

these troubles. Prices were high, and the prospects of obtaining material ranged from difficulty to impossibility.

Thirdly, shortage of rolling-stock. The evidence establishes the fact that between the years 1906 and 1914 the company which then owned the tramway system provided an average of thirteen new cars per annum. From the first war-year, 1914, to the year 1921 no new cars were put on the tracks and in that time the population of the city had considerably increased. The city took over at the beginning of the worst period experienced by the Dominion in the matter of post-war dislocation of trade. This point need not be laboured.

Fourthly, tramway congestion due to use of a common city terminus. When the city took over the tramway service the system was based on the use of a common city terminus at the foot of Queen Street, opposite the Post-office. There was abundant evidence to satisfy us that the city had outgrown such a routing scheme, if it had ever been justifiable. This method resulted in a great deal of congestion and confusion at the terminal point, and it greatly limited the use that could be made of the rolling-stock available. This state of things acted and reacted on the public and the tramway staff, and produced much hardship and exasperation. We do not think it necessary to recapitulate the evidence on this point; it was abundant, and came from witnesses of all parties.

Fifthly, expenditure on permanent-way. The city had bought the tramway service in the seventeenth year of its existence, and, as already pointed out, the purchase was made in the year following the Armistice year. These facts, together with those recited "secondly" above, involved the city within the first years of its ownership in heavy expenditure on renewal and replacement of tracks. (See the evidence of Mr. Ford on pages 10 and 11 of the Book of Evidence, and page 32B of Exhibit 2.)

Sixthly, the period we have been considering coincided with the advent of a greatly augmented use of motor-cars and the demand for greatly improved road and street surfaces, a demand that is being met throughout the world by road engineers by new and improved methods of construction. This involved the tramway authorities in the necessity of adopting this newer and more expensive method of paving when they were faced with the task of replacing the streets and roads during and after the completion of their track-laying programme.

Finally, it should be noted that all these problems had to be met concurrently, whilst the City Council, as a new owner, was required to keep the system running.

The *second period* begins in the latter half of the year 1924. It was then that the motor-omnibus competition began to make itself seriously felt. From then to the date of this inquiry it and its consequences have been a seriously disturbing factor.

The first distinguishing feature of this period is that the tramway administration had completely justified itself. The evidence satisfies us that the difficulties that we have outlined in the first part of this history were tackled in a businesslike manner and had been generally overcome. We have inspected the system, its staff arrangements, its mechanical equipment and workshops, its business methods and organization, and we have taken every opportunity of watching and testing its efficiency in actual working. We have also heard all evidence submitted by all parties, and the result is to satisfy us that both the Tramways Committee that fixes and controls the policy, and the manager and staff that carries out that policy, are to be complimented on the possession of an admirable and efficient system.

We, wish, however, to supplement this by reference to collateral sources, particularly those that throw light on the state of things at about the end of 1924.

First, we have examined the records of a witness that we think extremely valuable, because we have confidence in it as being independent, honest, and spontaneous. We refer to articles that have appeared in the *New Zealand Herald*, the Auckland daily morning paper. The dates on which these articles were written show beyond all question that they had no such inquiry as the present in view, and they can therefore be accepted as responsible and spontaneous statements as at