

103. *The Chairman.*] Do you mean that negotiations between you and these persons are pending?—We are waiting for him to send us the promissory note for £200, properly indorsed.

104. In the meantime you are taking no action, although you see that he is infringing the copyright law?—Yes.

105. The reason is that, having paid £300, you think it would be harsh to do so?—Yes.

106. What would happen if the negotiations were to come to an end—do you propose to return this £300?—From the beginning, the correspondence on this subject will show that he has been told that if he allows the matter to be held over until the next meeting of directors his case will be considered.

107. We have it in evidence from Mr. Galvin, the proprietor of a daily paper in Hawera, that the Association asked him for £250 for a cable service in Hawera for a daily paper. We have it stated that £500 was asked for Hastings. Will you tell us why double should be demanded in the case of Hastings?—The only answer I can make to that is that the tariff is arranged so, and I have to abide by that. This, it appears to me, is private business; but, seeing that Hastings is given as an instance by those who are hostile to the Association, I would like to give the Committee the experience I have in this matter. The town of Hastings is within twenty-five miles of Napier, which is the radius laid down within which no newspaper shall be started except at the Napier rate. If you were to start a newspaper within twenty-five miles of Wellington the same admission would be charged as at Wellington. The admission for Napier, or within twenty-five miles of Napier, is the same.

108. But Hastings is within twelve miles?—If Mr. Arnott came to start his paper in Napier the fee would be the same; if he went outside the radius the case would be specially considered.

109. I want to ask you this question: Are the entrance-fees that are paid to the Association used for the purpose of improving the service or reducing the annual charges?—No, sir; the fees were to establish a fund in case we were sued for libel, which we have been on two or three occasions, and had either to compound or pay demands.

110. I suppose that if the Association's agents sent out a telegram containing a libel to any of its subscribers, such telegram would be the ground for an action for libel, and the Association would have to pay the costs?—Yes, that is absolutely so. I may mention the case of Mr. Leitch, a theatrical who went to Fiji, I believe, and it was charged against him that he had not paid the papers for their advertisements, &c. The telegram was sent out by the agent in Auckland. The Association is held responsible for the acts of its servants. Mr. Leitch had gone away, and it was thought that we would see no more of him; but he came back from Fiji and took an action against the Association which cost about £400.

111. Against the Association?—Yes, it is the Association that is held responsible for the action of its agents and servants.

112. My impression was that it was the man who printed and published who would be responsible?—We take the responsibility.

113. That is to say, your Association accepts the full legal liability for all information it supplies to its customers?—Yes, decidedly. It was some one in the *Star* office in Auckland that sent this.

114. You relieve the printer and the publisher of all responsibility. How about criminal libel? In a civil action I can understand that, but in a criminal libel, on whom would it fall?—There was another case that might have cost us thousands of pounds. A cable came to the Association, and was sent through the whole colony. The National Bank had made some report, and it was stated that the report was anything but creditable. This message came out here, and as I said, was published throughout the colony. The next day came a cable which qualified the one of the preceding day. Naturally we expected that some action would be taken by the National Bank. We published the correction, and wrote to the manager of the bank that it had not been vindictively done. They accepted our explanation, but had they gone for us it would have been a serious case indeed; so you see there is something more than supplying messages for which we are responsible. This shows how careful we must be.

115. What do you think would be the effect of the repeal of the copyright clauses of the Act?—I am not prepared to answer that question. I have not even thought of it.

116. You have not considered?—No. It has been stated in *Hansard* that letters were received from the evening newspapers that the same rights were not given to the proprietors of evening newspapers. I do not know to what that refers at all. Mr. Seddon, in page 109, said that this bill was offered by the soundest financial persons in Hastings. That is not true.

117. Did Mr. Arnott suggest to you that he would get the indorsement of a person whom he named, and that you replied that you would not accept that gentleman, because you did not want to pry into his private affairs—or that it would involve your prying into his private affairs?—There was some one mentioned; I did not know the man. He asked me if I would accept him. I said, "Certainly not; I do not know him." I never saw the man. He said, "It is right enough." I replied, "That may be, but I do not know him; I could not accept the indorsement of a person I do not know." I did not know anything at all about him. It has been added in a speech made in the House that "this was a deliberate attempt to stop the establishment of an evening paper at Hastings." I leave it to the Committee to say whether my action has been other than would justify the executive officer of the association. If I had attempted to do anything of the kind—to stop the establishment of an evening paper—I would not have entertained that bill from the first; the amount would have had to be paid in cash. But it was not so. I would like to add, while giving my evidence in connection with the "cables" and "wires," that if there are more restrictions made than are now in existence the public will be the sufferers, as owners of newspapers cannot afford to pay more than they pay now. I am speaking for myself and of the morning paper in