

1928.

NEW ZEALAND.

AUCKLAND TRANSPORT COMMISSION, 1928

(REPORT OF THE).

Presented to both Houses of the General Assembly by Command of His Excellency

REPORT OF COMMISSIONERS.

To His Excellency Sir CHARLES FERGUSON, Baronet, Knight Grand Cross of the Most Distinguished Order of St. Michael and St. George, Knight Commander of the Most Honourable Order of the Bath, Companion of the Distinguished Service Order, Member of the Royal Victorian Order, Governor-General and Commander-in-Chief in and over His Majesty's Dominion of New Zealand and Dependencies.

MAY IT PLEASE YOUR EXCELLENCY,—

Whereas by Warrant dated the 4th day of April, 1928, we, the undersigned, were directed to inquire into and report upon the following questions in relation to the transport of passengers in the Auckland Metropolitan District, in accordance with the provisions of the Commissions of Inquiry Act, 1908, viz.:—

- “1. The present transport service of the said district;
- “2. The present and future transport requirements of the said district;
- “3. The means by which such requirements may be best provided for;
- “And in particular the following matters:—
 - “(a) The adequacy, efficiency, and suitability of the existing transport system maintained by the Auckland City Council, and other existing transport services, as regards administration, equipment, working, and financial provisions;
 - “(b) The working and effect in the said district of the provisions of the Motor-omnibus Traffic Act, 1926, and the regulations made thereunder;
 - “(c) The working and effect in the said district of other statutes and regulations affecting vehicular transport;
 - “(d) The suitability for the said district of motor-omnibus transport, either in conjunction with or as an adjunct to tramway transport;
 - “(e) The most suitable form of transport for localities within and localities beyond the tram termini; and whether such services for such localities should be feeder services or through services or a combination of both; and whether and to what extent such services should be conducted by local bodies or any other public management or by private enterprise; and whether and to what extent such services should be under control of local bodies or any other public control;
 - “(f) The desirability of establishing a Transport Board for the said district or any part thereof; and, if so, with what constitution, with what powers of control, with what powers of undertaking transport services, and with what means of obtaining funds for its purposes; and whether such Board, if established, should take over all or any existing transport services, and, if so, upon what terms and conditions;

“And generally any other matters arising out of the premises which may come under your notice in the course of your inquiries, and which you consider should be investigated in connection therewith”:

And whereas by further Warrants dated the 2nd day of May, 1928, and the 11th day of June, 1928, the time for our inquiry and deliberations and the making of our report was extended:

And whereas we have held the inquiry as directed:

Now, therefore, we have the honour to submit the following report for Your Excellency's consideration:—

CITATION OF PARTIES.

Formal notice was served on each of the following municipal bodies, such body in each case citing as a party to the inquiry. The City of Auckland; the Boroughs of Newmarket, Mount Eden, Mount Albert, Onehunga, and Otahuhu; the Town Districts of New Lynn, Glen Eden, Henderson, and Ellerslie; the Road Districts of Mount Roskill, One Tree Hill, Mount Wellington, and Panmure Township.

SITTINGS HELD.

The Commission was formally opened by the reading of Your Excellency's Warrant on Thursday, the 26th April, 1928, and the following parties were represented: Mr. Johnstone, with Mr. Stanton, appeared for the Auckland City Council; Mr. Meredith appeared for the Borough of Onehunga, the Manukau County, and the Mount Roskill Road District; Mr. Northcroft appeared for the Borough of Mount Albert and for the Mount Wellington District; Mr. Melville appeared for the Ellerslie Town District, the One Tree Hill Road District, and the Waitemata County; Mr. Rogerson appeared for the Borough of Mount Eden, the Borough of Otahuhu, and the Town District of Glen Eden; Mr. Eugene Casey announced that he was present to watch the interests of the Railway Department.

It was then decided that your Commissioners, under the guidance of counsel and representatives of various local bodies, should spend the balance of the week in travelling over the metropolitan district of Auckland, making themselves acquainted with the topography of the district, the various transport routes therein, and the traffic requirements. Your Excellency's Commissioners at the same time also inspected the tramway depots at Epsom and Gaunt Street, and the tramway workshops at Mount Roskill. Thereafter the Commission sat at Auckland for thirty-two days. The dates are set out in Appendix A hereto.

EVIDENCE.

Prior to the opening of our hearing, advertisements were inserted in newspapers circulating in the district calling attention to the sittings of the Commission, and inviting persons interested to attend and give evidence at the inquiry. Fairly full daily reports of the proceedings were published in the city newspapers, and in this way publicity was given to the whole course of our proceedings.

Many citizens communicated with the Chairman of the Commission offering to give evidence, and all such offers were investigated. All who approached us in a representative capacity were given an opportunity to be heard. All individual applications were examined, and in some cases the parties were invited to submit an outline of their proposed evidence. All such applications were heard, except in those cases in which it appeared clear to us that the proposed evidence was irrelevant, or related to individual grievances or experiences that could not have an appreciable effect on our deliberations.

A large number of exhibits was put in during the course of the hearing: a detailed list of these appears as Appendix C. Whilst we have carefully considered all these, it is not considered necessary that the whole of them should be handed to Your Excellency with this report. We shall from time to time refer to these exhibits by their numbers, and will indicate those which we desire to hand in with our report.

REPORTING.

On the 13th day of April, 1928, the Chairman, in anticipation of the sitting, wrote a letter to the solicitors of the various local bodies likely to be interested in the inquiry, making a suggestion that certain parts of the evidence they proposed to tender might well be prepared in advance of the actual sitting, and be put in by consent of all parties at the hearing, in the form of typewritten statements, on paper of uniform size. A copy of the Chairman's letter appears as Appendix B to this report, and it transpires that it was sent to each of the counsel who subsequently appeared at the hearing. The Chairman's suggestion was adopted, with the result that a great deal of time was saved at the hearing, for the statements so prepared and submitted are recorded in the form of what we have styled the "Book of Evidence," and it comprises 307 pages. Where the witness, on examination in chief, desired to amplify or explain his typewritten statement, or to add personal testimony of a kind that it was thought should be tendered orally, a shorthand note was taken by the Chairman, and transcribed as the hearing proceeded. In the same way a note was taken of the cross-examination, and similarly transcribed. These transcribed notes, which were at the hearing and are herein referred to as the "Notes of Evidence," comprise 358 pages. Copies of the statements included in the Book of Evidence were handed to counsel, either prior to or at the time the witnesses entered the box, whilst copies of the Notes of Evidence were handed to counsel daily. We are well satisfied that with the tremendous amount of evidence that had to be gone through this system has worked well, and has given a complete and reliable record of the essential parts of the evidence. A copy of the Book of Evidence and a copy of the Notes of Evidence are handed to Your Excellency herewith.

GEOGRAPHICAL SCOPE OF INQUIRY.

Our warrant of appointment directs our attention to the Auckland Metropolitan District as the area to be covered by our inquiry, and the schedule defines it as comprising the City of Auckland, thirteen local-body districts therein named, together with such other areas in the vicinity of Auckland as in our opinion should be included in any general consideration of the transport of passengers in the districts aforesaid, or in any substantial portion thereof (but exclusive of localities on the north shore of the Waitemata Harbour). The area covered by our journeys of inspection and the evidence taken at the sittings may be described with sufficient accuracy as being the combined areas of the city and of the local-body districts named, together with such parts of the counties of Waitemata and Manukau as are now served by motor-omnibuses travelling to and from the metropolis.

PRESENT TRANSPORT SERVICE.

We have been directed by Your Excellency to inquire into and report upon—

1. The Present Transport Services of the said District.

In this connection "the said district" means the area which we have described under the immediately preceding heading as comprising the geographical scope of our inquiry.

The present transport services of the said district are—

- (1) The State railways, which for our purposes comprise (a) such portion of the Main Trunk line as lies between Auckland and Papakura, (b) such portion of the Northern Railway-line as lies between Auckland and Swanson, and (c) the branch line between Penrose and Onehunga :
- (2) The electric tramway system owned and operated by the Auckland City Council (a detailed description of this system is set out in Appendix D) :
- (3) The various omnibus services operated (a) by the Auckland City Council, and (b) by various private owners (a detailed description of these motor-omnibus services is also set out in Appendix D) :
- (4) Motor-lorry services for the transportation of merchandise.

Although Your Excellency's Warrant of appointment recites in its preamble the expediency of inquiry into the transport of *passengers* in the Auckland Metropolitan District, we are required by the more detailed questions subsequently submitted to us to consider and report upon the working and effect in the said district of statutes and regulations (other than the Motor-omnibus Act, 1926) affecting vehicular transport. Under this heading evidence was tendered (we considered it proper that we should accept and record it) showing the effect of the Motor-lorry Regulations gazetted on the 30th day of March, 1927, on the transportation of goods and merchandise within such district. That evidence described a Master Carriers' Association comprising 106 master carriers operating motor-lorries and similar vehicles within the said district.

We are also required by Your Excellency's Warrant to inquire into and report upon—

2. The Present and Future Transport Requirements of the said District.

The *present* requirements of the said district may in our opinion be briefly as follows :—

- (a) The internal transport requirements of a growing metropolis with a present population of about 170,000. This is met at the present time by the usual city facilities in the form of public and private conveyances, comprising facilities for mass transport, such as suburban railway-trains, city trams, buses, and private vehicles.
- (b) The daily movements of the suburban population to and from the city for the purpose of attending and returning from work and shopping, and attending city amusements.
- (c) The periodical movements of the population of the outer areas beyond the suburban districts to and from the city for purposes similar to those described under subheading (b).
- (d) The transport of goods and merchandise to and from the city, suburbs, and outlying districts by means of motor-vehicles.

The *future* transport requirements of the said district will be—

- (a) A mere increase in or multiplication of the present requirements. The city will continue to grow, and the central business area will tend to absorb the suburbs. The suburbs will grow, and will in the process absorb the outlying semi-rural and rural areas. This development will widen the area of the metropolitan transport district and increase the annual number of passengers to be carried.
- (b) New transport facilities and systems, after the continued growth of the area and the increase in vehicles has reached and passed the saturation-point for surface traffic at the city's central points and at its traffic termini. The recognized method of meeting the problems thus raised are subterranean and overhead tracks, and the pushing-out from the centre of the city of the suburban feeder termini.

3. By what Means may such Requirements best be provided for?

This general question is followed by subdivisional questions (a) to (f) covering its whole scope.

We now approach the particular questions submitted to us :—

3. (a) The Adequacy, Efficiency, and Suitability of the Existing Transport System maintained by the Auckland City Council, and other existing Transport Services, as regards Administration, Equipment, Working, and Financial Provisions.

We propose, before attempting to formulate our answer, to marshal and describe the most important facts governing this question. They seem to us to be—

- (A) The system as it exists to-day.
- (B) The history of that system from the time the City Council took it over.
- (C) The political aspect of the problem.

(A) *As to the Existing Transport System.*—For a brief description of this system we beg leave to refer Your Excellency to that contained in Appendix D hereto. We do not think it necessary to add to that description.

(B) *The History of the Transport System as a Municipal Undertaking.*—The Auckland City Council purchased and took over the tramways from a private company on the 1st July, 1919. The purchase was made in the exercise of an option of purchase obtained some months earlier, and in reliance on a report and valuation made in the meantime by Mr. William Ferguson, M.Inst.C.E., M.Inst.M.E. The purchase price was £1,227,201, and the amount was paid in debentures of the city having a currency of twenty-one years from the 1st July, 1919: £392,800 bearing interest at 5 per cent., and the balance at $5\frac{1}{4}$ per cent. By the purchase the Corporation secured the whole of the electric tramways in the city and suburbs of Auckland, together with all the lands, buildings, works, machinery, material, and plant of the company used by it for the purpose of its tramway undertaking, or in transit to it, at the date of possession, and, further, all assets, contracts, and engagements in connection therewith.

Power for the tramways was supplied from a power-station in Hobson Street, and there was a substation at Green Lane Road, Epsom. In February, 1920, however, the Council gave effect to a proposal to combine the tramway power-station with the electricity-supply system, and to generate the whole of the city and suburbs' requirements from the King's Wharf Power-station. In 1921 a proposal was made for the amalgamation of the city and surrounding bodies into one Power Board, and this culminated in the passing of the Auckland Electric-power Board Act, 1921–22, which provided for the sale of the electrical undertaking of the Auckland City Council to the Auckland Electric-power Board, the date of the transfer being 30th June, 1921; but it was not until the 31st March, 1924, that the tramway system commenced to purchase all its power from the Auckland Electric-power Board.

From the 1st July, 1919, to the 31st March, 1928, the period covered by our inquiry, it is convenient to make a division into two parts—viz., the time before and the time after the advent of the serious bus competition.

The first period opened with six distinct difficulties and problems:—

Firstly, staff and industrial trouble. The present manager, Mr. A. E. Ford (who came on the scene in 1922), referred to this matter in his evidence and he produced for our private and confidential perusal a report that he made immediately on his taking over the reins of office. This report establishes the fact that his management had to commence its tramway administration under the most disadvantageous circumstances in relation to staff control and staff efficiency. As, for obvious reasons, the report must be still treated as confidential, we cannot embody or quote from it here, but we are quite satisfied that it reflects the state of things then existing, and that that state of things had been a gradual development. It is undisputed that the suggestion of purchase by the city arose out of a “go-slow” strike of the employees, which had for a time paralysed the transport services of the city (see page 2 of the Book of Evidence); it is also undisputed that the employees had genuine grievances, which the company was unable to redress; and there is independent evidence that strongly corroborates the report in question. Mr. Cable, manager of the Wellington tramway system, in his evidence refers to the subject (see page 195 of the Book of Evidence) as follows: “It is hardly necessary for me to refer to the laxity on the part of the car staff which prevailed six or more years ago. The carelessness of the conductors in the collection of fares, and the inconsideration shown by the motormen to intending passengers were matters of frequent comment on the part of visitors from the southern systems.”

Secondly, post-war economic and trade difficulties. The conditions that followed the Armistice in 1919 are well and generally known; therefore it should not be necessary to say more than that the City Council took over in July, 1919, to establish the fact that it met difficulties in obtaining the necessary supplies of gear and equipment to maintain and extend the service. These troubles are referred to by Mr. Ford in his evidence, whilst a letter from the Town Clerk, Auckland, on this point dated 7th June, 1926, was read, and its views adopted by Mr. Bloodworth in his evidence (see page 115 of the Book of Evidence). This letter clearly describes

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

the dates they were prepared. On 23rd March, 1923, the *Herald* wrote, in reference to the tramway system:—

There is still much reason for complaint regarding overcrowding and confusion generally. . . . No competent observer would describe the present arrangements as efficient, either in the employment of cars or in serving public convenience. Indeed, it is probably conservative to say that conditions are now as bad as ever they have been.

That evidence accords with a great deal of evidence given before us relating to that period—viz., the end of 1922 and beginning of 1923.

On the 28th December, 1923, the *Herald* wrote:—

Even to the most casual observation there is apparent a remarkable improvement in the city's tramway services. Their efficiency has been subjected to an exacting test during the last few days, when the normal demand for transport has been greatly augmented by the presence of many visitors to the city and by the universal desire, induced by the brilliant weather, to journey to holiday and pleasure resorts. Other services have had a share in carrying this great movement of population, but the bulk of the task has been borne by the tramways. The smoothness with which the ordinary services have been expanded to meet this extraordinary demand, the ease with which many thousands of people have been enabled to reach their destination, have been a striking demonstration of the skill and foresight with which this important service has been organized.

And on the 6th November the same journal wrote:—

The policy adopted by the City Council for the operation of the tramways can be accepted as meeting the immediate situation. It is a sane, workmanlike programme that errs on the side of neither panic nor foolhardiness. A working solution is presented of a problem that has yet to be figured out finally.

It must be admitted that the trams have been progressing rapidly towards the point where they would deal with "peak" loading periods, and the new cars should bring them abreast of the demand.

Mr. Thomas Bloodworth was one of the witnesses who impressed us as being impartial, well prepared, and helpful. After outlining (see page 115 of the Book of Evidence) the great difficulties which the tramway administrators had to face in the matter of shortage of rolling-stock, and hold-up of supplies due to post-war conditions, he says: "While these difficulties were being overcome there was dissatisfaction with the services, and when the Council had the trams, and power was available for them, motor-bus competition had developed to such an extent as to compel the Council to seek protection in the form of the Motor-omnibus Regulations." Mr. Bloodworth described the present transport difficulties as being in part due to circumstances beyond the control of the City Council. The only specific charge he lays against the City Council is that it failed to take notice of the reports of its expert officers, warning it of the coming of the motor-omnibus competition, and that it failed to move for legislation until the mischief was largely irremediable.

Then there is a third significant fact. Counsel for the suburban bodies, in cross-examination of the City Council's witnesses and in the examination of their own and all independent witnesses, zealously brought out every point that could tell against the tramway administration. On matter touching the running efficiency of the tram services they asked no questions relating to any period later than 1923, but they continually harked back to the congestion, confusion, and exasperation that prevailed at the bottom of Queen Street at that period. During the period we are now considering—July, 1924, to March, 1928—the work of reorganization of the staff continued. A policy was inaugurated, and partly carried to completion, of providing club-rooms for the employees. Great attention was paid to their comfort and safety in working the trams, and to their general welfare in their periods of waiting. These men are frequently off duty when other people are working, and the management wisely recognized that it was in the best interests of the service that the men should be able to find their recreation by way of games, library, &c., at their own club-rooms, and at the same time be enabled to obtain hot and good refreshment in clean surroundings, and at an economy of cost. All these facilities now exist in the splendidly equipped rooms at the Epsom and Gaunt Street depots. (See the evidence of Mr. J. J. Nixon on this point, at pages 223 and 224 of the Book of Evidence.)

The shortage of rolling-stock has been largely overtaken, and cars are being turned out as fast as is possible consistently with a policy of preserving the industry to the Dominion, the district, and, as far as possible, the Department's own workshops. The congestion at Queen Street has entirely disappeared, and a system of

rerouting adopted whereby two convenient routes are linked up, and the cars run right through. This has enabled a great economy to be effected in the operation of cars and running staff, and has at the same time increased the mileage per car, and the services on all routes. As illustrative of this point, the evidence shows that during the year ended 31st March, 1922 (the first year of the Council's ownership, containing a normal number of running-days) the number of tram passengers carried was 48,099,331 and the car-mileage run was 4,232,897. In the year ended 31st March, 1928, the electric cars carried 60,548,989 passengers, and their mileage was 6,042,882. This shows an increase of passengers of 25·8 per cent., and an increase of car-mileage of 42·7 per cent. This improvement was affected with an increase of electric cars from 169 to 206, an increase of less than 22 per cent.

At the same time the whole of the tracks were put in good order. This work was co-ordinated with the City Council's policy of adopting modern paving and street methods. Figures and statistics relating to all this (and other) work are set out in Appendix G hereto.

Finally, the system has been maintained as a profitable one. In the year 1925 it made a loss of £15,474, but in each other year since the city took over the system it has made a profit, and the aggregate net profit to date is £62,145.

It was in this state of things that the motor-omnibus competition intervened. The trouble was not unforeseen by the Council's expert advisers. The evidence shows that the Auckland City Engineer, Mr. W. E. Bush, in a report made in 1919 on his return from a trip round the world, advised the Council to take steps to obtain legislation to protect it from omnibus competition. (See Mr. Bush's report, Exhibit 82.)

Mr. A. E. Ford, Tramways General Manager, also recommended the City Council to take similar action in 1923. Further, the evidence shows that in November of the same year, before a poll was taken to authorize a loan of £710,000 for various municipal works, Mr. Ford made a special appeal to the Mayor, through the Chairman of the Tramways Committee, to make it a condition that the tramway portion, £280,000, of the loan requirement would not be expended unless adequate legislation was obtained giving the Council complete control of traffic over its own streets, it being pointed out that as soon as the concrete roads under construction were completed a large number of omnibuses could be expected to seriously compete with the trams without any power being held by the Council to regulate them (page 36 of the Book of Evidence).

During 1923 and 1924 the City Council ordered thirty English buses with the intention of using them to augment and supplement the tramway system. Early in 1924, however, there was a mushroom growth in the use of privately owned motor-buses: a state of things that Auckland experienced with all other cities where tramway systems operate. These vehicles were able to select, without any restrictions, payable routes and hours—i.e., along roads and in districts which had been built up by the tramway systems; and the result was that by the end of 1924 they were operating parallel to the tramways on every tram route except one (see pages 24 and 25 of Exhibit 2). The effect of this unregulated private-motor-bus competition was to bring about for the first time in the history of the Auckland Electric Tramway system the deficit of £15,474 for the year ending 31st March, 1925, that we have already referred to.

This unregulated motor-bus competition continued until November, 1926, at which time there were 106 buses operating in substantial competition with the tramways. The Motor-omnibus Traffic Act, 1926, became effective on the 1st November, 1926, and in terms of this Act notices were served on the Council by every operator in the Auckland Metropolitan District requiring the Council to purchase their undertakings. The number of buses involved was 131, of which twenty-five were held not to be in substantial competition. (See pages 58 and 59 of Exhibit 2.)

It was at the option of the bus-owners to either sell their vehicles to the Corporation, or retain them and operate them subject to the provisions of the Act.

The eventual position was that the Council was loaded with 106 buses, comprising eleven various types in varying conditions. The amount paid for the buses, land, garages, and plant taken over was £61,507.

The City Council is now operating fifty-eight buses on regular schedules—*i.e.*, the thirty English originally purchased new, and twenty-eight of those taken over from private owners. Owing to their general unsuitability and disrepair it is found necessary to maintain fifty-two of the 106 buses taken over so that sufficient can be relied upon to actively operate. This leaves fifty-four buses which, due to their state of repair and unsuitability, are not being used.

The evidence showed that it has cost the Council £12,500 to rehabilitate the buses taken over.

The Council during the year ending 31st March, 1928, wrote off £19,807 for depreciation of motor-buses, being $12\frac{1}{2}$ per cent. on the thirty new buses purchased and $33\frac{1}{3}$ per cent. on the 106 buses taken over from private owners. This depreciation also covers the fifty-four buses not being used as buses. (See Mr. Ford's evidence in rebuttal, page 270 of the Book of Evidence.)

In addition to this the Council is also writing off £15,590 for the difference between the price paid for the 106 buses and the value of them as fixed by the Council. This £15,590 is being written off over ten years by annual amounts of £1,559.

The accounts for the year ended 31st March, 1928, show that the tram section, after providing for interest, sinking fund, and all payments, resulted in a credit of £18,943, and the bus section on the same basis a loss of £64,029.

(C) *The Politico-Municipal Aspect*.—Counsel for the suburban bodies in his opening address said that the question before the Commission was largely a political one. The evidence has made it quite clear to us that this statement is correct.

We supply at the end of the appendices to this report a map showing the political division into ten municipal authorities of the metropolitan area. Each of these bodies functions with a Mayor or Chairman and a Council. For transport purposes the area must be considered as one, and the natural growth of the metropolis and the spread and density of its population take no notice of the arbitrary and artificial boundaries of these bodies. The most pressing need, for instance, for immediate extension of the tramway system may disclose itself in Mount Eden; from the tramway point of view the boundary between the city proper and Mount Eden is unimportant, and should be as negligible as the nearest parallel of latitude. This, however, is not in fact the case. The need for tramway extension is felt and expressed by "burgesses of the Borough of Mount Eden," and is recognized as reasonable by the tramway authorities. There become necessary negotiations between the City Council and the Borough Council, which, if successful, are finally expressed in a deed of delegation. So far, the only objection that can be urged is the lack of economy and the danger of lack of co-ordination; even these difficulties would be greatly minimized by harmonious co-operation, a quality that unfortunately does not exist. More important and potent for difficulty and misunderstanding is the fact that before such a proposed extension can be put in hand the proposition with its necessary financial commitments must be approved by a poll of the ratepayers of the city as distinct from Mount Eden. When this approval is sought, the position is that the tramways are wanted by and will benefit the residents and ratepayers of Mount Eden, who will bear no share of the financial responsibility, whilst the citizens of Auckland proper, who are asked to approve of the scheme and undertake the financial responsibility, have no immediate interest in the proposed extension.

To our minds the solution of this difficulty is a simple one. It lies in the voluntary abandonment of the parochial and arbitrary boundary-lines and the amalgamation of all the contiguous local authorities with the city. We can find no other opinion expressed by any outside and impartial observer. We propose, on the other hand, to quote supporting opinions from two considered statements by competent thinkers on the problem.

In the year 1908 the late G. Midgley Taylor, M.Inst.C.E., of London, in his report on main drainage of Auckland, said :—

I have been greatly struck by the large number of separate authorities and districts immediately surrounding the city, and I may say that in all my experience I have never met an instance where the necessity of an extension of the city boundaries is so apparent and urgent. . . . I find that there are not less than fourteen separate authorities lying within the area in question. These districts should, in my opinion, form part of the City of Auckland. They are nearly entirely peopled with the overflow population of the city, they all enjoy the privileges the city has to offer, and the city also supplied by far the larger number with water.

In the year 1927 Mr. Justice Blair and his colleagues on the Auckland Water Commission said in their report (after referring to the same lack of unity),—

A number of witnesses called by Mr. Rogerson voiced the complaint that the outside bodies who purchased water from the city had no voice in the management of the waterworks. This was suggested as a grievance only to be cured by the creation of a Water Board, upon which they were to have representation. Some of these outside bodies, such as the boroughs of Newmarket, Mount Eden, and Mount Albert, pressed the point that unity in the matter of water-supply was of supreme importance. The unity that they visualized was a Water Board. They shut their eyes to another very obvious form of unity—viz., amalgamating with Auckland City, and thus becoming citizens and partners in all things belonging to the city, and each mutually sharing the fair proportion of each other's burdens. A glance at the map of Eden County will show Newmarket as an "island" borough completely surrounded by Auckland City. The Mayor of Newmarket gave evidence before your Commissioners advocating unity on questions of water-supply, but he overlooked the fact that the existence of his borough surrounded by Auckland City is the negation of unity.

If the terms "transport facilities" and "Transport Board" are substituted for "water" and "Water Board," that extract describes accurately the position as it reveals itself to us. The eyes are still shut, and the arguments for an *ad hoc* unity are still based on difficulties that are born of an alliance of disunity and suspicion.

These views find no acceptance on the part of exponents of the present scheme of segregated municipal control. Instead, they proclaim the advantages of their municipal divisions with fervour. It is almost common ground that it was the presence of these numerous bodies that gave rise to the necessity of the formation of the Power Board to control and operate a public utility common to the whole area. The present transport difficulties such as those we have described above are approached and stated not as one transport problem based on the requirements of a homogeneous transport area, but as a dispute between the Auckland City Council and the "outside bodies." The matter has come before us largely in the form of a dispute between those parties, and, as a separate part of this whole answer will show, it has taken the form of the series of indictments to be answered by the City Council. The atmosphere in which these disputes have developed and proceeded has, at some points and places and as to some parties, been one of suspicion and hostility. This spirit, in our considered opinion, is the most important and at the same time the most potent factor in the present position. It entered largely into the conduct of the hearing before us, and at times led witnesses and counsel to place what we believed to be an unnecessary importance and emphasis on unworthy and irrelevant issues. For the same reason the case for the local bodies, as presented to us, showed strongly a tendency to treat developments and matters that are nation-wide or world-wide as if they were peculiar to Auckland. For example, the Motor-omnibus Traffic Act, 1926, with its principle of the penal fare of 2d., the recognition of the expediency of giving a measure of traffic monopoly, and the provision whereby local bodies are made the licensing authorities, were all treated as sinister devices of the Auckland City Council, sanctioned by a complaisant Legislature, to enable that Council to crush its motor-bus rivals. It is, on the contrary, clear that in fact these provisions were enacted by the Legislature after a study of methods followed throughout the Empire and elsewhere to meet conditions similar to those that Auckland had experienced. If Auckland's experience in these matters has been more troublesome to adjust, and the difficulties harder to remove, we are satisfied that these peculiarities are attributable, as to most of them at least, to the division of municipal control within the metropolis, and to the sad spirit of disunity of which that division is the outward sign.

For the same reason the suburban bodies' representatives, in attacking, and at various points successfully attacking, the City Council's figures, records, and estimates, took no account at all of the special circumstances which, it seems to us, should in common fairness be taken into account. We take, for instance, the absence from a system as old as the Auckland tramway system of a repairs and renewals reserve fund. Criticism on this point would be weighty and damaging if the City had inaugurated the system and had had a clean start; but the facts of the case, being those set out in our brief history under part (c) of this answer, put an entirely different complexion on the matter. All those problems had to be faced simultaneously, while the system had to be kept running, and gradually worked up to the manager's ideals of staff efficiency and an adequate track equipment. These things took years to accomplish, and it was in these circumstances that certain financial and accountancy aspects of the problem did not receive special attention. Furthermore, it is apparent to any one who approaches the problem with a knowledge of accountancy that the only final effect of the system which was adopted is to render the various accounts for the years in question less useful for comparative purposes than they would have been had a repairs and renewals fund been created. In our opinion, weighing all the evidence, the criticism on this point was merely captious.

Some concrete examples of the difficulties in which the lack of unity and harmony between the component municipal parts of the transport area further illustrate our present point. On one occasion the Mount Albert Borough undertook the work of making concrete roads within its boundaries, but in doing so it worked to levels that differed from the tramway levels, and this led to expense of adjustment when the tramway came to be laid along the route.

Again, at a certain point of time, representatives of the Onehunga Borough and the City Tramway Department agreed that through trams on a certain minimum fare should be run from the city to Onehunga to serve Onehunga residents. This was an application of a recognized principle, and the tramway officials conceded Onehunga's request. This agreement, however, could not be carried out because the line to Onehunga runs through the "island" borough of Newmarket, on terms and conditions laid down by deed of delegation between Newmarket and the city. Newmarket demanded the right of its residents to travel on all trams at Newmarket fares, which naturally were lower than the minimum fare to Onehunga, and by standing firmly on its rights under the deed of delegation Newmarket Borough prevented the city from being able to do what in its discretion as a tramway administrator it had thought both reasonable and just towards the Onehunga tram-users. Thirdly, when the City Council, seriously perturbed by the advent of the bus competition, approached Parliament for legislation to save the tramway system, some of the local bodies actively opposed the city, and used their influence in support of the private-bus owners. It is proved in this connection that the Mount Eden Borough sent its paid officers to Wellington to give evidence and work against the passing of the Motor-omnibus Traffic Act, 1926, an enactment which was approved by every responsible witness that appeared before us.

In this connection it is only fair to say that the instances and happenings on which the feelings of hostility and mistrust are based do not lie wholly on one side. Counsel for the Mount Eden Borough claimed, for instance, that in connection with the negotiations (finally abortive) for the extension of tramways in that borough, the city had committed a breach of faith. The charge is that on a mutual understanding the city was to lay tram-lines along certain streets in the borough, and the borough was to pave and concrete the remaining portions of those streets. Each party appealed to its ratepayers to sanction the loan, and in each case the loan was sanctioned. Mount Eden raised the money and did the work. The City Council raised the money and did not do the work, but applied that money to other purposes. Special circumstances, which we need not relate here, were urged by the City Council to justify the diversion of the money. We may, for our present purposes and purely for the sake of argument, concede that. Nevertheless we consider that the Mount Eden representatives proved their case. The evidence satisfies us that the first the Mayor of Mount Eden knew of the change of mind and policy was from a newspaper report. This we consider inexcusable. Further,

we find that at no time the city's representatives went openly and candidly to the borough representatives to discuss the matter; this we consider an aggravation of the original shortcoming. Finally, and worst of all, when the solicitors for the borough had, quite properly in our opinion, sent back a draft deed of delegation objecting to the inclusion of an entirely new and onerous covenant to be observed by the borough, the City Council by letter cited "the refusal to sign the deed of delegation" as the reason for not proceeding with the extension of the tram-tracks. This letter was read in evidence, and speaks for itself. We agree with the contention of counsel for Mount Eden Borough that the new and onerous covenant that was inserted in the draft deed of delegation was inconsistent with the basis on which the previous negotiations had been conducted. Such a happening was bound to make for mistrust and strained relations. (For the evidence on this point see pages 78 and 79 of the Book of Evidence.)

GENERAL.

We have now marshalled the various facts to which we wish to call attention, and on which we rely in supplying a complete categorical answer to the questions submitted. We therefore proceed to supply the answers.

1. Is the Existing Transport System suitable to the said District?

Answer.—The only evidence submitted was that which indicated that, geographically and topographically considered, Auckland and its environs form a locality that lends itself naturally to a system of tramway and motor-bus transport for passengers. On the other hand, the representative of the New Zealand Railway Department, Mr. E. Casey, gives it as his evidence—and it was the only evidence on the point—that it is not particularly suitable for the development of suburban railway traffic, and that his Department bases its policy on that view.

Taking all branches of the transport system into account, our answer to this question is "Yes."

2. Are the Existing Transport Services adequate for the Requirements of such District?

Answer.—Our answer to this question is "Yes." This answer is subject to the qualification that the evidence satisfied us that the tramway extensions which in the past have been recommended by the Tramways Committee of the Auckland City Council are justifiable and should be undertaken at once. These are the proposed extensions detailed on page 35 of the Book of Evidence.

3. Is the Present Transport System of the said District Efficient?

Answer.—We would answer that so far as the railway branch of the whole system is concerned the question of its efficiency was neither affirmed nor denied, and we are content to assume that it is efficient. With regard to the tramway service owned and operated by the Auckland City Council, we answer that the evidence has satisfied us that the policy of the Council has been sound, and that it has been on the whole wisely carried out, and has produced an efficient and satisfactory tramway service. We have already in part, in the historical survey which preceded these answers, given some of the grounds on which this answer is based. We beg leave in this connection to refer Your Excellency again to the schedule of figures detailing constructional work and improvements generally (see Appendix G hereto).

Many charges were levelled against the city's administration of its tramways, and the investigation of these comprised no small part of our lengthy sittings. We think it desirable that we should state in detail our answers to each of the charges made against the City Council's administration, with a brief setting-out of the reasons that have led to those answers. As this statement must be a fairly lengthy one, we propose to bring it under Your Excellency's notice as Appendix E, so that it shall not interrupt or overload this portion of our report. The charges and our findings in this appendix will be grouped under the headings suggested in Your Excellency's questions—namely, Administration; Equipment; Working and Finance. With regard to the motor-omnibus service it is not so easy to give a

categorical definite answer. The question and answer relate to an undertaking that has not yet reached stability. We shall approach the answer by marshalling and inviting consideration to the following facts :—

1. The City Council's considered policy in the matter of motor-omnibuses was never put into operation. The attack of private-bus owners on the transport trade of the city prevented this. The English buses that were ordered were diverted from their intended routes and thrown into the fighting-line of a hurriedly organized counter-attack.

2. The City Council was bound to take up the challenge of the private buses, and in doing so it used all the usual methods of meeting trade competition. By so doing it roused against itself the opposition and hostility of the bus-owners and all the allied trades. These organized against the City Council a solid and eager body of opponents of its transport system.

3. The success of the City Council's counter-attack, and later of the Motor Omnibus Traffic Act, 1926, in weeding out many services that should never have been started arrayed against it large sections of the public. Many interests, large and small, business and private, have been ground fine between the upper stone of regulated municipal enterprise and the nether stone of unregulated private enterprise, and the whole of the resultant ill-feeling is now apt to be visited upon the City Council.

4. The City Council's policy, originally diverted in so far as the buses of its own choice were concerned, was later wholly submerged by the compulsory acquisition of a motley fleet of buses. The outstanding fact is that the City Council was not able to take a definite policy in relation to its buses, because it was compelled to take over many omnibuses that were fairly described as "junk." It took over many services; it is still running services that do not pay. In relation to several of these non-paying services, the tramway managers before us said that they were keeping them going for the present, pending the report of this Commission.

5. Many incidents of incivility, inconvenience, lack of consideration to bus patrons, and some of fare anomalies, such as are in the very nature of things inseparable from a large transport system, were proved. These seem, unfortunately, never to have been made the subject of complaint to the tramways authorities, but instead were made the basis of further propaganda against the City Council.

6. Very little help is obtainable in the matter of comparative costs of motor-buses running from any published figures. There is no uniformity in the conditions that govern costs, and it is difficult to obtain reliable and complete data on which necessary adjustments and reconciliations can be made. The variations in published cost-per-mile results are so great as to lead to no positive result. This fact adds to the difficulties of an undertaking that is seeking to inaugurate a line of business, and it rendered nugatory a great deal of investigation that we made into the matter at the inquiry. The City Council's costs approximately agree with those of the Wellington City Council; they are higher than many and at the same time lower than many of the published municipal figures in England. They are higher than those of the Passenger Transport Co., an Auckland company whose figures were put before us. We cannot therefrom draw the inference that municipal control therefore stands condemned when compared with the results of private control. We express our thanks to the manager of the Passenger Transport Co. for coming forward as he did and placing even the private records of the company at our disposal, but the presence of this company and its figures and results do not more than touch the fringe of the problem which the City Council had to face, and which we have to weigh in our present judgment. The Passenger Transport Co. bought the buses of its choice, ran them on the roads which it selected, and confined its whole attention to the motor-omnibus services, feeling its way, building up its service as its business progressed, and adapting its organization and administration progressively. That problem is so different from the problem which the City Council had to face that there is no reasonable basis of comparison between them.

Having thus marshalled briefly the factors that we think should be weighed, we make the following answer :—

No body of men in these circumstances, with this equipment, and seeking to serve a public so tried by the conflict of economic forces that have fought for mastery in its district, could, in the time, have established an efficient omnibus

service. The City Council has not done so. We are satisfied that the Tramway Committee and the administrative advisers and staff that have evolved such an efficient tramway service out of chaos could and would, with the co-operation of the people, have mastered the difficulties of the omnibus service. It has met instead the forces of municipal disunity and mistrust, allied with the natural discontent of the inevitable sufferers from the results of economic conflict. As matters now stand, we find that an efficient and satisfactory omnibus service has not yet been organized by the City Council.

3. (b) The Working and Effect in the said District of the Provisions of the Motor-omnibus Traffic Act, 1926, and the Regulations thereunder.

Nearly all if not all of the witnesses who appeared before us were examined on this matter. From the evidence thus tendered we arrive at the following conclusion :—

Firstly, in general terms the Act is justifiable as an enactment to control motor-omnibus traffic, and to check the abuses and dangers that must be associated with uncontrolled competition for passenger traffic in the city and suburban streets. Secondly, and again in general terms, it was and is justifiable as an instrument to protect publicly-owned tramways and bus services from unfair competition.

On these two points there was a consensus of opinion amongst witnesses.

Before the Act came into force there was a period of rather more than two years in which the growth of motor-omnibus services was uncontrolled. In that period numerous services were inaugurated, and in the city itself and in every direction in its environs every possible route was exploited. The competition thus engendered gave, particularly to residents in the outlying areas, services which, in the matters of time-tables and fares, were very generous. Many of these services were on a holelessly uneconomic basis, and in the very nature of things their popularity with their patrons was apt to be proportionate with the financial unsoundness of the venture. The inevitable cessation of these services when the Motor-omnibus Traffic Act, 1926, introduced proper measures of control resulted in much hardship to these disappointed patrons. It was inevitable that this should be so, and, human nature being what it is, it is perhaps equally inevitable that these disappointed persons should blame all their misfortunes on the Act that substituted order and control for the previously existing chaotic state of things.

Several witnesses blamed the tramway administration on the City Council for not having procured the passing of such legislation many months earlier than September, 1926. These witnesses urged the obvious fact that such legislation early in 1925 would have been preventive rather than remedial, and would have saved the economical loss of unjustifiable services, and the disappointment and bitterness caused by the subsequent withdrawal of such services.

The reply to these submissions seems to us to be equally obvious. It is, firstly, that the witnesses are merely being wise after the event; and, secondly, that, great as was the difficulty of meeting urgent problems by legislation in the latter half of 1926, it would have been much greater if the attempt had been made eighteen to twenty-four months earlier, on expert reports as to the possible future developments and problems. Such a report was, for instance, made by the Auckland City Council's Engineer, Mr. W. E. Bush, M.Inst.C.E., in March, 1920. Mr. Bush indicated the danger in the following clear and striking words, which we quote from pages 29 and 30 of his printed report (Exhibit 82) :—

Generally, it may be stated that to cope with the passenger traffic of large cities the tramway system is still needed, and for countries where petrol or other motor-spirit has to be imported, where electricity can be generated from coal or water-power, it would be foolish to depend altogether upon the motor-bus for transportation, apart from railways; but if it can be shown that motor-buses can give a regular and adequate service for less cost than a tramway system, the motor-bus will ultimately oust the tramway. That point for most cities has not yet been reached, but there are few cities where motor-buses cannot be used with great advantage to supplement and help develop electric tramways, and therefore the trams and buses should be under one control, and the City Council will be well advised to protect itself from competition which can only prove harmful in the long run to the best interests of the travelling public.

This report was written by Mr. Bush on his return from a tour of inspection through the United States of America, Canada, and Great Britain.

We now propose to take the component parts of the Act for more detailed consideration. We propose to give attention first to the Act as one that requires and provides for the licensing of motor-omnibus services, of motor-omnibuses, and of motor-omnibus drivers.

On the whole, the evidence satisfies us that these provisions were sound in their conception, and—with an exception to which we shall call attention—satisfactory in their working, as a means of controlling and regulating traffic, which had become, or was tending to become, through lack of control, a menace to the public. In this term we would include the physical menace of competing lines of buses and trams in the streets, and the economic menace of unfinancial ventures. The exception relates to the provision whereby motor-omnibus services are licensed under section 5, with no provision for renewal, and no time-limit for the license. Whilst under section 8 the term of the license issued in respect of the motor-omnibus, and under section 11 the term of a license issued to a motor-omnibus driver, is in each case one year, the license issued under section 6 for a motor-omnibus *service* is apparently permanent, and not periodical. It was pointed out that the proprietor of a service may, from being a careful, law-abiding proprietor and operator of a bus service, become an unfinancial and (or) careless proprietor, carrying out a policy of defiance of the Act and regulations, trusting to the difficulty of proving offences to secure his immunity from punishment. Furthermore, there seems to be no adequate penalty in view of the fact that disobedience of the terms of the license may prove to be much more lucrative than obedience. Further, the conditions obtaining on any route at the time the license is granted may be entirely altered by subsequent tram extensions, and as the law now stands the licensing authority cannot in such circumstances reconsider the license. We are of opinion that in view of such possibilities it would be better if the license for a motor-bus service required periodical application for renewal. We suggest an annual application. Sufficient security tenure could be secured to proprietors of services by a provision somewhat analogous to that in the licensing legislation of the Dominion, whereby a licensee acquires a virtual right to renewal unless one or more of certain specified objections are deemed by the licensing body to be sustained.

The amendment we suggest would be effected by adding to subsection (1) of section 8 the words “or of a motor-omnibus service” immediately after the words “in respect of a motor-omnibus.”

Local Authority as Licensing Authority.—Most of the adverse criticism levelled at the working and effect in this district of the Motor-omnibus Traffic Act, 1926, was directed against the provision which, in its application to this district, placed the Auckland City Council in the position of licensing authority. The Auckland City Council owns all the tramways in the district, and is the largest operator of motor-omnibuses. There are in addition seven proprietors of private omnibuses, operating on fourteen routes, who have been required to apply to the licensing authority for leave to establish services. Any proposed new services must be based on such an application. In determining whether or not any such application shall be granted the licensing authority is required by section 6 to “take into consideration any existing or proposed facilities for the transport of passengers within the area proposed to be served; the condition of the roads or streets proposed to be traversed, and the normal traffic thereon, and all other relevant considerations.” By section 10 of the Act it is also required to “prescribe the routes to be traversed, the time-tables to be observed, the fares to be charged, and such other matters as may be prescribed by regulations, or as the licensing authority thinks proper.”

It seems to us that the discretion committed to the Auckland City Council as licensing authority by these provisions may fairly be described as a judicial discretion. We do not propose to labour the point. We would adopt the dictum of a learned English Judge to the effect that in the administration of justice it is not sufficient that the fountain of justice should be pure—it must be obviously pure. It was very strongly urged by the witnesses and by counsel for the suburban bodies that this salutary principle is violated by the provision we are now dealing with, and with this criticism we agree. Mr. Johnstone, counsel for the City of Auckland, did not seriously combat the criticism. In his closing address he quite

frankly and fairly stated that, in view of the necessity in such matters of refraining from even the appearance of evil, the anomaly referred to should not continue.

We therefore find that in the conditions peculiar to Auckland this provision has proved to be an unwise one. It has contributed appreciably to a spirit of distrust and disunity amongst the various local authorities, and this spirit is an important if not the dominating element in the transport problems which the metropolis is facing.

In fairness to the Auckland City Council we find that there is no evidence that it has used its discretion as licensing authority in any improper way. That fact, however, does not touch the point at issue. The appointment of the City Council, in the peculiar circumstances of the case, contravenes the principle that no body of men should be judges in a matter that requires them to weigh their own plans and interests against those of their competitors. It is, in our opinion, no answer to that objection to point out that so far the judges seem to have endeavoured to make an honest use of the discretion vested in them.

The Penal Fare.—The expert witnesses called by the Auckland City Council claimed that the penal fare of 2d. provided by section 10 of the Act for the protection of (principally) municipal tramways was rightly included as a necessary protection and was justified by its results. With this view all responsible witnesses were in agreement. Evidence was also given as to the wide adoption of this expedient in countries where publicly-owned transport facilities are in use.

We agree with these views, and find that the provision in question was wisely included in the Act, and stands justified by its results. Further, we find that its continuance is essential whatever form of control of Auckland's tramway system may be decided upon.

Insurance against Liability arising from Accident.—This is dealt with by section 13 of the Act, and we are satisfied that its working and effect have been beneficial. The only complaint came from private-omnibus proprietors, and was to the effect that the financial burden it imposes is unnecessarily heavy. It must, however, be remembered that the provision aimed at must be sufficient to protect the victims of the worst and most far-reaching accident that is even probable under existing conditions. We see no reason to suggest that the Act goes further than is necessary, with this consideration in view, and we find accordingly.

Acquisition by Local Authorities of Existing Undertakings.—This provision has now practically worked itself out, for all notices to purchase were required by section 15 to be served on or before the 1st day of January, 1927. For good or for evil, therefore, the section stands, and its effect is for all practical purposes irrevocable. It was generally recognized by responsible witnesses who appeared before us that as, prior to the passing of the Act, private-omnibus owners had lawfully entered an open field of enterprise, established services and invested money in the necessary equipment, some such provision was required to do justice to them.

There is not the slightest doubt, however, that compulsory purchase of a heterogeneous fleet of buses by the Auckland City Council, and the taking-over of the services in which they had been engaged, has added greatly to the city's difficulties. We are quite satisfied that many of the buses taken over did not nearly conform to the standard which the City of Auckland should set up in relation to its transport vehicles, and also that in many cases the services taken over were hopelessly non-paying. These buses could not be immediately taken off the roads, nor could the services be immediately discontinued. Time and experience were necessary to group the services in classes ranging from those that were hopelessly non-paying and uneconomic to those that were certainly justifiable. As the necessary knowledge was gained, the services on some of the routes were discontinued. Two serious results followed immediately. The first was that the people living on those routes, who had come to rely upon services that never should have been started, blamed firstly the Auckland City Council, and secondly the Act which we are considering, for the interference with what they deemed to be their rights. The feelings of distress and bitterness thus engendered were thrown into the scale of influences working against the administrators of the city's transport system, and tended to increase the difficulties of that administration. At the same time the vehicles taken off these discontinued routes were added to a

fleet of idle units which the city had paid for out of loan capital. The resultant cost under the headings of depreciation, interest, and sinking fund increased the costs of the bus service as a whole, and this factor was an aggravation of the difficulties of the Omnibus Department.

Transport Appeal Board.—On the evidence tendered to us we find that in the matters of constitution and working of the Appeal Board for this district the statutory provisions worked satisfactorily. Many witnesses deposed that the Board as constituted, and as it carried out its functions, had the confidence of those who sought its services. In the special circumstances of this district relating to the licensing authority it is clear that the presence of an Appeal Board was necessary. We think we have already made it clear that in saying this we do not wish even to imply—and we certainly do not say—that the City Council as licensing authority ever failed to act in the honest exercise of its discretion. Our point is that the anomalous position in which the City Council was placed in the peculiar circumstances of Auckland provided an admirable justification for the presence of the Appeal Board.

Requisition for Establishment of Transport Services.—No evidence was tendered to us bearing on this provision, which is to be found as section 17 of the Act. We would point out, however, that the section contains no statement of the principles or considerations that should guide the Appeal Board. The matter is left to the Board's unfettered discretion. We suggest that a direction such as that contained in subsection (2) of section 6 be included. As the matter now stands, the City Council might decide against the application on certain grounds—e.g., the condition of the roads to be traversed—and the Appeal Board might decide to grant the application without having such grounds brought to its notice.

Regulations.—On two points it seems to us that the working and effect of the regulations under the Act call for further consideration of the regulations. The first is as to the principle of the Public Works Department being, as it were, superimposed on the licensing and controlling authority for the inspection of vehicles. We are aware that this is a general provision, the principle of which has been embodied in the New Zealand statutes for many years past. The question arises whether, when such a precise and elaborate degree of control as is now necessary for motor-vehicles is constituted by statutory authority, it is necessary that the Public Works Department should at the same time be inspecting and approving authority. It seems to us to be a case where the precise provision removes the necessity for the more general provision.

The other matter has to do with the working of section 8 of the Act in relation to the regulations. Section 8, subsection (4) provides that the holder of an omnibus license may during the last month of the currency of the license put in his application for renewal, and (subsection (3)) he may for one month after the expiration of his license run his vehicle unlicensed, in anticipation of the granting of his application. That allows a period of two months, at the most, during which all motor-omnibuses in this district have to be passed by the inspecting engineer: See section 6, subsection (3). The evidence placed before us satisfies us that it is a physical impossibility for the work to be done in the time, and the result is that many buses run for a considerable time unlicensed. This, in our opinion, is highly undesirable, and the law on the point should be amended. We suggest that the body to which general control of transport in the district is given should be entrusted also with the duty of seeing that the regulations that prescribe efficiency, safety, and comfort in vehicles are complied with.

3. (c) What is the Working and Effect in the said District of other Statutes and Regulations affecting Vehicular Transport?

We were approached by representatives of the Auckland Master Carriers' Association, who asked to be allowed to give evidence touching the working in the said district of certain regulations relating to motor-lorries. The regulations in question are the Motor-lorry Regulations gazetted on the 26th March, 1925, pursuant to power to make such regulations contained in section 19 (2) of the Public

Works Amendment Act, 1924; also the amending regulations of the 24th September, 1925, and March, 1927.

It seemed to us that this proposed evidence fell within the scope of the present clause of the order of reference, and we agreed to receive it. It was tendered in the form that appears in pages 279 to 301 (inclusive) of the Book of Evidence. It is fairly described as being presented with the object of proving that the regulations in question, administered by a number of small local authorities acting independently, are not in the best interests of the public or the carriers, and are in many respects impracticable. Further evidence by the same witness, given orally, will be found on pages 305 to 307 of the Notes of Evidence.

Having carefully considered this evidence, we are of opinion that it is outside the scope of the order of reference reasonably interpreted. In its nature it is quite distinct from any other part of the evidence submitted to us. The witness seems to have made out a strong case, but we heard one side only. The difficulties to which the evidence relates are not peculiar to Auckland except, perhaps in degree. We do not feel justified, after hearing an *ex parte* statement, to make any finding or recommendation. The matter has been before Your Excellency's Minister of Public Works, and it may be that the complete statement of the position and views of the Carriers' Association, now recorded in our evidence, will be of value in further consideration by Your Excellency's Advisers.

3. (d) Is the said District suitable for Motor-omnibus Transport, either in Conjunction with or as an Adjunct to Tramway Transport?

Our answer to this question is, Yes.

The topography of the district presents no great difficulties; its present stage of development justifies such means of transport, and its roads are, as a general rule, suitable. The district, comprising as it does the City of Auckland and the contiguous local-body districts, carries a population that is suitable for and justifies the use of motor-omnibuses both in conjunction with and as an adjunct to the existing tramway service.

3. (e) What is the most Suitable Form of Transport for Localities within and Localities beyond the Tram Termini?

We are of opinion that for localities within the tram termini the tram itself affords the most suitable form of transport. For mass transport in city and closely settled suburban areas there is a clear preponderance of evidence in favour of the view that the tram-car is the best form of conveyance. It is, as compared with other forms of transport on similar work, reliable, safe, and cheap. Its carrying-unit is a car with a large seating-capacity. Its ability to carry great loads at peak time was expressed before us somewhat epigrammatically in the statement that "it may be overcrowded, but it cannot be overloaded." There was some evidence to the contrary; there was some evidence in favour of the petrol-driven motor-omnibus; but there is easily a great preponderance of the view we have expressed, and we find accordingly.

For services beyond the tram termini, the pneumatic-tired petrol-driven motor-omnibus is by an equally general consensus of opinion the best form of transport as a public conveyance for passengers.

Should Services for Localities beyond the Tram Termini be Feeder Services or Through Services, or a Combination of Both?

Every consideration of convenience and comfort for the passenger points unmistakably in favour of the through service. Where these services have to be used at all, through services are popular; feeder services are unpopular because the passengers are required to disembark and re-embark at the connecting-point, with the probability of having to wait for the connecting vehicle. Furthermore, difficulties arise in the incidence of fares, especially concession and commutation fares, when the journey is divided between two vehicles. If the only question were whether any given journey should be completed by a single vehicle-run that did not require its passengers to change, or of one vehicle acting as a feeder to another

at a given connecting-point, there could be only one answer: the former is preferable and should be conceded. The problem arises, however, when the whole journey lies partly without and partly within the district where existing services are already running to a fixed time-table. The through vehicle is then, on the second part of its journey, running parallel with the inner vehicle. At peak times, when there is a reasonable chance of both vehicles being well patronized, this objection (with an exception we shall note later) does not carry much weight, and the running of both vehicles may be justified; but in the slack parts of the day, when both vehicles would be running nearly empty, and at times one or both quite empty, the point is reached at which the through service is a most wasteful proposition and cannot be continued.

The exception which we noted above to the rule that two reasonably-well-patronized vehicles might be left to run on parallel routes in the inner area claims attention when the city has grown so large at its central area and at its traffic termini that the congestion of its traffic has reached saturation-point. Partly filled vehicles from outlying areas must then become feeder services up to some point short of the highly congested area.

This proposition leads, in our opinion, to a definite conclusion—namely, that a service from beyond a tram terminus should be a through service in the peak hours and for as long as it is a reasonably good economic proposition to run it and parallel vehicles side by side. In the slack hours, when the continuation of the through services would provide the spectacle of parallel vehicles sparsely patronized, the revenue fails to keep within a reasonable distance of the expense of so running, and as a business proposition the outer part of the service must act as a feeder to the inner.

We have, so far, answered in terms of a general proposition. The proposition so stated fits the circumstances of the transport area of Auckland; it is also a statement of the present policy of the Auckland City Council, and, in our opinion, that policy is justified. We find that in the City of Auckland there is not yet the severe congestion at central points which would make it necessary to cut out all outer through services at peak hours.

The feeder service, even in slack hours, is unpopular. People naturally dislike to change vehicles and wait for the connecting vehicle. That dislike would have been present in any circumstances or after any history of development in this or any other city. In the circumstances which we have been called upon to inquire into, the opposition to feeder buses has been intensified by the happenings of 1924–25 and the first half of 1926, when unrestricted competition on the roads led the people to expect and rely on through services even from fairly remote environs of the city. During our period of inspection of the district all of the abandoned bus routes were pointed out to us, and we were taken through districts where we were assured such residents as it contained were demanding a bus service. Such demands, and the demands for through services, in all degrees of unreason, must be faced by any future transport authority of the district.

Should such Services be conducted by Local Bodies or any other Public Management, or by Private Enterprise?

We are of opinion that such service should, as a general principle, be conducted by public management and not by private enterprise. We deem it unnecessary to embark on any consideration of the academic question of public *versus* private ownership; we believe it to be fairly generally conceded, and to be the policy of this country, that where a public utility is of a nature that it should be wholly or substantially a monopoly it should be publicly and not privately owned and operated. We are of opinion that the transport services of the said district should be substantially a monopoly and therefore should be publicly owned.

At the same time, especially in view of the fact that the transport needs of the district end in a fringe rather than a well-defined line, and that services must be introduced that will run partly within and partly without any reasonably defined metropolitan transport area, we think that the owning and controlling authority should, under proper conditions, permit and license private services.

To what Extent should such Services be under the Control of Local Bodies or any other Public Control?

We believe that there should be one authority, with a virtual monopoly, owning and controlling transport facilities and transport within the said district, but with power, where it seems to that authority desirable, to permit and regulate private services which connect with the places outside its area.

As transport requirements run and develop with population movements, they can take no notice of arbitrary or political divisions, and therefore we are of opinion that the owning and controlling authority must have power to do all things necessary within its area to lay down, equip, operate, and control its transport services without being required to negotiate consents or terms with other bodies. Experience of other districts in this and other countries shows that such power can be granted without unduly interfering with the rights of other bodies within the same area.

3. (f) Is it desirable to establish a Transport Board for the said District?

Four alternative methods of dealing with Auckland's present transport difficulties were put before us at the hearing. They are—

- (1) That the ownership and control of the transport facilities should be left with the Auckland City Council, as it is now, subject, however, to due effect being given to our finding that the principle of allowing the City Council to be the licensing authority for the district cannot be justified.
- (2) As in (1), but advantage taken and use made of the provisions of sections 49 to 54 of the Municipal Corporations Act, 1920. It is provided by section 49 that a person may be appointed a member of a committee under this section notwithstanding that he may not be a member of the Council. Section 52 provides that local authorities might unite in appointing joint standing or special committees for any purpose in which these local authorities are jointly interested. The suggestion is that, pursuant to these provisions, members of the adjoining local authorities should become co-opted members of the Tramway Committee of the Auckland City Council.
- (3) The city's boundaries might be enlarged by the absorption of the independent contiguous local bodies, until its political area is nearly, if not quite, coincident with the area of the transport district as already defined.
- (4) A new Board or other controlling body could be created to take over the control of transport facilities within the traffic district as already defined.
- (5) As a variation of method (4), the powers and rights of an existing Board—viz., the Auckland Electric-power Board—might be enlarged so as to enable it to take over transport as one of its functions, and thereby avoid the disadvantages attaching to the creation of another body with borrowing and rating powers.

It seems to us that the best method of approaching the consideration of these alternatives is to look first to see if any of them can and must be eliminated as obviously unsuitable and (or) impossible of attainment.

Greater Auckland Proposal eliminated.—Approaching the matter in this way we have to say that we are of opinion that that method which we believe to be best in principle must be eliminated as politically impossible. We refer to method (3), which involves the creation of Greater Auckland. It has been made abundantly clear to us by the evidence that there is no chance at all of the citizens of Auckland district agreeing at the present time or in the near future to amalgamate all the local bodies into one city.

We agree with the opinion expressed by many witnesses that there should be no attempt to effect that purpose by legislative compulsion. We think that any attempt in that direction would be viewed as a violation of the principle of self-government in a matter in which the principle should rule, and that this

would raise such a spirit of discontent and resentment as would make the working and administration of the new body impossible. We have elsewhere expressed our opinion of what we believe to be the narrow, short-sighted policy, the lack of true civic pride and public spirit, which magnifies the importance of any local benefits that may attach to the present system and is blind to the advantages of amalgamation. This is a matter which is entirely in the hands of the citizens of Auckland and district, and until a spirit of co-operation and unity has been cultivated sufficiently to dissipate the present unhappy and arbitrary divisions the discord and difficulties which are inherent in those divisions will continue.

City Control versus Board Control.—That leaves us with four alternatives—two requiring that the ownership and control should remain with the city, the other two that they should pass to a separate body designed to control transport.

City Control eliminated.—In considering the first of these alternatives—namely, the continuance of control and ownership by the city as it is now constituted—it must be taken into account that we are of opinion that the objections taken to the City Council acting as a motor-bus-licensing authority, as well as the owner and controller of traffic, have been sustained. Therefore, if it is still to function as an owner and controller of traffic it must be subject to the supervision of an independent motor-bus-licensing authority. It follows as a corollary that if this method of control is to be recommended, there must accompany it some recommendation as to the nature and constitution of such licensing authority, and it follows that the creation of such a body involves a corresponding diminution in and interference with the city's existing rights. In our opinion this would be a new difficulty added to the position as it exists at present, and might, in effect, be a division of control between public bodies.

Furthermore, the greatest difficulty of all still would remain—viz., that the primary control and financial responsibility rests with the city proper and its citizens, whilst the demands for extensions and the powers of veto afforded by the deeds of delegation are with the outside bodies whose burgesses have no financial responsibility and no voice in loan proposals.

The variation afforded by method (2)—viz., adding co-opted members of outside bodies to the Tramways Committee—does not touch these basic objections, and therefore proposals (1) and (2) must be eliminated. The difficulties of the district in relation to transport are urgent and cannot wait till the outside bodies voluntarily amalgamate with the city.

Until there is unified control the elements of the deadlock in the matter of proposed tramway extensions remain unaltered; the contiguous local authorities still remain “outside bodies,” with the power and the will to criticize and complain of the City Council's attitude in transport matters towards the outside bodies. The position therefore is that whilst the suburban bodies have made out no case for taking the transport administration and control away from the Auckland City Council, we are unable to recommend Your Excellency to leave this modern problem to any one component part of the archaic municipal divisions of the district.

Combined Power and Transport Board eliminated.—It is convenient next to consider the proposal of the combined Power and Transport Board to take over the tramway and motor-omnibus services. In the first place, it was agreed by all witnesses who advocated this method that it would be necessary, for the purpose, to alter the respective boundaries of the Auckland and the Waitemata Power Board's districts. Evidence subsequently given before us on this point satisfies us that this point bristles with difficulties. Further, there is no evidence that the Auckland Power Board as at present constituted wishes or is willing to take over transport, and we are of opinion that the transport difficulties of the district would not be likely to be removed by handing them over to an unwilling authority. In our opinion these objections are fatal, and justify us in eliminating this method.

Creation of a Board to control Transport.—That leaves us with one method, and it becomes our affirmative proposal. We accept it and put it forward with regret, because we have been led to it not by the constructive application of positive principles, but by a progressive elimination that leaves nothing else. The problem that we have to meet arises out of modern traffic developments, and it is an urgent problem. As we have already pointed out, it will not wait until the civic constitu-

tion of the people affected will allow it to be related to modern methods of municipal administration: we have therefore no alternative but to relate it to older methods. We are aware of and we appreciate all the objections that can be urged against the creation of *ad hoc* authorities with separate officers, staffs, and borrowing and rating powers. An excellent summary of these objections, and of the parochial views out of which the necessity first arose, will be found in the "Encyclopædia of the Laws of England," Volume 7, page 499, *sub. nom.* "Local Government." The learned writer says,—

As the nation developed and its requirements increased new local authorities were created—Highway Boards; Local Boards of Health; Improvement Act Commissioners; Port Sanitary Authorities; Burial Boards; and School Boards—a new and special authority was called into existence to meet each crying need. And in each case this was done without any regard to previously existing divisions or authorities. Each new creation paid no heed to, and seemed to have no knowledge of, any of its predecessors, but appointed its own staff of officers, levied its separate rates, and pursued its own independent policy. The result was that the country was covered with a number of separate authorities—"a jungle of jurisdictions"—whose functions sometimes clashed, whose areas intersected.

This, it should be noted, was written concerning the state of things that existed in England in the early part of the nineteenth century. It was the state of things out of which our modern system of municipal government was evolved, a system on which the Municipal Corporations Act of 1920 is the latest word in this country. The very genius of that Act is that the physical and material growth of small centres of population into larger centres, finding expression in wider civic outlook, should find available the municipal machinery for the ideals of that wider outlook. As larger centres tend to grow and coalesce, the civic requirements of the people tend to transcend the old boundaries, and again this should find expression in a wider civic outlook and pride. Here again our Municipal Corporations Act provides the machinery for the expression of the spirit and the administration of the services by the amalgamation and absorption of contiguous boroughs.

But given the physical growth, the mere aggregation of houses and population, without the corresponding widening of outlook, and the administration of the civic services which have transcended the artificial boundaries cannot be related to the modern legislation. That is our present problem. The transport equipment and methods and the standard of comfort required belong to the decade 1925 to 1935. The municipal outlook and spirit deposed to by many witnesses before us belong to the decade 1825 to 1835. The above extract from the "Encyclopædia of the Laws of England" might well be constructed from the evidence given before us relating to Auckland at the present time. The solution of the problem requires us to bring transport requirements and civic administration into line. One alternative is to bring the civic administration up to the date of the requirements. That would mean a compulsory amalgamation of the local bodies, and that is, by general consent, wholly impolitic. The only alternative is to relate the present transport problem to the older methods and trust to time and the education of the public to remove the anomaly.

We therefore recommend the formation of a special Transport Board to deal with the problem, and we now approach the task of recommending the constitution and powers of that Board.

With what Constitution should a Transport Board be established?

We beg to recommend as follows:—

It shall be a body incorporated by a special Act of Parliament, under the name of the Auckland Transport Board.

District.—The district shall comprise the three areas comprised below, viz.—

- (1) The City of Auckland as at present constituted.
- (2) The Boroughs of Mount Eden, Newmarket, and Mount Albert.
- (3) The Borough of Onehunga and the Road Districts of One Tree Hill, Mount Roskill, Panmure Township, and Mount Wellington, and the Town District of Ellerslie.

The boundaries of the said district, or any of the above areas comprised in the district, may from time to time be altered by the Governor-General in Council.

We have tried to fix the boundaries of this district by reference to the principle that the Board should comprise and represent the area covered by the main metropolitan traffic which it will be expected to control and operate. We have, however, taken into account also what we believe to be a collateral principle—namely, that the Board should be a Metropolitan Board, called into being in the metropolis of Auckland by reason of the peculiar difficulties which operate in that metropolis and prevent, for the time being, the adoption of the usual methods of unified municipal control.

We realize that wherever (within reasonable limits) the boundaries of the Board's district should be fixed they will lie, not on clearly defined limits beyond which transport facilities with the city proper may be ignored, but on what may be called a fringe of country within which, to a varying extent, transport problems must be faced. We see no sufficient reason for extending the boundaries so that they should take in all termini of daily services to the city. We gave careful consideration to the claims of the Town Districts of Henderson, Glen Eden, and New Lynn, and the Borough of Otahuhu, to be included in the district, but eventually decided to exclude them. We are of opinion that the four districts which we have named lie rather within the present outer fringe of the transport district than within the district proper, and we are not prepared to substitute their purely arbitrary boundaries for the natural boundaries we have selected. If the Transport Board district as we have defined it be studied on the map (Appendix I), it will be seen that it may fairly be described as a topographical entity with natural boundaries. We are of opinion also that it comprises the logical and natural limits of the City of Auckland for a great many years to come, as that city follows the ordinary and inevitable evolution of growing municipalities.

With regard to Henderson, there is the further consideration that to bring it into the district would make it necessary to bring in also a portion of the intervening County of Waitemata. The definition of this intervening part of the county would, in our opinion, give rise to more difficulties than would be compensated for by the inclusion of Henderson. As will be seen later, we have provided for consideration of the claims of outlying areas by suggesting a means of procuring a special form of representation on the committees of the Board.

Relation to Existing Legislation.—The Board shall be a local authority within the meaning of the Tramways Act, 1908, the Local Elections and Polls Act, 1908, and the Local Bodies' Loans Act, 1926.

Number of Members.—The Board shall consist of ten members. Subject to the special provision appearing below as to the election of the first Board, its members shall be elected by all the ratepayers in the respective areas: Area (1) to elect six members; area (2) to elect two members; area (3) to elect two members: total, ten.

The First Board shall be elected as follows: Within a month of the coming into operation of the Act the Governor-General in Council shall call on the Auckland City Council to appoint six members to the Board. They shall thereupon be appointed by that Council by a resolution of the majority of the members of that body present at a meeting convened and held for the purpose. Certified copies of such resolution, together with written consent by each member, shall be sent to the Minister of Public Works, who shall thereupon publish the same in the *Government Gazette*.

Within the same time-limit the Governor-General in Council shall by Proclamation, direct the nomination, on or before a day mentioned in the Proclamation, of the number of members required to be appointed for Group Areas (2) and (3) respectively. Thereupon each local authority in each group area may nominate a person or persons, not more than two, such nominations being made by resolution of the majority of the members present at a meeting convened and held for the purpose. Certified copies of the resolutions, and written consents of the nominees, shall be sent to the Minister of Public Works, who shall publish the same in the *Government Gazette*.

The Minister of Public Works shall, if the number of nominations for either area be more than two, thereupon direct an election to be held at a time and place named by him; such direction to be published in the *Government Gazette*.

Indirect Representation.—It cannot be gainsaid that the personnel of the first Transport Board is a matter of paramount importance. Its function is to take control of a huge business undertaking as a going concern. With this in view we think that the members of the first Board should not be elected by popular vote; in the present state of public feeling on transport matters in the district we think it would be a mistake to put this business concern on the hustings. We believe that the local bodies exercising the powers of election which our system proposes to place in their hands will approach the selection of those members with a greater sense of responsibility and knowledge of the proposed personnel than might be expected from a popular vote of the ratepayers. In some of the outlying areas it is clear that there is a sense of grievance and hardship which, even though for the sake of argument we admit it to be wholly well-founded (we do not admit this), does not accord with a judicial exercise of the power of selection. Additional weight is given to this consideration by the fact that the local bodies have recently met in conference, and made overtures to the City Council, prefacing them with an expressed desire to bury the past, and seek an amicable solution of the difficulties.

Elector's Qualification.—One ratepayer, one vote.

General.—All witnesses who advocated the formation of a Board expressed the opinion that it should be a Board representative of all constituent parts of the district. With that opinion we agree, and we have tried to apply it in our recommendations as to the allocation of the members of the Board over the district. We have taken the respective populations and capital values as the basic factors; but it is not possible to make or maintain an exact or proportionate allotment of representation on those bases; the factors themselves fluctuate with the development of the district. We have, however, kept as near thereto as possible. We have also taken into account the contiguity of the areas in deciding our grouping. There is the additional factor that, in our opinion, the City of Auckland should for the present have a preponderance of members on the Board. All these factors have been taken into account by us. The resultant figures will, no doubt, be criticized—we can ourselves find ground for criticism; but we claim that the alteration of the figures by transferring one number one way or another would be, on precisely the same grounds, open to greater criticism. We show in Appendix F the calculations on which our recommendation is based.

Term of Office.—The term of office of members shall be six years, subject, however, to the following: Three years after the first election of members of the Board one-half of the members so elected shall retire. The members to retire then shall be one-half of the members representing each of the three groups, and the choice of retiring members shall be determined by lot. Thereafter the election shall be held every three years, when one-half of the representatives of each group shall retire; those who have been longest in office being the members to retire. In case of equality of service on the part of members of any group, the choice shall be made by lot.

Chairman.—The Chairman shall be elected by the Board. Election of Chairman shall be the first business, after the first and each sextennial election. The Chairman shall hold office for six years. His name shall not be included when lots are drawn to decide who shall retire at any triennial election.

Remuneration.—Chairman, £250 per annum; members, £1 10s. per meeting, with a maximum of £78 per annum.

With what Powers of Control and with what Powers of undertaking Transport Services should such Board be established?

We recommend that the Board should have the exclusive right to construct, manage, maintain, and operate tramways, and shall have the exclusive right to maintain, manage, and operate motor-and-horse-omnibus services, and any like passenger service, by any vehicle plying or standing for hire for the conveyance of passengers at separate fares within the said district; provided further that the Board may from time to time, and for such period not exceeding five years and subject to such conditions as the Board may impose, grant to any person the right to maintain, manage, and operate motor- or horse-omnibus services, or any like

public passenger-conveyance services, by any vehicle plying or standing for hire for the conveyance of passengers at separate fares within the said district, and may require the payment of fees in respect of such rights, whether by way of annual fees or otherwise.

The provisions of the Motor-omnibus Traffic Act, 1926, shall not apply in respect of any omnibus service within the said district.

In particular, the Board shall have power in its corporate name to acquire, hold, or alienate property, to sue and be sued in the Courts, and to be a party to arbitration. In general, the Board shall have power to break up, open, and alter the surface or levels of any road within the district, and to lay, extend, alter, remove, replace, or relay in any position or situation any existing or future tram system.

It shall have all powers necessarily incidental to such general powers, having in view the necessity of interfering temporarily with traffic, roadways, sewers, drains, tunnels, gas-pipes, water-pipes, and such similar equipment of other public services. For a detailed statement of such powers as are intended to be included in the foregoing general statement we beg to refer to sections 28 and 32 of the Brisbane Tramway Trust Act, 1922 (Queensland), and sections 53 of the Municipal Tramways Trust Act, 1906 (South Australia); and for a detailed statement of the conditions subject to which these powers should be exercised we beg to refer to sections 23 to 36 (inclusive) of the Second Schedule of the Brisbane Tramway Trust Act, 1922, and sections 54 to 66 (inclusive) of the Municipal Tramway Trust Act, 1906 (South Australia).

We have included in the definition of services which the Board may run or grant to any person the right to run "vehicles which ply for the conveyance of passengers at separate fares." This is taken from clause 2 of the "Regulations for Public Vehicles" under the New South Wales Metropolitan Traffic Act, 1900. It is designed to meet the competition, harmful but uncontrolled under the existing New Zealand definition of "motor-omnibus," of motor-cars with a carrying-capacity up to seven passengers. These may and do meet ferries and other transport facilities at their termini, and carry passengers, like omnibuses, at separate fares. (See the evidence on this point of Mr. Thomas Smith, on page 233 of the Book of Evidence). He there speaks of such cars operating at peak hours only, cutting out 30 per cent. of the revenue of omnibuses that had paid heavy license fees and were compelled to comply with prescribed time-tables and conditions of running.

Relationship to Local Authorities and the Central Government in Traffic Control.—Our recommendation is that the Transport Board be granted power to make by-laws and regulations governing the operation of transport facilities and all matters and things that affect the comfort and convenience of bus and tram passengers, and the safety, fairness, and efficiency of such services in the said district, including an express power to impose a penal fare on omnibuses, to protect tramway revenue; but that the Board shall have no jurisdiction over traffic control in the territories of the various local bodies comprising its district, from the point of view of the safety and comfort of the general body of citizens as users of the streets and roads: these matters, and the question of co-ordination and uniformity in the relative by-laws, being left to the Central Government and the local authorities, as at present.

Adjustment with Surrounding Districts which will remain under the Provisions of the Motor-omnibus Traffic Act, 1926.—We have recommended that the Motor-omnibus Traffic Act, 1926, shall no longer apply within the said district after the said Board is constituted.

If that recommendation is adopted two results must receive attention: (a) New licensing authority(ies) must be appointed for the remaining portion of the No. 1 Licensing District; and (b) omnibus services operating from without the district and running into the said district will, on such journeys, be running partly under the Act and partly freed from its provisions.

We suggest that the following provision will remove that anomaly without creating any difficulty or relaxing any necessary control:—

"Where any person operates any motor-omnibus service which runs partly within and partly without the said district under terms and conditions imposed by

the Transport Board, the Motor-omnibus Traffic Act, 1926, shall have no application to such service, or to the motor-omnibuses or drivers which are employed on that service (as and when they are so employed) in so far as the said services lie outside the said district."

3. (f) With what Means of obtaining Funds for its Purposes should the Board be constituted ?

Borrowing-powers.—We recommend that the Board shall have the usual borrowing-powers of a local authority under the Local Bodies' Loans Act, 1926.

It was suggested in evidence before us, by the present Chairman of the Tramways Committee of the Auckland City Council, that the tramways authority of the district should have power to raise loans for constructional and other capital purposes without reference to the ratepayers as required by the above Act (see page 60 of Book of Evidence, and page 85 of the Notes of Evidence). The suggested safeguard is—approval of the loan by a Local Government Loan Board. The argument in favour of that proposal is that it is easier to work up interested opposition to a loan proposal than it is to procure public-spirited and intelligent support for it, and that many polls on loan proposals demonstrate nothing but the ratepayers' apathy.

There is nothing new in this argument or in the suggested amendment of the law ; there is something to be said on both sides of the question. We make no finding or recommendation on this point. We are aware that it is a matter bound up in the policy of the Dominion in the matter of local-body loans, and that the statute law on this subject was consolidated in 1926. We do not think that we should attempt to make a recommendation on such a limited inquiry into this aspect of the subject as we have made. We therefore content ourselves with recording the above suggestion.

Rating-powers.—We recommend that the Board may, to recover excess of expenditure over revenue in any year, levy on each local authority, within its district, a sum being such proportion of the said total excess expenditure as that local authority's capital value bears to the capital value of the district as a whole.

We suggest that the Board should levy on the existing local bodies, as that method is more economical than the method requiring the Board to prepare assessment rolls and strike and collect rates, whilst it achieves precisely the same result.

Should the Board take over All or Any Existing Transport Services, and, if so, upon what Terms and Conditions ?

We answer this question "Yes." We recommend that the Board shall take over as a going concern, as from the 1st April, 1928, the tramway and motor-omnibus services of the Auckland City Council, with all the assets, rights, and equipment, on the basis of the City's Tramway Department balance-sheet as on the 31st March, 1928, adopting all transactions and all fluctuations and changes in assets and liabilities in the meantime, and the benefit and burden of existing contracts and undertakings, including subsidies and other commitments and undertakings in favour of the employees generally or any association of the employees of the department, and shall indemnify the Auckland City Council in respect of loan and other indebtedness of such Tramways Department, and shall assume the benefit of all sinking-fund investments to date, and the burden of future payments in respect of loan capital and interest thereon, and all sinking-fund instalments.

The true intent and end of the foregoing statement of powers is that the Board shall thereby, immediately on the vesting in it of the tram and omnibus system theretofore owned and operated by the Auckland City Council, stand precisely in the same position as it would have been in if at the said 31st March, 1928, the Board had been the proprietor of the undertaking in lieu of the Auckland City Council, and had, as such proprietor, produced the said balance-sheet.

General.

SCOPE AND REPORT.

The hearing was a lengthy one, occupying approximately six weeks. The recorded notes of evidence occupy 665 foolscap pages. We have studied the whole of that evidence, but we have not considered it necessary to deal, in our report, with all the matters and points raised by it. We think, however, that we have dealt with all that enables us fairly and reasonably to answer the questions which Your Excellency submitted to us. Our aim has been threefold: firstly, to deal with all charges of maladministration; secondly, to inform Your Excellency on all salient and essential features of the present transport problem in Auckland; and, thirdly, to make a useful suggestion for the solution of that problem.

AUCKLAND CITIZENS COMMITTEE AND THE "METROPOLITAN BOARD."

Evidence was given before us of the activities of a voluntary association known as the Auckland Citizens Committee. Several gentlemen of standing in the community gave evidence, either as representatives of this body or in support of its views, and this evidence we found useful. The objective of the Citizens Committee is the formation of what they describe as a Metropolitan Board. It is based on a recognition of the evil results of the present system, whereby numerous boards and authorities are created, each to deal with a separate regional service in a district which is already under control of numerous local municipal bodies. The evidence relating to this movement and ideal will be found in those pages of the Book and Notes of Evidence which contain the depositions of Mr. E. H. Potter, Mayor of Mount Eden; Mr. W. J. Holdsworth, Chairman of the Auckland Power Board; Mr. L. A. Eady, a member of the Auckland City Council and of the Tramways Committee; Mr. A. G. Lunn, merchant, and past president of the Auckland Chamber of Commerce; Dr. E. P. Neale, secretary of Chamber of Commerce; and Mr. T. Bloodworth, ex-member of Auckland City Council and Tramways Committee, member of the Auckland Power Board, and a representative witness on behalf of the Citizens Committee. These gentlemen satisfied us that they had given a great deal of time and thought to the subject, and had voluntarily undertaken propaganda work with a view to educating the public on the evils of the present system of diversified and disjointed control.

The opinions contained in their evidence agree closely with our views herein contained of the shortcomings of the present methods and tendency. Their proposal to meet and overcome these evils is the creation of a Metropolitan Board which is designed to take over the functions and powers of all *ad hoc* authorities in this district operating and controlling regional services and facilities. The movement is a comparatively new one, and preliminary work is all that has been done. We are here referring to the project because the scheme propounded was an interesting one, and a good deal of time was devoted to its exposition.

The witnesses were agreed in their statements of the evils of the present system and in their adherence to the ideal of unified control. It became apparent to us, however, when we pressed for details of constitution and powers, that their joint deliberations had not carried them that far; because, as the recorded evidence will show, there was a great contrariety of opinion—in fact, they were mutually destructive of each other on these points. We view that fact, however, at the present stage, as unimportant. The important thing is that evidence was adduced from a body of responsible well-informed citizens who are working towards the ideal of civic unity and are satisfied that their efforts will tend to the fulfilment of the hopes that we have herein expressed.

In the case of two of the witnesses, for instance, we led them to the logical conclusion of their scheme with some attention to detail, and each admitted that it involved the eventual disappearance of the present local bodies and the institution of a bicameral form of self-government for Greater Auckland.

We are satisfied that that ideal must be attained, and when it is, it does not much matter what name is given to the civic authority that embodies and administers the ideal. In this connection we call attention to the evidence of Mr.

Bush, City Engineer, on pages 220–222 of the Book of Evidence, setting out the legislation by which Greater Brisbane was called into existence, to absorb all contiguous local bodies and take over regional services from separate Boards.

The district covered by the Transport Board whose constitution we have advocated contains ten municipal authorities, 103 Councillors, five Mayors, five Chairmen of local bodies, ten administrative officers, and ten staffs of municipal officers, with the relative engineers, road foremen, works foremen, legal and other professional advisors. All of those persons have immediate relations and friends. In those districts where the separationist policy holds sway, these persons and their friends, with their personal ambitions and personal interests, constitute a formidable group of citizens, unified by these ambitions and interests, keenly awake to their protection. So far, they are likely to be assisted in preserving the existing state of things by the natural conservatism and the usual apathy of the remaining citizens of their areas. This is the problem that lies before those who wish to educate the community to the adoption of better methods.

APPRECIATION AND THANKS.

We wish here to express our appreciation of the work done by the Manager of the Auckland City Tramways and his staff in the preparation for this hearing. We have now completed the task which Your Excellency submitted to us, and we have dismissed from our minds everything of the nature of controversy and the weighing of conflicting views. We have before us a document labelled and described as Exhibit No. 2, a statistical table containing 136 pages of historical and technical information relating to the system. After we have spent weeks of close examination of these tables and schedules we are struck by the fact, which must be apparent to any impartial mind that will make an equal study of them, that they were prepared not as a case is usually prepared for litigation, not as propaganda, not as a matter required to meet a charge, but as the fullest and fairest presentation of all information that might be useful to assist the inquiry. The mass of work and the magnitude of the task is worthy of praise; the spirit in which it was obviously undertaken commands also our respect.

We met with unfailing courtesy from witnesses and counsel to whom we applied for information or assistance. All information sought for, all returns, statements, documents that we suggested should be placed before us, were produced in the shortest possible time and in the most willing manner.

Our thanks are due to the Mayor, Councillors, and citizens of Auckland for the use of the Council Chamber as a session room, and for suitable offices in the same building for our deliberations and the preparation of our report. The Town Clerk and all members of the staff gave us willingly and cordially all assistance that we required.

The press of Auckland had representatives attending all sessions, and published fair, accurate, and intelligible reports. We have prepared a volume containing a file of these reports, and it is preserved with the records of this Commission.

COSTS.

As Your Excellency's order of reference did not direct our attention to the costs of the inquiry, we are making no recommendation or order in relation to costs.

DISPOSAL OF EXHIBITS AND PAPERS.

As we indicated on page 4 hereof, we do not consider it necessary that the whole of the exhibits which were placed before us should be handed to Your Excellency with this report. A list of them appears as Appendix C, and with some exceptions we are filing the exhibits away with the papers relating to the work of the Commission as a whole.

Exhibit No. 2, however, already referred to on the preceding page, is a compilation of statistics and historical data relating to the Auckland tramway and motor-omnibus services. As it appears to us that this Exhibit No. 2 contains information that may in the future be useful to those of Your Excellency's Advisers to whom this report will be submitted, we have the honour to forward it to Your Excellency with this report; also we have the honour to forward the Book of Evidence in one volume, and the Notes of Evidence in two volumes. The Notes of Evidence contain a full transcript of the closing addresses by counsel. Accompanying these documents are copies of the Queensland and South Australian legislation to which we have called attention when outlining the constitution of the proposed Transport Board.

In witness whereof we have hereunto set our hands, this 11th day of June, 1928.

JOHN S. BARTON, Chairman.
W. G. T. GOODMAN, Commissioner.
ALFRED EDWARD, Commissioner.

APPENDICES.

APPENDIX A.

DATES OF SITTINGS.

MONDAY, 30th April, 1928, to Friday, 4th May, inclusive ; Monday, 7th May, 1928, to Friday, 11th May, inclusive ; Monday, 14th May, 1928, to Saturday, 19th May, inclusive ; Monday, 21st May, 1928, to Friday, 25th May, inclusive ; Monday, 28th May, 1928, to Saturday, 2nd June, inclusive ; Tuesday, 5th June, 1928, to Saturday, 9th June, inclusive. Formal adjournments were made from time to time to 14th June, 1928, when the hearing was declared closed.

APPENDIX B.

COPY OF LETTER.

DEAR SIR,—

Magistrate's Office, Wanganui, 13th April, 1928.

Re Auckland Transport Commission.

I notice from the daily press that you will be representing one of the municipal authorities interested in the inquiries of the above Commission. I am still awaiting the official communication which will enable me to fix definitely the date of the hearing, but for the present it is expected that it will start on the 26th inst. I am writing now to place before you a suggestion which I make with a view to assist in the speedy and accurate recording of the evidence to be placed before the Commission. I am basing my suggestion on experience gained during an exceptionally long hearing at the Napier Harbour Commission.

My suggestion is that some of the evidence be prepared beforehand in the form of typewritten statement which may, with the consent of all parties, be handed in by the witnesses. The kinds of evidence I have in mind are—

(1) Statements and estimates of accounts, income and expenditure statements, and financial and statistical statements generally. It is very slow work recording such information accurately when it is given orally in answer to questions. Such evidence is always of the kind that a witness requires to bring with him in the form of a note for the purpose of refreshing his memory, and it is only a step further to prepare and put in a typewritten statement. It is seldom that there can be tendered, on this procedure applied to such evidence, any of the objections which would obtain if it were applied to ordinary evidence. If, however, it should appear objectionable in any particular case, the more orthodox method could be adopted in that case. Copies of these typewritten statements could be supplied to other counsel at some agreed time before they are actually tendered as evidence, and this will tend to facilitate the work of cross-examination.

(2) Reports and history of past proceedings and developments. These may also in many cases, in an inquiry such as we are about to embark upon, be committed to typewriting in advance, and much time be saved with no detriment to the quality of the evidence. The qualifications set out above would apply in this case also.

(3) Statements of policy and statements of expert opinion. Under this heading also I think it is desirable to save time as I have suggested. Here perhaps there will be more weight to possible objections that it is not orthodox oral evidence, but it must be remembered that the cross-examination will be apt to be more efficient, and should prove a sufficient test of the spontaneity of the witness's expressions of opinion and policy.

If my suggestion is adopted I would make a further suggestion that a uniform size of paper, with uniformity in the size of type page, so that the sheets can be bound in in the official copies. On this and other matters of detail a conference would probably be useful. I propose as early as possible after I arrive in Auckland to seek a conference with counsel engaged at the inquiry to discuss matters that may facilitate our work. I am forwarding this suggestion to you now, as it may be possible and convenient for you to commence in good time the preparation of some statements that you may desire to put in, in conformity with my suggestion.

A copy of this letter is this day despatched to each of the gentlemen whose name appears below.

Yours faithfully,

JOHN S. BARTON, Chairman.

To—J. O. Stanton, Esq. ; V. R. Meredith, Esq. ; E. H. Northcroft, Esq. ; H. M. Rogerson, Esq. ; J. M. Melville, Esq.

APPENDIX C.

LIST OF EXHIBITS.

Exhibit
No.

1. Option of purchase and valuation—old Tramway Company and Auckland City Council.
2. File of Tramway Statistical Schedules (bound in book form).
3. Orders in Council and Deeds of Delegation before the purchase by Council.
4. Orders in Council and Deeds of Delegation after the purchase by Council.
5. Book of small drawings and graphs.
6. Samples of tickets—trams and buses.
7. Large book of drawings and graphs.
8. Seven graphic time-tables—All routes except Onehunga.
9. Voting-paper—tramway loan.
10. Official review of policy. (See p. 17, Book of Evidence.)
11. Report of Mr. Ford's tour abroad.
12. Municipal records, August, 1927 (page 16).
13. File of weekly return of G.O.C. buses, 29th August, 1927, to 4th September, 1927.
14. Summary of revenue and miles run on bus routes, 1927.
15. Summary of revenue and miles run on bus routes, 1928.
16. Plan indicating density of population.
17. Staff organization chart.
18. Mr. Ferguson's report on Auckland tramways (put in by Mr. Meredith in cross-examination of Mr. Ford).
19. Mr. Ford's report, dated 25th July, 1927, on proposed introduction of 1d. fares (put in by Mr. Meredith in cross-examination of Mr. Ford; read portion marked on paragraphs 1 and 2; also read portion marked on p. 1 of his report of 27th July, 1927).
20. Extract from *New Zealand Herald* of 23rd March, 1923 (put in by Mr. Meredith in cross-examination of Mr. Ford).
21. Tramways loan expenditure, £280,000 (put in by Mr. Meredith in cross-examination of Mr. Ford).
22. Newspaper extract *re* above Exhibit 21 (put in by Mr. Meredith in cross-examination of Mr. Ford).
23. Extract from City Council order paper, 1st March, 1928 (put in by Mr. Meredith in cross-examination of Mr. Ford).
24. Costs of Gaunt Street Depot (put in by Mr. Meredith in cross-examination of Mr. Ford).
25. Queries arising out of £280,000 loan—Exhibit 21 (put in by Mr. Meredith in cross-examination of Mr. Ford).
26. Operations of the Tramways Department by Mr. Thomson for the year ending 31st March, 1926 (put in by Mr. Meredith in cross-examination of Mr. Ford; showing the saving of mileage by use of the Gaunt Street Depot).
27. Particulars of costs of running buses, 10th October, 1927 (put in by Mr. Northcroft in cross-examination of Mr. Ford).
28. Return showing how dead mileage is made up (put in by Mr. Meredith).
29. Expenditure of £125,000 received from sale of old power-house (put in by Mr. Ford).
30. Letter from Mount Eden Council to Auckland City Council, dated 12th November, 1924 (put in by Mr. Rogerson in cross-examination of Mr. Ford; and seven other letters, dated 1st August, 1923, to 19th December, 1924).
31. Time-table and guide, Edendale route—7th December, 1925 (put in by Mr. Meredith in cross-examination of Mr. Ford; also Mount Eden Route, 1st November, 1926).
32. Mr. Ford's report to City Council, 24th November, 1923, on motor-bus competition with tramways (put in by Mr. Johnstone in cross-examination of Mr. Ford).
33. Mr. Ford's report to City Council, 7th October, 1924, *re* Mount Eden and Dominion Road extension.
34. Dunedin Accounts to 31st March, 1927 and 1928 (put in by Mr. Johnstone in re-examination of Mr. Ford).
35. Articles from *Star* of 2nd December, 1928 (put in by Mr. Johnstone in cross-examination of Mr. Allum).
36. Extract from the Minutes of Tramways Committee, 21st December, 1927 (put in by Mr. Johnstone in cross-examination of Mr. Allum).
37. Bundle of letters from local bodies (put in by Mr. Johnstone in cross-examination of Mr. Allum).
38. Mr. Allum's and Mr. Ford's reports presenting Accounts for 31st March, 1927 (put in by Mr. Johnstone in cross-examination of Mr. Allum).
39. File of letters between Auckland City Council and Mount Roskill Road Board (put in by Mr. Johnstone in cross-examination of Mr. Allum).
40. Conference *re* motor-bus traffic—Wellington, August, 1925 (paragraphs 15 and 16 put in by Mr. Meredith in cross-examination of Mr. Allum).
41. Walklate's report to Council *re* formation of Transport Board (put in by Mr. Rogerson in cross-examination of Mr. Allum).
42. Mr. Allum's report to Council *re* transport matters, 24th March, 1927 (put in by Mr. Rogerson in cross-examination of Mr. Allum).
43. Average receipts and receipts per bus-mile for twenty-two weeks ending 21st February, 1928 (put in by consent, to be produced by Mr. Ford later).

Exhibit

No.

44. Gaunt Street Depot—Reports, minutes, synopsis of resolutions, &c. (put in by Mr. Johnstone).
45. Revenue Account for tramways for year ending 31st March, 1928 (put in by Mr. Johnstone).
46. Newspaper articles of 6th November, &c. (put in by Mr. Stanton in re-examination of Mr. Allum).
47. Town Clerk's report of 9th August, 1928, to One Tree Hill Board (put in by Mr. Stanton in re-examination of Mr. Allum).
48. Details of reconstruction referred to in Mr. Ford's Notes of Evidence, page 11 (put in by Mr. Johnstone in re-examination of Mr. Ford).
49. Rateable value of City of Auckland (put in by consent).
50. Local authorities in No. 1 Licensing Area (put in by consent).
51. Rough graph showing necessity for renewals fund.
52. Statements of the Auckland Electric-tramways Accounts (put in by consent).
53. Report by Mr. Hutchison *re* accounts, dated 24th April, 1928.
54. Report by Mr. Hutchison *re* accounts, dated 27th August, 1928.
55. Auckland Hospital Board Accounts, 31st March, 1927 (put in by Mr. Potter).
56. Auckland Electric-power Board Accounts (put in by Mr. Potter).
57. Cutting *re* Isthmian Power Board (put in by Mr. Rogerson in cross-examination of Potter).
58. Cutting from *Herald re* upkeep of Museum (put in by Mr. Rogerson in cross-examination of Mr. Potter).
59. Correspondence, re-establishment of Tramways Board (put in by Mr. Johnstone in cross-examination of Mr. Potter).
60. Letter from Mr. Potter as chairman of Conference to Prime Minister (put in by Mr. Johnstone in cross-examination of Mr. Potter).
61. Minutes of conference of local bodies to consider attitude towards the Commission, 23rd March, 1928 (put in by Mr. Johnstone in cross-examination of Mr. Potter).
62. Minutes of conference of local bodies to consider proceedings at Transport Commission, 29th March, 1928 (put in by Mr. Johnstone in cross-examination of Mr. Potter).
63. Revision of local government Order Paper, 29th November, 1927 (put in by Mr. Potter in cross-examination).
64. Copy of resolution by Mount Eden Borough, dated 30th May, 1927 (put in by Mr. Johnstone in cross-examination of Mr. Potter).
65. Extract from advertisement of loan proposals of Mount Eden Borough Council, 12th December, 1923 (put in by Mr. Johnstone in cross-examination of Mr. Potter).
66. Resolution of election meeting, Onehunga, 23rd April, 1928 (put in by consent).
67. Proposals for revision of local government of Auckland metropolitan area (put in by Mr. Rogerson in cross-examination of Mr. Holdsworth).
68. Copies of Board and Council reviews, 22nd January, 6th July, and 3rd August, 1927 (put in by Mr. Rogerson in cross-examination of Mr. Holdsworth).
69. Auckland Electric-power Board Loan (£600,000) poll, 22nd June (put in by Mr. Johnstone in cross-examination of Mr. Holdsworth).
70. Copy of Holdsworth evidence before Water Commission (put in by Mr. Johnstone).
71. Letter from Town Clerk, Auckland, to Secretary, Conference of Citizens and Local Bodies *re* local government (put in by Mr. Johnstone in cross-examination of Mr. Holdsworth).
72. Cutting from *New Zealand Herald* and *Star*, 16th July, 1927, *re* reform in municipal affairs (put in by Mr. Rogerson in re-examination of Mr. Holdsworth).
73. Cuttings from the *Star* and *Herald*, 16th July, 1927, *re* matter referred to in Exhibit 72 (put in by Mr. Rogerson in examination of Mr. Eady).
74. Copy of minute to be put in by Mr. Stanton (page 161).
75. Cutting from *Herald*, 27th April, 1927, *re* Greater Auckland (put in by Mr. Stanton in cross-examination of Mr. Eady).
76. Copy of report in *Herald* of 16th April, 1927, *re* Greater Auckland (put in by Mr. Stanton in cross-examination of Mr. Eady).
77. Copy of letter in *Herald* of 21st and 23rd May, 1927, *re* Greater Auckland (put in by Mr. Stanton in cross-examination of Mr. Eady).
78. Order papers of City Council (put in by witness Eady).
79. List of office-bearers, Chamber of Commerce (put in by Mr. Johnstone).
80. Extract of minutes from One Tree Hill Road Board, 20th October, 1920 (put in by Mr. Stanton in cross-examination of Mr. Clark).
81. Speeding buses—Denunciation by Chairman of One Tree Hill Road Board (put in by Mr. Stanton in cross-examination of Mr. Clark).
82. City Engineer's report, March, 1920, *re* coming of motor-buses (put in by witness Bloodworth).
83. Cutting from *Herald*, 11th October, 1921, *re* local government (put in by Mr. Bloodworth).
84. Record of conference between representatives of local bodies and Citizens' Committee, 27th November (put in by Mr. Johnstone in cross-examination of Mr. Bloodworth).
85. Copy of report of committee of Council *re* purchase of tramways, 23rd May, 1919 (put in by consent).
86. Petitions (three) by business people expressing satisfaction with bus services (put in by Mr. Northcroft in cross-examination of Mr. Spence).
87. Sample "Drivers' Journal," Passenger Transport Co. (put in by Mr. Stanton in cross-examination of Mr. Spence).
88. Price of power to Wellington tramways (put in by Mr. Cable).
89. Extract of minutes, Mount Eden Council, 16th April, 1928 (put in by Mr. Joll).

Exhibit

- No.
90. Bus time-table—western suburbs (put in by Mr. Akehurst).
 91. Samples of concession tickets (put in by Mr. Singleton).
 92. Driver's journal of Gallaher's bus-service (put in by Mr. Northcroft in cross-examination of Mr. Joll).
 93. Wellington Tramways Annual Report, 31st March, 1927 (put in by Mr. Cable).
 94. Omnibus operating-costs for year ending 31st March, 1927 (put in by Mr. Cable).
 95. Year-book of Wellington (put in by Mr. Cable).
 96. Plan of Auckland, 2nd June, 1928 (put in by Mr. Troup).
 97. Plan of Auckland showing suggested boundaries of Auckland (put in by Mr. Bush).
 98. Copy of Greater Brisbane Act (put in by Mr. Bush).
 99. Statistical statement from Waitemata Power Board.
 100. Plan showing suburban areas amalgamated with city (put in by consent).
 101. Bundle of tram-running journals (put in by Mr. Meredith in cross-examination of Mr. Ford).
 102. Large map showing classified roads (put in by Mr. Anderson).
 103. Small maps showing classified road (put in by Mr. Anderson).
 104. File of letters (put in by Mr. Thomas).
 105. Return showing number of local authorities serving on more than one Board.
 106. Thirteen railway time-table cards (put in by Mr. Casey).
 107. 1924 programme of railway-construction (put in by Mr. Casey).
 108. Railway Graphic Time-tables.
 109. Railway Working Time-tables.
 110. Statement of mileage and cost per hour of bus (put in by Mr. Northcroft).

APPENDIX D.

BRIEF DESCRIPTION OF AUCKLAND'S METROPOLITAN DISTRICT TRAMWAY AND OMNIBUS SERVICES.

THE TRAMWAYS SYSTEM.

FROM 1902 till 1919 the Auckland tramways were run by a private company, the Electric Tramways Co., Ltd. In the year 1919 the whole system was purchased as a going concern by the Auckland City Council. It is an electric tramway system. Since the 31st March, 1924, the whole of the electric energy required to propel the system has been purchased from the Auckland Electric-power Board.

The tramways now serve some 32.6 miles of route, of which 31.5 miles are double track and 1.1 miles single track. The routes run through the districts controlled by seven different local bodies, 61 per cent. of the route-length being within the city. The track-gauge is 4 ft. 8½ in., with tracks at 10 ft. 8½ in. centres.

The standard construction for the permanent-way is a cross-sleeper construction on scoria ballast, but there still remain some considerable lengths of old concrete stringer and original sleeper construction. Rails were originally of 92 lb. section but all recent work has been laid with 110 lb. at 112.6 lb. rails. The track-surface is paved in bituminous macadam.

Power at 550 volts D.C. is supplied by 3/0 gauge copper-alloy trolley-wires suspended over each track on insulated hangers, either by span wires of 7/12 galvanized steel supported by side poles or by centre-poles and cross-arms. It is intended that this latter type of construction be eventually replaced with span wire construction. The poles are of tubular steel and Australian hardwood.

The system operates 206 cars, all of which are of the double-entrance closed type, and mostly bogie cars. The latest type of car is 44 ft. 4 in. long by 7 ft. 6 in. wide, and accommodates fifty-two seated passengers and thirty-eight standing. This class of car is equipped with four 35 to 40 horse-power motors arranged for series parallel control.

Two car-depots are in use—namely, a suburban depot at Epsom, with a capacity of 100 cars, and a city depot at Gaunt Street, with a capacity of 126, and sufficient vacant land for extending to a capacity of 168 cars. This latter depot is very conveniently situated for broken-shift and special-traffic cars.

A modern workshops and stores is maintained at Mount Roskill, where repairs of all kinds are carried out.

The tramway services at present operated by the department are as follows:—

- | | | |
|--------------------|----|---|
| 1. Remuera Road | .. | From city via Beach Road, Parnell, Newmarket, and Remuera Road to terminus at Upland Road. 4.51 miles. |
| 2. Victoria Avenue | .. | From city (Wellesley Street) via Symonds Street, Khyber Pass, Newmarket, Remuera Road, and Victoria Avenue to terminus at Shore Road. 4.69 miles. |

3. Great South Road	..	From city via Anzac Avenue, Symonds Street, Khyber Pass, Newmarket, and via Great South Road to terminus at Wairakei Road. A loop for race traffic is provided on this route at Woodbine Avenue. 5.06 miles.
4. Onehunga	..	From city (G.P.O.) via Queen Street, Symonds Street, Khyber Pass, Newmarket, and via Manakau Road through Epsom, One Tree Hill, Mount Roskill, and Onehunga to terminus at Mangere Bridge. 7.5 miles.
5. Mount Eden	..	From city (G.P.O.) via Queen Street, Wellesley Street, Symonds Street, and Mount Eden Road, through Mount Eden district to terminus at Balmoral Road. 3.47 miles.
6. Dominion Road	..	From city (G.P.O.) via Queen Street, Wellesley Street, Symonds Street, New North Road, and Dominion Road, through Mount Eden district to terminus at Balmoral Road. 3.56 miles.
7. Edendale	..	From city via Queen Street, Wellesley Street, Symonds Street, New North Road, and Edendale Road, through Mount Albert district to Calgary Street. A loop for sports traffic is provided on this route at Eden Park. 4.27 miles.
8. Mount Albert	..	From city via Queen Street, Symonds Street, and New North Road, through Mount Albert district to terminus at Mount Albert Road. 4.57 miles.
9. Zoo	..	From city via Queen Street, Karangahape Road, Great North Road, Surrey Crescent, and Old Mill Road to terminus at Zoo gates. 3.58 miles.
10. Grey Lynn	..	From city via Queen Street, Karangahape Road, Great North Road, Surrey Crescent, and Richmond Road to terminus at Warnock Road. 3.32 miles.
11. Ponsonby	..	From city (G.P.O.) via Queen Street, Wellesley Street, Hobson Street, Karangahape Road, and Ponsonby Road to terminus at Three Lamps. 2.75 miles.
12. Herne Bay	..	From city via Fanshawe Street, Hobson Street, Victoria Street, College Hill, Jervois Road to terminus at Herne Bay Road. 2.43 miles.

MOTOR-OMNIBUS SERVICES.

With the operation of the Motor-omnibus Traffic Act, 1926, the Auckland City Council was required to take over the following services (as being in substantial competition with the tramway system), at a total cost of £61,507 7s. 3d.

Services taken over by Auckland City Council.

Owner.				Service.
Royal Motor Bus Co., Ltd.	..	..	..	City to— Onehunga, Mangere, Ellerslie, Panmure, Ladies' Mile, Seaview Road.
Mount Eden Motor Bus Co., Ltd.—				
(a) Mount Eden Section	..	..	..	Mount Eden, Three Kings, Waikowhai Park.
(b) G.O.C. Section	..	..	..	Blockhouse Bay, Hutchinson Avenue, Smith Street, New Lynn, Glen Eden, Oratia, Ferndale, Henderson, Te Atatu, Rosebank Road, Avondale.
Hiatt, R. H.	..	..	..	With G.O.C.
Loregan, M.	..	..	..	Ponsonby.
Gallagher and Sterling	..	..	..	Point Chevalier.
Harris, Iddison, and Gaddis (trading as Reliance Bus Service)	..	..	..	Point Chevalier.
Peat and Mulligan	..	..	..	Golf Links, Dominion Road, Mount Albert Road.
Gustaffsen, G. H.	..	..	..	Parnell.
Bell Bus Co., Ltd.	..	..	..	Panmure.

At the present time the services being operated in the Auckland Metropolitan District are as follows;—

Bus Services operated May, 1928.

Licensee.	Licensed for Service.		Omnibus used.
	From	To	
Auckland City Corporation Tramways	Auckland	Point Resolution	83
	Auckland	Sea View Road	
	Remuera Post-office	Orakei Road	
	Auckland	Buckland Road	
	Auckland	Waikowhai	
	Mount Eden tram terminus ..	Boundary Road	
	Dominion Road tram terminus	Mount Albert Road and Golf-links	
	Auckland (Surrey Crescent) ..	Smith Street	
	Auckland	Kelston (New Lynn)	
	Auckland (Surrey Crescent, Civic Square)	Henderson	
	Auckland (Civic Square, Surrey Crescent)	Glen Eden	
	Civic Square	Oratai	
	Auckland (Civic Square) ..	Rosebank Road	
	Edendale tram terminus ..	Richardson Road	
	Zoo	Herne Bay	
	Auckland	Richmond Road	
	Auckland (Civic Square, Surrey Crescent)	Point Chevalier	
Crawford, F.	Mount Albert tram terminus ..	Blockhouse Bay (two routes) ..	3
	Mount Albert tram terminus ..	Hutchinson Avenue	
	Auckland	Howick	
Grieves, L. W. G.	Pitt Street	Hospital	3
Keys, L. J.	Auckland	Kohimaramara and St. Heliers ..	14
Passenger Transport Co., Ltd	Auckland	Otahuhu via Mount Wellington ..	24
	Auckland	Otahuhu via Great South Road ..	
	Auckland	Papatoetoe via Mangere	
	Auckland	Papatoetoe via Great South Road ..	
	Auckland	Napping's Corner (East Tamaki) ..	
	Auckland	Panmure	
	Auckland	Bucklands Beach	
Taylor, W. E., and Son	Auckland	Te Papapa	3
Tolhurst, H. H.	Auckland	Titirangi	1
Wheeler, W. J.	Auckland	Pukekohe	2
	Auckland	Penrose	
			133

The route served by the foregoing services is as follows: The Corporation bus services extend over some forty-three miles of route, and in addition run over some seven miles of tram route *en route* to the outer areas, this being principally at peak-loading periods; between peak-loading periods most of the routes run as feeders to the tram system. The services conducted by private owners and companies run over some forty-nine miles of route not served by trams, and in addition over sixteen miles on which tram-tracks are laid, and over four miles served by Council buses. Buses in the Auckland Metropolitan area therefore run over routes totalling 119 miles.

The general equipment and construction of motor-omnibuses is now governed by regulations under the Motor-omnibus Traffic Act, 1926. The inspection of buses is carried out by the Public Works Department, the District Engineer at Auckland being the Inspecting Officer, and the No. 1 Licensing Authority requires his certificate before granting a license for any motor-omnibus.

The attached map of the district shows the tramway and bus routes described in this appendix.

APPENDIX E.

CHARGES OF MALADMINISTRATION AND INEFFICIENCY AGAINST CITY COUNCIL.

CHARGES RELATING TO ADMINISTRATION.

1. *It is alleged that the City Council in the period 1st April, 1921, to 31st March, 1927, spent large and unnecessary sums on the renewal and reconstruction of tracks which, in the year 1919, Mr. William Ferguson had reported on as being generally in good condition.*

ANSWER.—At one point this charge is connected with charge No. 1 under the heading "Financial." The argument is that if Mr. Ferguson's report is not correct on the point, then the charge that the City Council paid too high a price for the system is sustained, whilst, on the other hand, if Mr. Ferguson's report is taken to be correct this heavy expenditure on track-renewals and reconstruction cannot be justified. It is proved that in the period under review the Council spent a total of £197,255 under the headings described above. It is proved to our satisfaction—firstly, that this expenditure includes the cost of relaying substantial parts of the track in a more permanent and satisfactory form. The pre-existing unsatisfactory method of using longitudinal concrete sleepers was departed from, and the new work was done with timber cross-sleepers. Secondly, this work was co-ordinated with the Council's general policy of adopting modern and more costly methods of paving roads to meet the requirements of modern vehicular transport. Thirdly, there is no inconsistency between Mr. Ferguson's report in 1919 that the system, including the tracks, was in good condition as a going concern, for a system in the seventeenth year of its existence, on the one hand, and the subsequent expenditure, commencing in 1923, of the sum of £197,255 on the other hand. It is noteworthy that the Wellington tramway authorities during the same years spent £196,009 under the above headings on their tramway tracks, and this must be considered in conjunction with the admitted fact that the Wellington tramway system is soundly organized and administered, while at the same time it is several years newer, and only uses 3 ft. 6 in. gauge of tracks, as against 4 ft. 8½ in. in Auckland.

We find that the evidence adduced in relation to this complaint establishes no charge of maladministration against the City Council. On the contrary, we are of opinion that the work was well done in pursuance of a sound policy.

2. *That an extravagant and unjustifiable policy was pursued in abandoning the Ponsonby Depot, and erecting the Gaunt Street Depot, partly in substitution for Ponsonby and partly for other purposes; furthermore, that the estimates of saving and reform on which the work was undertaken are shown to be erroneous; and, thirdly, that the consequent expenditure cannot be justified by results.*

ANSWER.—The evidence and our own observations justify us in saying that the policy was a sound one. It was recommended by the Tramways Manager, Mr. Ford; the recommendation was approved by the Tramways Committee, and work sanctioned by the Council. Mr. M. Cable Manager of the Wellington system, expressed the opinion that the change-over was a wise policy, and necessary as an adjunct to greater running efficiency, increase of car-mileage, and ultimate economy of operation. (See Mr. Cable's evidence on page 192B of the Book of Evidence.)

Cross-examination of the Manager of the tramways did reveal error in the estimates on which the saving of revenue to be effected by this work were put to the Council originally. We have been carefully into these and are of opinion that they do not materially affect the question.

As to the third paragraph of the charge, we are of opinion that this work stands completely justified by its results. The existence of the Gaunt Street Depot in its present locality, and according to its layout, would convince any tramway expert of the wisdom of the policy, and we are of opinion that no person with any knowledge of tramway matters would have pursued the question that occupied a great deal of our time under this heading. The existence of the building as it now stands is an important factor in the better handling of the tramway traffic, particularly in relation to the regular and periodical peak-loading periods; whilst the facilities it affords the clerical staff and the traffic employees are most important factors in having procured the present high standard of efficiency and contentment on the part of these workers.

3. *That prior to the advent of bus competition the service was inadequate and the rolling-stock insufficient; the service being a subject of general public condemnation, and a cause of irritation and hostility.*

ANSWER.—The truth of this allegation was proved, and under most of its headings, if the period is fixed at 1922 and early in 1923, it was not seriously contested by the City Council's representatives. We beg leave, however, to refer Your Excellency to our remarks under the heading of the history of the system on pages 9 to 18 of our report, and to add the fact that the present Manager took charge in April, 1922, after the illness and death of the previous manager. The facts constitute, in our opinion, not an indictment of the present tramway administration, but a striking statement of the chaotic state of affairs under which they assumed control, and out of which they have evolved the present high state of efficiency.

Inevitably, at the hearing before us, when a witness expressed indignation and resentment at tramway treatment, he harked back to the years 1922 and 1923 when asked for a specific instance. The whole of the attack under this heading illustrates the spirit against which the tramway administrators have had to bring about reforms and improvements. They have done good work for the benefit of the public as a whole, but it has been done in spite of rather than with the help of a section of the community.

4. *It needed the bus competition to awaken the city to the public needs, and when the Council was in this way forced to make tardy reforms it sought to fortify its position by unjust legislation to enable it to crush bus competition.*

ANSWER.—It is true that the advent of the bus competition and the ability of the City Council to procure material, equipment, and tram-cars approximately coincided in time. The same economic

and trade revival that released tramway equipment and materials released the motor-buses. The first part of this present complaint is therefore an excellent example of the fallacy *Post hoc, ergo propter hoc*. The references here made to the Motor-omnibus Traffic Act are possible only from those who view the world-wide battle between trams and omnibuses from the point of view of its effect on their own city, their own suburb, their own street, and in some instances their own rural road and village service. Some of the criticism levelled in this city against the Motor-omnibus Traffic Act—a General Act of the Legislative Assembly—is as ill-informed and unreasonable as would be consideration of a main-trunk-railway scheme from the point of view of its destructive effect on an individual's kitchen-garden. In so far as the foregoing criticism is uninformed it must be regarded by us as negligible; in so far as it is based on complete information it seems to us to be merely carping.

5. *When the city obtained power under the Motor-omnibus Traffic Act, it expropriated the private-bus owners, and discontinued certain routes, to the detriment of suburbs and localities that had come into being or had developed under the stimuli of transport facilities.*

ANSWER.—This charge can, as to each fact, alleged or implied, in it, be said to be proved by the evidence, but we cannot associate ourselves with the method of stating it or the inferences drawn from the facts. It is a partisan point of view, and excludes all facts from all other points of view. In the form in which it was presented to us it begged the real question which we must consider: that question is, Did the City Council discontinue any services which should have been continued, judged by the standard of financial success proper to a local body operating a public facility? We are of opinion that it is not proved that the City Council did so. It discontinued many services that it took over, but inquiry satisfies us that the private owners who had run such services up to the time at which the city took them over were, as a rule, either bankrupt or nearly so, and that the City Council firstly tried the services out, and secondly conferred with the local residents, before they discontinued services. We are quite satisfied that many expectations in the semi-rural and rural districts that had been served by private buses were and are quite hopeless. We are satisfied that there have been many cases of hardship of the kind indicated in this charge, but we are also satisfied that some of the disappointments are due, not to unreasonable cutting-off of services by the City Council, but to unreasonable demands and expectations by residents in the outlying districts. A typical example is that of a witness who appeared before us. Under cross-examination he admitted that he went out to his suburb five years ago, when the only means of communication was the suburban railway. Under those conditions he built his home, and for a year or two travelled to and from the city by train. Later, a private motor-bus service ran from his suburb, and in doing so buses ran past his door. The City Council, on taking it over, changed the route, and now he has to walk about 400 yards to catch his bus, which carries him nine miles into the city. Asked what his grievance was, he said it was because he had to walk a quarter of a mile to catch the bus. (See page 164 of the Book of Evidence, and pages 234 and 255 in the Notes of Evidence.)

6. *That even if the Motor-omnibus Traffic Act, 1926, can be justified by the necessity for protecting the trams, the City Council was by at least two years too late in seeking to get this legislation, with the result that in the meantime private enterprise had established itself, and the routes thus built up had to be bought out at heavy expense, and in the process those districts which had come to rely on private enterprise have received a serious setback.*

ANSWER.—This objection was best put by Mr. Thomas Bloodworth. For a clear and temperate expression of this charge we refer to his evidence on page 117 of the Book of Evidence. We have referred already to this matter on page 32 of our report. It is, we think, purely an *ex post facto* objection. Under cross-examination Mr. Bloodworth admitted that he, having been apprised of Mr. Bush's and Mr. Ford's warnings, did not move in the matter. It is, in our opinion, doubtful if anybody could, in 1924–25, have successfully moved Parliament on the strength of expert prognostications of what was to come.

7. *That an injustice has been done through the City Council being at one and the same time the owner and operator of bus services and the licensing authority which is required by sections 5, 6, and 7 of the Motor-omnibus Traffic Act to exercise judicial discretion in the issue of licenses.*

ANSWER.—We have already dealt with this matter on pages 34 and 35 of our report. All we have to add is that the belief is firmly held in Auckland that this Act was and is the special instrument of the Auckland City Council, and was enacted solely on considerations relating to the Auckland City Council. This belief has made its contribution to the atmosphere of mistrust which prevails in Auckland.

8. *That the City Council broke faith with the Mount Eden Borough Council by (a) refusing to go on with a bargain involving mutual duties and expenditure, after the borough had carried out its part; and (b) by introducing, without prior notice or discussion, a new and onerous covenant into the relative deed of delegation; and, further, that the City Council aggravated this breach of faith by subsequently wrongly ascribing its refusal to carry out its part of the bargain to the borough's hesitation to sign the deed of delegation.*

ANSWER.—This has already been dealt with on page 24 of our report. The City Council, in our opinion, gives no effective answer to this charge, and we consider it substantially proved.

9. *That the City Council broke faith with the local bodies to which it had made promises, and also with its own ratepayers, by diverting moneys raised for specific purposes to other purposes, this diversion being at the same time the culmination and the result of the before-described breach of faith with the Mount Eden Borough Council.*

ANSWER.—The City Council did raise, *inter alia*, a sum of £280,000 for certain proposed capital works, as part of a tramway development scheme (see page 35 of the Book of Evidence). The component parts of the scheme were made known to the ratepayers, and mutual interdependent schemes of expenditure arranged with the Mount Eden Borough Council. The ratepayers sanctioned the loan,

and the money was borrowed, and the city did divert the money so raised to other purposes. The reason for the change of policy was fully explained. Between the time the scheme was formulated and put before the ratepayers and the point of time at which the money was raised and ready to be spent the whole aspect of the city's transport affairs had been changed by the advent of motor-bus competition. It was in these circumstances that the Tramway Committee, and the Council on its recommendation, decided that it would be unwise to go on with the tramway extensions which constituted the basis of the reciprocal arrangement with Mount Eden. This decision seems to have been wise, or even unavoidable; the position was urgent and unprecedented. The criticism offered to the course the city took as between it and its own ratepayers is obvious, but no alternative suggestion as to what the city should have done was put forward that seemed to us adequately to meet the position. That point, however, was not then, and is not now, before us. The charge we are considering is based on the fact that the city representatives did not promptly and candidly seek conference with the Mount Eden representatives, to give them the first opportunity of knowing of the change of policy, and an invitation to explore policies of mutual rearrangement. We consider that this charge is proved.

CHARGES RELATING TO THE WORKING OF THE SYSTEM.

1. *The officers of the City Council, in endeavouring to operate such bus services as they have undertaken, have been deficient in their powers of adaptation, and have in effect tried to run bus services according to tramway traditions and methods: e.g., buses in outlying parts stop at fixed, predetermined stopping-places only, and drivers of buses are not permitted to make simple engine adjustments and repairs, or even to replace punctured tires.*

ANSWER.—We are of opinion that no ground for serious complaint against the City Council was established under this heading. As to the first point, we are of opinion that a tramway training is a good training for a staff intended to take up omnibus transport. In large combined tramway and omnibus services operating in other cities it is and has been a standing rule that no man is employed in the omnibus branch until he has had training in the tramway branch, and the same administrative officers run both services without trouble. With regard to specific complaints, it is certain that in an organization as large as the Auckland City Tramways, with approximately twelve hundred men carrying out the policy of the management and in touch with the public, there will in the course of a few years be numerous instances that would seem to lend weight to such charges. The evidence established some incidents that the tramway administrators would regret and condemn as thoroughly as did the witnesses. The management organizing a new branch of the service might reasonably expect co-operation of the travelling public when experience suggests improvements, but witness after witness, in answer to questions put to him, admitted that he never made a complaint or a suggestion relating to these matters, to the tramway authorities. Only one witness gave an instance of a grievance concerning which he had made complaint, and his evidence was that he was courteously received. Here again the prevailing spirit is the chief ingredient in the trouble. Grievances were experienced by passengers who were not well disposed towards the system, and they refrained from giving the management the ordinary chance of benefiting by the experience of passengers in such matters.

The allegation that drivers of buses are not permitted to make simple engine adjustments and repairs was disproved by the evidence, the Manager quoting the text of regulations which are in force directing and assisting drivers in such matters. In the matter of more serious repairs, it was made clear to us (and this fact must be known to any controller of large services of this kind) that the line of demarcation between drivers and mechanics must be preserved as an element in industrial agreements, and the management must know and face difficulties of which the average passenger knows nothing. A practical result of this is that a driver cannot be given a kit of tools.

Evidence was further given of an effective system of repair and relief vehicles at convenient depots, in accordance with a recognized practice of similar services in other parts of the world. An authority controlling a dual system on a big scale with a large classified staff cannot adopt the methods of a small private concern, any more than a large city departmental store can receive cash and give change as promptly as the proprietor of a small country store. Complaints such as those now before us come chiefly from a section of the public that neither knows nor cares about such considerations.

2. *The City Council, in shaping its policy as owner of buses and trams, and in preparing accounts and records, to show relative results of each class of transport, has unduly favoured the trams, and has consciously or unconsciously discredited the bus returns; and in this connection the allocation of revenue from concession tickets between buses and trams has been effected on a basis unfair to the buses.*

ANSWER.—We are satisfied that the tramway administrators have not consciously endeavoured to discredit the buses. If we are to deal with the question of unconscious bias in the matter, we are of opinion that, in view of the facts that the men were originally and chiefly a tramway staff, that the tramways are run profitably while the omnibuses are unprofitable, and that all the difficulties and complications of the past few years are traceable to the addition, voluntary and involuntary, of an omnibus branch to their service, they would obviously be something more than human if any unconscious bias in their minds were not towards the tramway service. We are, however, satisfied that they have acted honestly in preparing and presenting the accounts and records to show the relative results of each branch. The evidence tendered to us, however, satisfies us that the apportionment of the revenue from concession and commutation tickets between trams and buses up to date cannot be accepted as approximately accurate. The correct apportionment is not an easy one, but the methods disclosed in the cross-examination of the department's staff witnesses show that improvements can and should be effected. Some of the apportionments are made on an arbitrary basis, and more could have been done from time to time to check this by actual results. Further, the evidence of a witness from Point Chevalier (page 174 of the Book and page 245 of the Notes of

Evidence) throws much doubt on the department's allocation between trams and buses. The results of a wrong apportionment are obvious, and they were stressed by the witnesses in question. As long as the controlling authority may be called upon to refuse services because they are non-paying, or to refuse increases of other services on the same ground, they must take every care to see that the apportionment of the revenue is as fair and accurate as it can be made, for that is the basis of the whole argument. In a field where there is so much unreasonable suspicion and mistrust it is more than usually unfortunate that a genuine ground should be disclosed.

3. *In connection with the City Council's bus accounts insufficient records have been kept to enable the tramway authorities to ascertain even approximately the cost per mile of running the buses. The result is that when services are discontinued or new services refused, the city's tramway advisers are acting either without sufficient information or on inaccurate information.*

ANSWER.—The whole question of bus costs is one of the most difficult of those unfolded to and discussed before us. We examined in detail the published accounts of the Auckland City Council and the Wellington City Council on the basis of the established cost per mile of bus services, and the managers of those services were examined and cross-examined. We examined the managing directors of two private services—namely, Mr. Spencer, of the Passenger Transport Co., Ltd., Auckland, and Mr. Thos. Smith, of the Birkenhead Bus Co., on the North Shore, Auckland. We examined comparative tables of the bus-mile costs in English and American publications, and the only thing established is that such a contrariety of results was disclosed that no definite conclusion can be drawn from them, other than every individual service must be considered in relation to its own peculiar circumstances. We think that more could be done in the way of segregating routes by the controller of the Auckland system, and it is desirable that this should be done; but, taking all circumstances into account, we cannot find that any serious charge is established against the tramway authorities under this heading. This matter is further discussed under charge No. 6 (*infra*).

4. *When, by reason of public discontent, and a demand amounting almost to a clamour at times for a reinstatement of service, the city adopted a suggestion from a Public Works officer in Wellington for an empirical and unduly high sum of 18d. per bus-mile, it required the outside local bodies and other applicants for better treatment to give a guarantee of 18d. per bus-mile before such reinstatement or new service could be considered.*

ANSWER.—We are of opinion that this sum of 18d. per bus-mile was adopted without sufficient inquiry, and that as applied to every service, independent of its peculiar circumstances, it cannot be justified as the basis of an expected guarantee from local bodies and residents. The manager of the system, Mr. Ford, in his evidence, said the city was prepared to run services if it was sure of a return of 14d. per mile, and even less if there were a reasonable prospect of increase or the presence of a collateral advantage. The adoption of this figure of 18d. and the use made of it in negotiating with local bodies has, we are satisfied, been a very large contributing factor to the discontent and mistrust, and we are of opinion that it cannot be justified. In his closing address, counsel for the City Council said that the management coupled with the above offer a request for a counter-offer. This may be so, but we cannot find any evidence on the point.

5. *That a comparison of fares charged with distances run will show anomalies, even when the comparative figures relate to one route only: for example, fares were quoted showing that a fare of 2s. would be charged for a certain distance from a given point, whilst to travel two miles further from that point the fare would be 1s. 3d.*

ANSWER.—The facts on which this charge is based were proved, but we cannot associate ourselves with the inference that it was sought to draw from them. It must be remembered that fares are fixed on different bases. Firstly, there are the cash fares, and for these there are at least two bases—namely, the cash fare for a single section, and the cash fare for subsequent sections. Then there are trip concession tickets for trams, and trip concession tickets for buses; there are workers' concession tickets, and family commutation tickets; there are special fares for through services, designed to carry passengers for the full journey and discourage passengers from using a vehicle on the early stages of its journey. These various bases are chosen on good policy reasons which are axiomatic to all tramway administrators. It is a mathematical certainty that a person ignoring these reasons, and concentrating his attention on amounts and distances only, can see anomalies; and yet this childish occupation and result was solemnly put before us by a witness, only to have the fallacy of his argument immediately exposed by cross-examination. Again, in view of the large number of services taken over and organized by the tramway authorities in the last two years and a half, it could only reasonably be expected that in applying these numerous fare bases to its routes there would be anomalies. Where they exist they have probably contributed to the feeling in the outlying suburbs against the tramway administration. But here again, whenever we asked witnesses, "Did you point this out to the tramway authorities?" the answer was invariably "No, I did not think it worth while"; or, "It is no good doing so."

6. *The cost per bus-mile of motor-omnibus running by the City Council is so high as compared with the figures of other operators that it leads to the necessary conclusion that either the administration or the system of accounting is untrustworthy, or that both are inefficient.*

ANSWER.—We are of opinion that this charge is not established. We beg to refer Your Excellency again to answer No. 3 (*supra*) of this section. For the years 1927 and 1928 the City Council costs per bus-mile are shown as 19·42d. and 18·88d. respectively. For the same period the corresponding figures of the Wellington authorities were 17·55d. and 21·75d. respectively. On pages 639 and 640 of the Municipal Handbook of England and Wales, 1927, the published results of seventy-four municipal authorities show costs per bus-mile ranging from 3·47d. to 15·93d. Mr. Spencer, managing director of the Passenger Transport Co., Ltd., which runs a line of private buses from Papakura and intervening points, gave evidence before us, and produced the accounts of his company,

and a series of cost records, which are shown on pages 130 to 133 of the Book of Evidence. These figures show that the company calculates its costs per bus-mile for a period of five months at 10-7d. per mile. We also had before us Mr. Thomas Smith, who gave us information concerning the running of the Birkenhead Motor-bus and Transport Co., Ltd. On pages 234 and 235 of the Book of Evidence he is recorded as saying, "Our vehicles were run over rough roads, but were driven by careful, capable drivers, and were kept in first-class order by experienced mechanics. Our total operating-costs have run as high as 2s. 3d. per mile, but the average for twelve years is about 1s. 11d. . . . A town service could be run much cheaper than ours, and I should estimate the total cost at from 1s. 3d. to 1s. 8d. per mile, but the cost would depend on the class of vehicle used, the road conditions, the number of stops per mile, the proportion of peak load to average load, the cost of benzine, &c. Pirate services cater for all passengers offering at all times. The peak load is unprofitable if adequately catered for."

A comparative examination of all the figures we have referred to establishes the fact that the figures put forward by the Passenger Transport Co. are about the lowest we have to consider—certainly the lowest New Zealand figure. We have already, on page 29, referred to three features in the running of this company which give it an advantage over the City Council, and we beg leave to call attention to these again. In addition there are a further three most important factors in favour of the lower costs of the private company: Firstly, it pays wages at a lower rate and provides for a lower standard of comfort for its employees on and off duty; secondly, it does not have to meet the more stringent labour conditions required to meet broken shifts, spread of hours, and limits between meal reliefs which a larger service must face as a result of the Arbitration Court awards; thirdly, the proportion that vehicles required to be held in reserve for peak loads bears to the whole fleet is much lower than that carried by the City Council, and this is quite an appreciable factor in the cost per mile, for interest, sinking fund, and depreciation charges are running over the whole fleet twenty-four hours per day. Then, again, there is another important matter to be borne in mind in making this comparison with the city's figures, which relate to the whole period of their bus operations. The Passenger Transport Co. had, at the time the manager appeared before us, been in operation for about two years and three-quarters. The figures presented to us related to five months only, and they were prepared for the purpose of this hearing. There is implied no inference of unfairness or other unworthy motive against those who produced this evidence, and we certainly make no such express statement when we say that the facts we have just called attention to sadly discredit the figures. No auditor of repute would base any certificate or inference on the figures for five months out of a period of thirty-three months. If an investigation were being made for the purchase of this company, and its costs per bus-mile had to be established as the basis of verification of past earnings or of expected future profits or operations, any competent accountant or auditor would refuse to pronounce any finding much less give a certificate on the figures of a short period, worked out to an average. This aspect of the matter will be found to be emphasized in all standard works on accounting and auditing in relation to investigations for such purposes. We would refer briefly to Dicksee (the leading English authority) on Auditing, 5th edition, page 124, where he says, "Tram statistics for a short period will be of little value to the auditor as a general check upon the satisfactoriness of affairs, but the statistics of longer periods may prove most useful if intelligently applied." Montgomery (the standard American author), on page 511 of his work "Auditing Theory and Practice," says, "As a prospective purchaser wishes to know absolutely all that is possible about the past, it is useful to verify the earnings for as many years back as time will permit. Three years would be a minimum." We hold that no basis has been established on which to ground the present charge.

CHARGES RELATING TO FINANCIAL MATTERS.

1. *The City Council paid too great a price for the tramways, with the result that the citizens of the metropolis, as tram-users, have had to pay inflated interest and sinking-fund charges.*

ANSWER.—There is no ground whatever for this charge. The City Council bought on the report of one who is recognized throughout this Dominion as a competent, trustworthy authority, Mr. William Ferguson, M.Inst.C.E. There was not a scintilla of evidence in support of the present charge.

2. *That the City Council later threw away the ratepayers' money by the sale to the Auckland Power Board, at a heavy loss, of the Hobson Street Power-station.*

ANSWER.—There is nothing at all to substantiate this charge. In carrying out a policy of concentrating its electrical generating plant and resources, this power-station had been lying in disuse, and it was after this that the sale to the Auckland Power Board was effected. We are satisfied that in the transfer of this property to another public Board the city made the best bargain possible in the circumstances.

3. *During the period of track-reconstruction, 1923 to 1926 (inclusive), the City Council charged to its Revenue Account large sums of money which were admittedly in the nature of capital expenditure and should have been spent out of loan-moneys. The gravamen of this charge is, firstly, that this method enabled the Council to spend money on new construction without reference to the ratepayers, who should be called upon to sanction such works, and consequently that by charging such sums to Revenue Account the profits for the period were understated, thus requiring the users of the trams to find more revenue than was truly necessary.*

ANSWER.—The facts embodied in this charge were proved. The inference drawn, and making the basis of the charge, is in our opinion unjustifiable. It is, in our opinion, well established that it is a wise and prudent course for the operators of a public utility to put the profits available after running an efficient service back into the undertaking, and thereby do works which would either be left undone or necessitate the raising of further loans. It might have been blameworthy in the present instance if it could be shown that unduly high fares were charged to enable this to be done. We hold that there is no evidence of unduly high charges. In the circumstances we think the policy

indicated in the charge was a praiseworthy one. Nothing but a spirit of carping criticism would bring it forward in the present connection.

4. *That the City Council, having acquired the trams, failed to follow the usual and prudent courses of providing a reserve and renewal fund, and instead fixed the amount to be spent in any year according to the amount of cash available for that year, and charged that amount to the Revenue Account.*

ANSWER.—We have already dealt with this, and expressed our opinion on it, on page 22 of our report, and we have nothing to add to that. It is another example of the same carping criticism, which unnecessarily occupied a great deal of time at the hearing.

5. *That the city has made insufficient provision for Sinking Fund.*

ANSWER.—When this charge was formulated in evidence it took the form of an allegation that the rates of annual provision for sinking fund were not sufficient in that their accumulation with interest would not suffice to extinguish their respective loans. This was shown by the figures to be a fact. We do not propose to spend much time or space in answering it. It introduces a policy of perfection as a means of indulging in further carping criticism. A skilled and competent witness was called, and he produced carefully prepared and accurate tables of figures. On page 74 of the Book of Evidence there appear the figures relating to the sinking fund provision. They show that the provision being made will suffice to extinguish entirely the original loans for the purchase of the tramways at maturity, and in addition there is substantial provision for the remaining loans. This witness said (see page 116 of the Book of Evidence) that he agreed that the requirement of a sinking fund that will pay off all loans at maturity is, when applied to a public body, a policy of perfection. He agreed that when the original loans fell due they will be extinguished by the provision that the city is now making, and the undertaking will then have a total indebtedness, on the present basis, of £87,638 only. The city is at present putting aside £37,675 per annum; if it put aside a further £2,045 per annum it would, on this witness's figures, be making a provision that would suffice to extinguish all its debts on maturity. We would consider the time spent on this subject-matter to be time utterly wasted if it were not for the excellent example it affords of the spirit in which a great deal of the controversy has been waged.

APPENDIX F.

TABLE SHOWING BASIS OF PROPOSED REPRESENTATION ON TRANSPORT BOARD.

---			Number of Repre- sentatives.	Area.	Population.	Capital Value.	Unimproved Values.
Area 1—				Acres.		£	£
Auckland City	..	..	22	18,674	99,200	39,922,664	20,930,451
Area 2—							
Mount Albert	..	..	9	2,430	18,715	4,794,496	1,885,146
Mount Eden	..	..	13	1,476	18,945	5,096,138	2,023,138
Newmarket	..	..	10	175	3,230	1,423,374	777,305
			32	4,081	40,890	11,314,008	4,685,589
Area 3—							
One Tree Hill	..	..	7	3,296	6,920	2,474,558	944,321
Onehunga	..	..	10	1,350	10,840	2,425,265	907,146
Ellerslie	..	..	7	735	2,635	643,506	250,345
Mount Wellington	..	..	5	3,296	1,130	790,812	433,401
Panmure	..	..	5	122	295	52,926	30,276
Mount Roskill	..	..	9	5,005	5,375	1,991,427	1,039,279
			43	13,804	27,195	8,378,494	3,604,768

Auckland .. 6 members, or 1 per 3,112 acres, per 16,533 of population, per £6,653,777 capital value.
Group No. 2 .. 2 members, or 1 per 2,040 acres, per 20,445 of population, per £5,657,004 capital value.
Group No. 3 .. 2 members, or 1 per 6,902 acres, per 13,597 of population, per £4,189,247 capital value.

APPENDIX G.

SCHEDULE OF PRINCIPAL CAPITAL WORKS, EXTENSIONS AND ADDITIONS, AND IMPROVEMENTS IN TRAMWAY SYSTEM.

As detailed on pages 88 to 95 of Exhibit 2, "Schedules dealing with Capital Expenditure," the following programme of capital works was carried out, showing that the Council realized and met the necessity for extending and improving services since it acquired the system.

TRACK-EXTENSIONS.

	£	s.	d.
1. In February, 1921, the Anzac Avenue extension of 69 chains, single track, with the Lower Symonds Street duplication of 6 chains, was opened to traffic. This extension, which connected Symonds Street with Beach Road, gave an additional outlet from the city without traversing the areas of congested traffic	17,113	7	3
2. On the 17th June, 1923, the Great South Road extension was opened as far as Market Road, and on the 29th October, 1923, was opened to the terminus at Wairakei Road. This route of 288 chains, single track, opened up an undeveloped residential area and provided transport to the popular Ellerslie Racecourse. For this latter a loop comprising 43 chains of single track was constructed in Woodbine Avenue and Wairakei Road, and opened on the 3rd November, 1923..	67,397	2	6
3. On the 17th December, 1923, the Zoo Extension of 97 chains, single track, was opened. This extension gave direct access to the then newly opened A.C.C. Zoological Park, and besides served the growing residential districts on either side of Old Mill Road. In connection with this work the equilateral single track in Surrey Crescent, Grey Lynn, was converted to double track. This duplication comprised 38 chains of route	16,898	2	9
4. On the 9th February, 1925, the Edendale Extension was opened as far as Parish Road, and on the 2nd March, 1925, was opened out to the terminus at Calgary Street. This route, which comprised 270 chains of single track, opened up a new residential area, which developed with remarkable rapidity during and after the construction of the line. On the 12th September, 1925, a loop from the Edendale line into Eden Park was opened. This loop, of 32 chains, single track, provides excellent facilities for handling the heavy traffic to and from the various sport fixtures held at the park	53,223	12	4

SAFETY-ZONES.

With the rapid increase in density of the vehicular traffic means had to be provided to eliminate the danger to alighting passengers and to reduce the delay to traffic. For this purpose some raised "safety-zones" have been erected at stops in the heavy-traffic areas of the system, at a cost of	2,014	15	5
For additional safety it has been found necessary to light these safety zones at a cost of	426	2	7

CARS.

5. Since the Council acquired the system thirty-six new tram-cars of improved design have been added to the fleet to cope with the natural increase of traffic and to serve districts opened up by extension	123,402	9	5
Total	£280,475	12	3

BETTERMENTS AND IMPROVEMENTS.

Duplications.—When the Council took over the system there were considerable lengths of single track even on the main routes. This produces very unsatisfactory conditions of running, as schedules were of necessity slowed down and annoyance caused to passengers by the frequent waiting at loops. To remedy this condition and to generally improve the efficiency of the running, between the years 1920 and 1925 duplications as follows were carried out:—

	£	s.	d.
7. The Grey Lynn duplication from Ponsonby Road to Harcourt Street was opened, a length of 61 chains	8,148	3	4
8. The Dominion Road duplication, of 27 chains, from Herbert Road to the terminus, was opened	5,284	7	5
9. The Onehunga duplication, of 100 chains, from Royal Oak to Captain Street, was opened	16,430	5	6
10. The Herne Bay duplication, of 34 chains, from Wallace Street to the terminus, was opened	6,525	4	7
11. The Remuera duplication, of 45 chains, from Vincent Road to the terminus, was opened	8,720	4	4
12. <i>Feeders.</i> —To improve running-conditions and reduce the voltage-drop, positive and negative feeders have been laid in many parts of the system, at a cost of ..	28,292	14	7
13. In addition to building new cars, eight cars of an early type were rebuilt on modern lines, at a cost of	13,462	10	0
An improved double destination-sign was fitted to all cars. This shows both destination and route from either side on either end	1,234	0	0
Total	£88,097	9	9

A reference to Schedule appearing as pages 88 and 95 (inclusive) of Exhibit 2 shows that many further works outside those mentioned above were carried out to improve and modernize the service.

APPENDIX H.

SHOWING THE FINAL DEPOSITION OF PAPERS RELATING TO THE COMMISSION.

Exhibit No. 2	Forwarded to His Excellency with the report.
Exhibits Nos. 3 and 4—Orders in Council and deeds of delegation	Returned to the Town Clerk, Auckland.
Exhibit No. 7—large book of drawings and graphs ..	} Returned to the Manager, Auckland Tramways.
Exhibit No. 8—bundle of graphic time-tables ..	
Exhibit No. 40—minutes of conference in Wellington <i>in re</i> motor-omnibus traffic, August, 1925	Returned to Town Clerk, Auckland.
Exhibit No. 52—published accounts of the old Auckland Tramway Co.	Three copies returned to Mr. Rogerson, and the remainder to Town Clerk.
Exhibit No. 68—three copies of monthly journal, <i>Board and Council</i>	Returned to Town Clerk.
Exhibit No. 78—specimen order papers, Auckland City Council	Returned to Town Clerk.
Exhibit No. 107—railway Graphic Time-tables ..	} Returned to Mr. E. Casey, Divisional Superintendent of Railways.
Exhibit No. 108—annual Railways Statement ..	
Maps of Auckland, showing tram and bus routes and population indicators	Returned to Tramway Manager.
Copy letter, Town Clerk, Auckland City Council, to Town Clerk, Mount Eden, <i>in re</i> abandonment of proposed tram extensions	“Tipped in” as page 79A of Book of Evidence.
Warrant of appointment, and enlargement of time	} Contained in a box stored by the Public Works Department at Auckland.
All exhibits not enumerated above ..	
The Chairman’s correspondence ..	
Record of proceedings up to commencement of evidence ..	
Spare copies of miscellaneous exhibits ..	
Press report of proceedings ..	
Three copies of report ..	
Originals of Book and Notes of Evidence ..	} Handed to His Excellency.
Exhibit 2 ..	
Copies of Tramway Trust Act, Queensland, 1922	
Municipal Tramways Trust, South Australia ..	

JOHN S. BARTON, Chairman.

11th June, 1928.

Approximate Cost of Paper.—Preparation, not given; printing (750 copies, including maps), £85 10s.

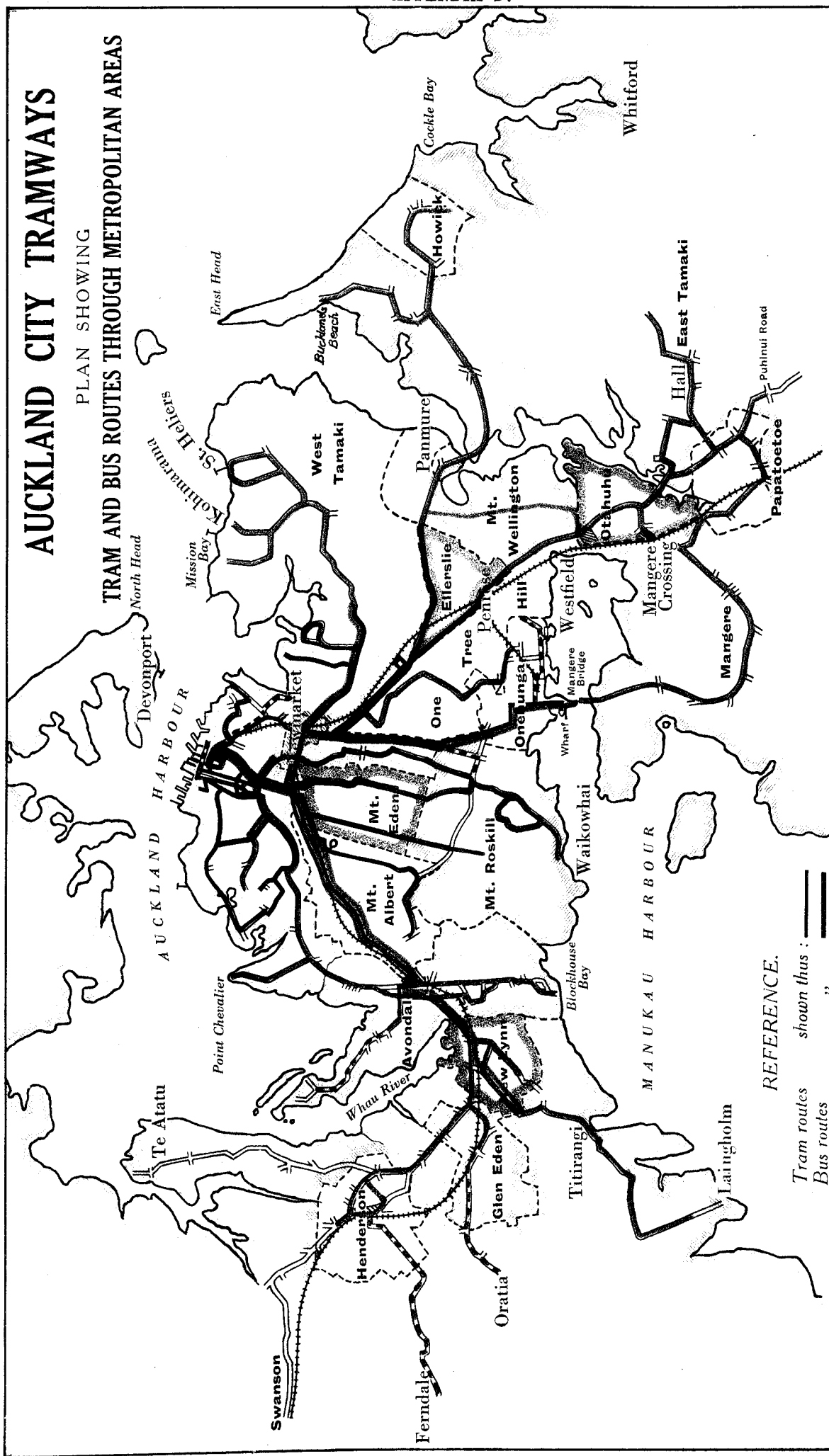
By Authority: W. A. G. SKINNER, Government Printer, Wellington.—1928.

Price 2s. 3d.]

AUCKLAND CITY TRAMWAYS

PLAN SHOWING

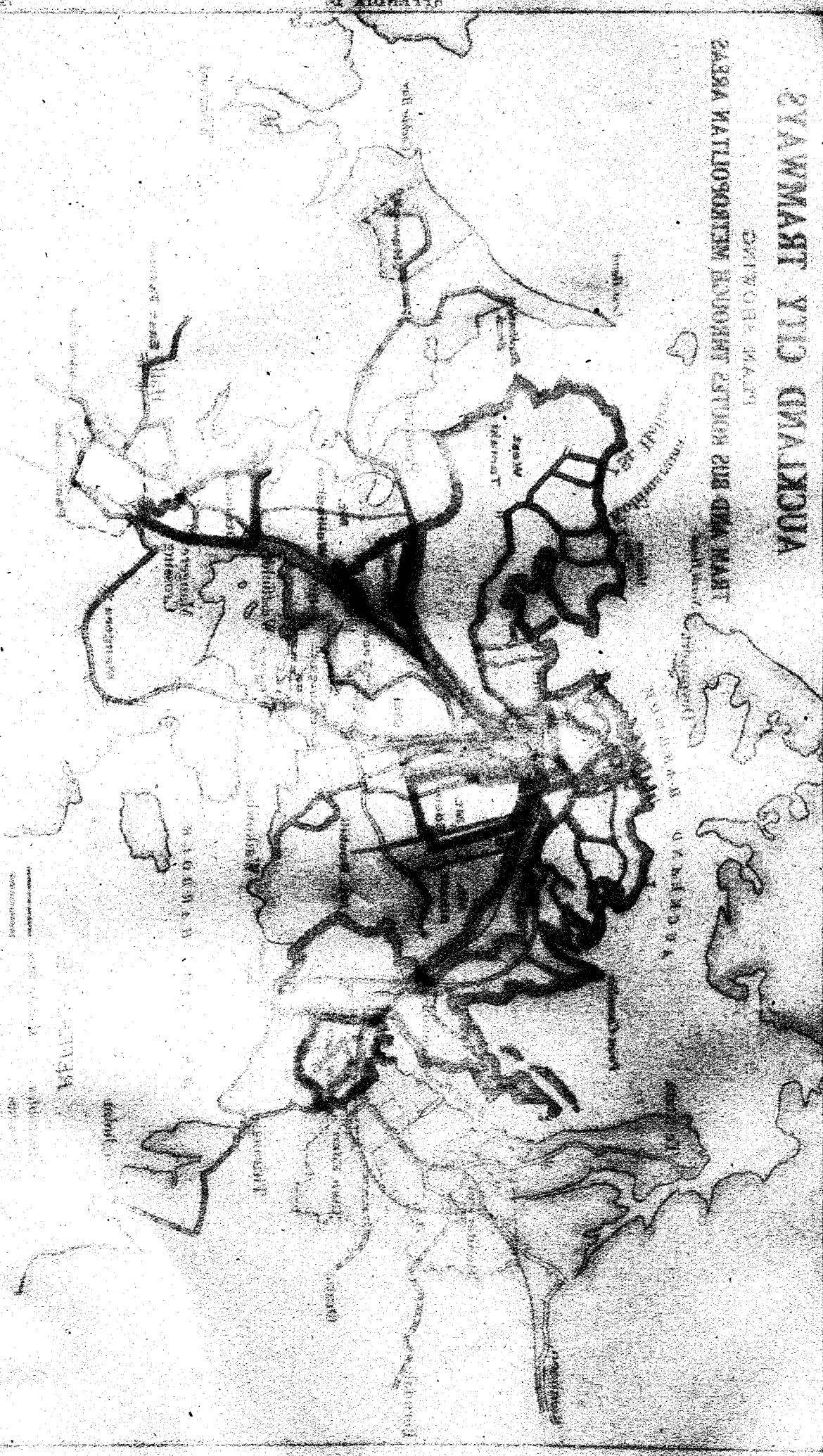
TRAM AND BUS ROUTES THROUGH METROPOLITAN AREAS



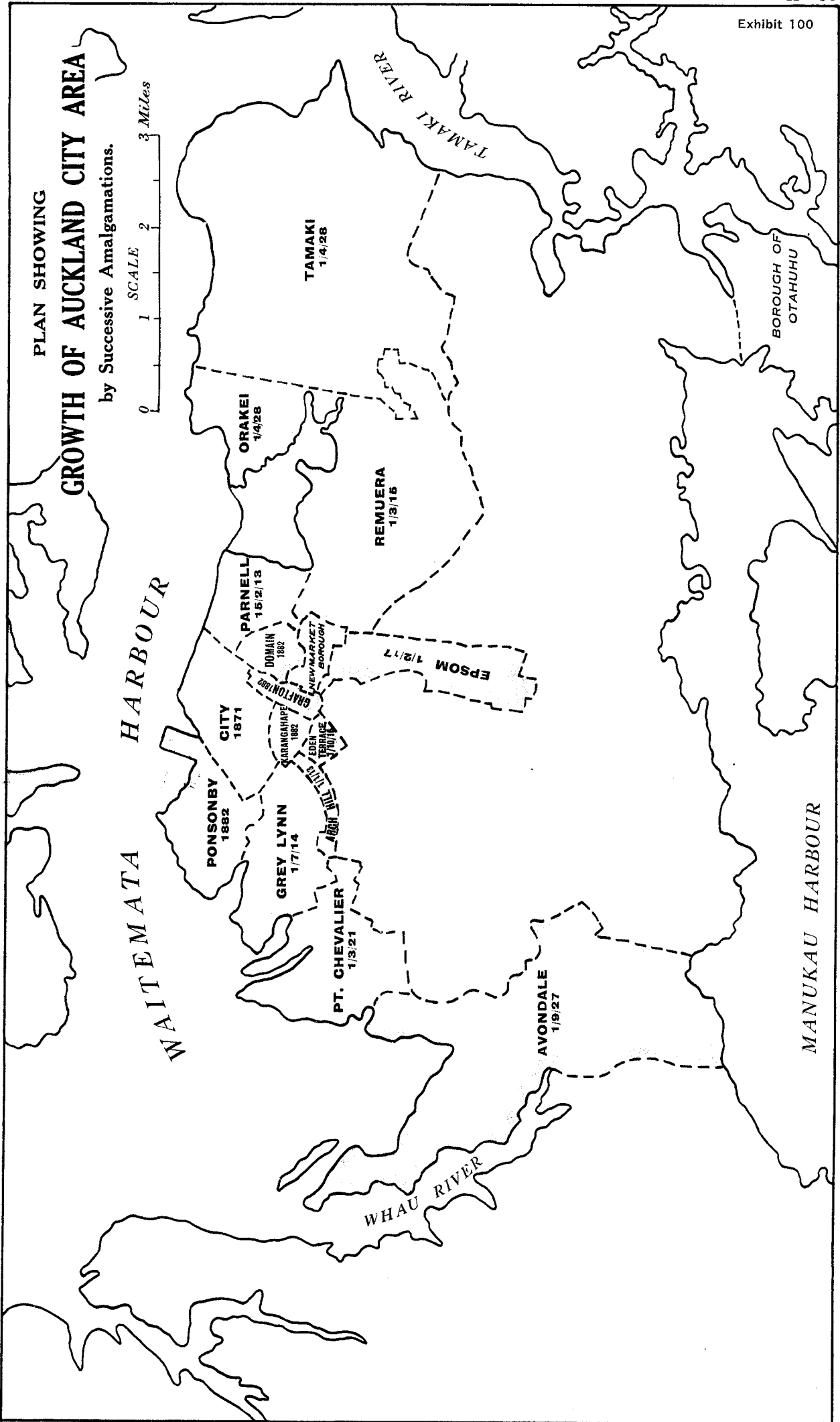
СЪВЪЩАВАНЕ НА НАЦИОНАЛНОТО СЪБЪЩАВАНЕ

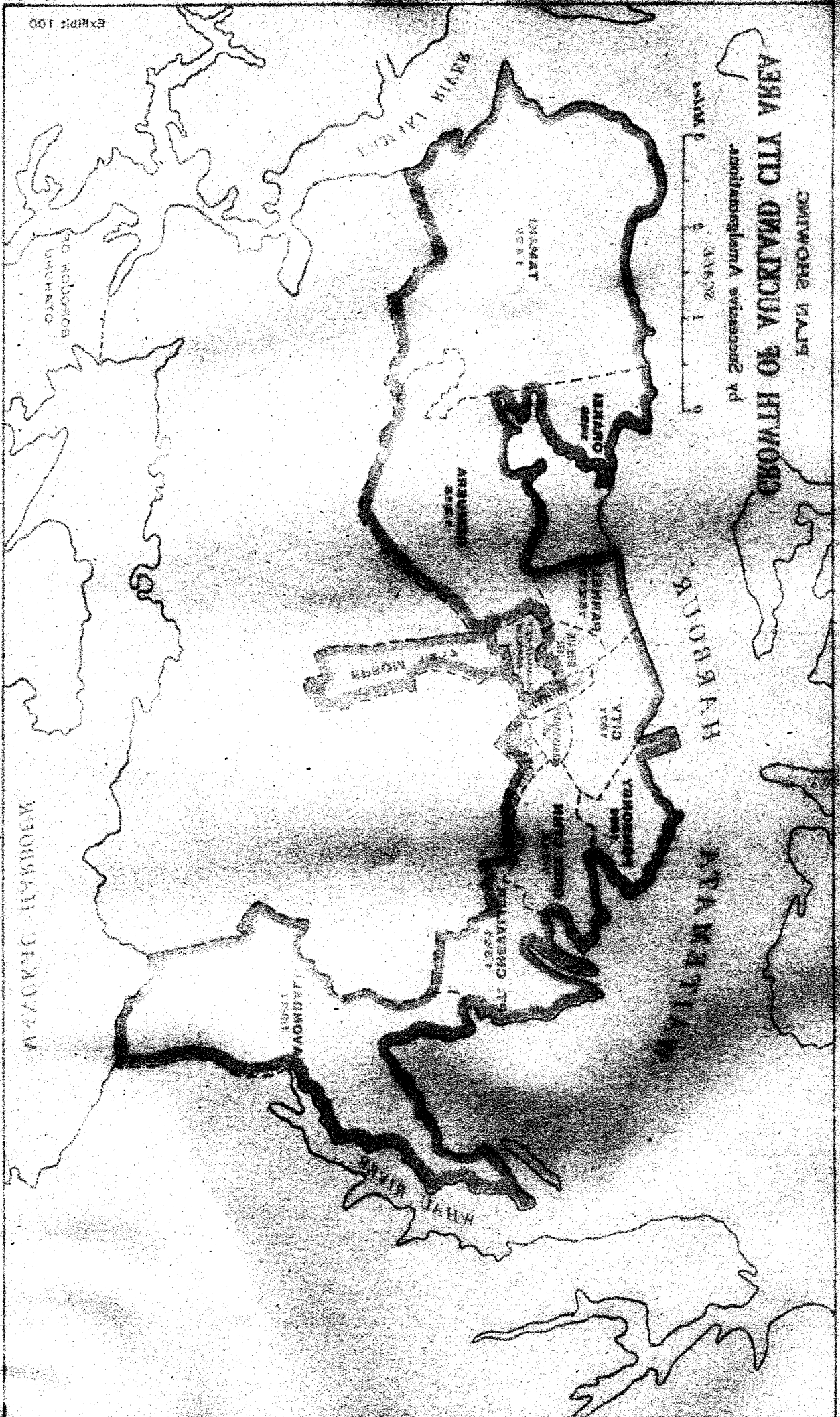
СЪВЪЩАВАНЕ

НАЦИОНАЛНО СЪБЪЩАВАНЕ



НАЦИОНАЛНО СЪБЪЩАВАНЕ





ENLARGED
GROWTH OF RICHMOND CITY AREA
BY SUCCESSIVE INCORPORATIONS