

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.