

MELBOURNE AND METROPOLITAN TRAMWAYS BOARD

P. C. C. AGREEMENT.

Mr. S. H. Richardson, former Manager, called this morning by arrangement to discuss the above Agreement, particularly the following passage in Transit Research Corporation's letter of 8th September, 1952:

"They arrived and absolutely insisted that the Board had authority to speak for the five major operating companies of Australia, that all five agreed that the license should be given to the Melbourne Board and not to a manufacturer, and that we would so offend all of the operators if we failed to comply, that no PCC cars would ever be used in Australia. In response to that, we granted the license to the Board with the specific agreement collateral to the license that letters would be furnished to us confirming that the other operators wanted the license to be held by the Melbourne Board."

"They" in the above passage are Mr. Richardson, Mr. Bell Jnr. and Mr. Patterson.

Mr. Richardson, Mr. Guice (Acting Secretary), Mr. Bell Jnr., and I conferred.

Mr. Richardson brought with him and gave me his attached letter of 16/1/53, setting out the relevant circumstances, partly from his notes made at the time and partly from memory.

In the course of our conversation he said that he, as spokesman for himself and his colleagues, had certainly not made the definite statements attributed to them in the Transit Research Corporation's letter. He obviously could not do so, he said, because he was not in possession of the assurances from the other Australian operators that would be necessary before he could do so. He had as a matter of fact discussed this point with the Chairman of the Board before leaving Melbourne. The Chairman then told him in effect that, although he had nothing definite from the other Australian operators, he was confident that he would have no difficulty in securing their concurrence.

Mr. Richardson quite agreed, in our conversation, that he had given Transit Research Corporation (Mr. Rossell and Mr. Davis) the impression that Melbourne would have, or would expect, no difficulty in securing the concurrence of other Australian operators with Melbourne's holding of the license.

The Transit Research Corporation had, he said, initially, or at some stage, desired to have an addendum added to the Agreement requiring Melbourne to submit written evidence from the other operators of their concurrence accordingly. It was possible, in fact, that such an addendum was included in the draft Agreement sent by the Corporation under cover of its letter of 25th September, 1946, to Mr. Richardson in San Francisco on his way back to Australia. We agreed that this could probably be checked from the file. It was noted, however, that no such requirement was included in the Agreement as finally signed.

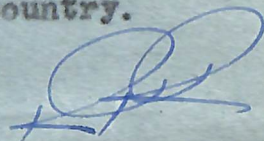
Mr. Richardson retired from the Board's service not long after returning to Melbourne in October, 1946 - some months before the Agreement was finally completed on 11th July, 1947. At the time of his retirement he expected that the Chairman could, and would, secure written concurrence from the other Australian operators.

It was noted that requests for supply of such written concurrence were made from time to time in subsequent letters from the Transit Research Corporation, but apparently these requests remained unanswered.

Mr. Bell Jnr. indicated that he knew that the Chairman and the Secretary took no action on them - evidently as a matter of policy. He said, ^{referring to New York discussions,} "what we told them in my recollection was that 'we felt that we would have no difficulty in getting the other Authorities' concurrence'."

My final impression is that, as Mr. Richardson says, he did not make the definite statement or promise ^{attributed to} ~~inferred~~ him and his colleagues by Transit Research Corporation's letter of 8th September, 1952, but that he did give the Corporation to understand that in his and his colleagues', and in the Chairman's, opinions, there would be no difficulty in getting the concurrence of the other Australian operators and that those operators would, in fact, welcome Melbourne's holding of the P.C.C. license. I think, too, that they were right in those opinions. I am confident that at the time Brisbane at least would have readily acquiesced, and probably have actively welcomed Melbourne's securing the license. There seems to me, too, every reason to imagine that the other Australian operators would have felt similarly, but none of them, I believe, had the same active interest as Brisbane in the P.C.C., or anything approaching Brisbane's interest.

Probably it would have been better, looking at the position as we know it now, had the written concurrence of the other operators been obtained and forwarded to the Transit Research Corporation, but I am not at all prepared to say that in the circumstances at the time I would have acted differently from what was done. I do not think that the failure to take this action has in any way influenced the production of P.C.C. cars in Australia. Their production has unfortunately not proceeded for, I believe, two reasons. The first of these was the lengthy time that elapsed before Melbourne's one P.C.C. type car was on the road: in the meantime Brisbane, the most actively interested of the other operators, had proceeded on other lines towards the same general objective, by using Maco wheels, helical gears, rubber mounting for compressors, trolley bases, etc. The second reason was the abnormal economic conditions in Australia in the early post-war years, which made all costs excessively high, and made it impracticable to have P.C.C. components manufactured in this country.



CHAIRMAN.

20th January, 1953.