

It is naturally assumed that it would run a better service. Is it not reasonable to suggest that the licenses would only be granted conditional on an efficient service being run?—Certainly the Bill suggests that, but we are afraid of the result. We have had experience of it already in the Auckland Transport District.

Assume that there are two applications for a license, one by a local authority and one by a private transport undertaking, and assume that the licensing authority had satisfied itself that the local authority's service would be satisfactory: in that case should not preference be given to the local authority rather than to a private organization?—We are still of the opinion that private ownership should be given preference, because public ownership risks public money and private ownership does not.

But assume the two cases which I have put to you—the case of the local body and the private organization applying for licenses?—The local authority would naturally get the license, under the amendment suggested. The tendency would be that way. But our opinion is that it should not be so, in the public interest. We think the risk in transport is so great with public money that the public authorities should drop it.

Get out of it altogether?—Yes.

With reference to clause 54—subsidy for maintenance of other than main highways—as a member of the Mount Eden Borough Council, do you think your Council would apply for assistance in maintaining roads under the provisions of that clause?—Yes, if we had any chance of getting any.

Would you consider your chances sufficiently bright to induce you to make the application?—No; we are not building on it.

FREDERICK ROBERT FLATMAN examined. (No. 19.)

*Witness:* I am representing the executive of the Counties Association of New Zealand, and I am a Councillor of the Geraldine County Council. I would like to emphasize two points. It may have appeared to members of the Committee that Mr. Jull was speaking, to a certain extent, as a member of the Highways Board; but I would like to remove that impression from your minds, because to-day he has expressed purely the deliberations of the Counties executive as arrived at yesterday and on the 19th July. That is one point. The next point is that I, being a member of a South Island county, would like to say that we as a county, and several of the counties within our group except one, are quite unanimous that one Board is quite sufficient for the North and South Islands, and that we have received all the treatment that we have been entitled to in all the applications we have made. I will give you the experience of my own county as an instance. I have been a member of this County Council for twenty-four years, so that I know the business from A to Z. We have a very good engineer, and every plan and application submitted to the Highways Board has been agreed to. Our first contract for bitumen was let for nine miles, and we found we had sufficient money for another three, so we asked for the contract to be extended on the same subsidy and conditions, and it was extended for three miles. Now that is completed, and we find we are in a position, by a little assistance from the Board, to do another twelve or fourteen miles. We have got the consent of the Highways Board to proceed with this work, and have arranged with them to finance us for a period of years at current rates of interest. In buying implements we have never had any dispute or difference with the Highways Board: we have had every satisfaction. I think a lot of the dissatisfaction which exists in the South is because some of the counties have been too cheeseparing. I will give you one specific instance. In the county close to my own they were prepared to go on with the work, but wanted to be financed by the Board at 5 per cent., and because of that they hung it up as long as possible and kept the work back. Another county did the same when they got three for one after applying for four for one. I am certain that a lot of the discontent in the South, when it is boiled down, can be attributed to these two points, and possibly because the Engineer does not send forward the correct data to the Highways Board. That, to my mind, is the main reason why the North *versus* South suggestion has been raised. I personally cannot see any reason for it, and we carried a resolution at our meeting, and what Mr. Jull said with reference to the meeting in Ashburton this year is correct. I was not present at the meeting, otherwise I would have raised the point that I am now raising. I am positively certain that if the present methods are adopted by the County Councils towards the Highways Board here they will get absolutely fair treatment without making a cumbersome Board and altering the personnel of that Board.

*Mr. Healy:* You say your counties are unanimous, except one, with reference to having only one Board. What length of territory do you represent on the Counties Association?—Waitaki, Waimate, Levels, Mackenzie, Geraldine, and Ashburton are in our group. If there is any dissension at all, it is in Ashburton, and it was the Ashburton people who were cheeseparing for the loan at 5 per cent.

Would you be surprised to know that three counties in my district are in favour of two Boards?—No, I do not know that I would be surprised; but I would be surprised if they put up their applications to the Highways Board in the same way that we have done and failed to get the same treatment. Then I would be surprised.

They have the best roads in New Zealand to-day?—It may be so.

*Mr. Healy:* They are wholly in favour of two Boards. I point that out in case the Committee may think that the whole of the South Island are in favour of one Board, when they are not.

*Witness:* I did not suggest that.

*Mr. Harris:* Is there any proposal in the Bill to make two Boards?—No, that is probably so; but it is tantamount to the same thing. It is a compromise between two Boards, and we do not think it would be to the advantage of the Highways Board to have it constituted as it is proposed in the Bill.

You think that the increase in the personnel would, in effect, create two Boards?—Yes, I do.