

fact that all our negotiations have been on the basis of the single-trolley system; also upon the fact that the double system does not work so well. Seeing that it has been discarded in the United States, and the single system has been adopted in its place, we wish to adopt the most perfect system.

4. Then your petition is really to enable you to sell to an English company?—That is one of the main things; but we base our argument, of course, upon a higher ground than that—the ground of what we conceive to be our rights.

5. But you do recognise that to enable you to effect your object in that respect the colony, or, rather, the Government, would have to spend a considerable number of thousands—£7,000 to £10,000—in altering the telephone system?—Yes.

6. Not wishing to anticipate your case, which I admit you should develop according to your own interest, could you give us any assurance that the single-trolley system will be any remarkable improvement as regards the conveyance of the public on the present service?—Yes; we have no doubt on that subject, for that is the point to which we have been devoting our attention for the past three or four years. We have the experience of Siemens Brothers and Co., and also written reports, and the conclusions of an experienced tramway engineer, who went to New York purposely to inspect the various systems. He was delighted with the single-trolley system. He went to New York prejudiced in favour of the cable system, as in use in Melbourne, but after an exhaustive investigation was satisfied the single-trolley electric system was the best. After staying in New York for a considerable period, and after visiting other cities with the same object, and after the fullest investigation, he decided that the single-trolley system was the best. There is abundant testimony as to the advantages of adopting the single-trolley system. In the United States it would appear that in every town where it has been adopted there has been a steady increase of traffic. The public there have thoroughly appreciated the change, and in every instance a large increase of business has resulted.

7. What is the system in Melbourne?—Cable. It is, no doubt, a splendid system, but was prohibitive in its cost.

8. There is one point I want to get at. All you have heard from the engineer you have referred to on the advantage of the single-trolley system is consistent with this—that he looked at it from the point of view of the proprietor of a tramway, and not from the point of view of the public. Tell us, in what way will this improve the convenience of the public?—We are working under a horse system, and the result is that after a very short service the horses are knocked up. It is very heavy work for them. There is a hill in Dunedin up which the cars are taken heavily laden a great many times a day. It is frequently the case that the horses cannot get up. Moreover, the streets will be kept cleaner, as horse traffic causes the streets to get very dirty.

9. Will the speed be greater?—We run a quick service as it is, but we anticipate being able to increase the speed.

10. Do you anticipate an increase in the number of passengers?—Yes; we anticipate a large increase.

11. Has there been any proposition made by your friends to help the Telephone Department to bear the cost?—No; no proposals were made, because we never knew what the cost would be.

12. You see the peculiarity of the position that arises in asking the Government to assist a private, or, at all events, only a semi-public corporation to sell their property at an advantage to a foreign syndicate—for reduced to common terms that is it. Is there any possibility of your defraying a portion of the cost?—We do not look upon it that the Government would be assisting a merely private or semi-public corporation. We regard this as a public question. We say that from the mere accident of the Telephone Department being the first in the field they have got a certain status, but we do not think that should give them an exclusive right. We think that others should have an equal right to use the streets. We contend that they are claiming an unfair advantage, because they happen to be first in discharging their return current into the streets. As to whether the Tramway Company would bear a share of the cost of perfecting the telephone system, I cannot say. I certainly think they should not be expected to do so.

14. *Mr. E. M. Smith.*] Are you satisfied with Dr. Lemon's report, or would you think it advisable to call an expert witness as to the cost to the department?—Yes; I think an outside expert should be called.

15. Your own evidence is perfectly clear, but I think the Committee would like to have some statement as to the cost to the department. Would you be prepared to offer some expert evidence on this point?—We would be glad, indeed, if it would be of any service, to send a man from Dunedin to give expert evidence before the Committee. As to what would be the cost of the change of system I cannot say. Dr. Lemon is in a position to know what the cost would be. I shall be very glad to send up an expert from Dunedin to give evidence if you wish it.

16. *Mr. Earnshaw.*] Of this number of tramways in America, how many are there which are in conflict with the telephone system?—I cannot answer the question. I have no information on the subject.

17. You have no reason to believe there is a large number?—No; I think not.

18. *Mr. Lake.*] A part of your argument applies to what you propose as well as to the telephone system as at present worked. If they use the earth, would not your system do exactly the same—so that you would establish on the public road a state of things similar to that which you object to?—It would not give us a monopoly of the earth. We would only have an equal right to its use with others—all we now ask.

19. But you would use the earth in the same way that they do. Therefore any argument against the telephone system as at present worked is equally applicable to what you propose?—No; because we say the Telephone Department has no exclusive right to the use of earth. If it has any right at all, we ought to have an equal right. It may be that it has no right whatever, as it has no specific permission from the Corporation to use the streets for its return current. This permission the Corporation had given to the Tramway Company.