

48. Is there any other service for the supply of cables?—I presume that any one could obtain them from Europe on the same terms as the Association gets them; there is no monopoly in the sense of preventing others getting them.

49. Does the agreement between the Australian papers and your Association prohibit them from supplying any other person in New Zealand with special-cable news?—Speaking from memory, I think it does.

50. It is really a mutual agreement?—Yes.

51. You agree to take from them, and they agree to supply no other association or person but yours?—If I might be allowed to make an explanation, it was owing to the dissatisfaction that was felt with Reuter, who at that time served all the colonial papers, that this Association arose. The papers in New Zealand were extremely dissatisfied with his service, for they knew that he was obtaining large sums above and beyond what was necessary for this purpose, and for which no return was made. The Australian papers saw they could not get any reduction in the charges from Reuter. He was asked over and over again to reduce, but he refused or neglected to do so. Then the Australian papers said, "We will get a service of our own." They offered to sell to us, and we bought the right of obtaining these cablegrams. They made it a stringent condition that we should not obtain telegrams from Reuter, who, finding that he was losing his customers, then went round among the newspapers offering messages at a nominal cost. We were also bound to prohibit any one taking our messages from dealing with Reuter. That was how it happened that the present arrangement came into existence. There was no idea of monopoly, or anything of that kind, about it. But I am inclined to think that if any association offered to supplement what we get, and the Australian association was agreeable, we would be likely to entertain such offer.

52. *Mr. Wilson.*] You would be disposed to accept an offer from any one outside this agreement who would supplement the news you already get?—I believe the Australian association would, and consequently ourselves. The position is this: They have a system of their own at present; suppose any other service made a reasonable offer to supplement what they already get, so far as I am aware, there would be no objection to entertain such an offer.

53. Is there any other cable service between Europe and Australia than this?—There used to be the Dalziel Agency. It started some years ago. I think it became bankrupt. I think it came to grief somehow—I forget how.

54. *The Chairman.*] As far as your evidence goes, it is this: There is a chain between England and New Zealand; that the association in Australia is the only association there; you form the end of the chain from England; the news is transmitted to them, and they transmit it to you?—Yes, that is so.

55. The position in former days was this: that the Press Agency supplied the inter-provincial news, and Reuter supplied the cables?—I do not know when Reuter began to supply the cables. I believe he supplied them during Holt and McCarthy's time; but after them there were two or three agencies—one of them was called the New Zealand Press Association. The rivalry was terribly expensive. Out of the competition between them the Press Association arose: it was found to be such a cut-throat game, and the expenses were so heavy, that they had to stop and form one combination. Then for a time Reuter kept on supplying cables.

56. And, finally, Reuter vacated the position because you mopped up his customers?—No, but because he overcharged.

57. I understood you to say that he offered to supply at so low a rate that the cost was nominal?—After refusing to abate his charges one jot. When the ground was cut from under him, and while endeavouring to retain his hold on the position, he did offer to supply cablegrams at a nominal cost, but the papers would not take them. There was one thing which showed absolutely that he was overcharging. The very next year after he had to vacate his position he was not able to pay a dividend. There could not be a better proof that a service had been imposed on New Zealand and Australia which was extortionate.

58. Can you give the Committee the relative charges of the Association as compared with Reuter?—They are a good deal lower taking them all round. I do not know the exact amounts Reuter charged; but when we entered upon the cable service we charged no more than he did. But it has been much less since, as the charges have been from time to time reduced, and we give three times as much news.

59. You say you give a larger service and charge no more?—Collectively, we charge much less. Mr. Knowles mentions that he paid £250, which is considerably more than we charge now, and they get three times as much news.

60. Your charge is £200?—No, it is not £200.

61. Not for a first-class paper?—No, it would not amount to that.

62. For the sake of argument, the *Otago Daily Times* receives the whole of the cables?—If it chooses to do so.

63. For a sum approaching £200?—Yes; and I should add that the Association had hoped to reduce the charges still further only on account of the peculiar conditions required by the Government.

64. That refers only to the cable news?—Yes.

65. Not to the inter-provincial?—No.

66. You are aware that the greatest dissatisfaction exists in regard to these entrance-fees. I want you to come to that point: Does it confer any right on the person that pays it? Has the person that pays it the right to receive the news only at your price? Does membership or ownership confer the right to receive anything else outside and beyond the right to receive the news which you supply?—I think, with due submission, I will not answer that question.

67. Very well, I will put it to you another way: Is it the fact that it confers no right outside the right to receive news?—I think I will give the same answer to that as to the previous question.