

tion on the subject. Mr. Hosking has insisted that Outram, being in his county, should have the benefit of the power. Interested parties in Lawrence and Kaitangata have also spoken to me about it.

116. So that twenty-two local authorities are apparently dying to get this Bill passed?—Are wishing to get it passed.

117. And one local authority is not wishing for it?—Yes.

118. Now, you have been very successful in getting contracts or offers for your power already, have you not?—Yes, people have expressed their willingness to do business with us.

119. But have you not actually got offers?—You can call them that, if you like; but people will not bind themselves down to agreements until you can supply them.

120. I understand that Messrs. Ross and Glendining alone want a large power?—I understand so.

121. Do you know, as a matter of fact, that you have a large number of applications?—I have looked over the list.

122. What is the total power on the list?—It runs into about 2,000-horse power so far.

123. That is outside of Dunedin?—That is within what I would call the city.

124. Outside the city what applications have you got?—I cannot tell you that.

125. You know you have an application from Messrs. Ross and Glendining?—I understand there needs would be about 500-horse power.

126. Then there is the Roslyn Tramway Company?—Yes, they want 150- to 200-horse power, but that is as much outside the city as inside.

127. Then there is the Mornington Tramway Company?—There are negotiations going on with them. I think they want 120-horse power.

128. And the Government Workshops—do they not want any?—We would like to get them.

129. Is there not some mention of a carbide-factory being started?—Yes.

130. Where is that to be started?—In the city.

131. What do you expect to get from twenty-two local bodies—how many horse-power will they demand?—I cannot tell you that.

132. Would it be fair to assume that each one would take 120-horse power?—No, not each one.

133. How much?—Well, I know enough of the subject to say that it would be simply ridiculous to say whether or not Port Chalmers should stand in the same relation to Dunedin, or Caversham to Maori Hill, and so forth.

134. You have read up the literature and been primed by Mr. Stark and his coadjutors, can you not give the Committee an idea of the probable demand of these local bodies?—I could not. I have not been primed. I have not studied the detail part of it, because it is unnecessary for me to do so, for this one good reason: that electrical energy creates its own demand, and you could not say in what outside local body the greatest demand will spring up. The greatest need and demand will be in the City of Dunedin.

135. Are you convinced there will be a demand for it in each of these local areas?—Yes, in one way or another.

136. You said that if the Bill was not passed the company will not be able to get the capital wanted to finish the work?—Yes.

137. What did you mean by that?—That we still want £20,000 to bring the necessary amount up to £56,000 for the first installation.

138. Supposing Dunedin is excluded from the operations of the company?—There will be the greatest demand there. You know the value of the cement-works alone to Dunedin. They do 90 per cent. of the trade, and they want power. They are in Dunedin.

139. You could not make the company a commercial success without coming into Dunedin?—I do not think so. The company might be killed in its infancy.

140. Do you not think you were shortsighted to spend so much money before you knew whether you could get into Dunedin?—No, I do not. It is experience that shows that in all these things you have to make a move.

141. What will be the cost of reticulation?—I do not think there is a man in the room who can give that.

142. You have a company with a nominal capital of £100,000?—Yes.

143. With contributing shares issued to £33,000?—Yes.

144. Of which you have spent £12,000, or something more?—Yes.

145. And you know that to bring your power to the outskirts of Dunedin it will cost you £106,000?—No, not at all; £56,000 is the cost of the first installation.

146. Six thousand-horse power is what you based your calculation upon?—Yes.

147. You say that to bring 6,000-horse power to Dunedin will cost you £106,000?—That is so.

FRIDAY, 19TH AUGUST, 1904.

Examination of PETER DUNCAN continued. (No. 2.)

1. *Mr. Herries.*] I would like to ask you a few questions with respect to the company for the information of the Committee. I presume the articles of association of your company are before us?—Yes, they are filed with the papers in accordance with the Standing Orders. The history of the constitution of the company is this: When the company was registered in the first instance with a capital of £16,500, it was really not known at that time what would be the scope of the company's works. Our eyes were opened as we went on. We found, when the estimates had been gone into, that the work was going to be one of very considerable magnitude, and we increased the capital to £100,000. The whole of the £16,500 original capital was subscribed almost at once. A little loading—as one might call it at the start—was made on the distinct basis or understanding that no one was to be permitted to come in unless he subscribed a certain amount.