

Evidence) throws much doubt on the department's allocation between trams and buses. The results of a wrong apportionment are obvious, and they were stressed by the witnesses in question. As long as the controlling authority may be called upon to refuse services because they are non-paying, or to refuse increases of other services on the same ground, they must take every care to see that the apportionment of the revenue is as fair and accurate as it can be made, for that is the basis of the whole argument. In a field where there is so much unreasonable suspicion and mistrust it is more than usually unfortunate that a genuine ground should be disclosed.

3. *In connection with the City Council's bus accounts insufficient records have been kept to enable the tramway authorities to ascertain even approximately the cost per mile of running the buses. The result is that when services are discontinued or new services refused, the city's tramway advisers are acting either without sufficient information or on inaccurate information.*

ANSWER.—The whole question of bus costs is one of the most difficult of those unfolded to and discussed before us. We examined in detail the published accounts of the Auckland City Council and the Wellington City Council on the basis of the established cost per mile of bus services, and the managers of those services were examined and cross-examined. We examined the managing directors of two private services—namely, Mr. Spencer, of the Passenger Transport Co., Ltd., Auckland, and Mr. Thos. Smith, of the Birkenhead Bus Co., on the North Shore, Auckland. We examined comparative tables of the bus-mile costs in English and American publications, and the only thing established is that such a contrariety of results was disclosed that no definite conclusion can be drawn from them, other than every individual service must be considered in relation to its own peculiar circumstances. We think that more could be done in the way of segregating routes by the controller of the Auckland system, and it is desirable that this should be done; but, taking all circumstances into account, we cannot find that any serious charge is established against the tramway authorities under this heading. This matter is further discussed under charge No. 6 (*infra*).

4. *When, by reason of public discontent, and a demand amounting almost to a clamour at times for a reinstatement of service, the city adopted a suggestion from a Public Works officer in Wellington for an empirical and unduly high sum of 18d. per bus-mile, it required the outside local bodies and other applicants for better treatment to give a guarantee of 18d. per bus-mile before such reinstatement or new service could be considered.*

ANSWER.—We are of opinion that this sum of 18d. per bus-mile was adopted without sufficient inquiry, and that as applied to every service, independent of its peculiar circumstances, it cannot be justified as the basis of an expected guarantee from local bodies and residents. The manager of the system, Mr. Ford, in his evidence, said the city was prepared to run services if it was sure of a return of 14d. per mile, and even less if there were a reasonable prospect of increase or the presence of a collateral advantage. The adoption of this figure of 18d. and the use made of it in negotiating with local bodies has, we are satisfied, been a very large contributing factor to the discontent and mistrust, and we are of opinion that it cannot be justified. In his closing address, counsel for the City Council said that the management coupled with the above offer a request for a counter-offer. This may be so, but we cannot find any evidence on the point.

5. *That a comparison of fares charged with distances run will show anomalies, even when the comparative figures relate to one route only: for example, fares were quoted showing that a fare of 2s. would be charged for a certain distance from a given point, whilst to travel two miles further from that point the fare would be 1s. 3d.*

ANSWER.—The facts on which this charge is based were proved, but we cannot associate ourselves with the inference that it was sought to draw from them. It must be remembered that fares are fixed on different bases. Firstly, there are the cash fares, and for these there are at least two bases—namely, the cash fare for a single section, and the cash fare for subsequent sections. Then there are trip concession tickets for trams, and trip concession tickets for buses; there are workers' concession tickets, and family commutation tickets; there are special fares for through services, designed to carry passengers for the full journey and discourage passengers from using a vehicle on the early stages of its journey. These various bases are chosen on good policy reasons which are axiomatic to all tramway administrators. It is a mathematical certainty that a person ignoring these reasons, and concentrating his attention on amounts and distances only, can see anomalies; and yet this childish occupation and result was solemnly put before us by a witness, only to have the fallacy of his argument immediately exposed by cross-examination. Again, in view of the large number of services taken over and organized by the tramway authorities in the last two years and a half, it could only reasonably be expected that in applying these numerous fare bases to its routes there would be anomalies. Where they exist they have probably contributed to the feeling in the outlying suburbs against the tramway administration. But here again, whenever we asked witnesses, "Did you point this out to the tramway authorities?" the answer was invariably "No, I did not think it worth while"; or, "It is no good doing so."

6. *The cost per bus-mile of motor-omnibus running by the City Council is so high as compared with the figures of other operators that it leads to the necessary conclusion that either the administration or the system of accounting is untrustworthy, or that both are inefficient.*

ANSWER.—We are of opinion that this charge is not established. We beg to refer Your Excellency again to answer No. 3 (*supra*) of this section. For the years 1927 and 1928 the City Council costs per bus-mile are shown as 19·42d. and 18·88d. respectively. For the same period the corresponding figures of the Wellington authorities were 17·55d. and 21·75d. respectively. On pages 639 and 640 of the Municipal Handbook of England and Wales, 1927, the published results of seventy-four municipal authorities show costs per bus-mile ranging from 3·47d. to 15·93d. Mr. Spencer, managing director of the Passenger Transport Co., Ltd., which runs a line of private buses from Papakura and intervening points, gave evidence before us, and produced the accounts of his company,