

41. It seems to me there is a good deal of fencing?—I have no desire to fence.

42. I asked you, as an expert, whether you considered that a man wishing to start a newspaper in any part of the colony, and being asked for an entrance-fee of £500 before he can obtain a cable service—the only cable service that there is for the supply of news to papers—I ask whether that acts as an encouragement or a preventive to his starting a newspaper?—If one thing or the other must be said, it would, I think, be a preventive.

43. After people pay the entrance-fee they become members of the Association, but not shareholders? What right is conferred on them by becoming members of the Association?—They have their cable service, and the service of our staff; they have the benefit of the arrangement upon which we have entered, and for which we have to pay a heavy fee. We keep a staff in Sydney; we pay the cable and wire-charges to Wellington, New Zealand, and then we disseminate it throughout the colony.

44. Would they have any voice in connection with the election of directors, the appointment of officers, or in any other matter in connection with the Association?—No.

45. What is the total number of the papers connected with the Association?—

*Mr. Atack* : Fifty-four or fifty-five.

46. *Mr. Carncross*.] Is there any difficulty in becoming connected with the Association as a shareholder?—I would say that no person willing to become a subscriber has ever been prevented from becoming a shareholder; the share-list is practically open. If any one wishes to apply to become a shareholder his application would be received the same as in any other board of management.

47. This list shows that the total number of shareholders in connection with newspapers is twenty?—Yes; there are twenty shareholders, each one representing a newspaper.

48. How many directors are there?—Six.

49. Have you any objection to state their names?—*Mr. Fenwick*, of the *Otago Daily Times*; *Mr. Wilkin*, of the *Lyttelton Times*; *Mr. L. Blundell*, of *Evening Post*, Wellington; *G. W. Knowles* (myself), of the *Daily Telegraph*, Napier; *Mr. Brett*, of the *Evening Star*, Auckland; and *Mr. J. L. Wilson*, of the *New Zealand Herald*, Auckland.

50. Then, the directorate is confined to the four large centres, with one exception?—It is; it happens so just now. There is no rule on the subject, except that no one is eligible for a director who holds less than twenty shares.

51. In the event of any one wishing to obtain the full number of shares, in order to qualify, would his application have to be submitted to the existing directors and passed by them?—The same as in any other company.

52. Suppose a person holding five shares wants to qualify for a director, and he wishes to take up the other fifteen shares?—That question has not been raised at any time, according to my experience on the board.

53. Suppose any one owning five shares, and representing one of the small papers, wishes to qualify for a directorship by taking up the other fifteen other shares, would he be able, by handing in his money for fifteen shares, to get them—would his application be considered by the directors already owning twenty shares?—That is a part of the private business of the Association.

54. You decline to answer?—In the first place, the point has never been raised; nor has anything cropped up or happened which would enable me to give you an answer. It is from no desire to resist your question that I decline to answer; but, as I have stated, the point has never been raised during the time that I have been on the directorate; I have been only on the board about half the time as compared with the other directors.

55. Being a junior, I can only congratulate you on being raised to the chairmanship. Can you tell me what is the order of promotion?—There is no rule on the subject. Since the death of the Hon. Mr. Reeves the position has gone round in turn, and I was the last one to come to it.

56. Do I understand this: that every one who becomes a subscriber to the Association by paying the entrance-fee can, by applying to the association, become a shareholder, and as a shareholder be entitled to a voice in connection with the management?—The same answer applies to this as in the other case—it has to go before the board.

57. It has to go before the board?—Yes; all applications for transfer, as in any other company, would have to come before the board of directors to determine whether the person transferred to is suitable.

58. You have stated that any one who was a subscriber could become a shareholder?—Subject to the same limitations as in any other company—to the approval of the directors whether they approve of such a man taking up the shares.

59. Then, do I understand you that it is not a right, but merely a concession made by existing directors whether they will allow any one else to become a shareholder?—That I should say is private business of the association; but the matter has never cropped up in the board of directors.

60. Have you never heard of any newspaper proprietor that complained about that?—Since this inquiry was commenced *Mr. George Jones*, of Oamaru, has been requested to send in his application for shares by *Mr. Atack* himself. That is the only instance I know of.

61. You have spoken of there being a first- and second-class service?—That is so.

62. Is there any great difference in the amounts paid for a first- and second-class service?—There is.

63. I do not ask you for the amount, but only whether there is a great difference?—There is a great difference.

64. I suppose the reason for that is that the papers which receive the first-class service get a tremendous amount of commercial and other news that would be quite uninteresting to other newspapers?—No, it is not so. The reason for the larger papers paying more is that they in a measure carry the smaller papers on their backs.