

1903.
NEW ZEALAND.

GOLDFIELDS AND MINES COMMITTEE:

REPORT ON THE DUNEDIN CITY AND SUBURBAN TRAMWAYS AND WATER-POWER BILL,
TOGETHER WITH MINUTES OF EVIDENCE.

Report brought up on the 28th August, 1903, and ordered to be printed.

ORDERS OF REFERENCE.

Extracts from the Journals of the House of Representatives.

FRIDAY, THE 3RD DAY OF JULY, 1903.

Ordered, "That Standing Order No. 211 be suspended, and that a Goldfields and Mines Committee, consisting of sixteen members, be appointed, to whom shall be referred all matters relating to mining and all Bills relating to mines; with power to call for persons and papers; five to be a quorum; the Committee to consist of Mr. J. Allen, Mr. Bennet, Mr. Colvin, Mr. W. Fraser, Mr. Herdman, Mr. Herries, Mr. Kidd, Mr. R. McKenzie, Mr. Millar, Hon. Mr. Mills, Mr. Moss, Mr. Reid, Rt. Hon. R. J. Seldon, Mr. Smith, Mr. Witheford, and the mover."—(Hon. J. McGOWAN.)

THURSDAY, THE 30TH DAY OF JULY, 1903.

Ordered, "That the Dunedin City and Suburban Tramways and Water-power Bill be referred to the Goldfields and Mines Committee."—(Mr. MILLAR.)

REPORT.

REPORT ON THE DUNEDIN CITY AND SUBURBAN TRAMWAYS AND WATER-POWER BILL.

THE Goldfields and Mines Committee, to whom was referred the Dunedin City and Suburban Tramways and Water-power Bill, having taken evidence and carefully considered the provisions of the said Bill, have now the honour to report that they recommend that the Bill be allowed to proceed subject to the amendments shown on a copy of the same attached hereto.

JAMES COLVIN,
Chairman.

28th August, 1903.

MINUTES OF EVIDENCE.

THURSDAY, 6TH AUGUST, 1903.

THOMAS SCOTT examined. (No. 1.)

1. *The Chairman.*] What is your name?—Thomas Scott.
2. What are you?—Mayor of Dunedin.
3. *Mr. Millar.*] You desire to give evidence in connection with the Bill now before the Committee?—Yes.
4. Does the Corporation desire to get any greater powers than those conferred by the Mining Act?—None whatever.
5. The object of the Bill is simply to declare that the City Corporation is a mining authority under the Act?—That is so.
6. The next clause is for the purpose of validating titles which have already been granted by the Warden, but which the lawyers advise were not legally granted owing to there not being a local authority?—That is right.
7. Now, with regard to the clause in connection with forfeiture; you apply for very wide powers in connection with forfeiture. Is your object in inserting that clause to tie the water—to prevent private individuals getting it until such time as the Crown or yourselves are in a position to deal with it?—Yes.
8. You have reason to believe that if you are not granted the right to this water, private individuals may obtain it, exactly the same as was done in the Waipori case?—That is so.
9. What was the highest price asked for the Waipori rights?—£2,500 for the whole thing.
10. After the rights had been granted to a private company?—Yes.
11. You anticipate that the same thing would take place in connection with the Taieri?—Yes, in this way: all the private syndicates which have snapped up water-rights in various ways—in connection with the Waipori and Deep Stream—have done so with the full intention of exploiting the City Council. There is no doubt about that.
12. Your object is to protect this water for the people of the district?—Yes. The Taieri River rights will lapse in the Warden's Court in about six months. We are not prepared in the meantime to spend some £100,000, which would be required to be spent to bring in the Taieri, until we see what demand will arise after the Lee Stream works are completed. If we are not able to secure the Taieri River rights in some way such as this Bill provides they will lapse at the end of six months and be lost to us. The Bill is principally to secure to us an option over the Taieri rights until we see where we are.
13. The Lee Stream, which you are at present bringing in, will generate only sufficient power for your tramways and the lighting of the roads over which the tramway will run?—Yes.
14. There will be no surplus power from the Lee Stream beyond that required for the tramways?—There may be about 400-horse power; no more.
15. The total power generated?—The total delivered in the city will be about 1,000-horse power.
16. From the Lee Stream?—600-horse power of that will be required for the trams and lighting the roads along which the trams run.
17. You want the Taieri brought in for additional power purposes in the city and suburban districts at a later date?—I might point out that the Taieri is the only suitable stream that we could use to augment the power. The power-station for the Lee Stream will be on the banks of the Taieri, and the transmission-line will run from the power-house on the Taieri to the city, so that in the event of our requiring more power, by bringing in the Taieri we will bring it in to the same generating-station, and the same transmission-line will do for both powers. It is only by such a method that the power from the Taieri can be made payable.
18. You have no objection, I presume, to a clause being put in the Bill providing that if the Council does not commence this work within five years the Warden should, upon the application of the Government, cancel the rights?—Not the slightest.
19. That would give the Government time to formulate some scheme whereby they could deal with the whole of the waters of the colony, and at the same time protect the people of that particular district from being charged by private individuals for the use of the water?—Yes. We have no objection at the present moment even to the Government securing those rights as long as they keep out private syndicates. We do not want another Waipori case. That is the whole thing in a nutshell. We are advised that under the present mining law our title, even to the Lee Stream, is defective.
20. Your power-station rights likewise have been granted outside of the Mining Act, so that you must have them validated if you are to retain them?—Yes.
21. *Mr. Herries.*] Would you object to leaving the matter in the hands of the Warden for him to impose conditions on any application?—We have no objection whatever to the Warden deciding. Of course, though, he has no power to grant us an extension.
22. By the Bill you are taken from under the provisions of the Mining Act as regards forfeiture and abandonment. The Bill will give you a perpetual lease of the water-rights?—For the five years suggested.

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

be better still. The only objection I have to the Order in Council clause is on account of the time it takes.

46. Do you find any difficulty in getting an Order in Council?—I should think so. I think we have been four or five months over the present one. I have no wish to have the same experience again.

47. There is too much red tape?—That is about it.

48. *Mr. R. McKenzie.* By this Bill you want us to validate all the privileges you have got?—Yes.

49. They are very large concessions. What is your object in asking us to do that?—We are not miners; we hold the rights under the Mining Act, but we are not using them for mining. We are not a local authority under the Mining Act.

50. Would you be satisfied if clause 5 were struck out and you had to apply again in the same way as under clause 4 of the Bill?—We could not very well make an alteration in that now, because we are committed to two contracts—one for £18,000, and another for £3,500—and the work is going on. The tunnel is about 300 ft. in.

51. You said that there is no mining in this district?—There is none whatever.

52. There has been?—Yes.

53. Is there any probability of there being any there in the future?—Not the slightest.

54. I understood you also to state that you only want water-power from the Taieri and Lee Streams?—Yes.

55. Then why do you want power to take it from anywhere in Otago?—It is usual in these Bills to give such power. Supposing that at some future time we bought out the Waipori Company—

56. For mining purposes?—No, for the same purposes as the private syndicate use the water-rights—for the generation of electricity. They are not used for mining purposes at the present time.

57. We ought to protect the interests of the miners—not particularly the interests of the people of Dunedin or any other place. The law of this colony provides that water on goldfields should be used on the fields primarily—it should be used for gold-mining before it is used for any other purpose. You take powers in clause 4 to take all the water in Otago if you like to do so?—That is an impossibility. In no instance do we take it until after the miners have done with it.

58. What is your special object in asking for this power at all?—We are not miners.

59. You tell us that you only want the Taieri and Lee Streams?—Yes.

60. Is there any objection to our striking this extended-power provision out?—There is none whatever, excepting this: if the Waipori Company came to terms to sell their power to us, we should not be able to purchase it unless that clause is in the Bill.

61. Would it not be time enough for you to provide for that when that contingency might arise?—No, I do not think so, for this reason: you do not know the moment when the Waipori Company might decide to sell; and if you struck that out, before we could possibly buy we should have to get an Act put through Parliament to allow us to buy. In the meantime the opportunity would probably be lost to us.

62. Would it not be better to insert a clause dealing with that one particular water-supply than to take this wide power of going all over Otago?—You could hardly do that, because it would immediately show your hand.

63. I want to know exactly what you require. First, you say you want the rights to the Taieri River and Lee Stream, and then you say you want provision made for taking over the Waipori water-supply. Personally, I might be inclined to help you in getting that; but taking general power over all Otago is a different matter altogether; in fact, it appears to me that you want to monopolize all the water-power in Otago?—That would be an utter impossibility to monopolize the whole, because we could not use any more than a certain distance away. As it stands at present, we are in two or three counties and are dealing with two or three different bodies altogether. The powers are made wide in the Bill to meet that.

64. You want special power now for the Corporation of Dunedin to become the monopolist of all the electrical power that can be got by water in the whole province?—No.

65. Of course, you can always come here and ask us to give you legislation to use the power how you like?—Although we have that power under the Bill, there is another clause which provides that we have to go before the Warden for it. The Warden settles that point. It is not likely that if he would give us all the power we should grab it. There is no intention of grabbing what we do not require.

66. But, supposing you could make out a good case, there would be no reason why you should not?—If the Warden was satisfied I should think that would be sufficient.

67. Supposing you were limited to three sources of supply—the Lee, Taieri, and Waipori Streams—would that suit your purpose for the time being?—Yes, it would; but we could not put the Waipori water-supply in this Bill, because that is held by a private syndicate. It is only in the event of their not being able to utilise their right, and making a reasonable offer to the Corporation, that it would ever come into our hands. If you put it into a Bill you show the company that we think we may want it, and we may never be able to deal with it.

68. I very strongly object to any Corporation getting this power to go all over Otago to get power for generating electricity, and, as far as I can understand, that is really what this provision in the Bill means?—There is no doubt that if the Warden thought the right was required for mining he simply would not grant it.

69. The Warden who granted you the rights mentioned in the Bill had no power to grant them, and you come to us now to validate his action?—I think that is hardly a fair statement. As

long as we spend a certain sum of money, and go on with the works on the Lee Stream proper, we can hold them, title or no title. There is very little doubt about that.

70. Is the Lee Stream a mining district?—Yes; the upper part is.

71. The part you have?—We take the water from below where there is mining. We do not interfere with the water in the upper reaches.

72. *Mr. Reid.*] The City of Dunedin at present has got the Silverstream River for water-supply purposes?—Yes.

73. This application is for 600 heads from the Taieri River, and a certain number of heads from Lee Stream and Fortification Creek?—Yes.

74. That is practically the bulk of the supply that is in the neighbourhood of the Taieri, is it not?—Yes.

75. Is there any objection, as far as you are concerned, to this principle: that the boroughs which the power is carried past on the way from the power-station to Dunedin should be entitled as a matter of right to a share of that power on fair terms?—I do not see how you can fix that. The same question arose in regard to the Silverstream supply. A Bill went through giving the flat boroughs—Caversham, South Dunedin, and St. Kilda—the right to tap our mains, and take the water at 6d. per thousand gallons. As a matter of fact it costs us 9d. per thousand gallons to bring it that distance.

76. That was only a matter of figures. You recognise the right of these people to have a certain supply of that water, seeing that it is passing their doors?—The Legislature thought it only right that they should have some of that water at a certain price—some fair figure.

77. Do you think the boroughs through which the electrical power is carried should have a right to a certain amount of the power?—If there is surplus power they have an undoubted right to that surplus.

78. What is surplus power?—There is a certain amount of power required in the city, and if we cannot get that power from the source we suggest it is of no use our bringing it in at all. If the boroughs are going to take sufficient power from us to reduce our power below what we want for our requirements, then it is useless going in for the scheme at all.

79. Provided you utilised all the power for which you have taken the rights the boroughs could not have any objection; but if you did not utilise all your power you would be in a position to prevent other people from using it—the boroughs on the way?—If we had any surplus power over and above what we wanted it would pay us handsomely to supply the boroughs at cost price rather than waste it.

80. Do you mean the actual power from the water, or the power that you would be using in the town?—The latter.

81. Do you not think that hardly fair? You have those heads of water in the Taieri River, and though you could generate, say, fifteen hundred, you might generate only five hundred, and the boroughs no matter how much they may wish to get a share could not, because you did not put in a plant to generate the fifteen hundred?—We are prepared if a demand arises to generate the full number, but it is hardly right to say 600, because the estimated supply is only 350. I will put it in another way: Suppose we do not take up the scheme at all; there is not the slightest chance of any other body, or amalgamation of bodies, utilising that power in the next hundred years, because the expense would be too great.

82. Mosgiel is going to be a very large place in the future, but probably for the next ten years they might not be able to do it?—As a matter of fact, we have, without fee or charge, given the Mosgiel Council permission to erect a dam on a freehold property of ours at Silverstream, so as to supply Mosgiel for similar purposes.

83. Recognising their right to a share of the water?—Yes, from Silverstream.

84. Do you not think it right to recognise that a fair share of this power should go to the boroughs as a matter of right after your real requirements, for which you are to bring in the power now—the tramway haulage and lighting in connection with the tramways—are satisfied?—I do not see any objection to that. The difficulty in my mind is how you are going to fix the charge.

85. That might be done by regulation by the Governor in Council, or by electing a fair-minded person to say what would be a fair charge. What I say is that the people from where the water-power comes ought to have some right in connection with it—not as a favour?—There is no means of fixing the charge until the whole thing is completed and you know the actual cost.

86. We could not put that in the Bill: it could be done by regulations drawn up afterwards on a fair basis, say, the power to be charged at the same price as that to which the power was supplied to the citizens of Dunedin?—I would have no objection, if the power was there, to put in generating-plant and supply power to any of the suburbs, or any places adjacent to the mains, at the same price as that at which we would supply it to our own citizens.

87. You said that there is no possibility of mining in this connection. Perhaps you are not aware that there is a good deal of mining going on in the Taieri River?—It is considerably above where we are to take the water from. We shall not interfere with that at all.

88. Then there is Hindon alongside of you?—No; that is ten or fifteen miles higher up.

89. All that country is alluvial country, is it not?—It has not proved so. The dredge on the Lee Stream had to give in.

90. Lots of fields have given in and started again?—We do not interfere with that, anyhow. The mining on the Lee Stream was seven miles higher up than where we are taking the water-power from.

91. *Hon. Mr. McGowan.*] Have you made any estimate of the power that you require?—Only as far as the tramways are concerned.

92. Have you made any general estimate?—No; we cannot do that until we know exactly what we can supply it at.

93. Is that the reason why you ask for rights over all the rivers of Otago?—We do not ask for

rights over them all. We simply ask that we be allowed to apply to the Warden in the usual way for those rights if we require them.

94. You mean to say that knowingly you propose a Bill to take power from streams absolutely unlimited?—We cannot do that if the Warden has the right—

95. That is not the question. You say that you have made no estimate of the power you require, with the exception of that required for tramways?—That is so.

96. Why have you not made an estimate of the power you are likely to be able to sell?—We cannot do that until we know exactly where we shall bring it in from.

97. I know that; but surely any ordinary set of men would have a rough idea of what they would be likely to sell, so as to know whether it would be worth while to go to an expenditure of several thousands of pounds for bringing in power?—If we could bring it in and supply it in the city at £7 10s. per horse-power we could dispose of probably 500-horse power; and if we could reduce the price, the more we could supply.

98. I take it that is why you ask for such powers over the water?—Yes.

99. Have you an estimate of the power from the Lee Stream?—Yes; delivered in town under the present scheme per 1,000-horse power.

100. Is that the full supply from the stream, or what you propose to use?—That would be the full drought supply of the stream. That could be extended by erecting storage reservoirs.

101. What do you propose to take from the Taieri?—The utmost we could take from the Taieri, delivered in town electrically, would be 1,200-horse power.

102. Is it not 600 heads of water?—Three hundred and fifty heads is the drought estimate and by putting in a 36 ft. weir—

Hon. Mr. McGowan : I thought I saw mention of 600 heads.

103. *Mr. J. Allen*.] There is a difference between drought and full wet season supplies?—It would be 600 with the ordinary flow, but the drought supply was estimated at three hundred and fifty heads by both our late City Engineer and Mr. Robert Hay.

104. *Hon. Mr. McGowan*.] Your present intention is, though you take the rights, not to use them unless you think the scheme is going to pay?—Unless it will pay us to bring the power in.

105. You think there is no injustice to the public generally, and miners particularly, and to the districts in which these rivers are, that you should have those rights for a period of five years without using them?—Not the slightest; I see no objection whatever.

106. Do you think anybody else would be likely to look at it in the same light?—I do not think that any one, with the exception of a syndicate, would be likely to take such a scheme up.

107. What would be the difference between your holding the right for five years and a syndicate doing so?—We hold it for the benefit of the public.

108. And what would a syndicate?—For the benefit of their own pockets.

109. But you have just explained to the Committee that the City Council of Dunedin will do this if it will pay them, and the more it pays them the more they can reduce the cost to their own people, and the more they can make out of it; so that the only difference so far as the income is concerned is that in the one case it would go to the city for its own benefit, and in the other case to a syndicate?—In the one case it would be for fifty-three thousand people, taking all the suburbs into consideration, while a syndicate may represent only ten people. That is the only difference that I see.

110. I do not see much difference, except that in the one case it is a borough and in the other a syndicate?—I may say that the feeling of my Council is that had the Government stepped in some four or five years ago and taken all the water-rights, probably it would have been better for every one; but that is too late now, and we must either go in for it ourselves or let the rights lapse.

111. I think that, even taking your own view of the case, the Government would, perhaps, do right now to step in and help you to get what you require; but you appear to require so much that, in the interests of mining, apart from other interests, I think it would be necessary to endeavour to curtail your requirements?—We have no objection whatever to be curtailed as far as mining is concerned—not the slightest—because we are fully convinced that we shall not affect mining at all. We have no objection whatever to any clause that you like to put in the Bill to reserve mining rights, because we are thoroughly satisfied we shall not interfere with mining at all in carrying out our scheme.

112. If you once get what you require under this Bill you have it for all time; and you ask for such indefinite things. That is why there is opposition. I dare say that the feeling, if you did not ask for such indefinite things, would be to aid the city; but as it is, in the interests of the public, some attention must be paid to it?—Just so. Sooner than jeopardize the Bill, probably it would be better to confine it to the streams that we have mentioned. We thought that giving the Warden discretionary power was sufficient safeguard for any outside body, or even the Government. Of course, the use of electricity for motive power is in its infancy in New Zealand, and no one has any idea to what extent it will go.

113. I suppose that, in none of the instances in which you are taking power, by the exercise of that power will the water go into any other stream?—In none whatever.

114. It will in each case return to the same stream?—When the Bill was drafted there was such an intention. We thought at one time that we could get the waters of the Deep Stream into the Lee Stream; but we found that impossible, so that can be struck out.

115. I think that may assist you in getting the Bill through, because, if the water is returned to the streams, in many cases mining operations will not be interfered with?—That was the only reason for putting the clause into the Bill. We thought we might supplement the Lee Stream from the Deep Stream, but after survey we found that was impossible.

116. Would there be any objection to the City of Dunedin leasing the water-rights at a small rental?—It depends entirely on the rental. The power from the Lee Stream alone will cost,

delivered in town, somewhere about £9 4s. per horse-power per year. That is the estimated cost at present. No factory running only eight hours a day could afford to pay that amount for it. It would be only the factories that could use the power for sixteen or twenty-four hours that could pay that. Then it would pay very well. The power from the Taieri is estimated at about the same amount, £9 4s. per horse-power delivered in Dunedin. The present cost of power from steam in Dunedin is about £7 10s. per horse-power per year. Fuel is cheap there. That is what limits us to certain manufactures. At the present moment we are not able to estimate what power we shall be able to sell on this account.

117. Unless you can bring the power that you have available below a certain price per horse-power it is of no advantage whatever?—That is the sum and substance of the whole thing.

118. *Mr. Bennet.*] I think you said you would put in a weir 36 ft. high. To what height would that raise the water in time of flood?—I have not gone into that calculation, but I have had it calculated to what height it would raise the water on the Taieri Plain if the weir burst—1 in. If there were a flood on the Taieri Plain and the weir gave way, that body of water would raise the water on the plain 1 in.

119. All over the plain?—It would not affect it so very much. It would be lower down where it would flood.

120. Probably where the water would get on to the plain it would be 30 ft. high?—Yes; but you see the Taieri River has a considerable amount of clay and other stuff in suspension coming down from the mining districts, and it is estimated that the stuff coming down and precipitating there would fill up solid in five years, and the risk would be nil.

121. What effect would it have on the railway above that? That is what I want to get at. Would it not raise the water in time of flood up to the railway?—No, nothing near it.

122. I have some doubt about that. You might suppose that you would have the water rise 60 ft. in time of high flood?—No. At the top of the weir, as I think, it would only be as high as in the bed of the river. You would be at least, I should say, fully 100 ft. below the railway-line at Taiona, and it would not back the water past that at all.

123. Any obstruction in a creek raises it far more in proportion than when it has a free run at the bottom?—Take the level back from the top of the weir, and you do not come near the railway-line. We give an indemnity, I think, in the Bill in regard to that. We hold ourselves responsible for any damage.

124. An indemnity would not be of much use if the train were put into the river?—The clauses in the Bill making us responsible for any accident to the railway were put in by the solicitor acting for the Minister for Public Works in Dunedin. He was satisfied with that.

125. It is the risk of human life in the event of anything happening that I am thinking about. If water gets in under a line it is not safe?—There is another side to that. Without lifting the Taieri River by a weir you get no power out of it at all. Unless you get the extra fall it is valueless.

THOMAS REID CHRISTIE examined. (No. 2.)

126. *The Chairman.*] What is your name?—Thomas Reid Christie.

127. What are you?—I am a member of the City Council of Dunedin. I am Chairman of the Tramways Committee.

128. You have come up to give evidence on this Bill?—I am prepared to answer any questions that may be put to me.

129. *Mr. Mellar.*] You were not in the room when Mr. Scott's evidence in chief was given, were you?—No.

130. I think he has been asked pretty well all the questions in connection with the Bill. I would, however, like to ask you one question that I think Mr. Scott was not asked. If the Government brought in an urgent Bill protecting the Taieri rights from being applied for and granted to any private persons, would the Corporation be prepared to drop those clauses which refer to the Taieri?—Yes; I think they would.

131. That would leave you the Lee Stream, your present powers and your dam-sites being validated?—Yes.

132. *Mr. Herries.*] Do you consider it important that you should pay no fees or rents to the Crown?—It is of minor importance. I suppose the City Corporation can pay the same as other people; but in this case it is a large body of people, and they think they might get the rights under different conditions from other people.

133. I suppose you are not fully acquainted with the Mining Act?—No; I am not particularly well acquainted with it.

134. Would you be satisfied if the rights conferred by section 6 were only to endure for a certain time, say for the term that has been suggested—five years? You see, you are given very great rights that are not given to any one else, in that you are not liable to cancellation or forfeiture?—Yes; I think that would meet the case.

135. You do not want to hold these rights for ever and do nothing with them?—By no means. We simply wish to stop those who may wish to exploit the city.

136. You do not want to hold rights for future extension and yet do nothing with them?—No. We will carry the thing through as far as we can. We do not want to act the dog-in-the-manger if we cannot do the work ourselves. I do not think that question will arise.

137. *Mr. Reid.*] Do you consider it would be right that the boroughs on the road should have a fair share of the power—a right to the surplus power? Mr. Scott said he thought that any surplus beyond what was required for the tramways and for lighting the tramways the other boroughs should have a right to on some kind of fair basis—either a population or a valuation basis?—I do not agree to that. I would agree that they should get any surplus power that could be generated after our own requirements were fully satisfied.

138. But supposing you want the whole of the power?—Will they assist us in the expenditure? It is a big matter to enter upon a large undertaking like this, and demonstrate clearly to others that the work is possible.

139. Supposing the boroughs have a right to put in applications for power before you commence work, so that you know what they ask, do you not think it quite fair that they should be entitled to that right?—Are you aware that we have started the Lee Stream works?

140. Yes?—We are committed to about £30,000 there.

141. The point is this: if you take the power right past Taieri and want the whole of it, we are shut out from using the power, and the boroughs cannot get power from any other source; it is taken from the water-supply there?—There are other streams, and then the Taieri can be worked further up. It can be worked in a series of dams, I understand.

142. You take most of the power out of the river when you take it at your works?—Only for a mile altogether. It is a long river, and they can do the same thing above as we are doing below.

143. *Hon. Mr. McGowan.*] If they did that above you they would take away your head of water altogether?—No; not unless they operated within the mile.

144. *Mr. R. McKenzie.*] What fall of water do you expect in your mile?—36 ft. We are going to have a 70 ft. fall altogether. Others can operate in a series of works, one above the other. This one mile is only a small length of river.

145. *Mr. Reid.*] You naturally take the best part?—We take the place nearest for us; it means so much more overhead wiring. We are taking what we consider the most suitable part.

146. *Hon. Mr. McGowan.*] I do not think you saw the point of my question just now. Somebody might go above you after starting, take the power from the water, and bring the water right past you?—Of course, that would never do. It means a big expenditure, and I do not know whether it will be faced or not.

147. *Mr. J. Allen.*] With regard to these boroughs on the way: you are taking up only a mile of the river; how are you getting your power?—We are raising the river by an artificial weir.

148. You put the water back into the stream?—Yes.

149. So that anybody below you could use the water over again in the next mile of river?—Yes.

150. They could raise the river by a weir, and get another supply of power; and the same could be done above you?—Yes.

151. So there are possibilities of any amount of power there for all sorts of people?—Yes; working in that particular way.

152. By their doing the same things as you are doing?—Yes.

153. The boroughs would have ample power outside of your mile of river?—Yes, if they faced the question as we are doing.

154. You are not monopolizing more than a mile of the river?—No.

155. Would it interfere with your Pelton if power were got out of the river below by raising it by means of a weir?—Not if they kept clear of our works. It will not be a Pelton.

156. How do you take the power?—By a race or —

157. Which is brought from the river?—For a mile.

158. So that the damming of the river down below would not interfere with your race?—No. It would be more than a mile that we would monopolize, but not much more.

159. They could raise the water up to the height of your weir?—Yes; they could raise it again.

160. But it would be too expensive?—Yes; too big an expense.

161. There is some objection to the widely extended powers that you seek of applying for rights within and outside of the mining district and all over Otago: would you object to a limit of thirty, forty, or fifty miles outside being fixed?—I do not see that there could be any objection to that, with this exception: I do not see why the Corporation should not be in the same position as a miner.

162. Why put the latter part of clause 4 into the Bill, “within the Otago Mining District or elsewhere in the Provincial District of Otago”? Would you not have the power without that if you were under the Mining Act?—Can the Corporation come under the Mining Act as a miner? We are not operating for mining purposes.

163. *Mr. R. McKenzie.*] Clause 4 gives power, practically, to the Warden to grant you a monopoly over all the water in the Mining District of Otago if he likes?—Yes.

164. Are you aware that without this Bill he could not give it to you?—I am not aware of that exactly.

165. You are satisfied he can give it to you under this clause if he likes?—I presume so.

166. He cannot grant it to any other person in the colony, so that it is really establishing a priority of right to a monopoly over all the water in Otago for generating electricity?—I do not see that.

167. As I understand the law, the Warden cannot grant any right to divert water from a gold-field to any place outside without an Act similar to this; consequently, without this Bill he could not grant it to you. If the Bill is passed he can grant the Corporation of Dunedin that power, but he cannot grant it to any other person in the colony.

Approximate Cost of Paper.—Preparation, not given; printing (1,425 copies), 44 0s. 6d.