

80. You know that the Council, as distinct from the city, did object?—I know now.

81. And although you know the Council object you still persist in throwing away your money, because you think the Council do not represent the citizens?—I only knew that a month ago. In a report of the meeting of the Council, I read that every one stood up and said he thought he was doing a mean thing except Councillor Scott and the Mayor.

82. Were you not aware that the City Council had another scheme of their own that they were proceeding to develop?—Yes, there was some talk about it.

83. Apart from that, did they not have the statutory power?—Yes, in 1903 they got the statutory power.

84. And you still say in face of that that your work was done on the assumption that your company would be allowed to supply Dunedin with power?—I do. The first intimation I got that the Council would oppose us was from the Town Clerk about a month or six weeks ago. When he got a copy of the Bill he told me the Council would oppose us tooth and nail, and I was amazed.

85. So that you may take it that immediately your Bill was advertised you received notice from the Town Clerk that the Corporation would oppose your Bill?—He told me so on the street. The City Council passed a resolution to that effect afterwards. That is about six weeks ago.

86. You told us that you have some £16,000 paid-up capital, out of which you have paid away £12,000?—Yes, in the race alone.

87. How else have you paid money away?—I cannot go into detail on that.

88. Then it is a pity you were called to give evidence if you do not know the facts?—We have made payments on other things.

89. That means that you have less than £4,000 on hand?—Yes, we have less than £4,000.

90. And your projected works are to cost £106,000?—Our first installation will cost £56,000.

91. And the total installation is £106,000?—Yes, which is very cheap. That is where the advantage will come in to the city—that it will be cheap power.

92. With regard to the contracts you say you are bound by, for an additional £14,000: you have not got them with you?—No. The agreements are in Dunedin.

93. Could you arrange by telegram to get them?—Yes.

94. I am instructed that some of these contracts have been made conditionally on this Bill passing?—That is not so, and since a doubt has been cast upon us, we will bring them here.

95. Now, the distance from Dunedin by the transmission-line—how far will that be?—I expect it will be about thirty miles, although I believe it is only twenty-six miles as the crow flies—that is, to the power-house—to the end of the flume.

96. These water-rights and licenses were granted under the Mining Act?—Yes. They could not be granted under any other Act. The conditions have all been complied with.

97. Where does the license say anything about the water being used for mining and industrial purposes?—Mr. Lawson, the original holder of the rights, got his right to eighty heads of water out of the watercourse commonly known as the Waipori River for the purpose of generating electrical power.

98. That, of course, is for mining purposes?—For electrical power.

99. There was no suggestion that it was to be used for other than mining purposes?—The Warden had a special report from the engineer on the subject before he would grant such a large power, and he granted it for the purpose of generating electricity for industrial purposes. There is power under the Act to do so for industrial purposes.

100. Was not the first grant for the special purpose of working dredges?—No.

101. Is it not a fact that the application on which this document was granted was made expressly for the purpose of the power being used in mining? You do not know that, as a matter of fact?—I had nothing to do with it. There is no evidence of it. We did not become possessed of this right until eighteen months afterwards.

102. You have told us that nineteen local authorities have consented to the Bill?—Well, have approved of what we were doing.

103. Have you got the consent of the Taieri County Council?—Yes.

104. When was that obtained?—Some time ago, subject to our consummating the agreement which was then in course of discussion. That agreement has been consummated.

105. When was that agreement consummated?—On Tuesday last, after negotiating for two months.

106. That is the day before yesterday, and after negotiating for two months?—Yes, that is so.

107. And by that agreement do you contract to give the Taieri County a portion of your power?—Yes, 75-horse power at a reduced rate—10 per cent. or 15 per cent. discount, I think.

108. Have you got that agreement with you?—No.

109. Could you get that?—That is in a different position from the other documents I promised to get. If there is a duplicate of the agreement I could. It was typed and put under seal by our company the day I left Dunedin.

110. You have had a good deal of difficulty with the Taieri County Council?—I do not look upon it in that way, when people are desirous of doing a fair thing. I do not regard it as a difficulty.

111. There was a good deal of misunderstanding between you?—No, there was not.

112. They say you misled them—that Mr. Stark made a bargain and went back on them?—That is not a misunderstanding, and I do not think the Taieri County Council have been guilty of saying we misled them.

113. Is this 75-horse power the only concession the Taieri County Council gets?—No.

114. What else do they get?—We give them £50 a year as a contribution towards the expenses of their engineer in watching that we carry our line out properly, because our transmission-line is wholly through the Taieri County.

[Mr. MacGregor said he would get the rest of the particulars from the agreement itself.]

115. Mr. MacGregor.] You say that three other boroughs wished to come in in addition to Balclutha?—Well, there is Lawrence, Outram, and Kaitangata. Lawrence has passed a resolu-