

23. Would you object to a clause being put in the Bill leaving the prescribing of conditions in the hands of the Warden?—Under the present Mining Act, if you left the matter in the hands of the Warden the rights would be liable to forfeiture in six months.

24. I mean to leave it to the Warden to frame special conditions?—If we have a five-years option I have no objection to that being done at the end of the five years.

25. You stick to the five years?—We must have some time, otherwise it is valueless. We are spending £32,000 on the Lee Stream. We have two contracts let—one for £18,000, and another for £3,000 odd; and you can see that in the face of that we are not prepared to spend money on the Taieri until we complete the Lee Stream undertaking.

26. But under the Bill you have power to go all over Otago?—Yes, but only through the Warden's Court. We have first of all to get the concession from the Warden's Court in the usual way before the Bill gives us the right. The district is perfectly safeguarded in that respect, because we have to apply to the Warden in the usual way under the Goldfields Act before the Bill comes into force with regard to the title.

27. That is a matter of form; he usually grants it unless there is objection?—If there is no objection I take it that there is no reason why we should not have it.

28. Do you intend to go round the country and take up every water-right you can get?—No; we have not the slightest intention of doing so. We have no money to throw away in that respect.

29. Is there any other water-right than the Taieri that would suit you?—No other that would suit us nearly as well. The Deep Stream might suit us, but it would mean having separate stations, and I doubt if it would pay to take it, as the right to it is at present held by a private syndicate.

30. Is there any mining on the Taieri that would suffer by your having these rights?—None whatever. There is no mining anywhere near the place that we propose to utilise. It is in the Taieri Gorge. The mining is miles away from there.

31. Do you make it a special point not to pay any fees for the water-rights? Would it make any difference if that provision were struck out and you were placed under the same condition as miners?—I do not know so much about that. We are not like a private syndicate; we are utilising the rights for the benefit of the citizens.

32. But there is a proposal that you should sell to other boroughs, is there not?—Yes; we are quite prepared to sell power to other boroughs, the same as with gas, at the same price as our own citizens pay. We have no objection to such a clause going in.

33. If you sell the power, do you not think you ought to pay for the water-rights?—It depends entirely on what it costs to bring the power in. It means a very large capital expenditure. If you have to pay anything over and above that it is doubtful if it is worth while bringing it in at all. As a matter of fact, it is useless to bring in electrical power if you are only going to supply factories running eight hours a day. There is not the slightest doubt about steam-power being cheaper then. If it were not that the tramways are going to run seventeen hours, and that you could utilise the power that is being used in the factories through the day for lighting at night, it would not pay to bring water-power in at all.

34. You ask to get these water-rights without paying the fees that an ordinary miner would have to pay. Would it hurt your scheme if you had to pay those claims which the Mining Act would compel?—That is a matter of detail. It may be that that would be sufficient to stop us from going in for the project at all.

35. They are not much?—It is estimated that by the time power is brought into the town from the Taieri River the cost will be £150,000, and the power generated would only be 2,000-horse power in Dunedin. It is just a question of what the return would be for the money.

36. Are you going to raise the money by a loan?—It virtually means a special Act before we can bring in the power-supply. We have no power just now. As soon as we see our way clear we will have to get another Act besides this put through, because there is no power in this Bill to bring in a general power-supply. We will need an Act to give us power to distribute electricity for lighting and power.

37. *Mr. Millar.*] This Bill will give you the power?—Yes, to supply electrical power; but even then we will have to get an Order in Council, and if it takes as long as the present one we can hardly tell when it will come about.

38. *Mr. Herries.*] If the conditions in the Bill are altered, will it make any difference to you in the borrowing of money?—There is no doubt that it would increase the cost of borrowing money. At the present time we are borrowing at 4 per cent.

39. On the proposals of the Bill?—No, under "The Dunedin Tramways Act, 1900."

40. Any alterations in this Bill would not make any difference to your financial arrangements at present?—Not for the present. The present arrangements only extend as far as the Lee Stream works are concerned.

41. Do you pay any fees for that mining privilege?—I am not aware that we pay any fees. Of course, we have it distinctly under the Mining Act, and if there are fees we have to pay them. The only money that we are paying that I know of is to the landowners. I may say there is not any mining whatever on the Lee Stream, and has not been for years.

42. The Taieri River and the Lee Stream are the only places that you want to deal with at all?—Those are the only places. You can strike everything else out.

43. *Mr. Bennet.*] Whereabouts would the dam be? At the same place as the water was dammed out before?—Probably a little lower down.

44. *Mr. J. Allen.*] Are you satisfied about the Governor in Council being the authority to which you are to apply for anything outside of the mining district?—We are satisfied; but, personally, I do not see any difficulty in leaving the Warden to deal with the matter.

45. What about the Commissioner of Crown Lands?—We have no objection to that. It would