

2. An essential condition of the arrangements is that electricity on the single-trolley system be adopted as the motive-power.

3. Owing to the cost of horse-haulage (the motive-power in use by your petitioners) the tramways are and have for several years been carried on at a loss, and, unless electricity can be substituted as a motive power, your petitioners will not be able to continue to run the service.

4. The single-trolley system was selected after full inquiry, and because it was recommended as the best by Messieurs Siemens Brothers and Company, the most eminent of electrical engineers in England. It has been introduced by them into Hobart. It has, moreover, been judicially pronounced by law-courts, both in England and America, before whom the merits of rival systems have come for examination with reference to their effect upon telephone wires, as the best that has been devised. It is the system that is more extensively used than are all other systems put together, and has proved itself practically, scientifically, and commercially a complete success. In this connection your petitioners would respectfully refer to the recent case in Leeds of *The National Telephone Company v. Baker*.

5. Your petitioners had, before the said arrangements were entered into, obtained the consent (informally, but by a resolution) of the City Council of Dunedin to the adoption of electricity as the motive-power.

6. On the 19th of January your petitioners sent to the Public Works Department the draft of a proposed Order in Council, varying their existing Orders in Council so as to permit of electricity being adopted as the motive-power. Plans and specifications of the proposed works were sent together with the draft Order. These were sent with the request that they should be examined at once, so as to save time, in anticipation of the consent of the Councils of the City suburban boroughs being formally obtained.

7. These consents were all obtained shortly afterwards, after careful consideration and inquiries, in particular by the City Council.

8. On the 24th of February a letter was received from the Public Works Department setting forth a number of requisitions made by the Engineer-in-Chief.

9. Early in March, Mr. Hay, as engineer for the promoters, and Mr. Murray, the representative for Messieurs Siemens Brothers and Company, who had charge of the construction of the Hobart electric trams, personally saw the Engineer-in-Chief in Wellington, and answered to his satisfaction verbally, and in writing, all his requisitions and inquiries.

10. In the letter forwarding the requisitions of the Engineer-in-Chief it was announced that the Law Officers doubted if the Government had power to vary the Orders in Council as proposed, on the ground, as your petitioners then understood, that "*The Tramways Act, 1870*," did not extend to electricity as a motive-power.

11. Much correspondence and several interviews ensued, in regard to the Law Officers' opinion, and ultimately, on the 13th of May, your petitioners were informed that the Law Officers could not advise the Governor to issue the Order in Council as proposed. The difficulty of the Law Officers arose, as your petitioners ultimately ascertained, from the interpretation given to the term "*road*" by the Tramways Act. As this term did not include footways, it was considered by the Law Officers that power could not be given to erect the necessary posts there, although your petitioners contended that the local bodies who had control of the streets had given the necessary authority to do that. The Law Officers, however, justified the opinion held by your petitioners and the local bodies that the Act did extend to electricity. The only difficulty was the technical one of interpretation.

12. The Honourable the Minister for Public Works at once met your petitioners and undertook to introduce an amending Bill to remove the difficulty. As the Law Officers were pressed for time, your petitioners were requested to get the Bill drawn and submit it. This they did, framing the Bill as a general Act and not confining it to their own undertaking merely.

13. Meanwhile an amended Order in Council embodying provisions to meet the requisitions of the Engineer-in-Chief had been sent in, and on the 18th of May last your petitioners were for the first time advised that the Telegraph Department objected to your petitioners using tram-rails as a return-circuit for the electric current, on the ground that the doing so would probably destroy the Telephone Exchange in Dunedin and suburbs; and your petitioners were asked for proposals to meet this objection.

14. On the 22nd May your petitioners made the following proposals to the Public Works Department:—

"The Tramway Company proposed to use the tram-rails for the return-circuit, and for that purpose to connect the joints of the rails with copper strips. If this course should be found to interfere with the telephone system it would only do so along those portions where the tram-lines and the telephone wires are in the same street. In those parts where the telephone wires and tram-lines concur, the telephone posts and wires could, at no great expense or inconvenience, be removed to a parallel street. Where there is no convenient parallel street, as in the North-east Valley, a return-wire could be fixed. If, therefore, the Order in Council makes provision for the doing of these things, if it is found the telephone system is affected, we submit the objection will be effectually dealt with.

"We shall be obliged by your letting us know at the earliest practicable moment if these proposals are acceptable. If they are not, we have the honour to submit that the department should formulate what will be considered sufficient, or else no conclusion will ever be arrived at.

"Of course these proposals will affect the contract price which had been obtained from Messrs. Siemens Brothers for the equipment, and may therefore, if too costly, lead to the abandonment of the whole scheme, unless the Government will help.

"In dealing with the matter, it should be remembered that the tramway system is a public convenience quite as much as, if not more so, than the telephone system."