I.—1a.

"There are now in the United States not more than ten double-trolly lines, only one of whichthat at Cincinnati—is of what may be called a modern construction—that is, built within the last two years. Of single-trolly lines there are several hundreds."

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II. Not only does the evidence as to the merits of the single-trolly system tell for the company, but in this particular case the company will be unable to adopt the double-trolly system.

(a.) All its arangements for contract and cost have been based on the single-trolly system.
(b.) The Councils of the city and suburban boroughs, more particularly the former, have gone

into the question and have given their sanction to the single-trolly system.

(c.) The great delay that must ensue if all the preliminary work has to be gone over again will

probably be fatal to any fresh arrangements with the intended contractors.

(d.) The increased cost will not be within the compass of the company's resources. III. Consideration ought to be given to the fact that four months elapsed after the subject was brought before the Public Works Department before the company were apprised of the telephone objections, and that, too, after the Public Works Department had made its requisitions without referring to the objections.

For these reasons we say the double-trolly system ought not to be forced on the company, but, on the contrary, it should be enabled to carry out its arrangements for the single-trolly system.

It is said that the Telephone Department is of more importance than the trams: permit me to point out that the telephones are not, like the telegraph or cable, a colonial or national matter. The telephones are a local affair. They are no more colonial than the trams. It is a question, therefore, of one local convenience against another—and both ostensibly profit-making conveniences. To give an idea of the local convenience of the trams, there are fifteen miles and a quarter of way belonging to this company in Dunedin and suburbs. For the year ending 30th November, 1892, 2,722,073 passengers travelled on them, at the fare of 1.62d. per passage. For the year ending 30th November, 1891, 3,388,489 travelled, at a fare of 1.46d. per passage. Further, it is the very people who enjoy the telephone system that seek to have electricity employed on the trams.

Then, it is said this is a private company that is applying. It is, but not a private company

that pays. But it must be borne in mind it is a municipal convenience, and one which municipalities may themselves undertake if they choose. Owing, however, to the interconnection of one municipality with another, it has been found idle for each body to have a separate system of its own, so that the only effective way of affording cheap travel to their inhabitants is for various contiguous local bodies to hand over their powers to a third hand willing to undertake the duty. A tram company serving several local bodies, therefore, as this does, especially stands on a footing of public consideration, although undertaken by a company, quite as much as if a local body were itself

working the system for profit. Further, this company pays in rent for the use of the streets £426 13s. 4d. per annum, and bears the cost of repairing 15ft. of the width of the streets. The Telephone Department, be it noted, pays nothing. In addition to this, the company's concessions from the municipalities are for limited periods only, at the end of each of which the local body may step in and purchase the trams at a valuation. The local bodies, therefore, have considered themselves as having a direct

interest in the trams, and are, practically speaking, entitled to them in reversion.

I therefore submit the matter must be regarded from a higher standpoint than that of a mere

private concern. It must be treated as entitled to consideration on public grounds.

I have now pointed out that the evidence is in favour of the superiority of the single-trolly system—that there are special and weighty reasons why the double-trolly system cannot be adopted by this company, and why this company is entitled to consideration in not having that system forced upon it at the last moment, and why also the matter, though agitated by a company,

should be viewed as a matter of public concern.

The alternative to the double-trolly system is, that the company should bear the whole, or, at all events, a portion of the cost of safeguarding the telephone-lines by setting up a metallic return circuit. It will, I think, go without saying that, if extra money is to be expended, it would go into the latter direction if used to perfect the telephone system, rather than to establish a double-trolly system and leave the telephone system in the present defective condition. I take it, therefore, that the cost of giving the telephone system a metallic return circuit is the point on which the question will be dealt with. To come, then, to the crux of the matter, the position is that the Telephone Department say to the company: If you do not adopt the double-trolly system you must take the alternative, and bear the cost of enabling us to equip our lines with a metallic return circuit. This cost is stated by Dr. Lemon to be £12,000, without adopting the McCluer device, which would be cheaper. The company's reply to that is, that the Telephone Department ought to bear that cost, and the whole of it. If this contention could prevail, then the Order in Council might issue containing all proper provisions safeguarding the telephone lines from negligent or careless conduct on the part of the Tram Company. That the Telephone Department is wrong in its position, and ought itself to bear the cost of the metallic return, I submit follows from the following reasons:

(1.) The telephone system, in using the earth instead of a wire as a return circuit, is defective. The evidence clearly shows that, and Dr. Lemon admits it. This defect is the cause of the buzz and cross-talk now so frequently met with, and is one that will increase as the Exchange extends and its wires multiply. Exchanges in other parts of the world are, by the evidence, shown to be adopting the metallic return to insure efficiency, irrespective of electric trams. A recent prospectus of a telephonic exchange for the City of Norwich, published in the *Electrician*, makes a point, as an inducement to subscribers, that it "guarantees a complete metallic circuit." I refer to Mr. Baron's evidence as showing that the metallic circuit is being adopted by telephone companies for the sake of the greater efficiency. Will, then, the local Telephone Exchange for ever adhere to its present system, notwithstanding defects that are removable, and that in other parts of the world are being removed? I submit it will rather keep pace with the times, and itself introduce the changes the cost of which it now asks the company to bear?