

found remunerative to themselves, the time would inevitably arrive when the Department would have to raise its general scales of rates in order to make ends meet. Those, therefore, who consider that because they are not in a position to take advantage of a competitive rate are being unfairly differentiated against should realize that they do obtain a benefit from the special rates, and that the action of the Department is in the best interests of its customers, and that all who use the railways, and especially those who are not in a position to obtain a competitive form of transport, and who therefore consider that they are to that extent at a disadvantage, are receiving a real benefit as a result of the institution by the Department of special rates.

ROAD COMPETITION.

The question of road competition is dealt with in certain of its aspects in the remarks under the headings of "Tariff" and "Commercial Branch," but there are other aspects which the Board thinks it desirable to touch upon. Much has already been written of the unfair advantage which motor-vehicles have over the Railways in respect of being provided with a way, while the Railways have to provide and maintain at considerable cost their own permanent-way. It is true that something has been done towards the correction of this anomaly by levying certain taxes on motor-vehicles. Whether these taxes are yet commensurate with the damage done by the motor-vehicles to the roads might still be a subject of debate, but the Board does not desire to further discuss this matter at this stage. The point on which it desires to offer some remarks, however, is in connection with the necessity for the proper regulation of transport by road carriers. At present it may be said that as to the service which road carriers are required to give the community the carriers have complete freedom. They take what traffic they choose and they leave what traffic they choose. They run entirely as and when it suits them. The Railways, on the other hand, are required to take practically whatever traffic is brought to them. They are expected to run strictly to time-tables and to accept practically every class of traffic that is offered, much of which may be quite unremunerative. In this latter category falls the traffic in workmen's tickets and in the lower grades of goods. The result of this state of affairs is that the road motors simply pick the eyes out of the railway traffic, taking only that which returns them a maximum profit, leaving the unremunerative and inconvenient traffic to the Railways. It is not difficult to conceive that if this position is allowed to continue unchecked the time might arrive when the Railways will be unable to continue to convey the lower rated classes of traffic at rates which those classes of traffic are capable of bearing. For example, unregulated competition for the passenger traffic in the suburban areas may result in the depletion of the traffic by rail at ordinary fares to such an extent as to render it unprofitable for the Department to run trains for that traffic. On the other hand, it is not at all likely that the road motors will undertake the essential duty now being performed by the Railways in transporting workers between their homes in the suburbs and their work in the cities at the fares which the Railways are now charging for that service. These fares, as is well known, are nominal, and are quite unremunerative to the Railways. Hitherto the fact that this traffic has been worked more or less in conjunction with the more highly rated passenger traffic has enabled the Railways to carry on without the necessity of raising the workers' fares, but if the road vehicles are left unrestricted to take the more highly rated traffic, the inevitable result must be that it will be financially impossible for the Railways to continue to cater for the workers' traffic at the very low fares now ruling. When, in addition to these facts, it is taken into consideration that the motors cannot satisfactorily cope with the workers' traffic owing to the great concentration within short periods in the morning and evening, it will be seen that the position from the point of view of the worker resident in the suburbs is likely to be seriously affected. It can scarcely be seriously contemplated that the Railways (however willing they might be out of purely financial considerations to give up the whole of the suburban traffic to the motors) could be permitted to cease to deal with that traffic, and the question therefore arises as to whether any real benefit is accruing to the community at large by the unrestricted competition of road motors with the Railways. It is to be remembered that at the inception of railways in the older countries the possibility of the railways securing a virtual monopoly and, after having ousted other forms of transport, failing to give the community the service which the interests of the community demanded was seriously apprehended, with the result that the railways were placed under severe regulation, including obligations to run workers' trains at specified fares and at specified times. The Board considers that similar considerations now call for some steps being taken to regulate the motor traffic in the interests of the community.

This might be done by the constitution of a suitable tribunal whose function it should be to decide in each case whether the establishment of a motor service is in the best interests of the community, and to define the obligations which shall rest on the motor-owner in the matter of time-tables, routes, fares, &c. Steps in this direction have already been taken in Victoria, where a system of licensing has been adopted. The necessary provisions have been embodied in the Motor Omnibus Act, 1924, of that State. Section 3 of that Act reads as follows:—

"3. (1.) The Governor in Council may by Order prescribe—

- "(a.) The routes within the metropolitan area along which motor omnibuses for which 'regular service' licenses are granted as hereinafter provided may ply for hire;
- "(b.) Sections and terminal points of, and stopping-places on, such routes;
- "(c.) Time-tables to be observed by owners of such motor-omnibuses plying for hire on prescribed routes or sections thereof;
- "(d.) The fares (including maximum and minimum fares for prescribed routes or sections thereof) to be charged for passengers carried by such motor-omnibuses; and
- "(e.) The maximum number of such motor-omnibuses which may be licensed to ply for hire on any prescribed route.