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 Representatives.	Area.	Population.	Capital Value.	Unimproved Values.
		Acres.		£	£
Area 1—					
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.

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