.

A. T. MAGINNITY,

Secretary, New Zealand Telegraphs.

New Zealand Telegraphs, Head Office,  
Wellington, 21st July, 1880.

Enclosure 1 in No. 14.

New Zealand Telegraphs, Head Office,

Wellington, 25th February, 1880.

HON. COMMISSIONER,—

In accordance with your request, I beg to hand you a statement showing the annual cost to the department of the special wire, viz.:—

	£	s.	d.
Cost for operators, five-sevenths of time* ... ..	1,332	0	0
One hour extra during session, taken at four months ... ..	87	0	0
Despatch clerks, five-eighths of time ... ..	135	0	0
Messengers ... ..	40	0	0
Gas ... ..	135	0	0
	£1,729	0	0

	£	s.	d.
Maintenance—			
One-quarter cost of maintenance, 1,157 miles of wire† ... ..	364	0	0
Interest at 5 per cent., one-quarter cost of erection of one wire, 1,157 miles, taken at £10 per mile† ... ..	143	0	0
Interest on cost of one wire-cable, £10,000 ... ..	125	0	0
Total ... ..	£2,361	0	0

The above includes nothing for officers in charge of stations (night duty), nor for general administration, wear and tear of instruments, batteries, stationery, fuel, &c.  
C. LEMON,  
Superintendent, New Zealand Telegraphs.

Enclosure 2 in No. 14.

NUMBER of TELEGRAMS received by EVENING PAPERS at the undermentioned Stations for One Week; also, Time of Transmission and Time of Receipt.

Date.	Number of Words.	Time Sent.	Time Received.	Date.	Number of Words.	Time Sent.	Time Received.
AUCKLAND.				CHRISTCHURCH—continued.			
		p.m.	p.m.			p.m.	p.m.
June 28 ...	13	2.50	4.26	June 29 ...	42	1.30	3.14
" " ...	210	1.30	1.42	" " ...	770	1.0	3.37
" " ...	37	1.33	1.51	" " ...	109	2.5	2.50
" " ...	21	2.0	3.21	" " ...	17	2.44	3.7
" " ...	93	1.40	1.53	" " ...	28	2.0	2.23
" " ...	26	1.40	1.55	July 1 ...	146	1.10	1.59
" " ...	183	2.50	3.10	" " ...	271	1.50	2.50
" " ...	38	3.0	3.11	" " ...	216	1.55	3.15
" 29 ...	770	1.0	4.29	" 2 ...	19	2.52	3.9
" " ...	10	2.20	2.20	" " ...	49	1.40	2.10
" " ...	110	2.10	2.36	" " ...	25	3.0	3.25
" " ...	109	2.5	2.24	" " ...	74	3.0	3.46
" " ...	252	2.57	3.26	" 3 ...	88	1.20	1.46
" 30 ...	42	2.34	3.1				
" " ...	17	2.5	3.12	DUNEDIN.			
" " ...	66	2.5	2.17	June 28 ...	59	1.14	1.26
" " ...	31	1.56	3.0	" " ...	32	1.32	2.28
" " ...	28	2.0	2.30	" " ...	183	2.5	3.54
" " ...	44	2.36	2.40	" 29 ...	42	1.30	3.28
" " ...	38	2.56	3.1	" " ...	770	1.0	2.50
" " ...	123	1.42	1.56	" " ...	109	2.5	2.58
" " ...	80	2.0	3.15	" 30 ...	26	2.34	2.50
July 1 ...	40	2.25	2.54	" " ...	60	1.0	1.26
" " ...	38	2.40	2.50	" " ...	28	2.0	2.40
" " ...	531	1.14	1.40	July 1 ...	183	1.0	1.40
" " ...	46	2.30	2.36	" " ...	146	1.14	2.28
" " ...	545	1.40	2.15	" " ...	271	1.20	2.58
" 2 ...	19	2.52	3.28	" " ...	246	1.55	3.0
" " ...	28	2.33	2.43	" 2 ...	68	2.49	3.8
" " ...	21	2.30	2.53	" " ...	13	1.44	1.48
" " ...	25	3.0	4.36	" " ...	74	2.30	4.0
" " ...	30	1.34	1.46	" 3 ...	18	1.58	2.20
" " ...	49	1.40	2.17	" " ...	21	1.45	2.17
" " ...	40	2.20	2.40	" " ...	44	1.7	1.43
" " ...	58	2.42	3.0	" " ...	100	1.30	1.50
" " ...	29	2.42	2.59	" " ...	88	1.20	2.12
" 3 ...	18	1.58	2.58				
" " ...	74	1.45	1.55	WELLINGTON.			
" " ...	24	1.20	1.41	June 28 ...	59	1.14	1.37
" " ...	108	2.25	3.48	" " ...	13	2.40	3.24
" " ...	176	2.0	2.20	" " ...	42	1.20	2.24
" " ...	88	1.20	1.46	" 29 ...	157	2.4	3.0
				" " ...	39	2.8	2.22
CHRISTCHURCH.				" 30 ...	103	1.0	1.30
June 28 ...	30	1.33	2.10	July 1 ...	342	1.0	1.42
" " ...	13	2.40	3.21	" " ...	62	1.5	1.32
" " ...	183	2.50	3.40	" 3 ...	18	1.58	2.32

\* The average time an operator is on duty is seven hours. The special wire occupies an operator five hours.—C. L.  
† The wire is occupied about one-fourth of the day by special-wire business.—C. L.

## No. 15.—MEMORANDUM for the CHAIRMAN, PRESS TELEGRAMS COMMITTEE.

IN reply to the inquiry made by the Committee as to the amount the department should receive in consideration of the use of a special wire for Press purposes, we are of the opinion that, to work the wire satisfactorily and allow for cost of maintenance, interest on capital expended, incidental expenses, and a small margin of profit to the department, no less a subsidy than £3,000 per annum should be accepted.

This calculation is based upon the arrangement under which the special wire is at present worked—namely, taking in the stations at Auckland, Napier, Wellington, Blenheim, Christchurch, Timaru, Oamaru, Dunedin, and Invercargill—and the hours from 8 p.m. till 1 a.m. every Monday, Tuesday, Wednesday, Thursday, and Friday during the recess, and till 2 a.m. during the session; and from 7 p.m. till 10 p.m. every Saturday; and from 6 p.m. till 7 p.m. every Sunday; and no additional concessions than those granted under the present agreement to be allowed.

New Zealand Telegraphs Head Office,  
Wellington, 27th July, 1880.

C. LEMON,  
Superintendent, New Zealand Telegraphs.  
A. T. MAGINNITY,  
Secretary, New Zealand Telegraphs.

Price 1s. 6d.]

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