

6. You are aware that the object of this inquiry is to consider the present working of the Electric Lines Act, so far as the said Act refers to copyright telegrams. That is the obligation laid on us by the House, and it is from that point of view that the Committee desires to conduct its inquiry. I may at once say that we do not wish to pry unnecessarily into any matters relating to the private business affairs of the Press Association; so that, if any question should be asked by a member which appears to you to go beyond what you consider fair and right, I shall be ready to protect you in declining to answer: I wish you to understand this at the start. Would you prefer first to make a statement?—I would like any questions put to me which may suggest themselves to the members of the Committee; I shall be happy to answer them.

7. *Mr. Pinkerton.*] If you would make a statement we would be better able to ask you questions. What we want is to get out the evidence. After that is done you can make a statement, and refer to any matter you please to supplement it if you think it necessary?—It would be idle to pretend that there is not, for you all know that there is, such an institution as the Press Association, which consists of a number of newspaper-proprietors, who, having paid a small amount of money, constituted themselves an Association for the purpose of supplying each other and the Press of the colony with cables. In respect of this not only the larger but the smaller newspapers are in the same position.

*Mr. Atack:* A large number.

*Witness:* I might also state in connection with this, in order that I may disabuse the minds of some of the members of the Committee, that the Association was formed from a few, or by a few, proprietors of the large newspapers—as I have heard it stated—by any private or secret agreement. That was not so. I, as one of those who afterwards became subscribers, received a notice at the time of starting, the same as would be the case at the starting of any other company, asking me if I would become a member of that Association. That circular stated the purposes for which the Association was to be established; and also, more specifically, that it was for procuring cables and disseminating news in the colony from one newspaper to another. The maximum number of shares was named, and that no more would be allotted to any one. It was also stated that it was formed for the purpose of procuring telegrams, and not for dealing in or making money. I am speaking from memory; I have not the document with me that I received on that occasion. I applied for and received the maximum number of shares. So far as I have been able to gather, all the papers in the colony were invited to join in the formation of this Association. It has been stated that this was a close corporation, or something of that sort: it is because of that statement that I wished to mention this to the Committee.

8. *The Chairman.*] Then, I understand from you that when the Press Association (Limited) was started as a company, the whole of the newspapers in the colony were invited to join and take up shares?—That was my impression, for a formal notice was sent to me, the same as might have been the case if any other company was about to start.

9. Would you say of your own knowledge whether these were the leading papers in the colony, or did the proposal include all the papers in the colony?—I should say, all the papers in the colony. I did not take mine to be a leading paper at that time, yet I was one of those who received the notice.

10. It is now one of the representative organs of public opinion?—Yes; but it was started twenty-four years ago. It had not then the prominence that it has now. Then, another thing I might state is that none of the papers in Hawkes Bay at that time took a first-class place in public favour. Hence I should call the leading papers those in the four large centres which received the full service of the Association.

11. Would you look over this document, purporting to be obtained from official sources, and inform me whether it correctly represents a list of the shareholders of the Association? [*Exhibit B.*]—My answer is that the list of shareholders handed to me is substantially correct, except this: that Mr. H. D. Bell merely holds as trustee for legal purposes on behalf of the Association itself shares that have been forfeited. Mr. Bell has no voting-power in the Association by virtue of the shares opposite to his name. The statement I have made is correct, that no one was allowed to hold more than a certain number of shares. The maximum number of shares that can be held is twenty.

*Mr. Atack:* Mr. Bell is the solicitor of the Association.

*Witness:* As far as my memory carries me there might be a difference in the number of shares held by individual members—it might be a difference of five or ten—but what I wish to state is that there is no one holding more than twenty shares. This rule was adopted so that the shares might not get into few hands. No one was allowed to get more or hold more than twenty shares.

12. *The Chairman.*] How long have you been a director?—I think, seven or eight years.

13. Was the primary object of the formation of the Association to provide news for the colony as a whole, or to provide news in the interest of particular papers that were connected with it?—I am quite sure I can answer that question by saying that no other object was in view than that of furnishing news to the Press of the colony. If you will allow me to explain I should state that at the time I took up these shares I had no knowledge of the working of newspapers. I had a manager, and only as a proprietor took an interest in the business. Some time prior to going on the directory I looked into the matter as regards grievances pretty much as others felt them, and was for a while disposed to look at it—as Mr. Pirani expressed himself—in the light of being a close corporation—that it was for and among a few. But after taking an interest in the Association I was very soon disabused of that opinion.

14. I understand that you have a system in connection with the Association of asking entrance-fees for admission to the Association?—There is a tariff for entrance-fees.

15. Can you tell me whether there has been a tariff for entrance-fees during the whole of the existence of the Association?—I am not aware if it were so from the foundation of the Association.