

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