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 sa 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.