

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