

1909.
NEW ZEALAND.

GOLDFIELDS AND MINES COMMITTEE

(REPORT OF THE) ON THE PETITIONS RELATIVE TO THE UTILISATION OF WASTE WATER-POWER; TOGETHER WITH THE MINUTES OF EVIDENCE.

(MR. POLAND, CHAIRMAN.)

Report brought up on the 1st December, 1909, and ordered to be printed.

ORDER OF REFERENCE.

Extract from the Journals of the House of Representatives.

FRIDAY, THE 8TH DAY OF OCTOBER, 1909.

Ordered, "That a Goldfields and Mines Committee be appointed, consisting of ten members, to whom shall be referred all matters relating to mining and all Bills relating to mines; with power to call for persons and papers; three to form a quorum: the Committee to consist of Mr. Anderson, Mr. Colvin, Mr. J. Duncan, Mr. Greenslade, Mr. Poland, Mr. Scott, Mr. Seddon, Mr. E. H. Taylor, Mr. J. C. Thomson, and the mover."—(Hon. Mr. R. MCKENZIE.)

PETITIONS.

No. 19.—Garner, Ellen, and 15 others.	No. 339.—Gilbert, W. B., and 49 others.
„ 20.—Greene, J. S., and 17 others.	„ 340.—Linklater, H., and 90 others.
„ 58.—Malfriory, J. C., and 72 others.	„ 341.—Orr, J., and 74 others.
„ 137.—Hyndman, H., and 72 others.	„ 342.—Spence, A. E., and 46 others.
„ 138.—Nicoll, C. W., and 24 others.	„ 343.—Thompson, F., and 34 others.
„ 148.—Cederman, H., and 63 others.	„ 344.—Torley, F., and 73 others.
„ 184.—Newton, J., and 77 others.	„ 345.—Ward, B., and 72 others.
„ 232.—Atkinson, J., and 15 others.	„ 416.—Dee, G., and 6 others.
„ 233.—Bonar, V. D. M., and 25 others.	„ 417.—Dorrington, C. G., and 13 others.
„ 234.—Borkin, T., and 65 others.	„ 418.—Duckworth, W., and 56 others.
„ 235.—Chesterman, P., and 26 others.	„ 419.—Gibb, E. A., and 24 others.
„ 236.—Clifton, Margaret, and 26 others.	„ 420.—Ferguson, S. G., and 24 others.
„ 237.—Dietrich, D., and 27 others.	„ 421.—Nicholson, F. M., and 62 others.
„ 238.—Muir, J., and 64 others.	„ 422.—O'Connor, E., and 68 others.
„ 336.—Brookes, A., and 12 others.	„ 423.—Pollock, M., and 65 others.
„ 337.—Frankpitt, W. H., and 30 others.	„ 424.—Pritchard, W. J., and 16 others.
„ 338.—Garner, G., and 78 others.	

REPORT.

THE Goldfields and Mines Committee have the honour to report that they recommend that the petitions as above set forth be referred to the Government for consideration.

1st December, 1909.

H. POLAND, Chairman.

MINUTES OF EVIDENCE.

THURSDAY, 4TH NOVEMBER, 1909.

THOMAS BORKIN examined. (No. 1.)

1. *The Chairman.*] What is your name?—Thomas Borkin.
2. What position do you hold?—I am a miner.
3. You hold some official position on the West Coast, do you not?—President of the Rimu Miners' Association.
4. That is not a miners' union?—No, it is an association.
5. What is the object of the association?—Just to develop the gold-mining industry.
6. It does not consist entirely of miners?—No. It is mostly composed of miners, but includes residents who bring forward mining matters.
7. *Mr. Anderson.*] It is composed of working miners and master miners?—Working miners. There are no master miners.
8. *The Chairman.*] It also includes business people?—It consists of all who are interested in mining in the district.
9. *Mr. Scott.*] There are members of the association who are not miners?—Yes; there is nothing to debar any one from joining.
10. *Mr. Anderson.*] It is not capitalistic?—No; it is simply formed for the purpose of prospecting.
11. *The Chairman.*] You have come up from the Coast in order to give evidence on a petition before the Committee?—That is so.
12. Are you one of those who signed the petition?—Yes.
13. I think you had better in the first place make a statement with regard to the Water-power Regulations and the statements made in the petition, and then members of the Committee will question you on any matters you have not dealt with?—Yes.
14. Will you make a statement?—I think I will be able to explain the position in my own way. Down in the Rimu district we have an area of country where the mining possibilities are very big in comparison with the Kumara goldfields, where there were about 640 acres. That district has maintained a population for some twenty-five years of about fourteen or fifteen hundred people on an average engaged in mining. I am just taking it as a matter of comparison between the Kumara and the Rimu field. In Rimu we have an area of 6,000 acres, as against about 640 in Kumara. We have only fifty miners employed at the present time at Rimu.
15. *Mr. Anderson.*] Is Rimu affected by the petition?—Yes, it is the chief place. Out of the 6,000 acres, a syndicate proposes to generate power to bring water for 800 acres in prospecting licenses, and it is arranged that they will have to sell the water to individual parties who wish to take up claims in the remaining portion of the 6,000 acres. That would mean that the population of our district would be increased to that extent. Now we come to the unfair discrimination of the hydro-electric system for bringing water to the fields, and the system of gravitation. If water can be brought on to the field by the gravitation system, the miners can simply apply to the Warden and get a grant under an ordinary license; and if water from the To Aroha Cañon, where they seek to develop this power, could be siphoned to the field, it could be brought under the ordinary mining license.
16. *Mr. Seddon.*] How much is that?—Half-a-crown for the license.
17. How much per head?—The Government offered £15,000 subsidy to any party which would bring water on to the field.
18. *The Chairman.*] How long ago is that?—A few years ago. About ten or twelve years ago, I think. It seems to me to be a rather incomprehensible state of affairs that the development of the Ross Flats has been considered to be of such importance as to warrant the granting of a subsidy of £15,000, together with the free right of water to generate power. That is only an ordinary mining development. The development that we hope to make in Rimu is of infinitely more importance than that at Ross Flat. We consider it is significant that, although four or five months have elapsed since the Water Regulations were gazetted, no effort has been made except this pioneer movement started down our way.
19. But a subsidy of £15,000 was offered some years ago?—Yes.
20. A pound-for-pound subsidy?—No, not a pound-for-pound subsidy—it is the same as the Ross.
21. But it is significant that that was not taken up?—This was a gravitation system. They knew nothing about this hydro-electric system. There is no water high enough for the gravitation system. I do not know that there is anything else I can say except I am asked questions.
22. That is all you have to say, but you would like to answer questions?—Yes.
23. *Mr. Scott.*] Your people or company are making application for a certain number of heads, are you not?—I am not interested in any company. It is simply for the benefit of the people where I am living that I am here.
24. Is your association making any application for any rights?—No.
25. This water that you wish to make use of is for the benefit of yourselves as individuals?—Yes.
26. Not for the benefit of any company?—Yes.

27. *The Chairman.*] This water is not for the benefit of any company?—No. Yes; we shall derive our benefit by being able to buy water from any company.

28. Is there not a company formed which has applied for the right?—Yes.

29. Will not the water be for the benefit of the company?—It will be of benefit to us through the company.

30. *Mr. Seddon.*] About these petitions: You have seen the petitions going round the Rimu district, and can tell us that they are signed by *bona fide* miners and others interested in the mining industry?—That is so.

31. Have you got any idea of how many signed the petitions?—Every one that I asked in the Rimu district signed.

32. One thousand four hundred and sixty signed altogether, and principally those about Rimu and those interested in the district?—Yes.

33. There was some mention made about a monopoly being created?—The first intimation I got about a monopoly came through Wellington.

34. There was some distrust among the miners; they thought there would be a monopoly. There was some misunderstanding about the charges for the sale of the water?—It has been perfectly understood amongst the miners there that, if the company is floated and water is brought over Rimu Flat, they have to sell the water at a charge understood between the miners and the syndicate.

35. Are you aware whether that is an absolutely binding contract?—Yes. The syndicate has undertaken to bind themselves to sell water at a reasonable price to individual miners. Of course, they have a certain quantity of water they are prepared to sell, and the Rimu miners are satisfied with the charge.

36. Another phase of the monopoly is that this company is taking up the workable area at Rimu: how much can be worked?—Six thousand acres, absolutely proved.

37. How many acres have the company an option over?—Eight hundred.

38. You mentioned about the promise the Government made of £15,000 as a subsidy to any one bringing water on to the Rimu terraces: can you explain the reason of that? Why should they give that to Rimu and not to other districts?—Because they recognised that the development of the mining industry was of such importance in producing revenue.

39. Was it not because of the fact that there was a difficulty in bringing water to those high terraces?—That is another reason.

40. Did any company or person attempt to finance a scheme whereby they could bring water on to the high terraces?—Yes; Mr. Grimmond, of Ross, endeavoured to float a company.

41. You are aware that the Government have given £15,000 to work the Ross area?—Yes.

42. And you believe you had as reasonable a demand as the Ross people?—A far greater demand. It is a far more important mining centre.

43. *The Chairman.*] Have you asked for a subsidy?—No.

44. That is a matter outside of the Water Regulations?—Yes.

45. *Mr. Seddon.*] This association of miners in Rimu had several meetings about the scheme?—Yes.

46. And you are of one opinion as to the necessity of bringing water in?—Yes.

47. And you are of opinion that if you had water the mining industry would revive?—Yes.

48. How many miners are employed there?—Between forty-eight and fifty. I have gone over it.

49. If this water were brought on to the Rimu terraces, three hundred miners would be employed: is that an exaggeration?—No, there would be quite that number. I should say the population could be multiplied by ten.

50. Then, your position here is that of a sympathizer with the company?—Yes, because we must have capital to develop our fields.

51. The miners themselves could not undertake a scheme of such a nature?—No.

52. And you voice really the opinion of the miners in the district?—Yes; I am entirely independent of any company or syndicate.

53. *Mr. Anderson.*] How far will the syndicate's pumping-station be away from their generating-station?—A few miles. I do not know anything about the technicalities.

54. Is the syndicate going to mine, or are they simply generating power for the use of the miners?—They are generating power for 800 acres. There would not be a demand for all the water, and they would use a certain amount themselves. If they brought the water on to Seddon Terrace they would sell what they could, and mine with what they could not sell.

55. You have no guarantee that they would not use the whole of the water themselves?—Yes.

56. You have that guarantee?—Yes.

57. *The Chairman.*] Where is that guarantee?—They are prepared to bind themselves to sell to individual miners water up to a certain amount.

58. Is it not a fact that according to these regulations they must do it, and can only make a maximum charge?—Yes.

59. *Mr. Anderson.*] Are they going to use this power for any other purpose?—I do not know.

60. Have any companies of miners been formed to take up or work these terraces, or will individual miners work the terraces?—I belong to an individual party there, and I hope to be able to buy water. At present if we have a fortnight's fine weather we are idle because we run out of water. We are simply dependent on the water from the heavens now.

61. *Mr. Greenslade.*] What streams do they propose to tap in taking the water?—They propose to take the power from To Aroha Cañon, and lift the water out of the Hokitika River to the terraces.

62. What quantity of water is available? How many heads, approximately, are there in the To Aroha?—Three hundred heads; that is the understanding about that.

63. Do you think it is essential to the success of that company that they must have the whole of that water?—That is going into technicalities I knew nothing about. I am only a miner, not an engineer.

64. You have had a good many meetings about this matter?—Yes.

65. There is an impression conveyed to this Committee that this company is in a sort of nebulous stage, and that the idea is to secure these rights and then to float a big company on the English market: have you heard that phase of the matter discussed at Rimu?—That is, to secure all the available water-rights?

66. Yes?—There are millions of horse-power to be obtained. The Government Engineer considered the To Aroha was of very small importance altogether. There are millions of horse-power independent of that. This company is not seeking all the To Aroha. I believe, after they leave their Pelton wheel there are some hundreds of horse-power lower down again. I think there are millions of horse-power capable of development elsewhere.

67. You say the syndicate or proposed company has taken up 800 acres, or they want a minimum of 800 or 900 acres?—Yes.

68. If this concession is granted will the company be able to monopolize the whole of the 6,000 acres—because there will be no other water-power available to work the balance of the area?—No; there are millions of horse-power capable of being developed elsewhere besides that of the To Aroha.

69. To develop the area of the 6,000 acres?—Yes.

70. *Mr. Seddon.*] About the water-supply that at present exists at Rimu: you just depend on what can be gathered in the dams?—Yes.

71. How long will that take you to run out?—In a fortnight.

72. And if this proposal is carried out you will have a permanent supply?—Yes.

73. *Mr. Greenslade* asked you, if the total rights were granted over the To Aroha, would that be a monopoly: how much nearer is the Kanieri Lake than To Aroha to Rimu?—It is much nearer—several miles.

74. You are aware that at the Hokitika Gorge there are just as good streams as To Aroha?—Yes.

75. There are several places where water-power could be generated just as easily as at To Aroha?—Yes.

76. *Mr. Anderson.*] What is the distance between the generating-station and the pumping-station? You practically answered that by saying “some distance away.” How far is it?—From To Aroha Cañon to the river is about seven or eight miles, I think.

77. *Mr. Seddon.*] You have never been up there?—No. I think it would not be so far as from the Kanieri Lake to Ross.

78. *The Chairman.*] You have come here, I understand, as a working miner on the Rimu Flats, and you believe that if this company is floated and the water is brought on to the flats it would mean a great influx of population, and would largely benefit the district?—Yes.

79. Do you know what charge under the regulations the syndicate proposes to make for the water-supply?—The same price as the Government is charging for their water in Kumara—10d. per head per hour to the miners.

80. Do you know the proposed charges to this company—how much per horse-power per annum—for the right to use this water?—No.

81. They propose to charge 3s. per horse-power?—Yes.

82. Do you think it is the duty of the Government, as the owners of a valuable asset such as the water-power of New Zealand, to hand it over to any company that likes to take it up—to hand it over free?—Yes, I do—for mining purposes, because mining will not stand a tax.

83. Then, you think it is right to let the water go free for mining and not for other purposes?—Yes, but only for mining purposes.

84. Do you know how many horse-power this company applied for?—Twenty thousand.

85. And there will be any amount of horse-power left after they have had their 20,000?—Yes.

86. *Hon. Mr. R. McKenzie.*] I heard you say that this water-power should be given free to the mining industry, and not to any other industry?—Yes.

87. Can you tell me why the taxpayers of this country should give the Waihi Company 20,000 horse-power for nothing as against the sawmills on the West Coast?—I consider there is a great difference between quartz-mining and alluvial mining. I do not understand anything about quartz-mining.

88. Supposing we take a quartz-mining claim at the Wilberforce, do you think we should charge the miners there, and give you the water free at Rimu?—No.

89. If we charge them there, we cannot give it to you?—There is not so much uncertainty about quartz-mining as there is about alluvial mining. It is simply alluvial mining that I am interested in.

90. *The Chairman.*] You are aware that under these conditions water can be obtained for mining purposes at half the cost of that for any other purpose?—Yes.

91. *Hon. Mr. R. McKenzie.*] I suppose you know the Crown charges a royalty on coal?—Yes.

92. And I suppose you understand that power generated from coal is used to generate electricity?—Yes.

93. Can you give any good reason why we should give free power to generate it by water and charge for the power and charge a royalty when it is generated by coal?—Yes; when you take the coal out of the ground the coal is gone for ever.

94. We have the ground left?—Yes, but the ground is like gold-mining ground—it is of no use.

FRANZ DAVID BAUCKE examined. (No. 2.)

1. *The Chairman.*] What is your full name?—Franz David Baucke.
2. What is your occupation?—I have been mining and farming—both.
3. You are a settler?—Yes; I have land leased from the Crown, and have been mining up to quite recently.
4. Are you representing any body on the West Coast?—Yes, I am representing the mining interests generally.
5. You have not been appointed to come here from any association?—Yes, by the executive of the Rimu Mining Association.
6. I understand that association is an association of miners and of residents?—Yes, and contributes so much a year.
7. They have associated together in the interests of the district or the interests of mining?—In the interests of mining purely.
8. You wish to give evidence in respect to this petition, which I understand you have signed, with regard to the Water-power Regulations?—Yes.
9. *Mr. Anderson.*] Is this association interested at all in the syndicate which purposes bringing the power in?—No, not that I am aware of. Members of the association may have an interest in it; but, so far as I am aware, the association is merely taking the matter up on broad lines for the benefit of the district and in the interests of mining.
10. *The Chairman.*] Have you your letter of appointment?—No.
11. What is your position in the association?—Secretary.
12. Would you like to make a statement with regard to the petition, and then members of the Committee can question you on the matter?—Yes. The chief point to which exception is taken is that the water is being granted for mining purposes, and power for the purpose of pumping the water. The difference between the two is very wide. Supposing that water was granted by the Warden for mining purposes and was siphoned down over the deep flats, it would be under the mining regulations, whereas, this proposal coming under the Public Works Act, it carries a heavy rental.
13. What is the amount of the rental?—Contrary statements have been made about it. Practically what we should like would be to have the water-power on the same conditions as it can be obtained for ordinary sluicing purposes.
14. That is, free?—Yes, because there is never any absolute certainty in mining; and, so far as that district is concerned, taking the lower portion—the Rimu Flat—it is ground the opening-out of which will be very costly. If the country is not opened up by capitalists, no party of miners will ever take up a foot of it working as a party, because it is too costly. There would be only grades for discharging the lighter material, so it would be a costly undertaking to open up this ground, and beyond the scope of what might be called private enterprise or independent party enterprise. Then we think it would be a great benefit to the State to have the district in a prosperous condition—it would be good compensation to the State. Supposing three hundred men were employed there, the State would benefit through the Customs revenue; and the general prosperity of the people is the first care of the Government. Modified regulations have been issued, but people seem to shun the undertaking, and there has been no eagerness to take up the venture. There is no mining proposal that I know of with the exception of this one to be worked on the same principle. I should very much prefer answering questions, lest I be covering ground already gone over by the other witness. I wish to point out in connection with the field that the present supply of water there can only work a certain area. When that is done, it would not pay any enterprising company to bring water in; and to work it out in dribs and drabs as at present, with the insufficiency of supply after the available ground were worked out—no one would do it for the purpose of working the higher point—what is called the Seddon Terrace—which is about 300 ft. level, and which is not commanded by the present water-supply. I should like to have it understood that a certain amount of opposition that is coming from Rimu is through private interests—that is to say, there are clashing interests. One party have got a very large claim called the Rimu Sluicing Company, and are considered to be looking for a supply at a very small cost by-and-by, and if the proposed company is formed they will have to pay for their water. I do not think the opposition is very extensive. There has been a lot of persuasion about it. Some of the men depending entirely on wages have been persuaded to oppose it by those who have private interests.
15. *Hon. Mr. R. McKenzie.*] You say the opposition is instigated by private interests: are you interested only as a philanthropist?—No, because what benefits the district benefits me, and gives me a market for my produce. I am not mining just now.
16. *The Chairman.*] Who are the opponents?—So far as I know, there are about eight or ten.
17. What are they?—They are miners. They object to the water-power being brought there at all.
18. *Mr. Scott.*] You say you are a farmer: what sort of produce do you grow?—I chiefly raise sheep and cattle, and also produce—potatoes and suchlike—and grow winter food for cattle.
19. What is the area of this flat or ground which this water would command if it were brought in—the water that is pumped?—Some have put it down as 6,000 acres, and some at half of that. Mr. Smythe was asked to make a survey, and reported on the area. I should like to take his estimate, but I have not been able to get hold of it. When you take the district from Sandy Gully to Look-out, it is close on four miles in extent. I should put it down at somewhere about 4,000 acres.
20. What class of ground is it that it is proposed to work?—Alluvial ground.
21. Is it good for farming purposes?—No, it is not land that is adapted for farming at all. It is ordinary mining-land—sour land. Most auriferous lands on the West Coast are unfit for farming unless you go to great expense.

22. Do you know if this syndicate have framed any regulations, or are bound by any conditions under which they would sell their water to individual miners?—Yes. An understanding was come to between the mining community and the syndicate that they would charge the present rate of 10d. per head per hour. They practically pledged themselves to that, and on that pledge we are giving them our assistance.

23. That is, water landed at a certain altitude?—Yes.

24. *Mr. Seddon.*] What is the Government charge for water at Kumara?—Tenpence per head per hour when I worked there.

25. When was it 10d. per head per hour? How many years ago is it that you got that water?—I lived there twelve years ago.

26. And the charge proposed to be levied on the miners at Rimu is 10d. per head per hour, or what the Government used to charge some years ago at Kumara?—Yes.

27. How long have you worked at Rimu?—I did not work at Rimu, but at Back Creek, which is about a mile and a half away.

28. You have been working in the district to be affected?—Yes.

29. For how long?—About ten years.

30. At Back Creek and Rimu how many men do you think are working at the present time at alluvial mining—would fifty about comprise the number?—About forty-eight, as nearly as I can get it.

31. What number would be working there if this water scheme were complete?—If the plans I have seen were carried out, the place would employ more than a hundred and fifty men.

32. Do you think three hundred an exaggeration?—No, not if the plans were all carried out; but these plans are always subject to modification. I always go by half for safety's sake.

33. Without a scheme of water-supply the whole of those terraces could not be worked by private miners?—It would be out of the question.

34. And they could not possibly look at a scheme such as this at To Aroha?—No.

35. Have you any idea of what the charge for water will be to this company per annum under these regulations for the amount they have applied for?—I understand it amounts to nearly £2,000 a year. The last I heard under the amended regulations, it was only £1,300-odd. I am not on sure ground here.

36. If it was a little over £1,300, do you think that charge a little bit excessive?—I do not like the idea of a charge being made, when you might say it is a charge on purely law without logic. For mining purposes it would go free, but under the present circumstances it would be taxed.

37. You have noticed the company doing prospecting: have they done much?—I know they have sunk some shafts, but to what extent they have been prospecting I could not tell you. I have not been in touch with them, although I have seen them sinking on Seddon Terrace above the level commanded by the present supply of water.

38. They had a few parties out?—Yes.

39. That would cost something?—Yes.

40. They have done some prospecting about the area they propose to take up?—Yes.

41. You know that surveys have been made on behalf of the company?—Yes.

42. They would also cost a certain amount?—Yes.

43. What have you heard would be the cost of installing machinery to pump water from the Hokitika River on to the terraces?—I have heard it estimated at £110,000 for the whole thing complete.

44. *Mr. Anderson.*] Has the ground on Rimu Flats been proved to be payably auriferous all over?—Not all over—that is a very unusual thing; but it has been mostly driven out. It is from the surface down that they propose to work. The bottom layer has been worked out. The flat is practically abandoned except for any other purpose than the present one.

45. *Mr. Seddon.*] The terraces at the back have not been worked?—No.

46. *Mr. Anderson.*] And those terraces, you think, are payable?—Unless I saw a shaft sunk or knew the ground, I would not say it was payable. I have been disappointed so often.

47. *Mr. Seddon.*] The indications about those terraces are good?—They are in a good line of country, but are so far away for discharging the tailings by gravitation. They are too far away from the river-flat, and therefore all the material has to be elevated. I am speaking of the terraces to the southward. All the other terraces have been driven out.

48. *Mr. Anderson.*] You said the Rimu Sluicing Company was opposed to this company?—I have heard members of the company say they wished this company far enough. In arguing the point it came out that they had their eye on the Rimu Company's dam.

49. Where do they get their water from now?—They have their own dams, and get some from the Rimu Miners' Water-race Company.

50. *Mr. Colvin.*] You are a farmer yourself?—Yes, but was secretary to the Rimu Miners' Association.

51. How many members belong to the association?—At the present time I think there are forty-six or forty-eight.

52. If this scheme proposed by the syndicate were carried out, how many men would be employed on the Rimu Flats and terraces altogether?—It is very difficult to answer that question. I look upon it in this way: so far as the Rimu Flats are concerned no parties will go in there. It will be a question of wages paid by the company which opens up the ground. Although it has been said that there could be three hundred men employed there, I put it down at a hundred and fifty; and if that number could be employed they would be benefiting the country, because a prosperous district always brings advantages through the Customs revenue.

53. Do you think it would benefit the country to give a monopoly of the water in return for the employment of a hundred and fifty men?—I do not understand the application of the word "monopoly" here, because it appears to me that no one else requires the concession, and there is no competition for it. It is a grant to a party.

54. Supposing the right were given to that company to take water out of the river, and some five or ten years after some other person wants to start an industry there, do you think it is right for the Government to give this company this right and refuse it to others?—The same argument might be applied to a mining property of any kind, and I can only say that, if the Government grants a right to that water to one party, it cannot grant it to any one else. If it grants a portion I do not see how it can be a monopoly so long as it is benefitting the country, unless it is in a general sense. Everything that a man has is a monopoly.

55. Supposing a man got all the land, would it not be called a "monopoly," even supposing he had thirty or fifty men?—Yes, you can call it a "monopoly" when there is no other available. But the district is well supplied with rivers capable of giving water-power. The only thing is that we cannot get them on reasonable terms.

56. *Hon. Mr. R. McKenzie.* You are referring to a company, and a company applying for water-rights for mining purposes: do you know that there is no company in existence?—As I understand it, it is a promoting syndicate.

57. Do you know who they are?—I know some of them.

58. Let us see who you think they are?—Well, as near as I can get them there is, of course, the engineer, Mr. Parham, Mr. Michel—I have forgotten the names of two gentlemen in Wellington—and there is our friend here, Mr. Seddon—his name also appears on the list—Dr. Teichelmann, John Evans, and H. Linklater.

59. Who is he?—He is a miner at Stafford.

60. Is that all?—I never took a list of them.

61. Are you in it yourself?—No.

62. Who is the president of your Miners' Association?—Thomas Borkin.

63. Is he in it?—Not that I know of.

64. You say there is a company applying for water for mining purposes?—A promoting syndicate.

65. For mining purposes?—Yes.

66. That is not the company the regulations are dealing with, because it does not say anything about people applying for water for mining purposes. People who apply for water for mining purposes get it for nothing; they apply to the Warden?—Yes.

67. They have applied to the Warden for 300 heads, have they not—the syndicate that holds about 800 acres of land?—Yes.

68. So far as the Government or Ministers are concerned there was no objection to them getting that 300 heads of water for nothing?—So far as I understand it, it could not be obtained in the manner they were applying for it.

69. Out of the Hokitika River they applied to the Warden for 300 heads of water for mining purposes: do you know anything about that?—I have seen the plans, and the spot where it is to be elevated; but I do not know that they were going to lift 300 heads, although they applied for it.

70. Have you ever heard that the Government have objected to them getting it for nothing?—No.

71. So far as the company applying for water for mining purposes is concerned, there has been no objection so far as you know?—No.

72. Coming to water for generating electricity, they applied for sufficient to generate about 20,000-horse power: have you any idea of what power that is?—I am not an electrical engineer, and cannot go into that. The only thing I can go by is by what I have been told.

73. Probably you have a fairly good idea of what a 20-horse-power engine will do?—Yes.

74. Suppose you multiply that to 20,000?—Yes.

75. Supposing you had a thousand-horse-power engine, have you any idea of what its value would be?—No.

76. Can you tell me how many horse-power is used in the whole of Westland at the present time, or in the whole of Canterbury?—No.

77. Coming to the charges for this horse-power, the amount is 3s. a year per horse-power: can you give the Committee any idea of what it would cost to run an engine developing 20-horse power in the year, and running it by coal to generate steam?—No; I look at it from a very different standpoint altogether.

78. I am looking at it from the standpoint of power?—It is scarcely any use asking me any questions about power. If this concession is not granted, the district will go hungry. If we go into the actual value for pumping, no one will look at it.

79. You say you do not think this is a monopoly. Now, these people have applied for water-rights to generate about 20,000-horse power—to generate electricity over the whole geological area of Westland. Supposing they had a monopoly, do you not think that is giving them a very big concession?—I do not see the concession, because if you permit them to convey their electricity to other parts they have to apply for the land first. They have not got from the Totara River to the Ararua River granted to them as a claim. I am not speaking of the possibility of their working ground in that area.

80. This has nothing to do with working ground. They are applying for water-rights to generate electricity to use for any purpose?—In that case I would suggest it would be a wise thing in future, when any one wanted water for installing electrical energy, to get it and divert it to anything else.

81. There is nothing to prevent them using it anywhere and for any purpose if they doubled the rent?—Yes.

82. I suppose you used to follow the run of applications made throughout the country for rights to generate electricity by water-power some years ago?—I was one of the first to suggest this method.

84. Have you heard of any one applying to the late Mr. Seddon for water-power and being refused?—Yes.

85. And also Mr. Hall-Jones, when Minister of Public Works—both refused the applications?—Yes.

86. You say that 3d. per month per horse-power is too much for mining purposes?—Yes; I do think it is unfair when it leaves a district abandoned. If I knew the district was going to be prosperous and the scheme would go on all the same, I would not require anything further; but, when I see it will practically isolate a district from the scheme, then it is a bar, and, if a bar, it is an injury to the district, and, therefore, I say it is too much.

87. Then, that means we should give water for generating power for mining purposes free everywhere as a principle?—I would not contend anything of that kind, because I think that where there is power for them, and it can be worked by that scheme, there should be a sliding scale which would permit the ground to be worked if any one had the courage or the enterprise to take it up.

88. Then you think the charge should be more for generating electricity by water at Ross than at Rimu?—I think a great deal of that kind of thing can be overcome.

89. I want you to answer?—I just want to point out—

90. Do you say you ought to charge more to a rich district than to a poor one? Do you think we should charge more in Central Otago than in Rimu?—No.

91. Do you think we should give the water for nothing in every case?—I am not in favour of giving water for nothing in every case, but I am opposed to any district being barred if it is for the benefit of the country.

92. You mentioned the names of certain gentlemen: do you think they make their offer for the benefit of the district or to make money out of the scheme?—To make money out of it, certainly.

93. And why should we give them power to do so at the expense of the rest of the community?—It has been suggested that there is another party to undertake the pioneering work carried out by the present promoting syndicate, and that it is ready to take it up if these people drop it.

94. I suppose it does not matter to the district who takes it up, so long as the water-power is used?—No, but I say it would be a cruel wrong to take it at the pioneer syndicate's expense.

95. But they have done nothing—what have they done?—I did not go to their office to inquire the amount they have expended, but I do know that they had men employed prospecting. I know that they had a surveyor employed for making a reconnaissance survey and another special survey. Those are items I do know of, because I saw the plans supplied by Mr. McFarlane.

96. Are you satisfied that, if these people do not go on with the scheme and some other people do, it would be just as beneficial to the district?—I am not a partisan, but I like to see fair play. It would be of the same benefit to the district, undoubtedly.

97. You said you were a farmer?—Yes.

98. Whereabouts?—At Back Creek Flat, along the Hokitika River, on the south side between the terrace and the river.

99. And you say you were working at Kumara ten or twelve years ago, mining?—Yes.

100. How much were you paying for water then?—Tenpence per head per hour.

101. How many years ago?—I think, about twelve years ago.

102. Are you sure it was not 2½d. that you were paying?—We paid £1 5s. for ten heads for three hours' water. That was our usual pay. That is what we called a shift—three hours.

103. Twopence halfpenny per head per hour has been the price for twenty years, I believe. You do not know what they are paying in Kumara now?—No. I have heard things, but never made inquiries so as to have a reliable knowledge of them.

104. Going back to the Rimu Sluicing Company, they have a water-race, and do you know that they have an option to purchase that race?—I believe they have the option to purchase the race belonging to the Rimu Miners' Water-race Company.

105. Then, why should they object to this company taking more water?—The Rimu Miners' Water-race Company have no option; they have dams of their own and are a separate institution.

106. The water-race that syndicate has an option over?—They are not opposed.

107. You said that this syndicate did some prospecting on Rimu Flat?—So I understand. They were working there. Bill Irving was working there, and he gave me an idea of what he was doing.

108. As a matter of fact, you are not in a position to say they have been doing any prospecting?—Yes, I saw men sinking a shaft on the high ground above Seddon Terrace.

109. How long is it since you lived at Rimu?—I never lived at Rimu.

110. Do you live on a farm now?—Yes; I previously lived at Woodstock.

111. Mr. Seddon.] Do you think it possible, if this company fails, that any other company would take up the same proposition?—I do not look forward to it, and that makes me feel so strongly in favour of the present syndicate.

112. If this company fails, you have no other company locally to take it up?—I do not think so.

113. The Chairman.] Have you any reason for that?—It is owing to the difficulties experienced with the regulations, and the uncertainty of mining. Anything that is loaded in regard to mining is generally looked upon as at set-back.

114. *Hon. Mr. R. McKenzie.*] How do you mean by "loaded"?—Paying a rental.

115. Not by paid-up shares?—No. I have heard it said there was another company here already in Wellington, and I heard that the Minister was one of the promoters; but I do not take any notice of these things. I do not attach any importance to it.

116. Have you any good reason for thinking no other company would go on with it?—Only the uncertainty of mining.

117. You said you heard I was promoting a company?—I said it was a thing that was being talked about, as something the Minister had up his sleeve.

118. Can you tell me of any one you heard talking about that?—Yes.

119. Let us have their names?—I am in this position, that I do not feel disposed to answer the question.

120. As a matter of fact, you never heard any one say so?—As a matter of fact, I did.

121. You wrote some letters in the *West Coast Times* about this matter?—Yes.

122. Did you start that rumour out of your own imagination?—I said before that I heard it rumoured, but attached no importance to it because I put it down as a rumour. The question was asked me, supposing another company was to take up this proposition, would not the district be equally benefited. That suggestion brought back to my mind the rumour I heard circulated.

123. I asked you whether you wrote some letters, and whether you started the rumour out of your own imagination?—I answered that before.

124. These rumours were not started by the *West Coast Times*?—I must tell you that Mr. Michel and I have not had any conversation about the matter.

125. Can you tell the Committee what you came here for?—I think my evidence so far before the Committee has given point to my object.

FRIDAY, 5TH NOVEMBER, 1909.

E. I. LORD examined. (No. 3.)

1. *The Chairman.*] What is your name?—My name is Edward Iveagh Lord.

2. What are you?—Town Clerk and Borough Engineer at Greymouth.

3. You are one of those who signed the petition?—No.

4. You wish to give evidence before this Committee in connection with the petition?—I have been asked to give evidence.

5. You know what the petition is about?—Yes.

6. Have you read it?—Yes.

7. Will you make a statement with regard to it?—All I have to say is that I have been a mining engineer for over forty years on the Coast, and during that time have laid down a great many water-races and schemes for bringing water on the ground to develop areas suitable for sluicing. Gravitation supplies at the present day are very difficult to bring in at a high-enough level to work the higher auriferous country, and I take it that electric power and by means of pumping is the only thing left to develop that high ground. I know, myself, of many places besides Rimu—places up the Grey Valley, for instance, in the vicinity of the Ahaura. Water-power from Lake Hochstetter, for instance, would work these areas by electric motor and a pumping scheme. Besides those at Barrytown and elsewhere, I know of other areas where a sufficient power is available to work auriferous grounds that cannot be reached in any other way. As the West Coast—I might say, primarily—is to be helped more by mining than by any other industry, I think the Government should do all in their power to aid any method by which water can be brought in to work these high-level fields; and, with that end in view, I think, for the good of the West Coast—and, in fact, the Dominion—the Government should make their regulations and their initial charges as elastic as possible. I mean that gold-mining is very precarious. You never know where the gold is, although you get good prospects. I have myself got good prospects in many places for companies that it was thought would be successes, and in many cases they have turned out failures. I think, therefore, there should be no hampering whatever in the initial charges. It is hard enough to float companies already, without burdening them with an additional cost. At the same time, I think, for the good of the individual miner as against powerful syndicates, he should have some protection from very large fields being taken up and having in the end to pay a toll. I do not know from my own knowledge that I can say much more on the subject. These are my opinions, gained by over forty years' experience as a mining surveyor and engineer.

8. *Mr. Scott.*] Do you think this scheme that is proposed at the present time for working the Rimu Flats will be of benefit to the individual miner?—Of course, all depends on how the field is allowed to be taken up.

9. What is your present view of the situation as it appeals to you? There is a company which has something like 800 acres, I understand: what chance will the individual miner have there?—If one company holds an area of 800 acres there will not be much left outside, as far as I know. But I have never looked into the question. What I say is on the spur of the moment, from knowledge gained many years ago.

10. Do you think, as a man who has a good deal of knowledge of goldfields and mining, that it is not right for the Government to impose a charge on these electric water-power schemes?—I do not go so far as to say they should not impose a charge, but I said they should make it as reasonable as possible—not an excessive charge, because it would block the ground from being worked at all.

11. Do you consider the charge the Government proposes to make under the regulations too high?—I have heard it is £1,300

12. *The Chairman.*] It is 3s. per horse-power per annum?—In this case I heard it was to be £1,300

13. *Mr. Scott.*] Would you consider that charge of 3s. per horse-power per annum too much?—I think, myself, it could be reduced a little.

14. There is not much to be reduced, you know?—No.

15. *Mr. Seddon.*] After your long experience of the Coast, Mr. Lord, you are quite of opinion that this pumping method is the only method left for most of the propositions?—Yes, I do not know of any great area that can be worked by the old gravitation system.

16. All those easy fields are worked out?—Yes.

17. What is your knowledge of the Rimu—you have been over the field?—Many years ago I was all over it, and made many surveys.

18. It has been stated that the area that can be worked at the Rimu varies from 3,000 to 6,000 acres: do you think that a fair average of the ground left available?—In my opinion there is not so much.

19. Do you know Back Creek?—Yes.

20. That area is supposed to extend from Back Creek to Fisherman's Creek?—If it is auriferous there would be about that area you mention.

21. If the district were proved to be auriferous from those points named—Back Creek to Fisherman's Creek—this area would be about 6,000 acres?—Yes. The ground generally runs in leads. Although covering 6,000 acres, it would not all be golden ground.

22. You mentioned about Lake Hochstetter and the proposition that might be worked at Barrytown: do you remember if any scheme was started at Lake Hochstetter?—By electric power?

23. Yes?—Not that I know. There was a rumour about getting up a syndicate to work the district. I myself made the survey in 1871, I think.

24. Was that for a gravitation system?—Yes. That came down about Nelson Creek. There was excellent ground at Owen's Look-out. When I went up to make the survey I saw some very excellent prospects. The worst of it was that when we brought in the water the washdirt was resting on a very steep siding with a blue marine bottom, and in a very short time it was washed away. It had no life as a sluicing field, consequently the race was a failure.

25. Do you think that electricity could be developed by water-races at the Hochstetter?—I am sure it could. You can let the Hochstetter fall out at the Ahaura Stream with a very short cut.

26. From what you have heard, £13,000 is to be charged or levied on these people who have made this application, and you think it excessive?—It seems to me to be a very large sum.

27. What do you think would be a fair charge? Do you think half that would be sufficient?—I could not say that. That is a thing that requires considerable thought.

28. Do you think that, in order to encourage an industry which is languishing in that particular district, some consideration should be given to it?—That is my opinion. It would help the matter if the charges were lightened as far as possible. The Government have a better knowledge of letting out the water than I have. They look at it from all points.

29. Do you think, if this proposition were successful, several others would go in for it at Barrytown and other places?—I have not a doubt about it.

30. And that would be a very good thing for the West Coast generally?—Yes.

31. *Mr. Anderson.*] Does this syndicate ask for the water free?—That I could not tell you. I did not know I was going to be called until I got here, and I am not prepared with my evidence.

32. What proportion of the Rimu terraces do you think is payable?—I think all in the vicinity of the old leads would pay for sluicing. There are some patches containing gold, but it mostly runs, as I knew it years ago, in leads.

33. Could those terraces be worked profitably by individual miners?—Certainly, if they could get the water.

34. If the company there supplied water at a reasonable price, could it then be utilised by individual miners?—Of course it could; it could be farmed out to them.

35. It was said yesterday there are 6,000 acres on that Rimu terrace or terraces, and you said to-day there would not be much left after the 800 acres were taken out of it: which statement is correct?—I said that no one could tell the part that was auriferous from that which was not. No one can tell on a goldfield. You have to prospect. I said, in my opinion about 800 acres would pay, and there may be a lot more than that. I do not know.

36. *Mr. Seddon.*] Rimu is in the middle of that area I named?—Yes.

37. *Mr. Anderson.*] Do you know if this syndicate has any other object than to facilitate mining? Are they going to establish any other industry?—That I cannot tell you. I have no interest in it either in shares or in any way.

38. Supposing the Government saw fit to give this syndicate the water for nothing, instead of charging them 3s. per horse-power per annum, do you think the individual miner would get the water cheaper, or would it make any difference to him?—It is very hard to say what a syndicate would do.

39. You are an engineer: can you give an opinion?—Yes, but I would not care to give an opinion.

40. *Mr. Seddon.*] If the company got their water free, would they not be likely to sell it cheaper than the miners have to pay at the present time?—That is the inference, but you have to consider human nature.

41. *Hon. Mr. R. McKenzie.*] Do you know if there is a syndicate or company in existence?—I could not tell you even that. Of course it is rumoured all over that there is.

42. Assuming that there is a syndicate, you can give the Committee a fair idea of what it would cost to generate a horse-power by means of coal or steam per annum?—Of course, looking at it in that way the charge would not be excessive.

43. You have a fair idea of the cost per horse-power by coal or steam?—Yes.
44. How much do you think it would cost in Wellington, Greymouth, or Hokitika?—I have no record in my memory.
45. Do you think it costs £25 a year in Hokitika?—Yes.
46. Under these regulations the syndicate gets the same power for 3s. a year?—I have not seen the regulations.
47. Do you know that the Crown charges 6d. royalty per ton on coal?—Yes.
48. Can you see any reason why people in the coal industry should be put out of competition by water-power?—No.
49. Supposing this company refuses to go on, and another company is prepared to pay what the Government asks for this concession, do you think it would make any difference to the miners at Rimu or Ross?—I do not think that would make any difference at all.
50. If the Government were to develop this power, do you think the miners would be better off than if they got it from a private concern?—Really, to give you my honest opinion, I think it would be in better hands if under the Government.
51. Are you aware whether this company proposes to sell any water at all to individual miners?—I could not answer that.
52. You know the area between Totara River, near Ross, and between the Arahura and the sea?—It is a great area.
53. What would be the approximate area?—It would be about ninety square miles.
54. It is 30 x 50, going to the sources of the rivers?—Yes, taking in the watersheds.
55. Do you think it is a fair inducement to give to a private company, if selling water to generate electricity for mining or other purposes?—No doubt it is a very fair area to have command of.
56. *Mr. Seddon.*] You know the area Mr. McKenzie has just described, going to the sources of the rivers?—Yes, that is nearly to the top of the range.
57. Do you think, in that particular area electricity could be generated at other places than To Aroha?—I have no doubt there are other streams.
58. You have heard of the Hokitika Gorge?—Yes.
59. Do you think electricity could be generated there?—I have not taken any levels there, but I fancy it could.
60. Have you ever been to Browning's Pass?—Yes.
61. Do you think that at the different falls there electricity could be generated?—At the Styx?
62. At the Styx and Hamper Falls?—It is possible.
63. You do not think To Aroha is the only place?—I think it is the best; there may be others that I do not know—because in the early days I traversed places where power is generated.
64. You know that plenty of power has been generated at Lake Kanieri?—Yes.
65. You are quite satisfied that To Aroha is not the only place?—I said just now there are other places, but I have no distinct knowledge of them like I have of this one spot.
66. *Mr. Anderson.*] You were speaking of the Hochstetter Lake: is that in this area spoken of?—No, that is outside.
67. *Hon. Mr. R. McKenzie.*] You said that To Aroha was the best for power in this area?—Yes, that I know of. That is, excepting the Ross; but that is very small in comparison.
68. Can you give the Committee an idea of what 20,000-horse power means? Say you take all the horse-power in Nelson, Canterbury, and the West Coast used at the present time?—There must be a great deal.
69. It can be turned up in the records. Assuming that payable gold is found at the Wilberforce, there would be no difficulty in transmitting power from To Aroha to the Wilberforce?—I do not know the difference in level.
70. The transmitting wire could be conveyed to Wilberforce as easily as it is conveyed to Rimu, or any other part of that area?—Yes.
71. Say water-power to generate electricity were required to develop the Waihi mines, do you think the Government should give that power for nothing?—I do not.
72. Do you see any distinction between giving the water-power free at Rimu and not to Waihi?—There is always the distinction of whether Rimu will turn out to be a Waihi.
73. You have sufficient knowledge to know that people are not going to enter into these mining speculations for philanthropic purposes?—That is so.
74. *Mr. Seddon.*] Do you think, if this company is not successful, another company would follow up the proposition?—I have answered that already in my statement, when I said it was very hard to float any schemes on the West Coast now. It takes a lot of working up.
75. You think, then, that the miners would prefer, if the Government generated the electricity and sold the water, to work under the Government rather than under a private company?—Of course I cannot tell what are the individual opinions of individual miners, but I know that if it were my own case I would prefer to work under the Government if I were a miner.

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