

1929.
NEW ZEALAND.

TRANSPORT LAW AMENDMENT BILL COMMITTEE.

(MR. C. H. CLINKARD, CHAIRMAN.)

Report brought up 6th November, 1929, and, together with Minutes of Evidence, ordered to be printed.

ORDERS OF REFERENCE.

Extracts from the Journals of the House of Representatives.

TUESDAY, THE 1ST DAY OF OCTOBER, 1929.

Ordered, "That a Select Committee be appointed, consisting of ten members, to whom shall be referred for consideration and report the Transport Law Amendment Bill; the Committee to have power to call for persons and papers; three to be a quorum: the Committee to consist of Mr. Broadfoot, Mr. Clinkard, Mr. Healy, Mr. Murdoch, Mr. Ansell, Mr. Harris, Mr. Williams, Mr. Parry, Mr. Sullivan, and the Mover."—(Hon. Mr. VEITCH.)

Ordered, "That the Transport Law Amendment Bill be referred to the Transport Law Amendment Bill Committee."—(Hon. Mr. VEITCH.)

FRIDAY, THE 4TH DAY OF OCTOBER, 1929.

Ordered, "That the name of Mr. Parry be discharged from the Transport Law Amendment Bill Committee and that the name of Mr. Mason be substituted."—(Hon. Mr. VEITCH.)

REPORT.

TRANSPORT LAW AMENDMENT BILL.

THE Transport Law Amendment Bill Committee, to which was referred the above Bill, has the honour to report that it has carefully considered the said Bill and recommends that it be allowed to proceed with the amendments as shown on the copy of the Bill attached. The Minutes of evidence are attached hereto.

CECIL H. CLINKARD, Chairman.

6th November, 1929.

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MINUTES OF EVIDENCE.

THURSDAY, 3RD OCTOBER, 1929.

MR. JOHN O'SHEA, Wellington City Solicitor, examined. (No. 1.)

Mr. O'Shea : I represent the views of the Municipal Association. As the explanatory memorandum states, this Bill is the first step towards the preparation of a comprehensive measure dealing with motor transport. The present instalment clearly shows that the purpose of the Government is to centralize in Wellington the control of all motor-vehicles and motor traffic in the Dominion. The Bill also indicates that it is the purpose of the Government to put under the control of this Department (1) administration of main highways, (2) control of tramways. The Municipal Association think that to do either of these things would be a retrograde step. (1) Administration of highways : The association is satisfied that the transfer of the control of the Main Highways Board from the Public Works Department to any other Department would not be satisfactory. The Engineers of the Public Works Department are perfectly competent to deal with highway-construction, and have demonstrated their ability in this matter within the past few years. They have been increasing in efficiency and perfection of administration, and the transfer from them would involve serious risk of increasing expense and of diminution in efficiency. Apart from objecting to the small financial benefit which municipal bodies derive from the administration of the Act, and the practical exclusion of the cities and larger boroughs from this benefit, the Municipal Association finds no fault with the administration of the Act by the Public Works Department. It therefore views any change with alarm. (2) Control of tramways : The contents of the present Bill, and the constitution of the Advisory Board set up by the Minister, suggest to the Municipal Association that the advice given to the Minister has been given by the majority of the Transport Board solely in the interests of the motor trade. The whole of the present Bill has been approved by a majority of the advisory committee and has been accepted by the Minister. The local-body representatives opposed most of the proposals, but they had no say in the final conclusions. The administration by the Public Works Department of the tramways has in the past been, on the whole, satisfactory. The Engineers administering this work in that Department have built up a tradition of experience and knowledge that is now very efficient and very fair in its operation on the various local bodies and tramways concerns affected. Our officials are always able to settle engineering questions and questions of tramway administration with the Public Works officials without any difficulty. It seems, therefore, dangerous to alter the system—first, because the present system is good, and it is always dangerous to destroy anything that works efficiently ; and secondly, because there seems a probability of the motor interests being given a preponderant consideration in the deliberations of the advisory committee, and consequentially of the new Transport Department. The case for exclusion of the administration of the Tramways Act from the purview of this Department is even stronger than that of the Main Highways Board. In this connection I refer to clause 3 of the Bill, subclause (1), from which I quote : " There is hereby established a Department of State, to be called the Transport Department, which, under the control of the Minister, shall be charged with the administration of the several Acts specified in the Schedule hereto." The last two Acts specified in the Schedule are the Main Highways Act, 1922, and the Tramways Act, 1908. We suggest that these two Acts should be struck out of the Schedule. The present advisory committee has a majority consisting of representatives of the motor trade. They have all along acted solely in the interests of the motor trade, and their representations appear in the Bill. The Municipal Association is therefore of opinion that an amendment should be made to clause 5 by adding the following new subclause : " (4) At least half of the members of every advisory committee shall be appointed on the joint recommendation of the executive bodies of the Counties Association and of the Municipal Association, including in such number of members a member of the Auckland Transport Board or the Christchurch Tramways Board." We have no further remark to make on Part I of the Bill. With regard to Part II—Motor-vehicles Amendment—clause 10, the Municipal Association is of opinion that this clause should be struck out. The clause is inserted with a view to bringing trackless trams within the definition of motor-omnibuses. They see no reason whatever for this change, and the only ground on which it can be suggested is that the motor people wish the trackless trams to be controlled by the Transport Department with a view to the restriction of their use. The Wellington City Council is advised by its Engineer that there is a strong probability of trackless trams being employed for the purpose of tramway extension. The construction of tramway-tracks involves very heavy expenditure, and the present method—bitumen and concrete constructions of streets—enables a suitable road for the running of trackless trams to be constructed in outlying districts at a moderate expense. The cost of overhead construction for the supply of electricity is not a large item, and the Wellington Tramways Engineer regards trackless trams as the precursor of ordinary trams. When the districts which are first served increase in population and it is necessary to carry large numbers of people at rush hours the trackless tram can be replaced by the ordinary tram, and the expense of track can then be justified. The Wellington Engineer states that frequent reports come to New Zealand of the scrapping of tramway-tracks in England and the replacement of the trams by

buses ; but he says that in many cases these buses are trackless trams, and that the authorities who use trackless trams in England are doing so for two reasons—(1) they are unable to face the present-day cost of re-laying track, and (2) the construction of bitumen, tar-sealed, and concrete roads affords a track which is quite satisfactory for all purposes in their localities to provide a trackless-car system. The Wellington Tramway Engineer also is of opinion that it is impossible to move large masses of people as economically by petrol-buses as by tram-cars. This experience is confirmed by the running of buses in the city, all of which run at a loss. The Municipal Association is doubtful whether motor-omnibus services or ordinary motor-car services are payable propositions. Some services may pay, such as the Bell bus service running to Khandallah, or on particularly favoured runs, but the general opinion of the experts who advise local bodies is that proper allowances are never made for depreciation and renewals, and that if such proper charges were made many firms which at present are able to be dividend-paying concerns would be shown to be running at a loss. The matter is a serious one from a national point of view. The position is that the local transport bodies think that their services, which provide transport for city people at very cheap rates, should be conserved as far as possible, and that no obstructions whatever should be put in the way of the development of trackless trams. With regard to clause 11, refund of registration fees, the association sees no reason why the registration fee should be refunded ; in fact, the association is of opinion that this clause displays an excessive tenderness towards the motor interests. With regard to clause 12, exemptions granted to motor-vehicles owned by local or public authorities, these exemptions are abolished. This is another turn of the screw that the Government proposes to put on local bodies. The effect on local bodies is more far-reaching than appears at first sight. It is not merely a matter of making the local body pay the license fee, but it is a matter of taking away the exemption from taxation under the Motor-spirit Taxation Act. The present law exempts vehicles owned by local bodies engaged in the formation and maintenance of roads or streets, and the Motor-spirits Taxation Act provides for a refund of taxation in respect of the petrol used by these vehicles. The result will be that Wellington will lose the benefit of that exemption, a benefit which amounts to-day to £1,250 a year. Under the clause which appears later, transferring the administration of the heavy-traffic fees to the Government from the local bodies, Wellington will lose about £1,500 a year. This will mean that Wellington's traffic department will have to bear excessive overhead charges. This department is at present housed in a building the rent of which is between £500 and £600 a year, and the probability is that if the transferences of functions proposed by this Act are to be carried out this department will have to be mutilated or merged into some other department. The city has built up a system which is quite effective so far as Wellington is concerned, and more effective than any department controlled under centralized administration could be, and this is another institution that is being undermined. It may be alleged that outside small bodies are not giving the efficiency in administration that is required ; but, if that is so, it could be overcome by transferring their administrative powers to boroughs which have officers capable of administering the same. I will refer to this later. We see no objection to clauses 13 and 14. With regard to clause 15, this is a further indulgence to the motor-dealer. At present a transferrable plate is limited to vehicles held for sale or for the purposes of his business as a manufacturer of or dealer in motor-vehicles. Clause 16 takes the licensing of motor-vehicles out of the hands of the local authorities and vests it in the Registrar or Deputy Registrar of motor-vehicles. Unless this work is done by the police this section will entail the creation of a new set of Government officials. Even if the police acted they would have to get some additional employees, but if a new Department is created the expense will be very heavy. The only excuse for this legislation is that some of the local bodies have issued certificates without examination. The larger local bodies will certainly be as efficient as, if not more efficient than, any Government Department acting by officials scattered throughout the country and subject to practically no supervision. Of course, if the police handle the matter it may be different ; but, in any case, the police would have to employ experts. The clause as it at present stands seems to say that the clerical work of issuing these licenses will be dealt with by the Registrar, and examination of the drivers will be conducted by the local authority. We do not know whether the Department will take over any part of the examining or not, but this is one of the items whereby revenue will be taken from the local authorities. The city has a department which is now costing about £11,000 for its Inspectors, collecting the heavy-traffic fees and doing the examinations. Part of this will go, and our overhead expenses will increase.

Mr. Sullivan : When the Bill was passed I asked the Prime Minister that specific question. I asked, "Does this mean a reduction in revenue to the local authorities ?" and he said, "No."

Witness : But an amount must be taken off the fees, under subclause (4), to pay for the administration. The fee for licenses at present is 5s. If this is forced upon us we want to limit the amount not to exceed 1s., but if they are going to get the real cost of administration there will not be much of that 5s. left for the local bodies. The examinations to-day cost us more than 5s. on an average, but when it is taken in connection with our other work—the fact that we have our overhead charges going on all the time—the taking-away of this is a serious matter. We have to pay over £500 a year in rent for our department at present, and there are overhead charges as well, so that every fee or part of a fee taken away means an increase in our overhead charges. We want, if possible, to have this examining done by the local authorities.

Mr. Ansell : What does your Inspectors' department cost ?

Witness : £11,000 a year. As against that we have the collection of heavy-traffic fees over the present district, which will be done away with in this Bill. We get about £1,500 from that. It simply means that this department of ours will have to be reconstructed and probably merged with another department if we are to run it economically, and there will not be the efficiency in the traffic inspection. The question is whether we will be able to go on with the inspection of motorists for certificates, and whether it will not cost the Government much more if the Government does the

inspection. It may be suggested that it will be difficult for some outside local bodies to examine these motorists; but it is submitted there is a simple answer to that—that any borough which is sufficiently strong to employ a man efficient to drive a motor-car should be made an examining authority to examine drivers. Any man who drives a car or who wants a license can easily travel to the point where he wants to be examined. Clause 17 provides that applicants for drivers' licenses may be required to make a declaration as to freedom from physical disability. This is for the protection of the public. We have no great objection to the clause, but the association desires to say that this regulation must be made elastic, as in many cases it is found that men suffering apparently from disabilities are able to drive competently, and a discretion should be exercised. Clause 18 deals with the time allowed for production of motor-drivers' licenses on request. We think this is satisfactory and fair, but we think that after the word "person" in line 29 the following words should be inserted: "Who is the holder of a current license."

Hon. Mr. Veitch: That is intended, of course.

Witness: Yes. As to clause 19, we agree with that, as also with clause 20. Clause 21: We agree with this, because the only procedure now is to get a rehearing before the Magistrate, and there is an element of doubt as to jurisdiction. With regard to clause 22, if the Commissioner of Transport is going to control the whole of that administration this clause is necessary; but if the local authority is going to control it, then it is not. Clause 23 empowers the Minister of Justice to compile a list of persons whose drivers' licenses have been endorsed or suspended, and of persons disqualified from holding drivers' licenses. I see no provision for publication of these lists, though the clause implies that they will be published. We agree with the principle of compilation of the list thoroughly, but we suggest that a new list should be made annually, and that this list should be gazetted. I think that was intended. There is provision for making a list in January, 1930, but no provision for supplementary lists.

Hon. Mr. Veitch: It is not intended to gazette.

Witness: Then it will not be available for the information of local bodies. We presume that this is information for the information of the public as well as for the Government, and we suggest that it should be gazetted. Clause 24 imposes restrictions as to motor traffic at railway-crossings, and we see no objection to it. We think the extension of the existing law is satisfactory. Clause 25 provides power to make regulations to control pedestrian traffic and traffic other than motor traffic. If the advisory Board is anything like the present Board, and its recommendations are as implicitly accepted by the Minister, the result of these regulations will be to give the motorist, if not the monopoly of the street, at least preferential treatment. Even under the existing law, as administered by some local authorities, the streets are not safe for pedestrians. The association views this clause with some alarm. They suggest that the local bodies, who at present control pedestrian and other traffic, are the persons having the local knowledge and most able to do so. In view of the tendency displayed in the present draft of the Bill to protect the interests of motorists, they feel that subclause (1) should be struck out. They have no objection to subclauses (2) and (3), except that a consequential amendment might be made in subclause (2) by striking out the words "the last preceding subsection," and inserting in lieu thereof the words "section thirty-six of the principal Act." Clause 26 gives the Minister power to disallow any by-law relating to motor traffic, or any other form of traffic in its relationship to motor traffic, on the ground that the subject-matter of such by-law should not be dealt with otherwise than by statute or by regulations of general application made under the Motor-vehicles Act. This is another step in the direction of centralization and bureaucracy. The association think that the Minister would be justified in disallowing local bodies' by-laws relating directly to motor traffic, but they think the words "or any other form of traffic in its relationship to motor traffic" should be struck out. Clause 27 empowers the Minister to carry out the work of erecting signposts at the expense of the local authority if the local authority fails to comply with regulations as to the section. At present it is proposed by the regulations to impose this duty on the local authorities. Most of the local authorities have resisted, and the Government has not been able to take action owing to the faulty drafting of the regulations. The faulty drafting will now be amended, and the legislation proposed in this clause will give the Minister absolute power to enforce this liability, which is regarded by most local authorities as an imposition. It is really a transfer of a liability from the Railway Department to the local authorities. Further, if the control of motor-vehicles is a national affair, then the erection of signs is also a national affair. The Government, however, seem to want all the powers, all the fees, and none of the liabilities. This is merely another screw in the imposition of liability of local bodies, and the local bodies feel that they have heavy enough liabilities at present. What with the charges in respect of unemployment and in other directions, things are coming to such a pass that all local bodies will be faced inevitably with the necessity of raising the rates, and some have done that already. Clauses 29 to 35, inclusive, deal with the questions of motor-omnibus districts and licensing authorities, and the Municipal Association would like to see the whole of them disappear. Clause 29 provides that the motor-omnibus districts will now be highway districts, and not the districts under the Motor-omnibus Traffic Act, 1926, which were confined to the main centres and the districts round them. Wellington will form part of the district consisting of the Hutt and Makara Counties and all the counties on the west coast up to Kiwitea. The other districts will be just as large. Clause 30 provides that persons carrying on services in areas brought within motor-omnibus districts by the last preceding section shall be entitled to receive licenses to continue such services. These are probably motor-omnibus services outside the motor-omnibus districts. These will be brought into some district if the new scheme goes through, and therefore their rights have to be preserved. Clauses 31, 32, 33, 34, and 35 deal with licensing authorities. The local bodies cease to be licensing authorities, and there are two sets of licensing authorities set up, with a new Appeal Board, called the Dominion Transport Appeal Board. There will be a licensing authority for each motor-omnibus district, consisting of

five members. Two will be Government representatives, and three will be members representing the local bodies. The Governor-General appoints them in each case, but how the local authorities are to make their views heard I cannot see. There is a special licensing authority set up to deal with motor-omnibus services carrying on in two or more motor-omnibus districts. Two of those members will be Government members, and three will be appointed by the local bodies—one on the recommendation of the Counties Association, and two on the recommendation of the Municipal Association. I see no reason why the local bodies' representatives for the ordinary licensing authority should not be appointed in the same way. With reference to the Dominion Transport Appeal Board, this Board consists of five members—two Government members, two members appointed to represent the local bodies, and one member to represent private owners of vehicles. The two members appointed by the local bodies are not required to be appointed on the representation of the Counties Association and the Municipal Association. I think they should be. With regard to the taking-away of the rights of local authorities, most local authorities agreed to the passing of the Motor-omnibus Traffic Act, 1926, on the understanding that they obtained the right to issue these licenses. Auckland bought out most of the licenses, and Wellington bought out most of theirs, relying on the fact that the local authority (in Wellington the Wellington City Council, and in Auckland the Transport Board) were to control the issue of licenses. Of course, that right was subject to an appeal to an Appeal Board, which seemed to have no appreciation of the rights of local bodies; but even the nominal power given by the Act of 1926 is now being ruthlessly taken away. With regard to the whole of clauses 29 to 35, inclusive, there has been a concerted programme of propaganda since 1926 by the people interested in motor services against the licensing by local authorities, and the cry has been raised that these local authorities are business competitors, and that they should not be authorized to license their competitors. What it is desired to point out is that the local bodies were in the transport business—tramways—before the motor business was thought of. City Councils and other local bodies have expended large sums in those systems—Wellington over £1,000,000, and the same thing has occurred in Auckland—in running tramways solely for the benefit of the community and not with the idea of making money, and the capital sunk has to be protected. These local bodies have not been able to build up large reserve funds to enable them to scrap their systems; and if their rights are infringed on, or if monopolies are granted by Orders in Council, and unless they are protected—consistently with progress—there will be a serious loss of capital to the whole community.

Mr. Parry: Could the service be maintained if they were done away with?

Witness: No; it is impossible to carry large masses of people by motor-buses. The general opinion among tramway experts is that transport by motor service, at least in 75 per cent. of the cases, is a losing proposition.

Mr. Parry: Have you any data in connection with that from other countries?

Witness: Here in New Zealand we know that other services are running at a loss. The Railway Department's report shows that the Lower Hutt run is a losing proposition. The manager considers that the maintenance charges are so heavy in that run that he cannot make a profit. We know that some buses are running in Wellington—one to Karori—and said to be paying 10 per cent.; but the general run of the buses in Wellington could not possibly pay, and wherever they run on hilly routes there is trouble. On the flat they are not so bad. But we think from our own experience—we do not know what the private motor services are doing in this connection—but we think that there is not sufficient allowance being made for depreciation and renewals, and if those allowances were made it would be shown that the buses were running at a loss. We have no data regarding the private companies, but we have a suspicion that they are largely financed by the trade. The licensing-authority regulations which at present exist have, on the whole, worked well for the benefit of the public. In Wellington appeals to the Appeal Board have been successful, but very few outside Wellington have been successful. The present system is working well, and is preserving the tramway system—the services run by the local bodies—and is preserving the services which are supplying transport to the people, and especially the poorer people, at prices which no private institution could give. It is only by the strictest economy and most careful management that the local bodies are able to run their services and we submit that it is impossible for motor-buses carrying twenty or thirty people to handle successfully the heavy traffic we handle from, say, Miramar, Island Bay, or Karori. We have to double our lines in order to cope with the rush-hour traffic. If the motor people are going to get licenses, and if the local bodies are not to have the control of licensing, and licenses must be granted to anybody who applies for them, those outsiders will be running their services at peak-time and ignoring the ordinary hours altogether.

Mr. Sullivan: How is that affected by the Bill?

The Chairman: I think the Bill states that preference is to be given to the public bodies.

Witness: But that clause is rather illusory at present. If it is amended as we suggested it will be of some value.

Hon. Mr. Veitch: What the witness says might happen if it were the definite policy of the Transport Minister to work everything in favour of private motor interests, which is absurd.

Witness: We do not suggest that. We know the policy of the Transport Minister is not formed. We know he will give consideration to the Municipal Association. What we submit is that, so far, the Minister has been misled.

Hon. Mr. Veitch: No, he has not.

Witness: Not wittingly, of course.

Hon. Mr. Veitch: The Minister knows where he stands.

Witness: We give the Minister every credit for absolute sincerity, but, if I may say so, he has been misled by evil counsellors.

Hon. Mr. Veitch : No, I have not. I will not allow myself to be led by anybody.

Witness : We know it is the intention of the Minister to help the municipal authorities, and we know that his policy will be to help them, and I will ask him to carry that out by leaving the present licensing regulations as they are—they will protect both the local bodies and the public. To suggest that a licensing authority must be constituted independently of the local authority—sitting like a Judge of the Supreme Court, free from bias—simply means that, unless absolute preference is given to the local authority in every respect, probably that tribunal in trying to be fair will irretrievably injure the present system and do away with all the benefits at present enjoyed by the public. We are satisfied with the present system. What is the reason for changing it? The reason is that the motorists are using their influence unfairly in the tribunals. They are acting entirely in their own interests.

Hon. Mr. Veitch : That is not the reason.

Witness : Of course, I may be an advocate, but I am putting it from our point of view.

The Chairman : It will be our job to reconcile your views with those of others.

Witness : I am putting it as fairly as possible—that the interests of the public are imperilled, and that the suggested proposals are going in the wrong direction. With regard to these licensing authorities, we do not want the motor-omnibus districts extended. If the Minister is going to deal with districts outside the motor-omnibus districts, I suggest that he should get a new Act. Under the present system every district consists of a central district, which has some transport authority, and the districts around. Thus the districts are constituted, but they do not cover the whole of New Zealand. We want this position left entirely as it is, so that the local bodies who are at present administering will be able to preserve the existing services. We do not want the Board in Wellington, which has no knowledge of local conditions, to smash up what exists at present. We are afraid that instead of this Bill being an improvement it will be an engine of destruction. I do not want to stress the point further; I only want to speak generally, and to say that right throughout New Zealand the municipal authorities in charge of public undertakings do not approve of the proposed alteration.

Mr. Broadfoot.] Suppose they can show that a sufficient degree of efficiency is not being maintained by local bodies, do you maintain that we should bolster up the municipal authorities?—No; but I have never seen a case in Wellington where a private undertaking was at all comparable with that of the municipal authority. The private owners cannot afford to give such a service. In Wellington to-day we are being asked to undertake runs which will not pay; and there is at present an appeal to induce us to initiate a run to Vogeltown.

The Chairman.] Would you object to private enterprise doing that?—Private enterprise would not entertain the idea for a moment. Of course, the local bodies want to get the good as well as the bad.

Mr. Sullivan.] The licensing authority would consist of a majority of the local bodies?—Yes, but the point is that every local body which exists to-day has a knowledge of local conditions; they understand the position. The motor-omnibus district for Wellington will extend, say, to Kiwitea: what will a man appointed from Wellington know about that? The whole point is that at present we have a system that is workable. With regard to the Appeal Board, the association does not agree with it; they think that if it is constituted afresh it should be on the lines of a tribunal under the Public Works Act—that is, a Judge of the Supreme Court could sit as President, with two assessors, one representing the local bodies, the other the motor interests. They consider that would be the least dangerous, if there must be a change.

Mr. Broadfoot.] On that last statement of yours, where would our railways come in on that tribunal—they are not affected by this Act?—So far as the railways are concerned, if the local bodies protect their own interests they will protect the interests of the railways. It is possible that it might be better if a Judge sat alone.

The Chairman.] You do not object to an Appeal Board: it is a question of its constitution?—Yes, we do; and we object to the increasing of the motor-omnibus districts, because we do not think increasing the districts will lead to efficiency. The omnibuses running in the city and between suburbs and city are different altogether. So far there has been very little necessity for the control of the services outside. But it is not a difficult thing to control.

Perhaps you may not be aware of the need of control?—Most of the members of the Municipal Association travel, and they do not notice any serious difficulty. Our contention is that if matters remain as they are at present they will be satisfactory with regard to civic and borough transport. If the Minister wants to deal with services outside the city, that is another matter.

Mr. Broadfoot.] What I am trying to get at is this: will your service be competing with the railways—I mean, in the cities?—No.

Will they do so in any other city?—No.

Because if there is to be regulation between the local bodies and private enterprise, surely there should be regulation between the railways, local bodies, and private enterprise?—I know of no conflict between them, except at Napier—where the railways bought the buses—and in the Hutt. The whole matter so far as that is concerned can be overcome by the preference clause. With regard to clause 36, there is an extension of the definition here, and there is no opposition to it; but it has been suggested by the solicitor for the Auckland Transport Board who is also the City Solicitor of Auckland, that the better way to deal with the definition would be to delete the words “exceeding seven in number, inclusive of the driver,” from the definition of “motor-omnibus.” Clause 37 should be deleted if the local authority remains the licensing authority.

Hon. Mr. Veitch.] With regard to clause 36, that question was raised before the Transport Department, and we are advised that what you are proposing would make a two-seater car a motor-omnibus?—If they are run on regular services we think they should be so regarded.

Every car would be an omnibus?—Every car which runs on these services should be so regarded, because whether a man runs a six- or seven-seater he should be in the same position so far as the safety of the public is concerned. There are people who have continually tried to invade the rights of the regular omnibuses by putting seven people in six-seater cars. With regard to clause 38, it will be observed that the three conditions named must be cumulative—they must all exist before preference is given to the local bodies. The clause provides that applications by local or public authorities to establish motor-omnibus services shall have preference in certain cases over private applications. These are—(a) If there is no existing transport service over the proposed route or routes; (b) if the proposed service is an extension of an existing transport service carried on by the local or public authority or by the Minister; (c) if the local or public authority or the Minister satisfies the licensing authority that it is prepared to carry on a service sufficient to meet the reasonable requirements of the public. It is suggested by the association that the only condition should be (c) We submit that if real preference is to be given to the local or public bodies the only condition should be that they should satisfy the authority that they could carry on an efficient service. There would be no question of extension then at all; but to insist that there must be an extension of an existing service would disqualify them in many cases.

Would you give the right of appeal in that case?—We are not very fond of appeals. We find in all our litigation that wherever the local authorities are parties those local authorities are assumed to be able to stand financial knocks and setbacks better than a private individual.

So you want the final control, without appeal?—No; what we want is preference—a real preference.

Mr. Sullivan.] You suggest simply deleting (a) and (b)?—Yes.

Mr. Murdoch.] Suppose there is an existing transport service?—The licensing authority will not license both unless there is sufficient business. If the licensing authority licenses both parties to run a service where there is an existing service, and there is not sufficient business to support both, there will be an appeal; but there is a very strict control of local bodies—an unseen control—and that is in the Local Government Finance Act of 1921, which provides that no local body shall at the end of the year owe more than its outstanding revenue, and no local body, unless it is a strong body like Wellington, can afford to run non-paying services. We are losing at least £13,000 a year in running unprofitable services, and we cannot take on any more. The Tramway Department is just on the border-line of making a loss, and there are no means of making up these losses except by profits from trading or by rating. Every local body has more calls than it can meet, and it is only by exercising great care and restraint that a balance can be struck. We have a balance of only a few thousands every year. There is no danger, then, of local bodies rushing in to take over existing services unless there is every prospect that they will pay.

Mr. Sullivan.] But if paragraphs (a) and (b) were deleted, would it have the effect of giving the public authority the right to get the service even if there was another service there?—No; they could not exclude them—they could only run alongside them.

And if (a) and (b) were deleted it would give absolute preference?—It would give a real preference. There might be room for another service where a service already existed. And the men who held the existing services would have the right to expand indefinitely once they got a license. It cannot be suggested that if a man happened to be running a service between, say, Cromwell and Alexandra, and those towns grew to be large cities, such a man would be entitled to the whole business between such places. The position is that when an opportunity arose for a new service, either on an existing or non-existing route, preference should be given to one of those three bodies, none of whom is financially able to undertake any wild-cat competition. Clause 39 is a difficult clause, and the difficulties are technical and legal. A reference to section 15 of the original Act will show that there is an implied power to refuse a license to motor-omnibuses on the ground that a local authority proposes to run or is running a service, but there is no expressed power so given. There are two kinds of licenses in regard to the services: the authority to establish motor-bus services which at present have a license in perpetuity—a franchise existing for ever; also a licensing for motor-buses for a specified period. There has been confusion in the drafting, and the intention in the original Act was that this authority to grant licenses or authorities to establish services should be terminable; but it is only there by inference. We suggest that the power to terminate these licenses should be given explicitly, and, as it applies to the authority, that the Act should be altered. We suggest that clause 39 should be altered. At present it is only by cancelling all the buses in connection with a service that you do away with the authority. We suggest that this question should be faced in this clause, and that the legislation proposed here should not follow the lines existing at present. Clause 39, as altered, would then read, “(1) A licensing authority may hereafter refuse to renew any authority heretofore or hereafter granted to establish any motor-omnibus service on the ground that the motor-omnibus, if licensed, would be used in competition with a tramway or other transport service established or proposed to be established by any local or public authority or by the Minister of Railways, but shall not do so unless the application for the renewal of such authority is objected to on such ground by or on behalf of any such local or public authority or the said Minister.” There will be consequential alterations in subclause (3). Then we have another new departure, which I propose to refer to, in subclause (6), and this has, without doubt, emanated from the representatives of the motor trade. It is putting a screw on the compensation clause. The old compensation clause has had an addition made to it. Subclause (6) is the same as the present law, but these words are added—and I would draw particular attention to this: “Together with such amount, if any, as is agreed upon by the parties or as is considered reasonable by the Compensation Court as compensation for the loss suffered by the claimant by reason of the refusal of the licensing authority to renew his license.” That is the old goodwill clause which it was proposed should not be considered in the 1926 Bill. Any Compensation

Court could give anything it liked under that heading. Suppose a man was running two buses and he was making £1,500 a year: they could capitalize his interest at 5 or 10 per cent. and give him anything they liked. If those words, "together with such amount, if any, as is agreed upon by the parties or as is considered reasonable by the Compensation Court as compensation for the loss suffered by the claimant, by reason of the refusal of the licensing authority to renew his license," are allowed to remain it will be too dangerous a clause for any local body to attempt to exercise, because the initial cost would be so much that it would be impossible to carry on the service except at great loss. There is no reason for the insertion of those words.

Hon. Mr. Veitch.] Suppose a man started a service, say, in the vicinity of Wellington, and made a loss for the first three or four years, and then his service began to pay him, do you consider that it would be reasonable for the Wellington City Council to come along and take his business over and pay him nothing for the losses he has sustained in building the service up to a payable point, and that he should hand over such developed and paying business to the Council without compensation?—But those cases do not exist. The point is that that man should not start unless it would pay from the commencement.

Surely he might think it would pay?—The best thing would be for him to stop when he found it was not paying. If he runs for four years—

I submit that is not an answer to my question. I have given you a hypothetical case. In such a case do you consider it reasonable that the City Council should take over that man's business?—No; but that is not what is proposed here. It is proposed to give him goodwill on his present profits, capitalized on such terms as the Compensation Court thinks fit. If it is a case of a man making losses, there would be no objection to making allowance for them in the compensation, because if it is a losing proposition the local bodies are not going to take it over; they will not be anxious to take over a service which has returned a profit for only one year.

Hon. Mr. Veitch: As to your suggestion that this proposal emanated from the motor interests, there are members of the advisory council here, and they will tell you that that proposal was in the Bill when it was submitted to the advisory council before any of them knew anything about it.

Witness: Well, then, the advisory council is not responsible for the Bill.

Hon. Mr. Veitch: No; I am responsible for the Bill.

Witness: The advisory council had nothing to do with the compilation of the Bill?

Hon. Mr. Veitch: I am defending myself from your implied suggestion that I was influenced by the private motorists.

Witness: I do not put it that way; I say that you have been affected by the advisory council.

Hon. Mr. Veitch: My answer to that is that I could not possibly have been affected. The Mayor of Wellington is present in the room, and he knows that that was put into the Bill by me, and it was in the Bill that was submitted to the advisory council. I am quite certain that I myself gave definite instructions to have that included in the Bill, and that it was in the Bill which went to the council. Further, I suggest that it is not necessary to suggest to this Committee that ulterior motives actuated me in drafting this Bill.

The Chairman: That is just the point I was going to raise—it is not a question of how certain provisions were incorporated in the Bill.

Witness: I do not suggest there were any ulterior motives.

Hon. Mr. Veitch: I think you definitely stated that.

Witness: No. I would like to make it quite clear that so far as the Minister is concerned I do not impute anything of the kind. The motor people are looking after their interests—naturally. I would point out that this clause was not in the 1926 Bill, and it is viewed with great alarm by the local bodies, who would like to take advantage of the clause, but cannot do so if the words I have referred to remain. If the Compensation Courts act in the way they have been acting in New Zealand during the past few years, such provisions relating to compensation would deter any prudent local authority from objecting. With regard to clause 40, this empowers the Commissioner of Transport to grant a permit for use of motor-omnibuses on special occasions. I think these special occasions should be defined. They are not defined in the Act. The provisions that exist at present merely enable the Commissioner to give a temporary license at his own discretion to any person to use a motor-omnibus on such days as he absolutely thinks fit. This power could be abused. We submit that if this is exercised by the Commissioner of Transport he can give collateral licenses to any extent, and we think that if any licenses are granted they should be granted by the present licensing authorities.

Mr. Sullivan: Clause 40 would not work if that were done. There would be no time to deal with an application from, say, the Bluff.

Witness: They could make their applications in advance. We submit that the whole scheme should be dropped. If this power is to be exercised by some one not conversant with the local conditions, there will be chaos.

Mr. Murdoch.] You suggest that the authorities should be in different centres?—Yes; the licensing authorities should remain as they are. We suggest that you should strike out the words "The Commissioner of Transport may," and insert in lieu thereof the words "Any local authority may in respect of any streets or public highways within the jurisdiction of such local authority," and at the end of that subsection the words "and may in respect of such permit charge and receive before the issue of the permit such fee as such local authority thinks fit in respect of such permit." Clause 41 provides that motor-omnibus drivers' licenses shall be issued by the Registrar or Deputy Registrar of Motor-vehicles. This is another instance of centralization, and we object to it. Clause 42 relates to inquiries into accidents affecting motor-omnibuses. The Minister is authorized to appoint a person or persons to make an investigation as to any accident in respect of motor-omnibus traffic, and the

circumstances attending the same, and the results thereof. The persons acting have the powers of a Coroner. This is another instance of the proclivity of the Legislature to appoint untrained and inexperienced persons to conduct legal inquiries. All such inquiries should be conducted by persons conversant with the ordinary rules of evidence and principles of fairness governing inquiries. They should be either Judges, or Magistrates, or barristers of standing. This tendency is becoming so strong that many persons seem to think that inquiries are best conducted by unqualified persons. That, in my opinion, is a mistake. I suggest that the words "fit person" should be struck out, and that there should be substituted "Stipendiary Magistrates."

Mr. Williams : A Coroner does not necessarily have to be a Magistrate.

Witness : No ; but in this case we submit that the person should be a Magistrate or other person qualified to deal with judicial matters.

Hon. Mr. Veitch : Presumably in most cases it would be a Magistrate, but there may be instances where expert knowledge is involved ; that is the reason why a Magistrate was not specifically mentioned.

Witness : Yes, but if special expert knowledge were wanted it could be given in evidence. We think that after clause 42 the following new clause should be added : "Section eight of the principal Act is hereby amended by inserting, after the word 'every' in subsection one thereof, the words 'authority to establish a motor-omnibus service and other,' " and by adding at the end of the said section 8 the following new subsection (7) : "Every authority to establish a motor-omnibus service heretofore granted shall expire on the thirty-first day of May, nineteen hundred and thirty." Clause 43 empowers the Minister to make regulations prescribing the grounds on which any authority to carry on a motor-omnibus services may be revoked. This amendment should be made to the present law, and will, therefore, do no harm under any circumstances. The local bodies would prefer, however, that these conditions should be laid down by statutory enactment, and not by regulations. There is no objection to clause 44 or clause 45. With regard to clause 46, this clause should be deleted, or, if it cannot be deleted, subclause (4) should be repealed, and in lieu thereof there should be enacted the following : "The provisions of section thirty-nine of this Act shall not apply to any specified class of motor-vehicles to which any Order in Council under this section relates." This would minimize the seriousness of the monopoly proposed to be created. The Municipal Association is of opinion that if any legislation is brought in to deal with service cars on long runs it should be separate from the control of the local traffic of large centres, which should not be interfered with. The association is of opinion that different considerations apply, and that they are not in the same category. The local bodies do not want to control those, but they do want to control the services they control at present. The repeal of subclause (4) and the substitution above given is suggested because there is no great amount of capital in these services and the question of goodwill in such cases would make it impossible for any one to get in against them. The Minister of Railways is the one probably most affected, because he would never be able to buy them out. Clauses 47 to 49, inclusive, should be struck out. These infringe rights given to the Auckland Transport Board and the Christchurch Tramway Board. These bodies represent the municipalities in the control of traffic in Auckland and Christchurch respectively, and they have certain rights, particularly Auckland. Auckland, under its Transport Board, had a Bill promoted which only came into effect on a referendum of the ratepayers, and the exclusive privileges and monopolies given to Auckland are being taken away by this Bill. In Part VI the constitution of the Main Highways Board is under consideration, and the Municipal Association and town districts feel that, while they are contributing the greater part of the revenue to the main highways in motor-spirit taxation, and heavy-traffic fees, and tire duties, they have no standing at all.

Mr. Williams : Heavy traffic fees do not go to the Main Highways Board.

Witness : That is so, but the motor-spirit and the motor-tire taxes do. They consider that in view of the fact that the greater part of this money is found by the cities, boroughs, and town districts they should have some representation on the Highways Board. They consider that in the past the Highways Board has not considered these bodies at all. They consider that so far as Municipal Corporations with a population of over six thousand are concerned the provisions in the Act authorizing the Main Highways Board to contribute to the extension of highways has practically remained a dead-letter, and they feel that the matter will not be remedied until the municipalities have the same representation on the Highways Board as the counties have ; and they suggest that a new clause should be inserted to give them the same representation as counties. The new clause would read : "(aa) Two members to be appointed with the approval of the Minister of Transport on the recommendation of the executive body of the Municipal Association to represent the inhabitants of boroughs and town districts in the North Island, and two members to be similarly appointed to represent the inhabitants of boroughs and town districts in the South Island."

Mr. Broadfoot.] Could that be overcome by making them all main highways, regardless of whether they are inside or outside the borough ? — No ; they have to decide what are main highways. Take a place like Dannevirke : There are eighteen main roads leading into the town, and they have the privilege of contributing to the highways running out of it, and they have received no refund. Take the case of Wellington : All the traffic coming from all parts of the North Island concentrates on the Hutt Road and Lambton Quay. We have certain advantages in connection with the Hutt Road by reason of our local legislation. Previously we got the motorists' fees, and now the Main Highways Fund contributes the interest and sinking fund in respect to the Hutt Road loans, but nothing is paid for Lambton Quay or Thorndon Quay. The point is that these bodies have been starved in the past.

Mr. Ansell : I think you should make some explanation as to why the Highways Board pays the interest in respect of the Hutt Road.

Witness : The reason is that we had the fees from the motorists, which met all the charges. These fees were taken away by statute on the passing of the legislation relating to taxation of motor-spirit, and in order that the local bodies should not be landed with payment of the whole of the sinking fund and interest and other charges they were met to a certain extent, but not to the whole extent, by the payment of interest and sinking fund out of the Highways Fund.

The Chairman.] What do you specifically ask for in this case?—We ask that representation be given to the municipalities on the Main Highways Board, so that their rights should be given full consideration. The Municipal Association think that the proposal to have conflicting interests as between the North and the South Island, as suggested in subclause (3) of clause 51, is not satisfactory.

Hon. Mr. Veitch.] Do you know what the South Island people themselves think about that?—I have seen it stated what they think, but I can only speak for the Municipal Association. The Mayors of Christchurch, Invercargill, and Dunedin are present here.

Hon. Mr. Veitch.] This is in fulfilment of a promise made by the Prime Minister.

Witness: I quite understand your position, but we make the suggestion because we think it is in the interests of the Dominion to do so. With regard to clause 52, we have no objection to that. Clause 53 apportions the amounts between the North and the South Islands. The Minister will decide this in accordance with the number, kind, and weight of motor-vehicles in use in each Island. Under section 21 of the Main Highways Act, which will be replaced by this clause, the moneys received by the Crown as fees in respect of the licensing of motor-vehicles and the Customs duties in respect of tires are to be apportioned between the North Island and the South Island by the Board, and not by the Minister, by reference to the number of motor-vehicles in use in each Island. The Minister's power of apportionment applies to the whole revenue funds of the Highways Board, and includes the 92 per cent. of the motor-spirits taxation proceeds payable to the revenue fund of the Main Highways Account. The association has to consider the question whether, in its opinion, the Board or the Minister is the proper person to decide this matter. The opinion of the Minister is perfectly clear from the legislation. The association desire to point out that they think the position should be allowed to remain as it is.

Hon. Mr. Veitch.] The reason for that is that there are to be two Main Highways Boards, as promised, and practically provided for in this Bill. While it is somebody's duty to decide as between them, neither the North nor the South could be given the power to decide how much should be allocated to the other Island. At the same time, you will understand that this specifies quite clearly the principle on which the allocation should be made. It is not a question of the Minister taking possession of the funds: he simply adjudicates between the two parties.

Witness: We think both statements—yours and ours—are correct. We appreciate your point of view, and we do not intend to misrepresent anything.

Hon. Mr. Veitch: I do not suggest you are misrepresenting the position. I am taking this opportunity of explaining it in my own interests. It is definitely provided that the Minister will not spend the money.

Witness: I quite appreciate the point. The position is that the Minister has to make the allocation on certain grounds, and we think that there should not be this conflict between the North and the South, and consequently we think the Main Highways Board should decide the matter.

The Chairman: I do not agree with you.

Witness: Well, there is room for difference of opinion. Clause 54 provides for payment of subsidies to local authorities in respect of cost of maintenance of roads and streets that are not main highways. This section authorizes the Main Highways Board to expend up to £150,000 on roads and streets that are not main highways. How much of this will go to the municipalities is in no way certain. I think it is necessary that the interests of the cities and larger boroughs should be protected. These bodies have been excluded from benefits in the past. Their only recognition is to get 8 per cent. of the motor-spirit taxation. The association presumes that this is an ameliorating section, and that it will do justice to them and that they will get something that they have not got before. They think that the £150,000 should be divided equally between (1) the boroughs with a population of over six thousand and (2) the other smaller boroughs and the town districts.

Hon. Mr. Veitch.] So to this extent you would take the power of allocation away from the Main Highways Board?—No; we want to specify the destination of that £150,000. We believe it is intended for our benefit. There are roads in counties as well as in town districts, and the whole allocation might be made to the counties, and the supposed benefit we are looking for might disappear. Clause 55 provides for an excise duty in respect of motor-spirit produced locally. This clause, if it cannot be struck out altogether, should be amended so as to give some encouragement to local industries.

Mr. Broadfoot.] Where would we get our revenue?—If it is a question of revenue, there could be an adaptation between the fuel-tax, as proposed by the Minister, and the absolute exemption, as proposed by the association. But it may be there may be some medium way.

Hon. Mr. Veitch: As a matter of fact, we are rapidly approaching the point at which it is quite probable that a very large quantity of motor-spirit will be produced in New Zealand, and this is put in to protect the funds of the Highways Board to maintain the roads and compensate the local bodies, as they are being compensated now under the general motor-taxation. We do not want them to lose the money.

Witness: We realize that. We do not put this forward as an absolute opinion.

The Chairman.] What suggestion do you make?—We suggest that before this legislation is passed in its present form consideration should be given to the effect it will have on local industries: that puts the matter in a nutshell.

Mr. Parry.] You think it would be a good thing to allow it to stand as it is at present until it is proved we can produce the spirit locally?—Probably you will not get the industry started unless you give it some encouragement. Clause 56 provides for a refund of duty paid on motor-spirits destroyed by fire. This is a matter that could easily be covered by insurance, and will probably be, to some degree, of assistance to insurance companies. The association thinks that, once the tax is paid on motor-spirit, it should be a question of the owner insuring the whole value of the motor-spirit, including the tax, and no refund should be made. There is no reason why the person who has paid the tax should be freed from the necessity of insuring up to the amount of his tax.

Hon. Mr. Veitch : But you will agree that the basis of the present law is to exempt all motor-spirits not used on cars which may cause damage to the roads. If we do not exempt motor-spirits destroyed by fire we will be collecting money on something which will never be used.

Witness : But you are doing that in every case through the Customs.

Hon. Mr. Veitch : The Customs duties are different. The petrol-tax is to compensate local bodies for the wear-and-tear on the roads.

Witness : There is something in that suggestion.

Mr. Williams : I think that is the point.

Hon. Mr. Veitch : That is the reason it has been included.

Witness : It will cause a lot of trouble. With regard to clause 57, we see no reason to object to that. With regard to Part VIII, which embodies an amendment of the Public Works Act as to motor-lorries—clause 58—the heavy-traffic licenses will be collected by the Crown and not by the local authority. New regulations will have to be made, and these regulations will have to be carefully scrutinized, as an attempt will probably be made to favour the counties at the expense of the boroughs. I wish particularly to draw attention to subclause (6), which reads: "Sections one hundred and sixty-four and one hundred and sixty-five of the Public Works Act, 1928, are hereby repealed as from the first day of January, nineteen hundred and thirty." This repeal does away with the weight-restrictions on motor-lorries, and particularly with the weight-restrictions on six-wheeled motor-lorries. If it is not proposed to substitute something dealing with this matter, the local bodies will be under very serious liabilities in regard to the provisions of roads to meet these immense weights. At present the limit of an ordinary motor-lorry loaded is 10 tons, and a six-wheeled motor-lorry loaded is 15 tons. I see nothing in the statute to replace these provisions. The main highways have so far been definitely constructed with a view to meeting the present weights—that is, 10 tons in respect of ordinary lorries loaded, and 15 tons in respect of six-wheeled lorries loaded. Take our roads round Wellington, composed of bitumen: they will stand up to that, and so will the concrete roads in Auckland, but it is doubtful whether our engineers have constructed them to stand more.

Hon. Mr. Veitch : It is not intended to increase the axle-loads at all.

Witness : No; but we submit that the statutory restriction should remain. If there is any increase allowed in the loads, the local bodies may have the whole of their roads destroyed. They submit that there should be a statutory enactment. We see no objection to clauses 59, 60, and 61: they are machinery clauses. As to the Schedule, we think the last two Acts mentioned in the Schedule should be deleted. We think there should be a new clause—42A—to provide that all licenses to establish motor-bus services should be annual only, and we propose that section 8 of the principal Act should be amended accordingly. The subclause (1) would then read, as amended, as follows: "Every authority to establish a motor-omnibus service and every license to run a motor-omnibus issued pursuant to this Act on or before the thirty-first day of May in any year shall, unless sooner revoked or surrendered, continue in force until the thirty-first day of May in the next succeeding year, and shall then expire." Then there would have to be a subsidiary clause to give effect to our purpose. This would read: "Every authority to establish a motor-omnibus service hereafter granted shall expire on the thirty-first day of May, nineteen hundred and thirty." That is to say, we object to their having a right in perpetuity. There is another matter I would like to mention, and that is the association consider that local bodies such as the Christchurch Tramways Board, the Auckland Transport Board, and all the other public authorities running tramway services should receive consideration and should participate in the benefits of the Main Highways Act.

Mr. Ansell.] With reference to the question of preference, if a license is granted to a private individual on a good run and one bus carried the traffic, and if that business grew to such dimensions that four buses were required, would the original grantee have a prior right over any local body or other individual?—No; but the practice of the licensing authority is to prefer him if there is a reasonable increase in business. The licensing authorities have generally given preference to such a man where the increase in business was not a large one, because they considered he could probably do it cheaper.

What would be the position under the proposed amendment?—If there was room for expansion the local bodies, and, of course, the Railways, would have the right to take precedence in the extended business; but the licensing authorities presumably would not grant a license if the service did not warrant an increase in the number of cars.

I am supposing that it does?—If it does, then the Minister or the public authority would get preference under our proposed amendment.

Mr. Healy.] On what does the association base their objection to the proposal that the two Islands should be separately represented on the Board?—The association thinks that local-government interests would be seriously affected if there is discrimination between the North and the South Islands. The general view taken by the association is that, so far as they are concerned, they can always find a community of interest, even if they have to bargain for it. We are able always to settle our affairs for both Islands; we do not want a line of cleavage. We think that anything which tends to split the community of interests in matters municipal between the North and the South Island will not be beneficial.

But when one might be affected more than the other?—We have none of that trouble here.

Hon. Mr. Veitch.] But you do not control the expenditure controlled by the Board?—No; but if you amend the constitution of the Highways Board as I suggest you would have members on it who would assist you.

Mr. Parry.] With regard to the question of compensation being paid to a company which had lost for the first three years and commenced to make a profit in the fourth, might that not be overcome by a provision that the municipality might have the right to assess that compensation?—It is a very complicated question. As a matter of fact, I would have no objection to a man receiving

reasonable compensation for losses which he could prove to the satisfaction of a Compensation Court. My view of compensation is that it should be limited to the cost of the buses and depreciation, cost of buildings and depreciation, and any expenditure incurred in establishing the business, and in connection with that expenditure he should be allowed a reasonable amount of compensation; but if you go to the other extreme and give goodwill, then, taking into account what Compensation Courts have given in the past, they will give such sums as will make it prohibitive for local bodies to step in.

Hon. Mr. Veitch.] I would like to read from clause 39 (b): "In determining the amount of such compensation, the claimant shall not be regarded as having enjoyed any exclusive or preferential right or privilege with respect to the conduct of a motor-omnibus service on any route or routes." Does not that cover it?—But we think that even with those words included the matter will be regarded as including goodwill. I know the dangerous effect of such words. I quite appreciate that the last words exclude goodwill to a certain extent. The Court always errs on the side of the person whose property is being taken.

ROBERT SHERIFF BLACK, Mayor of Dunedin, examined. (No. 2.)

Mr. Black: I view with considerable alarm the very first line in the explanatory memorandum to the Bill, commencing "This Bill is the first step." As the question of motor transport is of decided importance to us, we feel that we should like to know the whole "pile" and to know where the "nigger" is. In other words, we should like to know the whole of the proposals and see them set out specifically. For instance, we might agree to some clause as not being of local importance, and then find that our action, so to speak, would be "used in evidence against us" later on, whereas if we have the whole comprehensive scheme before us we could criticize the whole measure. That is the first objection we make: we do not feel that it is a good thing to be handed a small dose of food when we might as well have the whole meal. I would like to read a statement that has been prepared on this subject by our Town Clerk. The statement is as follows:—

"This measure has now been introduced in Parliament. I have perused a copy of the Bill. It makes drastic changes in the method of the issue of licenses under the Motor-lorry (Heavy Traffic) Regulations, and also in respect of drivers' licenses for all motor-vehicles. At present the local authority issues both of these classes of license. In the case of the heavy-traffic fees, they are apportioned amongst the several local authorities in the district on a basis to be agreed upon. In our case we agreed upon distribution on the basis of actual mileage run by each vehicle in the respective districts. We have been doing the distribution here. In the case of drivers' licenses, these are issued by each of the local authorities, and a driver is supposed to license with the district within which his garage is situate. The advantage of transferring the issue of these two classes of license from the local authority to the State Department is not apparent. The Bill provides that the deduction to be made from the fees to cover the cost of administration of the Act before the residue is apportioned to the several local authorities is to be prescribed by regulation. Just what is meant by "administrative expenses" is not defined. It is therefore not possible from the Bill itself to form any opinion regarding the scope of administration that it is intended shall devolve upon the Transport Department. Under the existing procedure in respect of the heavy-traffic licenses the local authority is permitted to deduct 5 per cent. before apportioning the balance amongst the districts entitled to it. If the new arrangement contemplates that the Transport Department is to deduct 5 per cent. from the fees, the question that arises is, What will the new Department do for this charge? Will it merely perform the routine duty of issuing the license as the Post Office does now in respect of the licenses issued by it, or will it take upon itself the further duties in respect of the administration of the Act? If it merely issues the licenses and leaves us with the further duty of the administration, a reduction of 5 per cent. from the fee would be absurdly high. If, on the other hand, it is to take to itself further administrative duty it will have to employ Inspectors to do the work, and will then, naturally enough, cover the cost by deductions from the fees, and experience suggests that such deductions will be ample. In any event, therefore, it would seem that the new method is about to make at least some inroads upon the total income we get from these licenses as a contribution to the cost of street-maintenance. Another phase in the process of attrition that emerges from a perusal of the Bill is that the exemption that now obtains in respect of motor-vehicles owned by local authorities and used exclusively in connection with the construction or maintenance of roads or streets is eliminated. For the future we shall be compelled to pay the annual license fee on this class of vehicle. And here it is to be noted that no part of these fees goes to the local authority: they are in the same category with the yearly fee of £2 paid by private motor-cars, and the product of the licenses goes to the Main Highways Fund. The explanatory memorandum attached to the Bill states that the Bill is the forerunner of a comprehensive measure proposed to be submitted to Parliament next session. It would seem that the better course would have been to have had the whole policy laid bare, and not deal with the subject piecemeal. It is common knowledge that an agitation is on foot to attach the heavy-traffic license fees paid by motor-vehicles. No such indication is apparent under the Bill under notice, but one would feel less concerned on the subject if this "comprehensive measure" to which reference has been made was in evidence at the present time. The general scope of the whole scheme seems to constitute a process of attrition by which the rightful functions of local government is being gradually absorbed by State Departments. That brings into prominence the long-standing controversy of the proper division of central *versus* local government functions, and curtailment of the latter can be justified only on grounds of outstanding merits in respect of economy and efficiency. In dealing with the issue of the two classes of license to which I have referred, I can see no prospect of either economy or increased efficiency as likely to emerge from the proposals forecasted by the Bill. Indeed, it is fairly obvious that in any event, the proposals must add to the aggregate cost of administration, with the final result that the income available for expenditure on the streets is further diminished."

I am supporting the claims of local government. In a few words, the position is this: that men are appointed to the City Council because the people in that locality think they have the business acumen and local knowledge to do the best for the people in the district. No matter how good a centralized State Department may be, and how well organized it may be, it is obvious that men in Wellington, say, cannot have the same knowledge of local conditions in Dunedin, and therefore cannot do as well for that district as capable business men on the spot, having a full knowledge of local requirements. Neither can such a State Department do the work as economically. If you want an example of what happens, take the case of a man in business who turns his business into a company and hands it over to directors. No matter how good the directors may be, they will never watch that business as the owner himself would have watched it. The position is the same with regard to local bodies: the State cannot run things as economically as a local body. And local bodies have their rights, and they should be jealously guarded. We have the right to control our own affairs, and this Bill is a process of attrition taking away those rights. So far as I can gather from the Bill, it is believed that certain money is being lost through not licensing certain vehicles. Well, we certainly want to help the Government and the Railways—we want to see the railways getting all the traffic possible. The question of the composition of the Board has been discussed, and as to the representation on it of the North Island and the South Island. The one blot on New Zealand is that it is not a country—it is a place of provinces. I think we should all get together. This Bill is a phase illustrating the provincialism I have referred to, and we would like to see it amended. In our opinion, the transport business of New Zealand can best be carried on by the various Borough Councils. Too much government is not good for any country. With regard to the tax on locally-produced motor-spirit, that is the biggest shock in the Bill, because New Zealand has long been trying to get free of the necessity of going to America for its motor-spirit.

Mr. Murdoch.] You say it is common knowledge that there is a proposal on foot to take the heavy-traffic fees away. What evidence have you of that?—If you want concrete evidence we will send it to you: it is the common talk of the place, and there is never smoke unless there is fire.

But you have made the statement, and you have no evidence to support it?—Well, you will have it very soon, because the master carriers are coming here. They have stated that it was iniquitous, the amount of money so many vehicles were paying in tax. As a matter of fact, they do not pay enough to reimburse the damage they do the roads.

The Chairman.] Do you not think speed has something to do with the matter?—Yes, it is quite probable.

Mr. Murdoch.] You suggest the fees should be increased?—Yes, if anything.

The Chairman.] Undoubtedly the object of this Bill is to bring about a unification between different localities. It would appear that, at any rate, you are in favour of that as between the two Islands, but against it as applying to more or less contiguous localities. At the present time there is a certain amount of conflict and variation between the regulations made by different localities. This Bill is an attempt to bring about a uniform law. Are you in favour of that or otherwise?—I am in favour of a common law being applied to all the various boroughs and localities.

That the same principle should apply all through?—Yes.

Hon. Mr. Veitch.] Are you aware that under existing conditions there are thirteen local authorities which have power to grant licenses, and that under this proposed measure it creates eighteen local authorities so authorized, in substitution of the thirteen which exist to-day?—No, I did not know that.

You say that the Bill has a tendency to centralize, but there will be eighteen licensing authorities instead of thirteen, and each of the eighteen will have power within their own districts only, and not have power to control their neighbours, as some existing licensing authorities have now. That does not look like centralization, does it?—It might be better if they had more power to control their neighbours.

Mr. Sullivan.] You know, of course, that when a local body sits as a licensing authority and any other local body is involved they have power to send a representative to state their opinion?—Yes.

How many endorsed licenses have you in Dunedin?—Very few.

I mean licenses which have been issued by other local bodies and which have been endorsed—drivers' licenses?—We are very strict there. Any man who comes from another district is tested by us. Can you do that under the law?—Yes.

Then you have not had much difficulty in respect of endorsed licenses?—No. We test the man, and if he does not pass we will not endorse his license.

Hon. Mr. Veitch.] In my statement I was referring to licenses for motor services, not licenses for drivers.

Witness. Yes, I understand.

Mr. Sullivan.] Do you want the Bill?—I certainly do not want it. I think it is a step in the wrong direction—a retrograde step.

Mr. Williams.] Do you seriously suggest that this proposed imposition of 4d. a gallon on locally-produced motor-spirit will stop anybody producing it, if they can obtain it?—Yes, I certainly do. It will prevent people prospecting for it.

You think it will have that effect?—I am sure it would.

If no revenue is to be obtained from oil produced in New Zealand, assuming it is got from either underground or from coal, where do you suggest the Highways Board would derive its revenue?—I should say the motorists would pay the equivalent of the money which we now send to America for petrol.

Mr. Williams.] How would you arrange to get that tax?—I am not a man in Parliament, or I would soon evolve a way, because the motor people are the easiest in the world to tax. They suggested this tax, and they would suggest another.

I agree that it would be a good thing if we could produce the motor-spirit in this country?—I think the whole thing is a little premature at present: we have not found the oil yet.

Mr. Broadfoot.] You have a process for liquefying brown coal to-day at a price which would successfully compete with the imported stuff, I believe?—We are hoping to do that.

Mr. Williams.] I would like you to look into the matter and submit a scheme, if possible?—I will be pleased to look into that, because we have a lot of brown coal that is not available for household uses.

There must be some substitute for taxation somewhere else if the oil is produced in New Zealand. You say that a tax on locally-produced oil will interfere with the local industry, yet you say also that the heavy-traffic fees are not sufficient to keep the roads in repair now. If that is so, what will happen if we drop this 4d.-a-gallon tax on locally-produced oil?—If it happens that New Zealand could produce the oil cheaply, to compete successfully with the imported stuff, the motor associations would consider paying more, once they had it. They would be glad to pay heavier license fees; but if you leave the tax in the Bill as it is now it will have the effect of putting off the production of oil in New Zealand.

That is the view you take of it?—Yes.

Mr. Parry.] Would it not be better to wait until we find the oil?—Yes, that is the point.

In reply to a question, you said you did not want the Bill. I take it, you mean this Bill?—Yes, I mean this Bill in its present form.

You do not think much of it?—No.

Have you any suggestion to make with regard to what should be done: do you think we should wait and have a comprehensive Bill?—Yes; and that it should be sent to the Municipal Associations so that they can consider it and bring constructive criticism to bear on it. We only met yesterday, and have had no time to study it thoroughly.

Do you think it would be a good idea for the municipal authorities to draft a Bill of their own and submit it to the Minister?—I dare say they could do that; but they want to know what the comprehensive measure is—the Minister says this is only a step.

Mr. Sullivan.] So far as it goes, you are satisfied with the existing law? I take it that you agree with Mr. O'Shea's statement?—Yes.

Mr. Parry.] If the municipalities brought down a Bill, I take it they would see to it that it covered the ideas of the municipalities?—Oh, yes.

And they would embody a foundation on which the Department could build?—Yes.

The Chairman.] The rural districts might not agree?—That is a big point, I know.

Hon. Mr. Veitch.] You realize that motor transport has grown from being a very insignificant activity to one of very great importance to the country?—Yes, and it is growing and increasing every year.

Do you realize that it is necessary that we should have some comprehensive method of regulating motor transport in order to make it safe and in the best interests of the people?—Certainly.

Do you realize that the existing licensing authorities—that is, in connection with the motor services, not drivers—do not cover the whole Dominion?—No, I did not know that.

As a matter of fact that is the position. There are areas in the Dominion not covered by any licensing authority. You realize, I suppose, that motor services are very important?—Yes.

And that it is necessary in the interests of public safety, if for no other reason, that definite provision should be made to safeguard the public interest in this connection?—Yes.

Do you realize that the present existing licensing authorities cannot possibly deal with all those services, seeing that they run from places like Wellington to New Plymouth, Dunedin to Christchurch, through the West Coast, to Invercargill, and in other remote places?—They could easily be made to handle that.

Which local authority would you empower to license services between Christchurch and Invercargill?—The authority from where the buses start.

Suppose one was registered in one place and one in another, how would you arrange for that?—I do not know.

The Government?—Yes.

Yes; well, that is the point we have come to—the responsibility of the Government, the necessity for comprehensive legislation dealing with a very important and extremely valuable transport service that has grown up in every part of the country?—Yes.

This Bill is intended to take hold of the position, and not to interfere unnecessarily with the rights of our citizens; but we are asking the municipal authorities to recognize that the position has grown beyond the point when it can be controlled by a number of local authorities, each managing in their own particular district—in short, that it has become a national question?—Yes.

Hon. Mr. Veitch. : I am sure that whatever happens in regard to this legislation—and I believe we will get it on the statute-book—when you have studied it more carefully you will support it. Whatever the provisions later may be—the conflict of interest as between motorists, motor-owners (private and commercial) on the one hand, and local bodies on the other—a most careful balance will always be maintained as between them. I can assure you of that. There is nothing further from the mind of the Government than taking away the rights and prerogatives of local bodies. No Government would be worthy of its name if it did not recognize the valuable service given to the people by those who have worked for nothing by serving on local authorities.

J. K. ARCHER, Mayor of Christchurch, examined. (No. 3.)

Mr. Archer. : The first thing we have to suggest is that this Bill is so complicated and far-reaching, and the public bodies have had so little time to consider it, that it should not be proceeded with this session, but that it should be carefully considered between now and next session and then proceeded with. The second thing is that, so far as we in Christchurch are concerned, we are not opposing change, because we realize that the time has come when this matter must be dealt with in an exhaustive

manner, and we are prepared to assist as far as possible. However, we do feel that this Bill virtually hands over the question of transport to the motorists, and that far more important sections of the community are almost ignored—first of all, the public bodies, and then the pedestrians. We cannot find a single clause in this Bill which even suggests safety or protection so far as the rights of the great bulk of the people who do not drive motor-cars are concerned. I would point out that, from our point of view, according to clause 51 every man on the Board would probably be a motorist. The Counties Associations have four representatives, and they would almost certainly be motorists. The motorists have direct representation; but we claim that there is practically no direct representation of the people at large, and that they—who still represent probably 75 per cent. of the population—should have direct representation. Then, I would like to say a word in regard to the question of exemption of vehicles used by local bodies. We realize, of course, that this is just the thin edge of the wedge, raising a great political issue regarding the taxation of Government-owned property. But here is the position in Christchurch: I am advised by our officers that our heavy-traffic licenses alone would be £450 a year. These vehicles are all used entirely for roadmaking, and the whole of that money would have to be collected from the ratepayers—I am referring to our own vehicles—so it seems to me that it would be stupid that we should have to pay £450 for the use of our own vehicles in our own city when we have to collect that money from the public. With regard to the licensing authority, we find absolutely no trouble in Christchurch, and I think it is proved by this: that when the City Council has sat as a licensing authority, and after it has given a number of decisions, there has been only one case of a decision being reversed by the Appeal Board. In every other case the Appeal Board has upheld our decision. In regard to the licenses, we consider there should be no vested interest at all, but that the licenses should be granted for one year and go out of existence automatically at the end of the year, and that, therefore, there cannot be any claim for goodwill.

Mr. Sullivan.] You think they should be put on the same basis as any other license?—Yes. And we strongly protest against clause 27, which insists on the public bodies, after their having been deprived of considerable revenue, being forced to put up signposts and other things for the benefit of traffic. We have just had an illustration of that from the Railway Department, which has sent us down a claim which means that we must spend £100 on danger-signals. The Railway Department runs its trains through our streets and makes a number of crossings, and then it endeavours to insist that we find their danger-signals. We claim that the Railway Department should provide its own signals. We suggest that an addition be made to this Bill, or to any other Bill which takes its place, clarifying the position in regard to fines imposed by the Courts in connection with breaches of the Transport Regulations. We find a good deal of difference in Christchurch between the City Council and the police authorities as to who should get the fines, and I would like to respectfully suggest that this might be clarified so that it is made certain that when the prosecutions are under the by-laws the City Council gets the fines, and, of course, the police authorities should get them when the prosecutions are under the regulations of the Department. At the present time there is a lot of confusion. One of our objections to the Bill is that we think it is really a kind of levelling-down instead of a levelling-up Bill.

Mr. Ansell.] You say that only one of your decisions was reversed by the Appeal Board. What period did that cover?—Since 1926.

Mr. Williams.] When you speak of motorists' representative on the Board, and say that the local-body men would be motorists, how do you define a motorist?—I mean that those of us who drive motors instinctively look at a matter from the motorist's point of view.

The Chairman.: But we walk sometimes.

Witness.: And my experience is that people everywhere, both in the cities and in the country, are almost overlooking the fact that there are such things as pedestrians. I think this Bill will have the effect of handing over the use of the roads to the man who owns a motor-vehicle, and that the historic rights of the pedestrian, which, I understand, are primary, are being undermined.

Mr. Ansell.] But that cannot have any effect on the Highways Board?—Oh, yes, and the use of the roads.

Your argument might apply to the licensing council?—What I feel is that this Bill will strengthen the position.

Mr. Sullivan.] What is your view with regard to the provision in the Bill under which power is taken to control pedestrians? Is it your opinion that the Christchurch City Council would approve of the police controlling pedestrians at intersections?—Yes, I think we should have some control.

TUESDAY, 8TH OCTOBER, 1929.

GEORGE ALEXANDER TROUP, Mayor of Wellington, examined. (No. 4.)

The Chairman.] What evidence do you wish to give, Mr. Troup?—The Municipal Association and the Wellington City Council have asked me to give evidence on their behalf with regard to the Transport Law Amendment Bill. I need not go over the Bill in detail, as the solicitor for the Municipal Association, Mr. O'Shea, has already done that. I will therefore merely touch on a few of the more important provisions, and give you evidence, in facts and figures, to show how adversely those provisions will act upon the municipal and local bodies. With regard to the Bill as a whole, I may say that in the unanimous opinion of members of the Municipal Association it is in favour of the motor-trading interests, and against the interests of the local bodies and the transport interest which they control on behalf of the people. In their opinion, a mistake was made in the first

instance in the representation of the various interests on the advisory Board. They pointed this out before the advisory Board functioned, and asked for increased representation, which was refused. Now, when an initial fundamental mistake is made, I submit that it is very difficult of correction, and in the case of the advisory Board as set up the motor-trading interests had undue representation. It was an unbalanced board.

The Chairman : I do not know that that is altogether the thing we want to discuss. We want to discuss the Bill.

Witness : I am coming to that. It was an unbalanced Board, in consequence of which, in their opinion, you have an unbalanced Bill—unbalanced in that it leans in favour of the motor-trading interests. If any section on the Board should have received special consideration and special representation, surely it should have been the local bodies. The Municipal Association of New Zealand represents half the people of the Dominion, and the Counties Association the other half, yet out of a Board of ten members these two associations of local bodies, representing the whole population of New Zealand, had only two representatives. I am here to speak on behalf of the municipalities, the boroughs, and Town Boards, many of which have transport trading interests. Taking the tramway interests alone—and this is why I mentioned the other matter, just to show the relative interests of transport connected with local bodies and the transport interests as conducted by private ownership—taking the tramway interests alone, I wish to submit to you the following information taken from the Local Authorities Handbook for 1928, prepared by the Government Statistician, which gives statistics up to the 31st March, 1927. I may say that I cannot get the later figures, otherwise I should have given them. Then, I wish to lay before you the latest statistics, which were received from the Government Statistician a few days ago, regarding the bus services and the motor-car services in New Zealand. These statistics with regard to buses and motor-cars are brought right up to date—July, 1929—so that you will have later statistics, so far as the service cars and omnibuses go, then you will in regard to tramways. From the point of view of capital invested in the tramways on the 31st March, 1927, Auckland had invested £1,681,382; Gisborne, £57,359; Napier, £112,107; New Plymouth, £72,169; Wanganui, £265,143; Wellington, £1,161,616; Christchurch, £1,270,766; Dunedin, £358,854; Invercargill, £86,612: making a total of £5,066,008.

The Chairman.] Invested in tramways?—Yes; and since then Auckland has raised a loan exceeding £500,000, which, with other capital expenditure by other municipalities, will make the total capital invested in tramways somewhere in the vicinity of £6,000,000. I might also state for the information of the Committee what the annual revenue was in 1927—viz., £1,640,330; the number of passengers carried was 167,599,661, and the car-miles run were 17,123,149; and I think it would be well for the Committee to compare those figures with the corresponding figures in regard to buses and service cars.

That would be hardly fair, would it?—Yes; to show the relative importance of the various ventures. Electric tramways by no means represent the whole of the local bodies' transport interests. Of recent years a great many have secured fleets of buses, which serve for the most part as feeders to the tramways, so that they are actually part and parcel of the tramway service. In matters of finance they are so regarded. In addition to this, there are also some trackless cars; and all of these services are part and parcel of the one system, and should be treated in the same way as tram-cars. I will now give the number of omnibuses privately held, with their value, as taken from the Government Statistician's figures at July, 1929: In the North Island there were 455 vehicles, and in the South Island 184, a total of 639; and the value was £429,859, being an average value per vehicle of £639. Passenger service cars in the North Island were 336, and in the South Island 196, a total of 532, and a total value of £193,139: so that the total value of omnibuses and service cars in the Dominion was £622,998, about one-tenth of the value of the tram-car services connected with or run by local bodies. These are passenger-vehicles only that I have been speaking of, and I may say that, in addition, there are some service cars that carry freight as well as passengers, and of these there are in the North Island 68, and in the South 47, making a total of 115 for the Dominion, of a value of £31,356. Adding that to the former figure, we have a total value of buses and service cars for passengers, and service cars partly for passengers and partly for freight, of £654,354, which is, roughly, between one-ninth and one-tenth of the invested capital in tramways. I would point out to the Committee that the local bodies run their services not for private profit, but entirely for the benefit of the people. They have therefore a right, my association contends, to expect from Parliament due protection on this account, seeing that they run in the people's interest and there is no profit-making out of them whatever. Three years ago the right to run their own buses on their own streets, and within the confines of their own boroughs, without having to pay something for doing so was taken away from them. Some special consideration, however, was given them by way of making them the licensing authority. That consideration is being taken away by this Bill. This Bill proposes to go further even than the last Bill. It takes away from the municipalities the right to run trackless cars unless they pay heavy-traffic fees, and the Bill will also demand heavy-traffic fees from the buses which the municipalities run; and, as I will show you, the whole of this is not returned to them. We contend that gradually the rights and powers of local bodies—which, after all, are the democratic rights of the people—are being filched away, and the Municipal Association views this matter most seriously and with the greatest apprehension. This Bill also places increased financial responsibility on the local bodies while reducing their ability to meet them. The obligation to erect signs and the obligation to test drivers at reduced fees will increase the cost to local bodies. At the present time, with regard to the testing of drivers, we get an allowance of 5s., which practically leaves us no margin. It is proposed now to divide this 5s. between the local authority and the Government authority issuing the license. Members of the Committee can see for themselves that there will be nothing saved to the local body in the way of work, because an Inspector, after

taking a man out to test him for his license, will have to send that man on to the Government authority to get his license, with a covering memo. of some sort letting them know that he has satisfactorily passed the test. It would be just as easy for the local body to write out the license—more easy, in fact—and complete the whole transaction, and it would certainly save the individual who was applying for the license a lot of time.

In practice, the examiner never does that?—The Inspector took me out, for instance, and when we had completed the test he took me into the office and got them to write out the license straight away.

But you had to go to the office for it?—Yes; but the office was where we completed the test. I drove to the office, we went in, and in five minutes I had the license, whereas I presume that under the Bill a man applying for a license would have to get a letter or form to take to the post-office, and there he would have to go and wait his turn, and in due time a license would be issued, so that there would be no saving in time, but really a waste of time so far as the applicant was concerned, and no saving of labour in any way on the part of the local body.

Hon. Mr. Veitch.] You pay for your own driver's license when licensing a car?—Yes; but what I am referring to is when a man is tested in the first instance. The 5s. which we now get is to be divided between the local body and the Government authority.

That is quite wrong. I think you will find it is not. Taking the cost of administration from the fee of 5s. is not dividing the revenue?—No; but the cost of administration will go to the Government and not to the local body, and there will be no reduced labour so far as the local body is concerned. The point has been raised by the Minister as to local bodies having all the heavy-traffic fees returned to them. Let me point this out to the Committee: that, while our heavy vehicles practically operate within the confines of the City of Wellington, our share of the heavy-traffic fees is only 47 per cent. of what is collected.

The Chairman.] Then, you get a percentage of what is collected outside?—We have practically over 90 per cent. of the heavy vehicles in Wellington, so that we would not have returned to us one-half of the heavy-traffic fees which we will have to pay on vehicles not only such as buses and trackless cars, but also on heavy lorries which we use in constructing our own roads. More than half of those fees will go to the other local bodies.

How is the division of heavy-traffic fees arrived at in your case?—In Wellington we have arrived at it by mutual agreement. The various local bodies interested met, and we came to an amicable agreement. In addition to that, we have taken from us the 5 per cent. which we now get for collection of these fees. That will be taken and used by the Government. I may say that we agreed in Wellington to this percentage of 47 in view of the fact that we had this additional 5 per cent. for the collection. When that is taken away the whole position will be altered, and we certainly would never have agreed to such a small proportion as 47 per cent. had it not been for the fact that we were getting the 5 per cent. for collection. Altogether we shall lose, if this Bill passes, the following sums: In petrol-tax, now remitted to us on our own road-lorries, £1,250 per annum; in heavy-traffic fees, if all these vehicles are now to pay heavy-traffic fees, we shall have to pay additional next year £3,567; and we shall also lose in the collection of heavy-traffic fees the sum of £1,500; making a total reduced revenue to the Wellington City Council next year, if the Bill is passed this year, of £6,317. There is another point in regard to the Bill, and that is that we hold that it centralizes in Wellington the control of the whole of the motor transport trade of New Zealand. The municipalities hold—and we discussed this matter at great length—that what is required is less centralization, instead of more as provided in this Bill. The local bodies desire more control of their own affairs, and less control by the Government. Instead of centralization, they consider decentralization will give more effective and efficient control; and we fail to see why the Bill cannot be drafted unifying and codifying their powers, but leaving the whole administration to the local bodies, instead of attempting to exercise control and administration from one centre as proposed in the Bill. I may say in regard to this that, speaking as an old railway officer, the centralization of that Department was carried to a very great extent; but five years ago it had to be discontinued, and decentralization established, and since decentralization came about the needs of the people have been met in a much better way and better service has been given. The people are more satisfied, and certainly do not complain now as they once did in regard to the railways. If we take the Education Department, centralization there has been carried to a greater extent, I think, than in any other Department of the Government service, with the result that dissatisfaction is rife throughout New Zealand. There is more controversy, I dare say, in regard to education than over any other public subject or question in New Zealand. The powers of Education Boards have been taken away to such an extent that the prestige of the Boards has been lowered, and in the same way the standing and importance and powers of local bodies will be infringed upon. We have at the present time Health Boards, Loan Boards, Transport Boards, and other Boards, and the rights and privileges of the people are being taken away when you impair or reduce the rights and powers of the local bodies which they control. Democracy is being superseded by a bureaucracy which will never give satisfaction, nor prove economical or efficient. I want now to give some idea of the costs of construction so that the Committee will see, apart from petrol-tax and heavy-traffic fees, the municipalities are called upon to make a very heavy expenditure.

Has that a direct bearing on the Bill?—Very direct, for this reason: that local bodies are put to very great expense in constructing, in the first place, and then improving and maintaining, roads towards which motorists, either through heavy-traffic fees, the petrol-tax, or any other tax, contribute little or nothing, and I just want to give some indication of what the cost is of a few operations in the City of Wellington. Our expenditure in this direction is very great indeed, but I will ask you to consider only two of the many works that are now being carried out. One is the widening of the road

at the Glenbervie Cutting, Tinakori Road, Glenmore Street, and Chaytor Street to Karori Cemetery, at present being carried out at a cost of over £74,000.

What are you asking for in connection with that? What revenues are affected that this Bill proposes to take away from you?—I want to show how infinitesimal towards the cost of our works is the petrol-tax and heavy-traffic fees which the motorists and owners of heavy vehicles say is their contribution. Another work that is being carried out is a new access way to the eastern suburbs, at a huge cost of over £200,000. The cost of tramway-tracks is not included in this sum. These are only two works, and there are scores of other smaller ones. Apart from that, during the last three years the Council has raised in loans £401,000 for laying down many miles of bitumen, and the whole of the interest and sinking-fund charges on this sum, amounting to £33,400, have to be met. This year our expenditure in maintaining and improving 244 miles of streets in the city is over £130,000, so that with interest charges and costs of maintenance and improvements this year's bill will not be far short of £200,000. What proportion of this annual expenditure on our roadways do the heavy-traffic fees and the petrol-tax contribute? The heavy-traffic fees this year supplied us with a revenue of £17,500, and the petrol-tax £10,500, a total of £28,000 out of the £200,000, leaving the Wellington City Council to find £172,000; and it will have to contribute, in addition, if this Transport Bill is passed, in petrol-tax and heavy-traffic fees on its own lorries, buses, and trackless cars, the sum I have previously stated—£3,567—to run on its own roads, constructed by itself at this very huge expenditure, and maintained and improved this year at an additional cost, over and above the amount provided by petrol-tax and heavy-traffic fees, of £172,000, towards which sum bus-proprietors or service cars do not contribute one shilling. You can see from these figures what a serious matter it is to a city like Wellington. I wish this Committee to specially consider whether it is fair to charge the local body that confines its operations within the limits of its own boundaries—if we go outside it is a different matter altogether—any heavy-traffic fees or any petrol-tax or to place any restriction on their running where they like upon their own roads. If we wish to run any heavy vehicles on any particular road, then we are bound to put down a surface that will carry them, and the whole obligation and cost of that is upon ourselves. Why, then, should any outside Board come and say to us, "You can only run where we give you the right to run?" It is taking powers away from local bodies, with a vengeance. Now I want to say just a word or two in regard to cheap transport. There has been a great deal of criticism in the past, but, notwithstanding that, the fact stands out pre-eminently, and is, I think, a monument of economic and efficient service on the part of the local bodies, that tramway carriage in point of cost of running will challenge comparison with any service that is run—even with the railway service. What better could be done than 1d. per section, as is charged in Dunedin?

I cannot see where you can draw comparisons of cost with tramways working right in the midst of a big population with those working where there is only a sparse population. It must necessarily be cheaper?—Just to show that the tramways should be protected, and that the buses cannot stand up alongside them for cost of running, let me state that in Wellington we carry a passenger up to seven miles for 3d.—less than $\frac{1}{2}$ d. a mile. That is, of course, by concession tickets.

Mr. Mason.] And yet you charge more for the shorter trips?—Yes, in proportion; but it shows that for the long-distance trips we can carry the people cheaply, and at a rate the buses cannot compete with.

You have found that a success?—We have had a profit every year. It was in operation before I became Mayor, so that it has been working for over three years.

It has had a good trial, then?—Yes. Now, the question of the trackless car is assailed in this Bill. It is true that in New Zealand there are very few of them indeed at the present time, but there is a likelihood that in future the trackless car will come into more general use. In older countries, where the tram-track has fallen into disrepair, and when great expense was involved in re-laying it, resort has been made to the trackless system, with excellent results. Track-repairs make, as you can well understand, great demands on the finances of a tramway system. If these can be put out, what may be a losing concern can be turned into a profitable transaction.

Mr. Sullivan.] Bradford has tried them, has it not?—Quite a number of cities in England have done so. We have heard a great deal of trams being supplanted by buses, but in many cases these have been electric buses or trackless cars. There are great advantages in the establishment of those trackless cars, because they can be introduced as a first instalment of what will eventually, as the population increases, become a complete system with track. We have a case in point now, but are being held up pending this Bill. We may extend to a certain part of Wellington, but we want to know first if the trackless cars are to be subject to this heavy-traffic fee. The overhead electric wires installed for the trackless car will serve for the completed system with practically no alteration when tracks are laid at some subsequent time. But the greatest argument in favour of encouraging trackless cars is that they consume electricity, a New Zealand product, as against petrol, a foreign product. The more electricity is used the better and quicker will be the returns to the New Zealand Government for the sale of the product from their many hydro-electric stations. In the opinion of my association, this matter of the encouragement of the use of electricity as against the use of petrol is one that no Government can well ignore. In answer to the query often raised, "Can electricity compete with petrol?" I think, from the figures I have quoted in regard to charges in Dunedin and Wellington, there can be no question on that score; and might I just further draw attention to this outstanding fact: In America, on the western coast, where petrol is only 6d., 6½d., or 7d. a gallon, and electricity is roughly 1d. per unit, electric cars are able to compete with the buses. In New Zealand we have cheaper electricity—for in Wellington we are only paying 0·85d. per unit—while the cost of petrol is roughly four times what it is in America. If, then, electric cars can compete with buses in America, everything in New Zealand must be in favour of the use of electricity and electric tram-cars as against buses. Now I come to the question of the axle-loads of trackless cars. It may be said that they

place a certain destructive force on the roads because they are not running on tracks, but I would point out that if the Council is going to run trackless cars it will see that it puts down a proper bed to carry them. The bitumen or surfacing it will be compelled to put down will be equivalent to the old tramway-bed with its rails as formerly used in the case of a car with a track.

In any case, on your own roads, paid for without Government assistance?—Exactly. The contention of the local bodies is that with regard to heavy vehicles, whether trackless cars, buses, or trucks, used in the construction and maintenance of their own roads, and run within the confines of the borough, they should not be charged any heavy-traffic fees whatever. That was unanimously and very strongly urged at our Municipal Association Conference. Perhaps the most serious defect in the Bill, according to the opinion of the members of my Association, is in the concession which is made to bus and service-car owners with regard to goodwill. Again a unanimous opinion was expressed there that in the use of the roads and streets by any private owners there should be no authority given to run for all time. They strongly recommend that yearly authorities should be granted for all services privately owned, and if the service should at any time be taken over by the Government or local body, then full compensation should be paid for all cars, buildings, or land, or whatever plant that might be used, but that goodwill should not be provided for. The Municipal Association considers that in giving a private service protection against competition the Government has granted it a very valuable concession, which, if taken over later in the interests of the owners of the roads—viz., the people—then the people should not be penalized in having to pay for a concession which they formerly granted without any charge. I think that must be apparent to members of the Committee. Surely if something is being given for nothing, nothing should be paid for it when public necessity requires it later, or provision should be made at least by means of a yearly authority for the resumption of the public use later. When an individual or a corporation leases a property which it may probably require later for its own use, then the lease is invariably a short one. In the case of giving protection against competition on the roads, it is contended that such should not be given in perpetuity, but should be from year to year only, with, say, a year's notice of discontinuance to enable the proprietor to make other arrangements.

Mr. Broadfoot.] Supposing a man has an established service, how is he going to be recompensed?—He would be recompensed by the Government or local body paying him for his cars, his building, and his plant, and the whole thing would be taken over as a running concern, but no goodwill for the right of his special and unrestricted right to run on the roads. Our contention is that if he gets exemption from competition, that is a very valuable concession. While it might be quite safe to grant a monopoly to a representative body of the people to use for the people, it is not right nor democratic that monopolies should be given for all time to individuals or companies to use for private profit. That is the whole contention, and that is the most serious objection we have to the Bill.

Mr. Sullivan.] That is something you want in the Bill?—We want what is in the Bill struck out, or some protection given.

That is something you want put into the Bill, so that licenses shall terminate at the end of each year?—Yes. I would like to draw attention to this fact: that the license so far as the bus is concerned is a yearly matter, but so far as the authority to run is concerned it is not a yearly matter.

The Chairman.] In short terms, we would suffer from a monopoly?—Yes, that is, a private monopoly. We hold that it is quite safe to give a public body a monopoly, for the reason that it is not trading for profit.

Mr. Broadfoot.] But the question of efficiency comes in again?—Exactly; and we hold it can be more efficient as well. It is true that the tramways in the cities have a monopoly now; but they, as I said, belong to the people. And there is also this very important factor that I want you to bear in mind in regard to the tramways, and that is that they bear a very large proportion of the cost of construction as well as the maintenance of the road. At least one-third of the road is taken up by the tramway-track, and for that one-third they have to pay, so that the tramways do make a very large contribution which the buses or private service car never do make, and the amount which buses pay in heavy-traffic fees is but a fraction of the cost which the tramways have to bear.

Mr. Ansell.] Do you take these figures into consideration in assessing your profits?—Yes. To obtain such a valuable concession as freedom from competition, even on a year-to-year authority, the right should carry with it the obligation to bear a rightful proportion of the cost of maintenance and improvement of the road. If we are going to give these service cars and omnibuses this right, then the whole question of the construction or destruction of the road by these vehicles should be closely examined, and they should bear their rightful proportion, which the heavy-traffic fee does not now provide for. If the provision to grant running-rights in perpetuity and goodwill on resumption by the Government or local bodies is not deleted from the Bill, the rights of the people, held since the foundation of this Dominion, which are being given away, will only be resumed in the future at the cost of many millions of pounds, for the road transport of this Dominion is at the present time only in its infancy. I might also point out that this question of goodwill could be made transferable, and the transfers could be so arranged that the goodwill value would be so grossly exaggerated that it would be quite impossible for public bodies to resume. Public bodies know only too well how compulsory resumptions are often impossible, on the score of the unreasonable claims which are piled up against them. Every endeavour should be made to protect them in this respect. I just want to point out in conclusion, in regard to mail contracts, that there will be the greatest difficulty, if we are going to restrict competition on the roads, to satisfactorily let mail contracts. Competitive tenders cannot be obtained when only one service, which has the exclusive right to carry passengers, has the running-rights. A service carrying mails without the rights to carry passengers would never pay, or to make it pay it would mean excessive cost for the mail-carriage. It would mean that the Government would have to give the man who had the monopoly practically what he liked. That is a matter outside our municipalities, but it is an important one. Then, with regard to annual statements of finance,

at present private bus and car services are under no obligation to render statements annually of their finance. This should be provided for in the Bill. In fact, the Bill, in our opinion, should be delayed until such statements are obtained, and properly audited balance-sheets should have been provided before this Bill was drafted, and my association ask that it be postponed until this information is obtained. There are other matters, too—with regard to Appeal Boards, for instance: as to whether they should not be controlled by a Judge or Magistrate, who should preside in regard to them all. We hold that these Boards should be made non-party; that they should be taken outside the motor interests and the Council interests—that they should be non-party Boards.

Mr. Sullivan.] That is the Transport Appeal Board, you mean?—Yes. With regard to the ancient rights of roadways, I would like to have said something, but time will not permit me to go into that. I may say, in conclusion, that the best solution that I can imagine is that if the Bill gave protection to tramway routes, and gave free rights to the buses or other services to compete elsewhere, it would be much better for the country. All we want in Wellington is protection for the tramway services. We object to the buses competing with our tramway routes. You can have bus competition elsewhere as much as you like. If you give that, it will do away with any question of goodwill and simplify the whole of the Bill. Finally, I may say that the members of the Association, who only met for one day, were strongly of opinion that, although they did not have time to give full consideration to this matter, instructed me that when I appeared before the Committee I should urge very strongly that the Bill should be postponed until next year, so that all parties could have an opportunity of going thoroughly into it, and then other questions connected with the Bill could also be brought down.

Mr. Mason.] You talked about taking away the powers of local bodies. Do you suggest that there should be different by-laws, with different limits of speed, and so on?—Oh, no; not in matters like that. It is quite right to codify all such matters, but leave the administration to the local bodies.

Mr. Broadfoot.] Suppose private enterprise creates a traffic for itself, and then a municipality decides to put in a tramway service to that area, would you think it a fair thing to allow that man any goodwill?—I think the fact that he has received a permit to run there without competition has given him a concession, and when the time has come for the tramway to be laid down the chances are that, whether he was running there or not, the tramways would have gone ahead, but by giving him the goodwill rights you are stopping the development of the tramway system.

Mr. Sullivan.] Do you want the Bill, or would you sooner it was not passed?—I would sooner this Bill was not passed.

Do you think that you and your executive represent the general body of public opinion on the question so far as the municipalities are concerned?—I am very sure of it. I have never seen such unanimous decisions at our meetings as there were over this matter.

Are you sure of those figures as to the £3,567 this Bill will impose on the Wellington City Council by way of heavy-traffic fees?—Yes; I got them from the various officers.

Mr. Sullivan.] The Christchurch figures, I think, were only £450 to £500, and I was wondering how the high figure of £3,567 came about.

Mr. Ansell.] In your opening remarks you referred to the constitution of the Transport Board, and you say you want further representation. Can you give the Committee an idea of the original constitution of the Transport Board?—What do you mean by “original constitution”?

An alteration was made by the Minister appointing an extra motor representative. What was the original constitution of the Board?—I cannot say that. I know there was an additional motor-car representative—one for the North Island and one for the South.

So far as I can remember, there were members representing heavy-traffic omnibuses, service cars, motor-dealers, motor labour, motor association, one for the counties, and one for the municipalities?—I think that was the original constitution, and the only addition was in the motor representatives.

What I am driving at is the constitution of the Board, so that we can get an idea of the Bill from the point of view of the interests involved. You say that further representation is refused to you. What did you suggest to the Minister?—We asked for an additional representative from the Municipal Association, and the Counties Association did likewise—one each. Even then we would be in a minority.

That was refused?—Yes.

In regard to the proposal in the Bill repealing the Public Works Act in regard to the present limitation of loads, which, as you are probably aware, is 10 tons for a four-wheeled vehicle and 15 tons for a six-wheeled, if that is abolished how will it affect your roads?—That is just what we do not know. We hold that it should be distinctly specified by statute what these loads are to be, otherwise there will be no holding the matter at all. We may put down, say, 3 in. of bitumen to-day, and next year the axle-load may be increased, which would render that quite ineffective.

The Chairman.] What you want is that the weights should conform to the nature of the construction?—Unquestionably; and the local bodies should either have a say in what those loads are to be or it should be distinctly specified in the statute what the maximum loads are to be. At the present time that is laid down, and we know where we are. It means 10 tons for four-wheeled vehicles and 15 tons for six-wheeled. Now we are somewhat alarmed in case that loading is to be exceeded.

Mr. Ansell.] You look upon that as a serious matter?—Very serious.

In regard to your suggestion that Wellington City should be exempt from heavy-traffic fees on all its buses, how would you get over the difficulty if they ran outside?—If they ran outside they should be subject to the heavy-traffic fees.

How would you get over the difficulty?—Would you stop them running outside?—Unquestionably. I may say that at present there are none which run outside.

If it applied to one city it would have to apply to all. In Dunedin the buses frequently run outside the city boundary. How would you get over that difficulty?—In cases where they run outside, the heavy-traffic fees should be imposed—that is, where a bus goes on to other people's roads.

In regard to the unanimous opinion of your association that the Bill should be postponed, were they quite unanimous?—Yes.

Mr. Healy.] It may not happen in Wellington that the buses run outside the city boundary, but it would happen in some cases. Licensed motor service cars probably run only a mile in a borough and then perhaps 200 miles or more on county roads: how would you get over that?—They would be charged heavy-traffic fees.

But in cases where the home of a car is in a town and the fees are collected by the Borough Council: the County Council gets nothing?—The county does here. The Hutt County gets a proportion—and a very big proportion—of our heavy-traffic fees.

That is not general in all districts?—I think so. The Bill proposes to make it universal, because it divides the whole of New Zealand into areas, which the licensing body will have control over, and the license fees will be distributed over the whole area.

The Chairman.] In the case of competition between a municipality and private enterprise, how would you base your fares if one paid heavy-traffic fees and the other did not?—We base our fares simply to show the smallest margin of profit. Of course, we cannot lose on it; we dare not, otherwise we would have to make it up out of rates. We fix the fares just as cheaply as we can.

In making up your balance-sheet you do not allow for what the other man would have to pay for heavy-traffic fees?—No; but, of course, we allow for all charges, and bring the fares down to just an actual paying-point.

Mr. O'Shea, on behalf of the Municipal Association, said he would like it to be recorded that the Mayor of Wanganui, the Mayor of Feilding, and the Mayor of Invercargill desired to give evidence in regard to their own respective districts, to support what had been said by himself and Mr. Troup, but were unable to be present. The Mayor of Masterton was in the same position. However, the opinion of the Municipal Association was unanimous.

CHARLTON DOUGLAS MORPETH examined. (No. 5.)

The Chairman.] Whom do you represent, Mr. Morpeth?—I am a member of the Wellington City Council, and there is only one matter really that I want to speak about, as the Mayor, in speaking for the Municipal Association, has also voiced very succinctly and completely the ideas of the Wellington City Council in respect to the Bill. I wish to deal with only one particular feature of the Bill, and that is one you cross-questioned Mr. Troup about, which is dealt with in subclause (6) of clause 39 and subclause (4) of clause 46. These deal with the question of the authority to run upon the roads under license granted thereby. The question that, to my mind, needs very serious consideration is the question of the right to part with our birthright. This business of licenses and authorities to run on a defined portion of a road means that we part with our birthright for a mess of pottage. The roads are the property of the people. We have constructed them and maintained them, and they are therefore our responsibility from the beginning and continuously, and will remain our responsibility to the end. Why should we part with the right of user over them and for a paltry fee give it up in perpetuity to a private interest? It is all very well to say that a private interest starts and maintains a service and creates a public utility, but what do they pay for it?

Mr. Broadfoot: They have risked their capital.

Witness: They risk their capital, and under the Bill they get it back.

Mr. Broadfoot: They may.

Witness: I say they will. I am connected with a company in Hawera which has just sold its electrical plant and undertaking to the Power Board of North Taranaki. The Hawera Electrical Co.—and I am in the fortunate position of being a shareholder—had a right conferred by Act of Parliament some twenty-six years ago. That right was extinguishable after a certain number of years, and it has now been bought by the North Taranaki Power Board. The wording of the statute was that they were entitled to demand from this company, after the expiry of twenty-five years, the undertaking, the land, hereditaments, rights, easements, plant, and so on, used in the undertaking. That is to say, the word “undertaking” connotes a goodwill. The same word is used in this Bill, and by it we got back our capital and about £37,000 for goodwill. That was very nice for the shareholders; but why should we, the people of New Zealand, part with the goodwill of our roads, and that is what it says here in this compensation clause—subclause (6) of clause 39—and subclause (4) of clause 46, which distinctly state that they shall be paid compensation for their rights. Let them by all means, get their capital back; but they paid nothing whatever to create the user of the road, and why should we have to pay through the nose to get it back, because we know that in all operations of this sort, where a public authority has to buy back a concession, whether it be the Government or a Municipal Corporation, it has to pay through the nose. That is the point I want to make. His Worship the Mayor has dealt with the many points in the Bill, and there is no occasion for me to go over them and labour them. My point is that I see no reason why we should pay goodwill to a private entity as the result of granting it a user of the King's highway.

The Chairman.] Would you object to any one who had established a business and helped a community to grow being fully and fairly treated? I know of many instances where men have started in a small way and helped materially to build up a community with their service, and it seems only equitable that where such a man has to step out and leave that service to some one in a larger way of business that he should be fully recompensed for the effort he has put forward?—Certainly he should get all his capital back; but presumably he made a good living. Such a business as that of running across the roads of the people presupposes the use of the road. He does not put down those roads. The Government, for instance, decides to build a railway, and it has to put down permanent-way at great cost before it can start to work to earn profits. These gentlemen who

institute these services have provided for them at the expense of the people the roads on which they run and from which they derive their revenue. The only thing they put into it is the piece of land they may have to buy whereon to build a shed to house their vehicles, a certain amount of plant for repairs, and the vehicles themselves. These are the capital items which they have to face.

Do you think the local bodies will always develop the transport services up to their full capacity, or does not private enterprise sometimes assist in bringing about fresh development?—Private enterprise, in my experience, is very cautious in not going into an unremunerative district. If it does, it goes bankrupt.

Mr. Broadfoot.] The City of Auckland did not develop St. Heliers Bay. A private man has done that and has taken the risk. He is now running a nine-and-a-half-miles service, while the new road along the waterfront is only six miles and a half. By this Bill the municipality is going to obtain absolute preferment.

Witness : That is the fortune of war. I do not know whether that is provided for.

Mr. Broadfoot : He is going to be slaughtered.

Mr. Ansell : I am going to suggest that either the witness or Mr. O'Shea be permitted to answer a question I wish to put on the matter of goodwill. Clause 39 provides that the licensee of a motor-omnibus service is entitled to compensation if the renewal of a license is refused on the ground of competition with a local authority or the Minister of Railways. In subclause (6) it states, "In computing the price to be paid under this section in respect of any undertaking, the price shall be fixed at the fair market value," and then it goes on to say "In determining the amount of such compensation, the claimant shall not be regarded as having enjoyed any exclusive or preferential right or privilege, with respect to the conduct of a motor-omnibus service on any route or routes." How does that deal with your suggestion in regard to goodwill?

Mr. O'Shea : That clause is all right if you strike out the words "together with such amount (if any) as is agreed on by the parties or as is considered reasonable by the Compensation Court as compensation for the loss suffered by the claimant by reason of the refusal of the licensing authority to renew his license." He is given in one case compensation for license apart from his capital, and in the second case it is stated that in fixing that compensation the claimant is not to be regarded as having an exclusive or preferential right or privilege, but the Bill makes it an exclusive right or privilege so long as no one is licensed against him. If the Compensation Court is so disposed it can capitalize the profits of his business.

Mr. Sullivan : He would get goodwill for such business as he has?

Mr. O'Shea : I do not think so. The second clause overrides the provisions of the previous clause.

Mr. Sullivan (to witness).] You do not want the Bill?—I think the Bill wants to be much more fully considered. I doubt whether it is a sound Bill from the point of view of the Government itself. You want licenses to have a yearly tenure?—Absolutely.

Would you accept the present Bill with that concession?—I would be much more disposed to accept it. It would make a great deal of difference. That is what the American motor corporations do in regard to their agencies: they will not give more than a twelvemonths' license, and no goodwill accumulates there whatever.

ROBERT ALEXANDER WRIGHT, M.P., examined. (No. 6.)

The Chairman.] In what connection do you wish to give evidence, Mr. Wright?—As a member of the Wellington City Council. I wish to say a few words, first of all, in regard to this question of goodwill. It has generally been held in New Zealand that where a monopoly exists no goodwill is to be paid when such monopoly is taken over by a public body or the Government. As an illustration of that, I need only refer to the licenses held by publicans. They have no right to compensation if they lose their licenses, and I think that exactly fits the position with motor-proprietors who have monopoly licenses to run on a public road. If at any time a public body or the Government desires to take that monopoly over, then, in my judgment, the owners have no right to compensation for goodwill. There are just two or three clauses in the Bill that I desire to refer to briefly. In clause 25 there is power to make regulations governing pedestrian and other traffic. There is a feeling that the advisory committee is unbalanced, and will lean towards the motorists. I have nothing to say against the personnel of that committee, but no man can be a judge where his own interests are involved, and any committee or Board should be strictly impartial to both sides. Here we have the question of the control of pedestrian traffic. Some motorists think the roads exist only for them, and that the pedestrian has no right at all. That must be guarded against.

But you would not contend that no regulations are necessary?—No. Then I come to clause 26, which gives the Minister power to disallow any by-law relating directly to motor traffic or relating to any other form of traffic in its relation to motor traffic, on the ground that the subject-matter of such by-law should not be dealt with otherwise than by statute or by regulations of general application under the Motor-vehicles Act. I object most strongly to any Minister in any Government having the right to override by-laws of a local body in that way. At present the by-laws of a local body can be overridden by a Magistrate or by the Supreme Court, and no exception can be taken to that, as a Magistrate or a Judge is in an impartial position. No Minister of any Government—I am speaking generally of all Governments—I repeat, should have that power. They are all party men—they cannot help it—and, therefore, to give any Minister power in this way to override the by-law of a local body is, in my judgment, absolutely wrong. It is taking away from a local body a few of the rights it now enjoys.

No one would be less disposed than I am to take away the rights of a local body to make by-laws, but in bringing about this unification might there not be circumstances where some local body would

do things that would be unreasonable? Is it not necessary, therefore, to have some check?—I admit that; but some Minister might also be unreasonable. I am opposing the Minister having that power. I think it places the Minister in an ambiguous position, and, even if he does the right thing, he will be condemned as having acted on party lines. I do not think that is a power any Minister should be called upon to exercise.

Mr. Broadfoot.] You think that the unification and co-ordination should be done by the Board, and not the Minister?—I did not say that.

One local body says you can travel at eight miles an hour, another at ten, another at fifteen, and so on?—That applies to any by-law affecting motor traffic.

Mr. Ansell.] The position is practically at the present time that all these by-laws are subject to the approval of the Minister?—I do not think it is a power that should be exercised by the Minister.

The Chairman.] What is your next point?—In clause 27, which is the last point I desire to draw attention to, it provides that if a local authority fails to comply with regulations as to the erection of signposts, &c., the Minister may carry out the work at the expense of the local body. I do not think it right that the local authorities should be compelled to erect these signposts. It seems to me that it is intended to help the Railway Department out of a difficulty. It is the business of the Department in many cases to erect signposts, and not that of the local body. I take exception to that.

Mr. Sullivan.] The last witness stated that he would view the Bill much more sympathetically if a provision were incorporated making a license definitely terminable yearly, or he rather conveyed the suggestion that he would accept the Bill if that were done. Would that be your view?—That would certainly be more preferable, particularly if the local body were the licensing authority. I would certainly agree to that.

Hon. Mr. Veitch.] In regard to the unification of by-laws: you say there should be no Ministerial authority over the making of by-laws by local bodies, but you also admit that there must be unification of by-laws, at least up to a point?—Yes.

How do you suggest that unification could be brought about other than by the Minister of Transport?—I think that probably could be done if the Board, or committee, or whatever else it might be called, gave confidence to all parties that there would be absolute fairness in regard to it. At present there is a feeling, rightly or wrongly, that the present committee is unbalanced, and inclined towards the motorists. There is nothing personal against the gentlemen; they are all good men, but their interests seem to be all in one direction, and naturally the best and most fair-minded man will lean unconsciously towards his own interests. I do not see how he could do anything else.

You are suggesting, then, that some special Board should be set up for that purpose?—Yes.

Are you aware that there is power under the Bill to set up such a committee?—We do not know who will comprise the committee.

Hon. Mr. Veitch. No; but only the parties interested will be represented. The local bodies predominate in the constitution of every local licensing authority proposed in the Bill.

Mr. O'Shea. Not in the Appeal Board.

Hon. Mr. Veitch.] That, of course, is in a different position. If there is any weakness in the constitution of the Appeal Board, of course we are willing to consider that. I think it might have been assumed that the Act would be administered with a sense of fairness to everybody. (To witness.) You say you prefer that the local bodies should remain as the licensing authority?—Yes.

I think you will recognize that the purpose of setting up a Transport Department is to get co-ordination of the motor-transport services, which is a very necessary thing. I am sure you will recognize that. Can you see any way in which the present licensing authorities might have their licensing authority extended still further? For instance, take the City of Wellington: you would not expect it to be given licensing authority for the running of motor services from Wellington to Auckland and New Plymouth?—No.

That is the ground we want to cover. We want to cover more extensive ground, and here we are setting up a licensing authority in which all local bodies are considered within the highways district in appointing members. Would you not be prepared to admit that that is not a case of filching the present powers of local bodies, but merely, in view of the national need to extend the licensing system, an effort to provide a more comprehensive system of licensing?—Yes, that may be so, and I admit there may be some local bodies that need management, but I think in the main centres there is nothing to condemn in the actions of the local bodies. So far as I can see, they have carried out their duties very well indeed. I think they could be exempt from this Bill. For instance, the matter of issuing drivers' licenses has, I believe, been very well done by the larger bodies, although it may not have been well done by the smaller bodies.

I would not dream of contradicting what you say; I believe the licensing authorities are doing their utmost in the interests of the people; but this is a case of public necessity and the public safety urgently demanding an extension of the system of licensing far beyond the sphere of the existing licensing authorities, such as the City of Wellington?—I quite agree; but might there not be a way of meeting that difficulty without coming into collision with the local bodies to this extent? Naturally they are jealous of the powers they possess, and feel that this is the thin end of the wedge. Subsequently another Minister will promote something else, and they will lose everything. Take the tramways, for instance: the Public Works Department has hitherto always dealt with them, but now you are putting them under another Board altogether.

Hon. Mr. Veitch. No; that is where you have been misinformed. The powers of local bodies to run tramways are not affected by this Bill at all. That was definitely stated by a witness previously, and the Committee was misled to that extent. The fact is that the placing of the titles of the Acts to be administered by the Transport Department in the Schedule to this Bill does not alter the legal position of those people affected by the Bill; it simply transfers the administration of some law,

unaltered, from one Minister to another, except, of course, to the extent that it may be amended by this Bill. This Bill does not take the management of the tramways from the local authorities and put it in the hands of the Minister.

Witness : But hitherto the Public Works Department has issued an Order in Council. Now that will have to be done under this Bill by the Transport Department.

Hon. Mr. Veitch : But, still, you know that Orders in Council are approved by the whole Cabinet, so that your position is not really changed.

Witness : My experience is that when a Minister brings forward a recommendation as an Order in Council it goes through.

Hon. Mr. Veitch.] I presume that was your experience, and, if that is so, then is that not an additional proof that there is no serious or material change in transferring the administration of those Acts from one Minister to another?—There would be no objection to that, but the Public Works Department is the Department that has been advising the Minister as to whether, for instance, a new tramway-line should be laid down in a certain locality. This Bill proposes to take that away from the Public Works Department and put it in the hands of the Transport Department. In my judgment, such duties should be left in the hands of the Public Works Department.

But the new Department will be a special expert Department in one particular thing, and therefore will be more qualified to advise the Government than a Department such as the Public Works Department, which is busily engaged in huge undertakings in all directions; and, with all due respect to that Department, I should say that the interests of the local bodies and the general public, which should predominate in every case, will have a far better chance of being conserved if we have a special Department set up for their conservation. That is the reason why the provision is here, and no other reason.

Mr. Murdoch.] Your suggestion is that the new Department will not have expert officers to advise it?—Not altogether. There have been cases years ago in Wellington where the local body was penalized by a Minister, because of its political views. That is one of the things we want to watch. We might want to lay down a new tram-line, and we could only get an Order in Council by doing something we do not want to do.

The Chairman.] But, still, the change in the Department would hardly change the possibilities in that direction?—It might not; but we know the Department we have been dealing with in the past, and we know we have had a fair deal.

Hon. Mr. Veitch : In this case the Transport Department would be advised by officers of the Public Works Department in the administration of the Bill. That is what would happen. I am afraid the difficulty has arisen in the minds of many people by them having got the belief, rightly or wrongly, that the Transport Advisory Council is unbalanced as to the representation of the different interests, which might or might not be the case, and that as a result the motorists' interests will dominate the local-body interests. That is the fear apparently in the minds of many witnesses. But the Minister would be responsible; the Advisory Council only advises.

Mr. Sullivan.] In connection with applications to the Wellington City Council sitting as a licensing authority, are other local bodies represented before your Council? Suppose the service affected is through the areas of other local bodies, do they send their representatives to your Council?—Yes, they do.

Have you had any complaints from them in regard to the procedure adopted—any complaints that they do not get a fair deal under the existing system?—I am not sufficiently in touch with the business to be able to answer that question. Personally I do not know of any, but I am not in the best position to answer the question. The Mayor would be in a better position than I am.

Mr. Sullivan : Perhaps the Chairman would put that question to the Mayor or the City Solicitor.

The Chairman : Could you answer the question, Mr. O'Shea?

Mr. O'Shea : There have been no complaints from any local bodies as to our administration. There have been appeals by private people to the Appeal Board, but we have had no trouble whatever with the local bodies.

Mr. Sullivan (to witness).] Is it your opinion, then, that the existing method has been acceptable to the outside local bodies?—We have had no serious complaint from them; it has worked well. I want to point out that this present Bill is, of course, extending the area of the districts.

ROBERT WERE, Chairman, Waitomo County Council, examined. (No. 7.)

The Chairman.] What evidence do you wish to give, Mr. Were?—I attend here with a fellow Councillor and the County Clerk to give you any information that we may be able to. It was felt desirable by our ratepayers that we should come down and put our views before you. We have a considerable mileage of highways running through our county. We were informed, when the highways system was first introduced, that the users of the roads would pay, but we find that the users are not paying their full share. Our rates are increasing yearly, and we wish to emphasize that point and ask that the backblock settlers should receive fair and due consideration. It not only affects settlers now on the land, but will affect land-settlement, because the heavy rates will keep men off instead of encouraging them to go on the land.

What, then, is your point—that you are not getting a sufficient proportion of the petrol-tax?—Everything nowadays is being carried by motors working with petrol, and on the backblock roads, where there are so many curves, every time a motor-lorry comes along it ploughs a furrow.

Is that not a point in favour of the Bill being passed, to control that sort of thing?—Yes.

Mr. Broadfoot.] The question of the damage to the road is becoming out of all proportion to the compensation received, and you want the Council protected on that score?—Yes. We contend that

it requires proper regulation, and from the county point of view we want you to give consideration to the conditions out back, as well as to the cities.

Hon. Mr. Veitch.] Would you approve of this clause, for example, being embodied in the law : “Notwithstanding anything to the contrary in the principal Act, the Main Highways Board may in any year pay out of the Revenue Fund to the local authority having control of any road or street that is not a main highway a subsidy to be expended in the maintenance thereof, not exceeding twenty-five per centum of the estimated cost of the maintenance of that road or street in that year. The total amount to be expended by the Board in any year under the authority of this section shall not exceed one hundred and fifty thousand pounds.” The idea of that clause is to allow the Main Highways Board, in special cases, to vote moneys to roads which are not main highways. Would you approve of a clause such as that?—I could not disapprove of it; but even that wants a little more regulating. It does not say whether it is a metalled or an unmetalled road.

Would you consider it a benefit to your county if there was a special classification of roads to provide that no motor-vehicle would be allowed to run over a road unless we were sure that that vehicle would not damage the road by using it?—I presume it would be a benefit, but I can see a special hardship in cases where there may be only a few settlers on a road.

It would not prevent them using it, but it would regulate the weight of the vehicles?—We have that already.

But a more perfect regulation in that direction would help you?—Yes.

Mr. Ansell.] You are speaking of backblock roads. I have never been able to get a clear definition of what is a backblock road. Can you define a backblock road?—You could almost say that the whole of the roads in the Waitomo County are backblock roads.

The Chairman. It might be taken to mean all roads that are not main highways or subsidiary highways.

Mr. Ansell.] Are these backblock roads roads of purely local interest?—I do not think you could say they are of purely local interest, because all backblock roads are the only means of outlet for the settlers living on them.

But that is of local interest?—Yes.

They are roads of local importance?—Yes. When the petrol-tax was first distributed it was laid down that all roads leading to the railway would be main roads, and it will be found almost invariably that in opening roads the object is to get to the railway. I have been twenty-two years on the County Council, and from my experience I am satisfied that every man's road to his door is his main road, but it is not everybody's main road.

You will admit then that, generally speaking, these backblock roads are local roads only?—That is so.

Mr. Murdoch.] It is quite possible that a backblock road might ultimately be a main road?—Yes, that is so.

Mr. Ansell.] Representatives of the Wellington City Council gave evidence that they expect a proportion of this £150,000 to be paid to the cities. What would you have to say to that?—I do not wish to interfere with their affairs at all, but simply to put before you the “waybacks.” I come to the city only now and again, and when I come here and see the facilities I am surprised that there are any settlers out back at all.

WALTER ALEXANDER LEE examined. (No. 8.)

The Chairman.] What is your position, Mr. Lee?—I am a member of the Waitomo County Council.

What evidence do you wish to give?—I would first like to mention that in coming here with Mr. Were and the County Clerk to give evidence apart from the Counties Association we are doing it out of no disrespect to that body, but simply to place our position as a backblock county before the Committee. At the outset the Council desires to congratulate the Government upon this effort to consolidate the numerous enactments dealing with transport. We are not antagonistic to the Bill, but feel that it might be better in the interests of transport generally if it were delayed for perhaps another year. Nevertheless, we feel that it has many advantages so far as the County Councils are concerned, and we wish to present some of our views in regard to an isolated County Council, or a Council working under difficulties which are not met with in a general way, before you. The Waitomo County covers a very sparsely populated area. It has peculiar difficulties in regard to the settlement of land, and, naturally, finds the upkeep of roads, even with the present provision made by the Highways Board, very, very heavy. We claim that at the present time our expenditure is increasing rather than decreasing, and feel that some assistance should be given to the smaller counties beyond what is being given at the present time. When one takes into consideration the fact that the farming community at present owns about 40 per cent. of the cars throughout the country, and over and above the amount they are paying through the Highways Board and the petrol-tax, they have to find 33 per cent. of the annual maintenance of highways, it is very evident that the farming community is paying a twofold contribution over and above what the motorists of the country pay, because, in addition to the 73 per cent. they are paying towards the maintenance of main highways and subsidiary roads, they have in many cases to pay interest and sinking fund on loans raised for first construction. In our case this amounts to something like £6,000 annually on these main highways and subsidiary highways, and that in itself makes a heavy contribution. Then we are paying 33 per cent. of the cost of maintenance, and, in addition, we feel that we are contributing 40 per cent. of the petrol-tax by the consumption of benzine. Perhaps it is not safe to say 40 per cent., because it is hard to arrive at the actual consumption, but the fact remains that farmers' cars amount to over 40 per cent. of the cars registered in the Dominion. There are more, as a matter

of fact, because many cars are registered in the names of farmers' wives, and it is therefore difficult to arrive at the exact number. The total number of cars registered by farmers is, I think, 40,500.

Mr. Broadfoot.] I take it that the road-costs to your Council have been lowered since the inception of the Highways Board?—No; they are very much higher. We could not hope to get anywhere near the Highways Board's requirements on our previous expenditure.

It has been almost detrimental then?—If we could have kept the motor traffic away we would have been in a much happier position; but under present conditions, of course, we cannot. Under present conditions it is almost impossible for a county such as ours to carry on with the present rate of assistance.

Your expenditure is much greater?—I could give an instance. In our county there is a section of the Auckland-Wellington Highway known as Otorohanga boundary to Te Kuiti. Prior to this section being available to traffic the Mangarino Hill Road was used as a detour route. For three years and a half prior to the Mangarino Road being recognized as a detour route (although it had been used as such) it cost the Council £582 for upkeep. For three years and a half after being recognized as a detour road it cost over £2,400, of which the Highways Board contributed on an average of £1 for £1. The county's share was £1,200, an increase of over 100 per cent., to provide for the increased outside traffic. Hence we contend that the most equitable method of meeting the cost of the highways is by an adequate benzine-tax, so that the user, by whatever means he uses the road, pays.

Mr. Murdoch.] Your suggestion is that the amount provided by the Highways Board is not sufficient for your requirements?—Our contention is that we have come now to the position in a county such as ours that the Highways Board should contribute the whole of the maintenance on the main roads.

Have any moneys been offered to you by the Highways Board that you have been unable to take up?—Not up to the present, but just recently we had an offer which it will be quite impossible to take up unless we strike a heavy rate.

Hon. Mr. Veitch.] Is that on a 25-per-cent. basis?—No, on a £3-for-£1 basis.

The Chairman.] Have you anything further to say?—Yes; I would like to say that our county views with satisfaction the proposal to issue motor-drivers' licenses at the same time as registration and licensing of the motor-vehicle takes place under the present Motor-vehicles Act, but does not consider it advisable for a local authority in a highways district to be delegated the power to test applicants as to their competency to drive and handle a motor. This might involve applicants having to travel considerable distances, and will also involve giving a service for which we will receive no recompense.

Mr. Murdoch.] Do you suggest that your centre should be a licensing authority?—We suggest that the testing should be done by the Transport Board, the same as the registration of licenses.

The Chairman.] You do not want the responsibility of doing it?—No. This opens up the question of traffic inspection. We suggest that this should be done by the Transport Board; a sufficient number of Inspectors to be appointed for each highway district, local bodies in each of these districts to contribute between them, say, one-fourth of the cost of Inspectors' salaries, the local bodies to give these Inspectors authority to operate over their ordinary roads as well as the highways. These Inspectors could do the testing for drivers' licenses, and have all the powers of Inspectors under the present Motor-vehicles Act and Regulations, and Motor-lorry Regulations. If necessary, revise the classification of roads so as to have uniformity in each highway district. I think that is all I have to say.

Mr. Healy.] I suppose your county, like all others in the Dominion, is really put to the cost of maintenance owing to foreign traffic?—That is our trouble. We have a long stretch of main road from Te Kuiti well on towards New Plymouth.

That is mounting up your rates, no doubt, to an enormous extent?—For the last twelve years the rates have been increased rather than decreased, until last year I determined I would arrest any increase in my riding, at any rate.

Your by-roads have really suffered owing to the necessity of maintaining the main roads?—My opinion is that the by-roads are being neglected until we get the benefit of the benzine-tax. There is no denying that that will be of assistance; but experience has shown that as soon as a road is declared a highway or a subsidiary highway, and is improved, it encourages traffic other than that arising from residents of the locality.

Mr. Broadfoot.] And so money is drawn away from your other roads?—It means that, apart from the main highways and subsidiary highways, the county has very little money to spend on what might be termed backblock roads.

Mr. Healy.] It has really put a rent on to the properties?—Yes.

Mr. Murdoch.] Have you a system of main roads in the county, apart from the highways?—No. Each riding works on its own?—Yes.

FREDERICK CHARLES PERRY examined. (No. 9.)

The Chairman.] What is your position, Mr. Perry?—I am Clerk of the Waitomo County Council.

What evidence do you wish to give?—There are just one or two points I wish to make, but I wish first to state that my Council recognizes how difficult it is to legislate on matters of this kind to suit all requirements. We are putting before you the case of Waitomo and similar counties, but we quite appreciate the difficulties of other counties which may not look with so much favour on the Bill as we do. My first point is in connection with motor-vehicles being allowed to run into counties. We suggest, from the point of view of our county and districts similarly situated, that the proviso to clause 13 should be deleted. Subclause (2) safeguards service cars running through several districts from having

to take out more than two licenses, one at each terminal point ; but that proviso seems to us to allow the ordinary taxi to invade a county beyond the five-mile limit already allowed by a town license, and practically does away with the prospect of a county issuing a ply-for-hire license at all. This provision exempts a taxi, no matter what distance it may have to run into a county, from taking out a county license at all, and we suggest that there is really no need for that subclause in districts such as ours, and that the next subclause really safeguards the through service car. Reference has already been made to the erection of signs. The Minister has power to do the work at the expense of the local body if the notice to erect the signs has not been complied with within fourteen days. We suggest that a longer period should be allowed. Most country bodies meet only once a month, and in those circumstances the fourteen days is not a reasonable time. Another important point is clause 29, providing that all the present highway districts are constituted motor-omnibus districts. We are not one, but we will be one under this Bill. We have no motor-omnibus as at present described, but we have service cars running on definite routes. Under Part IV of the Bill the provisions of the Motor-omnibus Traffic Act can be brought into operation by an Order in Council. We suggest that before any Order in Council is issued under that provision the local bodies concerned should first be given an opportunity of moving in the matter if they wished. As I said, we have only a few of these service cars, and the powers of the Motor-omnibus Traffic Act are very far-reaching, and we are not quite sure how these Orders in Council might affect us if they are passed without the local bodies in the highways district being consulted.

BERTIE LAURANCE HAMMOND examined. (No. 10.)

The Chairman.] Whom do you represent, Mr. Hammond ?—I represent the commercial-vehicle owners, inclusive of the master carriers and motor-omnibus proprietors throughout New Zealand ; also merchants running commercial vehicles. Generally speaking, the Bill meets with our approval. In the ordinary course no one welcomes legislation that restricts one's activities, but we accept this Bill as being the logical and inevitable result of a growing industry, an indispensable industry which must be controlled in the interests of economic transport and safety. We are accepting it because we regard it as inevitable. There are two matters in the Bill which I wish to refer to briefly. One concerns clause 46, which gives the Government or the Minister the right to extend the provisions of the Motor-omnibus Traffic Act to goods services plying over regular routes. At the present time these services are not affected by the Act : it is restricted in its operation to passenger services, and passenger and goods services combined. We have asked the Minister to give us an assurance that before that Order in Council is put through the parties interested—not merely ourselves—shall be advised of what is proposed. The Minister has given that assurance, and therefore we are satisfied on that point. The other question is that of representation on the Highways Board. We are not satisfied with the present provision, partly because we do not exactly know what the effect of it will be. The vehicle-owners are given representation on the Highways Board, and the term "vehicle-owners" comprises commercial-vehicle owners and motorists. We feel this : that although we have no grievance against the motorists at all, and they should have none against us, if the representation of the vehicle-owners is to be restricted to one North Island representative and one South Island representative friction will be inevitable. One of the motorists' representatives has already expressed his dissatisfaction, through the press, at the motorists being given only one representative for the North Island and one for the South Island. That official is assuming that the Government has provided for the motorists being represented on the Highways Board. Actually the Bill does not provide anything of the kind. It may be that a motorist would be appointed to the Board to represent the vehicle-owners. If that were done the commercial-vehicle owners would be dissatisfied. If, on the other hand, a carrier were appointed the motorists would be dissatisfied, and, judging from the experience of the Transport Advisory Board, if a North Island motorist were appointed the South Island would probably be disappointed or aggrieved, and *vice versa*. What we ask is that the commercial-vehicle owners, as the payers of practically half the motor-taxation, should be given direct and special representation on the Highways Board. The motorists outnumber us, but in actual aggregate contribution to the revenue of the country they contribute something like £900,000 a year, and we contribute £700,000 ; that is independent of vehicle duty, and under that contribution we have the heavy-traffic fees, tire-tax, and a multitude of annual taxes. We say that, whilst numerically the motorists outnumber us, the individual interest of the master carrier greatly exceeds that of the motorist, inasmuch as probably eleven thousand to thirteen thousand commercial-vehicle owners are paying £700,000, while probably one hundred thousand motorists are paying £900,000, so that the individual interest is somewhere about four or five times greater in the case of the commercial owner than in the case of the motorist. This factor has also to be borne in mind : that commercial transport is indispensable to the economic progress of the country ; whilst that cannot be said with great emphasis or conviction in respect to motor-cars, even although an argument is to be found that motor-cars are indispensable. If, however, the Committee is to give consideration to the payers of dues then both sections are entitled to representation, and the commercial-vehicle owners will be very dissatisfied if they do not get equal representation with the motorist. That is our position concerning the Bill, put in a nutshell. Generally speaking, the proposals in the Bill are approved. I would like to refer to the evidence given before this Committee by representatives of the Municipal Association. First of all, I would like to refer to Mr. Wright's evidence. He stated this morning what was a fact, but a fact that he was not prepared to recognize a few years ago. This morning he said that no man could be a judge in his own case. Four years ago, when the Motor-bus Regulations were brought down, I got up and made that statement before a conference in this building, presided over by the Prime Minister (Mr. Coates), and objected to the City Council being made a licensing authority. Mr. Wright then got up and opposed my views. Perhaps he has been converted in the meantime. But what he has stated to-day is correct. No local

body that conducts a motor-omnibus service should be in the position to say what shall or shall not run in opposition to it. That is not right. There is not one gentleman on this Committee who would be prepared to submit his business affairs to the judgment of a competitor. Despite Mr. O'Shea's assertion to the Committee that licensing authorities are impartial, and despite other evidence on that point, the motor-omnibus proprietors in Wellington have not had a fair deal from the Wellington City Council. That Council has shown distinct partiality, and we will show chapter and verse for it. I hold in my hand letters to the Wellington City Council as a licensing authority, dated 23rd March, 1927, asking for a third bus on the Kelburn-Karori bus route. Two months later the Council refused that license, but ultimately granted it in November. The Council took some eight months before it would concede that extra bus; and although the company was pressing them and pointing out that this third bus was required for the rush hours, the Council refused the third bus, and at the same time prosecuted the company for overcrowding the two buses. If that is not evidence of distinct partiality, then I do not know what it is. The Wellington City Council has had more appeals against its decisions than, I think, any other local body in New Zealand, and, on Mr. O'Shea's own admission, it has lost more appeals.

Mr. O'Shea: Will you prove those figures?

Witness: That is my interpretation of your remarks. I think you gave the figures in relation to the appeals upheld.

Mr. O'Shea: I did not give any figures at all.

Witness: I frankly admit I do not know the figures, but I am just as certain that my statement is correct as Mr. O'Shea is of his. I have no figures, however, so we will let it go at that. Mr. Troup has stated here this morning that all his association desires is protection from competition with the tramways. Mr. Troup is the Mayor, and the Wellington City Council is an applicant to put on buses against the Bell buses to Khandallah and Ngaio—against a well-established, well-conducted service. There is no tramway to those places, and yet he says they require nothing but protection against the tramways. Mr. O'Shea is before this Committee to ask it to delete paragraphs (a) and (b) of the clause dealing with preference, in order that the Wellington City Council can step in on this very run I refer to, against Mr. Bell's service, and take it over with an absolute preference given them by this Bill through the abolition of paragraphs (a) and (b). It is iniquitous; and I say that the views expressed by the Council's representatives before this Committee are expressed as Council representatives or advocates, and are not expressed as individuals, because those of us who know Mr. Troup know that in his own heart he would not say that a man should be deprived of a business he has built up by his own energy, and with risk to his capital, without getting compensation. No fair-minded man on this Committee or off it can say that a man who has pioneered a service, investing capital to start with, and with brains and labour, and has built up a good business, should have it confiscated without being compensated for the loss arising out of the local body taking it over; and it ill becomes a Councillor like Mr. Morpeth, who, on his own admission, is a shareholder in an electric-light concern which recently secured some £47,000 as compensation for goodwill, to come before this Committee and say in all conscience that in the case of a bus service goodwill is not a reasonable thing, although he himself benefited by it in connection with that electric-light undertaking. It is not sincere, and the Committee must see that it is not. It is simply advocating confiscation to say that a man is not entitled to the fruits of his business, and that is what the position is. If you can only license services in the manner the Wellington City Council is asking for, then no pioneer service is going to be started by private enterprise. In most cases where bus services are operating to-day, they have been pioneered by private enterprise. In connection with Vogeltown, where Mr. O'Shea has admitted the Council will not undertake a bus service, and says private enterprise will not touch it, he should have gone further and stated that the reason why private enterprise will not touch it is the fact that Vogeltown is probably half a mile to a mile from a tram terminus. If the Council would give permission for a bus service to run right into town it would be started to-morrow. If the Council put on a bus it could make up any loss by feeding the tram; but private enterprise, as I say, cannot get a license to run alongside the tram route, and is asked to take on the unprofitable end of the route where there is no tram, and it is not a fair deal. If the preference clause were altered to suit the City Council the effect would be, as was pointed out by Mr. Broadfoot, what it was in respect to St. Heliers, in Auckland, when the new route opened up. The City Council would never put in a service until some "mug" representing private enterprise pioneered it and bore the initial losses, and then, when he had worked up the business and was expecting a return, the City Council would turn round and say, "Now is the time to take it over; it is profitable." That is not fair. We heartily approve of the licensing of bus and car services being placed in the hands of an independent tribunal. Mr. O'Shea, in objection to that, stated that an independent tribunal, in an effort to be fair, might do irretrievable injury to municipalities.

Mr. O'Shea: I said that in regard to compensation.

Witness: Very well; but surely no independent tribunal, competent to do the fair thing as between a City Council and all other interests, would do an irretrievable injury to any one. Mr. O'Shea says compensation should not be paid because it would make the cost of acquiring an enterprise prohibitive. That might apply if the Council paid the initial losses. A man might possibly lose £10,000 in building up a service, and my friend admits that that would be a fair charge against the cost of acquiring the service, but not goodwill. Mr. Troup confuses goodwill with the right to use the road. There is an independent right, and that is the right to be compensated for the loss of a payable business or living, independent of the right of the roads. The City Council's objection to this Bill is that it is limiting its own powers to control transport in the same way as it has controlled it, or, may I say, miscontrolled it. We have a judgment of the Supreme Court on the question of the licensing-powers under the Motor-vehicles Act exercised by a local body in Auckland, and the Judge said then that it was contrary

to the principles of British justice that any local authority conducting a service should have the right to license or refuse to license competitors, and the matter was then put into the hands of the Auckland Transport Board, largely as a result of that judicial pronouncement. He condemned the Motor-vehicles Act, which provides for the local body being the licensing authority, and yet the municipal authorities are here to-day to ask the Committee to adhere to that principle. We ask that the Bill be put through this year in order that transport may be put on a sound footing, and not allowed to drag on. The suggestion that it be postponed is a ruse to prevent it becoming law. We got a copy of this Bill no earlier than the municipalities got it, and yet, with all their legal advisers, they say they have been unable to consider it and make their representations in the time. Yet we were able to come here to state our case on the first sitting-day. It is all nonsense for them to say they have had no time to consider the Bill. If they have competent legal advisers they have had time to consider it, and the request that it be postponed is simply an effort to prevent it becoming law. We ask the Committee to provide, or recommend the Government to provide, for direct representation for us on the Highways Board—along with the motorists, if you like; but I do suggest that the Committee take seriously my statement that the motorists and carriers will not be able to agree on joint representation. I am going to dispense with other evidence I proposed to call. I had two witnesses to disprove the statement made by Mr. O'Shea that a bus service could not be conducted at a profit. I brought them to show that their buses are operating at a profit; and the Eastbourne Borough Council is another illustration of a bus service being conducted at a profit. Mr. O'Shea stated that there was no instance where private enterprise could give equal service to the municipal enterprise. I venture to say that those who know the Bell bus service, running between Wellington and Ngaio and Khandallah, will admit that it is a good service. I will not call that evidence, because I feel sure the Committee must be convinced that transport services conducted by private enterprise are properly conducted, and whilst they are properly conducted they should be given the privilege of carrying on, provided that it is not uneconomic transport in competition with other services; but to say that the municipality should rob private enterprise is grossly improper and unfair. I trust the Committee will put the Bill through, and not give effect to the representations of the Wellington City Council and the other municipalities.

Mr. Murdoch.] With reference to clause 46, you want an assurance that the parties interested shall be advised before an Order in Council is issued?—We have received that assurance.

What is the good of advising you?—We suggest that before the Government puts through an Order in Council it should advise all the parties interested of what is intended, and hear their representations if they care to make any. Otherwise we may wake up some morning to find an Order in Council passed which affects us very materially, and we would not have had the opportunity of making any representations.

That is not what you said in your evidence: you stated you should be advised. You mean you should be consulted?—Yes; I stand corrected.

Mr. Ansell.] As representative of the heavy-traffic and omnibus people, you say that the Bill meets with your approval?—Yes, subject to that one point about representation.

With regard to the representation of your interests on the Highways Board, do you consider the Bill leaves it open for the Minister to make such an appointment. The wording is this: "One member to be appointed, on the recommendation of the Minister of Transport, as representative of the owners of motor-vehicles who are resident in the North Island, and one member to be similarly appointed as representative of such owners who are resident in the South Island"; and then it goes on to say, "Before making any recommendations for the appointment of a member of the Board to represent the owners of motor-vehicles who are resident in the North Island or in the South Island, as the case may be (as provided for in section five of the principal Act as amended by the foregoing provisions of this section), the Minister of Transport shall call for nominations for such appointment from incorporated societies or other organizations representing such owners." Would you take from that that it leaves it open for the Minister to appoint some one representing the heavy traffic?—It is open to that, but equally open to the Minister to appoint a representative of the motorists.

Were you surprised to find that provision in the Bill?—We were surprised to find that there was no provision for direct representation of both, and we will be surprised if the Bill goes through this Committee without a recommendation to that effect.

You heard the Minister say that provision was being made for the payment of £150,000 for backblock roads?—The point is that the whole incidence of motor-taxation is wrong—lock, stock, and barrel—and, furthermore, indefensible.

In your very excellent propaganda you have asked for the abolition of the heavy-traffic fees, and that to compensate them the cities should get a larger proportion of the petrol-tax?—There is a reason for that. Seventy per cent. of the heavy commercial vehicles never go outside the cities, and therefore they are paying to-day for the construction of country roads, which they never use.

What about taking this £150,000 for backblock roads?—That opens up the whole question of motor-taxation.

The Minister has definitely indicated that £150,000 is to go on backblock roads: what have you to say to that in view of the statements already issued?—That probably should not be spent on those roads; but I think the proper course is to reduce our taxation to a fair level, and what is done with the money available is a matter for the Government. That is our attitude. We will concentrate on getting fair taxation for a reasonable use of the roads. What is done with the money is a matter for the Government to determine. We have no right, because we contribute the money, to indicate as to what is to be done with it.

The Chairman.] Any other taxpayer pays his taxes, and the Government determines how the money it receives is to be spent?—Yes; we know the use we make of the roads, and we say, Very well, tax us fairly in regard to the use we make of them. What is done with the tax is a matter for the Government of the day.

Hon. Mr. Veitch : Mr. Ansell not only made a statement which I cannot admit, but has made a statement that I have definitely indicated that £150,000 provided for in clause 54 is to be allocated to backblock roads. I say that I have never said that; and, further, that the Bill provides, first, that it is for roads and streets; and, further, the Bill provides, as the present law provides, that the money will be allocated by the Highways Board and not by the Minister. I merely want to put myself right in the matter.

Mr. Ansell : I am sorry if I took up the Minister's remarks incorrectly, but I was under the distinct impression, when the Waitomo County representatives were giving evidence, that that statement was made. (To witness :) With regard to your remarks about the heavy-traffic fees, they are not paid to the Government?—We say that we are satisfied the heavy-traffic fees should be taken off, and that the petrol-tax is the only fair and defensible tax; but we do say, Give us relief in any tax to the extent of the heavy-traffic fees we pay and we will probably be satisfied so long as we do not have to pay out in hard cash the amount we do now. Some firms are paying as much as £2,000 a year in heavy-traffic fees. One firm has as many as eighty-eight vehicles, and probably has only an average of thirty in use. On the question of the petrol-tax, the point I am making in the propaganda referred to by Mr. Ansell is that if it is proposed to distribute the petrol-tax fairly between the cities and the counties, having regard to the use made of the roads in the various places, the cities are entitled to more. That is the only point I am making; but I think the primary consideration given to the allocation of moneys to the cities and boroughs is the requirements of them. The question as to how those requirements can be met by a method of allocation is a secondary consideration. Our chief concern is to get relief from taxes, although it is not our concern at this stage.

Mr. Sullivan.] You agree that if the heavy-traffic fees were taken off the cities it would have to be compensated for from some quarter?—I think probably it would. I say that if a tax is unfair, take it off, and then consider what is to be done, but first remove the injustice. It is no argument to say that you are not going to remove an admitted injustice off one section of the community because it might impose an injustice on another. That is not fair; take it step by step.

Mr. Murdoch.] Is it admitted to be unfair?—I think it is admitted that the matter of motor-taxation was a big factor in the last general election, and that it had a good deal to do with returning another party to power.

Mr. Sullivan.] You want this Bill to pass, with the alteration you have asked for?—Yes.

You represent the carriers: do they want the Bill to pass?—Yes.

You represent the motor-omnibus proprietors?—Generally speaking, yes.

And they want the Bill to pass?—Yes. There may be individuals who object, but the executive of my organization, which is supposed to interpret the feeling of members generally, has decided to approve the Bill, and I do not think there is any other method of getting at the collective opinion of a body.

The position, then, seems to be that all private-enterprise interests are asking for the Bill to pass, and all public interests are opposing it?—Exactly. We have just reversed the position that obtained in 1926.

Representations have been made by your organization in the direction of securing amending legislation, both to the present Government and the previous Government?—It has been an incessant battle for the last four years to secure relief.

And the proposed law meets with your wishes?—So far as it goes. It is chiefly machinery designed to bring about co-ordination. There is always the bogey put up against us when we ask for an alteration in the present law that we are desirous of competing with the railways. Not 5 per cent. of the services are competing with the railways. We do not stand for a service competing uneconomically with the railways; but the illogical part is that, while the municipalities come along and say that bus services cannot be conducted at a profit, they are all the time saying they cannot compete with them.

You contend that where a place has been developed by private enterprise it is a fair thing that that service should be left alone by public enterprise?—So long as it is giving service.

And you would agree that that should apply the other way round?—Admittedly. If any monopoly exists under the Bill, it exists to-day, because the Bill is designed to give us no greater rights than we now enjoy except in the matter of compensation and a different licensing tribunal.

In a case where a place has been developed by public enterprise, and another license has been granted by a licensing authority and a service created that really shares in the profits, do you think it would be fair in a case like that to grant compensation?—I think a man should have compensation if you take from him any goodwill. It is part of a man's property. It is his own personal right, and if you take it without compensation you confiscate it. Of course, the goodwill in such a case as you mention would be much less than where a man had no competition.

With regard to the master carriers, do you say they contribute £700,000?—Approximately, out of £1,600,000. The individual contribution is about five times greater than that of the individual motorist.

The Chairman.] In the case of the establishment of a new service on entirely new ground, you would not object to a local body having a monopoly in that case?—If it was an extension of an existing service; but supposing it was to some suburb to which the local body did not now run, I do not think it is entitled to any preference. If it were an extension of an existing service something might be said for those in the field being given some priority.

Mr. Healy.] You said that the heavy-traffic vehicles rarely left the centres where they were registered. I presume you were referring to the cities?—Yes, I was speaking of the four centres. Seventy per cent. of the heavy vehicles never go outside the cities.

In the country districts the position is just the reverse?—Yes; I was speaking of the cities.

Mr. Murdoch.] Would you give us some idea of what you consider should be the maximum load?—I think the present regulations are fair. They fix the maximum loads for the different classes of roads. We are not asking for any alteration there. We frankly admit there should be classification, but we do say that the classification adopted in the Auckland Province is carrying the regulation to an absurdity, when something like fourteen local bodies within five miles of the Chief Post-office at Auckland have 436 streets classified. To send a driver out and expect him to know the classification of the whole route he has to follow is an absurdity. If all local bodies were doing their duty all the streets should be capable of carrying 10 tons, but we admit that, so far as country roads are concerned, classification is necessary, and we do not object.

The Chairman.] Do you think it fair that a main highway should appear in the No. 4 classification?—Generally speaking, it should not be; but if it is a case that it will not carry the load, then, of course, it has to be, but the classification should be made as high as possible. But an absurdity of the present classification is the prejudicial effect it has on British vehicles, the chassis of which are anything from $\frac{1}{2}$ a ton to 15 cwt. heavier than the American-vehicle chassis. That means that the American vehicle can be loaded with 15 cwt. more than the British, and yet simultaneously we put through a preferential tariff for British vehicles.

WEDNESDAY, 9TH OCTOBER, 1929.

JAMES FREDERICK COUSINS examined. (No. 11.)

The Chairman.] What interests do you represent, Mr. Cousins?—I am secretary of the New Zealand Motor Trade Association; that is the organization of the garage people—what you might call the retailers; but for this particular business I represent the whole of the trade, both wholesale and retail. The principal reason that I asked to be allowed to appear before you was to try and clear up the position regarding dealers' plates, which is dealt with in this particular Bill—subclause (2) of clause 15. There is a very general misunderstanding as to what a dealer's plate is. Some of the criticism that I have read in the newspapers displays such ignorance of the real value and responsibility of the plate that I thought it advisable to appear before the Committee and endeavour to show just what a dealer's plate is, and what this amendment means. Dealer's plates go right back, in my experience, to the advent of the motor-car in New Zealand, and at the outset there was no law in New Zealand covering them. We were covered by the English law. We simply paid 10s. per annum for a dealer's plate, and had an unrestricted use of it. We could have as many plates as we liked, and the number on them all was the same. If, for instance, my firm's number was 500, that was the number of the plate, with the initials of the firm distinctly shown as well. That worked quite satisfactorily in the early days, when there were not many cars, but soon the difficulty of identification by the police arose. Still there was no law, but we had a working arrangement with the police that we kept a note of where the particular cars were and who was using them, and that worked satisfactorily until the Motor-vehicles Act came into force. That Act gave us, for the same fee of 10s. per annum, the use of particular plates, with the restriction that they were to be used on vehicles held only for the purposes of sale. But we found severe objections to that. In the first instance, the fee of 10s. being considerably less than the fee of £2 for an ordinary plate, we found people getting dealers' plates who were not entitled to them—kerbstone people, and people who would make use of a concession simply to get a lower fee; and we also found that the use was too restricted to be of any value at all. There was a Supreme Court case in Auckland, where a dealer was summoned for the use of a trade plate on a car which was not a car he was actually selling but was what was called a demonstration car, and the Court held that the trade plate could not be used on a car unless it was a car that the dealer was actually selling. When that judgment was given we approached the Government through Mr. Coates and Mr. Williams, and we also took it up with the officers of the Department, and offered to pay the full fee, just the same as for an ordinary plate, if we could have the restrictions lifted. That was agreed to by the Government. From that time we paid a fee of £2 for each number-plate, on the understanding that its use was to be unrestricted.

You could shift it from one car to another?—Yes. When the Bill came before Parliament the restrictions were still there, and it was proposed to restrict the use of trade plates still further by prohibiting their use after six o'clock or at any time on Sunday. We took exception to that, and Mr. Coates stated that it was quite contrary to what the Government intended, and that if we paid the full fee there would be no more question about the use of a trade plate than an ordinary plate, and he promised to have the Act amended. It was amended by adding to the clause, "in or for the purpose of his business," which was thought would give us a use sufficiently wide to make it practicable. It went along all right for a few months, until the police took notice. Since then and up till the present time dealers have been continually in trouble for the use of these plates. It has been decided in Court that the use of a dealer's plate on Sunday, although it does not contravene this Act, is a breach of the Police Offences Act, because if a man is charged with the use of a dealer's plate he must plead under the Act that he was using it for the purposes of his business, and to do business on Sunday is illegal. The use of these plates, therefore, has become very aggravating, and really of very little practical use. We have approached the Government on this occasion, and also all the executive officers, who are of opinion, as they were before, that if we paid the full fee the use of a trade plate should be no more restricted than the use of an ordinary plate. We could do away with the dealers' plates simply by paying the £2 as we do, get an individual registration for the car, and use it under that number. There is nothing to prevent us doing that, although it would cost us 5s., when we sold a car, to transfer it to another. It is not for the sake of that fee of 5s. that we wish to retain the dealers' plates, but because if it were said that it is impossible to use them it would have far-reaching effects. In the first place—and this is one of the main reasons why the trade is anxious to retain the dealers' plates—if a man buys a new car it means a great thing to him that he is registered as the

original owner. If we took out a separate registration instead of a dealer's registration, it goes on the register in the name of the firm or person first registering the car, and it is merely then transferred to the man who buys the car and he is not registered as the original owner. That leads to many complications, and is a very serious objection. Another objection has been created by the passing of the third-party-insurance risk. A car used by a motor-trader carries a different premium to that of a car used by an ordinary private user. For all dealers' plates we pay an insurance premium of £1 10s., and that is transferred with the plate to any particular car on which it is used. If we registered each car separately, and paid £1 10s. on it, we are saddling the purchaser of a car with a premium 50 per cent. higher than he should pay. It has a still further important effect, and that is on the purity of the register. If every dealer registered his cars separately, instead of under a trade registration, we would have the big concerns—those concentrated in Wellington, for instance—registering all the cars here, and the register would show an abnormal number of cars registered in the centres, where the big dealers were, and they would not be allocated to their proper territories. We have, for instance, in Napier at the present time a Ford dealer who has become so "fed up" with the trouble over prosecutions, &c., for the innocent misuse of trade plates that he is registering all the cars in his own name, and when he sells them he transfers the registration to his clients. The effect of that is that all the Ford cars in the northern Hawke's Bay district are credited to Napier, and are then transferred to the various parts. All motor-car statistics in New Zealand are prepared from the register, and not the licenses. The effect is to give Napier, for instance, an abnormal number of Ford cars, and the districts in which they are sold practically none. That is a point that might not be understood if the trade plate was done away with. Another use to which trade plates are put is on used cars. As you know, it is a common practice, if a man has bought a new car, to sell to the dealer his old one, which of course, is registered and licensed, and is transferred to the dealer taking it in. The dealer can quite legally continue to use that car under that number-plate; but that, again, gives rise to complications in respect to the insurance premium, because that particular car is registered for private use, and directly a dealer starts to drive it home he is making trouble, because the dealer's premium is 50 per cent. higher than the private user's premium. In practice the way we like to do it, and the way the Department likes it to be done, is not to take a transfer direct in that way, but immediately a car is traded in to lodge the papers and plates with the Deputy Registrar, and he holds them until the car has been resold. In that way the Registrars hold all papers and plates of unsold used cars. When the car is sold the transaction is completed, only one transfer is shown on the register, and it saves a fee of 5s. to the buyer, as there is only one transfer fee instead of two. The car, if it is required to be used during the interim, is used with a dealer's plate, which is quite in order, because it carries the higher insurance rate. There is no concession to the trade in this amendment we are asking for. It is really righting an injustice under which we have been labouring, and to give effect to a promise made to us when we volunteered to pay the full rate. The dealer pays the same rate for a dealer's plate as for any other plate—viz., £2—and so gains nothing from that; but the only thing he does not pay is the registration fee of £1, which is not paid until the car is sold. From the time he puts on a dealer's plate until it is sold the car is running round without having paid the £1 registration fee. That is the only loss the fund suffers—the loss of interest on £1 during the time the car is used under a dealer's plate; but against that, where a used car is being used under a dealer's plate and is already registered by a private owner, it is paying double. It is bearing the £2 fee which has already been paid by the owner before he transferred it—and that continues in force until the end of the year—and the dealer has also paid £2 for his plate, so that that more than covers any loss of interest on the £1 registration fee. There is no concession, from the financial point of view, in holding a dealer's plate, and there is no reason why a dealer's plate should not be used for any purpose that an ordinary plate could be used for, and there should be no question in the minds of the police or any one else as to whether a dealer's plate is being used in accordance with the Act or not. If a dealer's plate is being used on a car, that is evidence that it has paid the full fee and full insurance. We know that it has paid the tire and petrol taxes, and there is nothing it has not paid; and there is no reason on earth why there should be any restriction on the use of that plate. In England, from where our law first came, the position is somewhat different, because they have a different system of taxation. They have met the position there in just the same way as we are asking you to meet it here. If the dealers there pay the same fee for a plate as for a private plate they get an unrestricted use.

Mr. Harris.] Does the proposed amendment in clause 15 cover what you want?—It is exactly what we want, and we are only anxious that it should go through as it is. We know that when it comes before the House the position will be misunderstood, and members will think the trade is getting something it is not entitled to.

Why should you use a trade plate on Sunday?—Why should we not? We should use a trade plate on Sunday because it stands in the place of another plate, and there is no reason whatever why the use of a trade plate on Sunday should be different from the use of a private plate. The car belongs to the man who is driving it. He has registered it and paid the full fee and all other taxes, and why should the use of that car be restricted?

But you can transfer the plate from one car to another?—That is so, or there would be no use in it at all. However, it can only be used on one car at a time. I could hold a hundred cars in my warehouse without registering them, and it is quite legal so long as they do not go on the roads.

How would you get over the provisions of the Police Offences Act if you used the car on Sundays?—We will be quite free, just as any other car is. If this Act is amended the police cannot question a dealer's plate. We have no right to do business on Sunday, but you cannot cure it by prohibiting the use of a dealer's plate. The trade plate has no bearing on that.

Mr. Ansell.] Are you, as a representative of the retailers of cars and the manufacturers, in favour of the Bill?—Yes; the trade is in favour of the Bill going through as it is. We have had an opportunity of expressing our views through the Transport Council, and although we are not in favour of every detail, yet as a whole we are in favour of it going through as it is.

E. F. HEALY, M.P., examined. (No. 12.)

The Chairman.] What evidence do you wish to give, Mr. Healy?—I have some matters which I wish to place before the Committee on behalf of the Blenheim Borough Council, the Marlborough County Council, and the Awatere County Council. I will just briefly place the matters before the Committee as I have them. Generally speaking, neither the counties nor the borough take great exception to the Bill, but there are matters affecting their districts which they apparently wish to bring before the Committee. The Blenheim Borough Council does not agree with the clauses which take the licensing of drivers and heavy traffic out of the hands of the local bodies and give it to the Post Office. The Town Clerk in a letter to me says, "Local bodies are already hard put to it to find money for the upkeep of roads, and by the time the Post Office gets its commission for collecting, there will be still less available. In this borough great care is taken with this licensing, and we cannot see why it should be taken out of our hands to fatten a Department, and very likely to form another Department as time goes on." That is the only complaint from the Blenheim Borough. The Marlborough County Council has objections to make also. They are as follows: "Motor-drivers' licenses—The Marlborough County Council respectfully recommends that the collection of motor-drivers' license fees and the conduct of examination for licenses should be left in the hands of local authorities, as at the present time they can ably and efficiently carry out the work that is required. It is not only owners of motor-vehicles that require licenses, but numbers of others driving motor-vehicles. The local authority is more interested in collecting the fees, and has officials with whose other work this fits in admirably. By taking this away it would reduce the work of the Traffic Inspector and also his pay: this would mean probably an inferior type of official being secured. It is obvious that whatever body collects the fees should control the traffic. It is a case of whittling down the control by local bodies over their own territory. In the event of the Transport Board appointing some one to collect the fees, there is a great danger of the fees being apportioned to the wrong authority; also for the fees to be taken right out of the hands of the local bodies, as was done in the case of the registration fees for motor-cars." That is the Council's complaint in regard to motor-drivers' licenses, and then they go on to say: "Motor-lorry heavy-traffic license fees—The Marlborough County Council respectfully recommends that the collection of license fees and control of motor-lorry heavy traffic should be left in the hands of local authorities. They, being the controlling authorities of the roads, should be best able to look after the traffic and see that all fees are paid. The complaint has been made that local authorities do not collect the right fees. This, at any rate as far as Heavy Traffic District No. 13 is concerned, is not correct. The sum of £5,770 was collected in the group during the fourteen months ended 31st May last." They have put in a statement showing how that is distributed, which I will hand to the clerk. That is, generally speaking, the Marlborough County Council's objections to the Bill, and it seems to be general among the local bodies in my district. The Awatere County Council has also a few objections to make. This is a county that evidently gets no fees from any of the groups, although service cars and heavy traffic are running through their area. They state: "For instance, the heavy-traffic fees this county annually derives from purely local heavy traffic (*i.e.*, trading solely within the county) barely amounts to £50; and including our share of heavy-traffic fees otherwise derivable within the group (No. 15) it reaches a total of approximately £125 per annum." Heavy traffic is running over hundreds of miles of their main road, and there are four motor services both ways each day, and they get not one shilling from their owners or companies.

The Chairman.] They get nothing from the service cars?—No. The letter goes on: "There is the case of the trader who goes from Blenheim to Molesworth twice a week. The mileage run in Blenheim Borough is about one and a half miles, Marlborough County is just under the mile, whilst the balance of the journey of about eighty miles (Omaka Cemetery to Molesworth) is solely on Awatere County roads, yet we derive no quota of the fees." That is a case I know well, and it is only one of hundreds of similar cases.

The Chairman.] You have just placed two representations before us—one by one county which states it is satisfied with the present method, and the other from another county which states that it is entirely dissatisfied. That certainly indicates that there is some need for an alteration in the law in order to meet the difficulty?—This is my opinion.

Mr. Harris.] With reference to the issue of license fees, does each local body do the registering itself?—Yes; the County Council collect their fees, and the Borough Council collect theirs.

You think they prefer it to remain that way?—Evidently, by the way they put their case.

VINCENT MEREDITH examined. (No. 13.)

The Chairman.] What interests do you represent, Mr. Meredith?—I am representing the Auckland Omnibus-proprietors' Association, which includes in its membership all the fleets of private buses operating in Auckland and Hamilton. That would include also, in Auckland, the North Shore company.

Mr. Williams.] You are representing the North Shore Transport Co., too?—Yes; I am representing the North Shore Transport Co., the Passenger Transport Co., L. J. Keys and Co., J. Wheeler and Sons, the Suburban Bus Co., the Auckland Bus Co., and Crawford Buses Ltd., of Hamilton.

Mr. Harris.] What about the transport company running to Pukekohe?—That is Wheeler's.

Mr. Williams.] These are all passengers?—Yes; any remarks I have to make on behalf of the association are entirely restricted to passenger services. I am directed by the association to say that they approve of the principles set out in the Bill, and, though we may have some suggestions to make, they refer mainly to alterations in detail, and we offer them feeling that the fairness of our suggestions will appeal to the Committee, and in the hope that they will be helpful in completing an enactment that will work equitably and justly for everybody. There are three principles in the Bill which we approve that I would like to mention. The first is the constitution of an independent licensing authority;

secondly, the constitution of a separate Appeal Board; and, thirdly, the provision for compensation in those cases where a public body, by this Bill, puts out of existence a private concern. In regard to (1)—the constitution of a separate licensing authority—we not only wish to say that we approve of that principle, but we express the strongest desire that under no consideration shall that principle be jettisoned in the Bill. A licensing authority is a judicial body—it has to adjudicate between two people coming before it having directly contrary financial interests—and it is a principle of justice that any tribunal that adjudicates must be impartial, and that any person coming before that tribunal must know and feel that he is going before a body that can approach its subject and come to its decision free from any bias or self-interest in the matter. In other words, it is wrong that any person can be a judge in his own cause. The existing position, where a licensing authority is a body directly interested in transport, and therefore financially interested in any decision it is called upon to make is one that flies in the face of every recognized principle that should appertain to any judicial tribunal. For that reason we have always opposed the old condition of things, and we trust it will not be allowed to continue, and that the principle of an independent licensing authority will, whatever happens, be kept alive in this Bill. I do not propose to labour that point, because it does appear to us that it is obvious that the principle is monstrous—viz., that anybody financially interested in transport should be given a statutory stranglehold on its competitor and be put in a position to be able at any time to cause that competitor to cease to exist. With that observation on that principle, I would like to suggest an alteration in clause 31 in connection with the setting-up of the licensing authority. Clause 31 provides for a Board of five—(a) a Public Works Engineer, (b) a member to be appointed on the recommendation of the Minister of Transport, (c) a representative of the Councils, (d) a representative of the boroughs and town districts, and (e) a member to represent the local authorities (if any) engaged in carrying on public transport services within the district. No provision is made for the appointment to that Board of a representative of the private interests, and we think that the Board, to be fairly and properly constituted, should have a representative of private interests, particularly seeing that there is a representative of the local bodies controlling transport. It may be that under (b), where there is provision for the appointment of a person with a special knowledge of motor-transport services, if you had in place of that gentleman a representative appointed on the recommendation of the private interests you would have not only a representative of the private interests, but, quite clearly, a person with special knowledge of transport work, because he would come from those people who are controlling and running motor transport. Whether it is an additional man or one in lieu of one of the others provided for, we are not so much concerned, but we do submit that it would be only fair and right, as all other interests are represented, that the private interests should have representation. The general public are represented by three representatives. First, it can be taken that the Public Works Engineer is there in the interests of the general public; then there is a representative of the County Councils, also representing the public; and of the boroughs and town districts, again representing the public. There is also a representative of the local bodies controlling transport, but no representative of those other interests which might conflict with the interests of the local bodies controlling transport. It is therefore submitted that on that Board there should be a representative of the private interests. That is all I propose to say on that point. With regard to the second point—the right of appeal—we have no observation to make beyond commending the provision. It would be anticipated that with an independent licensing authority the number of appeals would be exceedingly small, because matters generally would be well threshed out, and with an independent tribunal the decision would be generally accepted as satisfactory; but, of course, in all cases where the amount involved is large or the consequences of the decision serious to one of the parties concerned it is only right there should be a right of appeal to some higher body if the party aggrieved desires to appeal. The third point I wish to deal with is the question of compensation. The Bill sets out the intention to compensate in those cases where the local body wishes to take over a private enterprise, and with that principle, of course, we heartily agree, and I think the intention of the Bill is to adequately compensate the private owner who is so sacrificed. I use the word “sacrifice” because it is a sacrifice to the man concerned. It is recognized that circumstances may render it necessary in the public interest that the public service should absorb the private. That principle is generally suggested as being correct, so as to avoid economic wastage; but it is also right, we suggest, that if to prevent economic wastage the private individual is to be sacrificed, at least it is only fair and right that he should be compensated for what is taken from him. The point is, what is taken from him? In the ordinary case he has taken from him an organization which may have taken him a few or many years to get together. He has incurred overhead expenses, and has had to incur experimental expenses to arrive at the complete organization which he is running at the time it is taken over. He should be compensated, we submit, for the value of that organization as it stands. I think that is the intention of the framers of the Bill, but, if I may say so, I do not think it is actually effected by the wording of it. The compensation that is payable is set out in subclause (6) of clause 39. Might I read the clause: “In computing the price to be paid under this section in respect of any undertaking, the price shall be fixed at the fair market-value (as for the purposes of a motor-omnibus service) of the motor-omnibuses and other property of the claimant used exclusively for the purposes of the undertaking, as at the date of acquisition by the Minister of Railways or the local or public authority, as the case may be, together with such amount (if any) as is agreed on by the parties or as is considered reasonable by the Compensation Court, as compensation for the loss suffered by the claimant by reason of the refusal of the licensing authority to renew his license. In determining the amount of such compensation, the claimant shall not be regarded as having enjoyed any exclusive or preferential right or privilege with respect to the conduct of a motor-omnibus service on any route or routes.” I would like to deal with the first portion of the clause—from “In computing the price,” &c., down to “the Minister of Railways or the local or

public authority.” Those words are taken, I think, from a similar section in the 1926 Act. They were the subject of litigation, and the words went to the Court of Appeal for interpretation. They were very unhappily phrased in the 1926 Act, and the Court of Appeal decision, trying to decipher what they meant, left the matter just about as hazy as before it went there. I submit it would be better to alter those words, so that they may not work the hardship they did. Only two cases have been taken in the Courts under that section, and the result was that the method of assessing the value of a man's fleet and his undertaking was to take each bus and value it separately as an independent bus—that is, as a second-hand bus—quite apart from the fact that it was a unit of a complete organization. Having valued each bus separately as a second-hand bus, the total was added up and the fleet was valued on that basis.

Mr. Mason.] That was the Court of Appeal decision?—Those were two cases following on the Court of Appeal decision. Both cases were in Auckland, and the result was that the values were assessed on that basis, and the two companies concerned simply received for their fleet and organization the total of so many second-hand buses; and any cost they had incurred in perfecting the organization, in standardizing the fleet, in experimental work, and generally in getting things into good running-order was entirely lost. In both those cases—and it must always be so—considerable expenditure was incurred before the organization could be completed, and a considerable amount was lost in finding out what was required, an amount which at the time of taking over was not represented by any definite asset that you could run into a yard and look at. In both cases great hardship was worked on those companies, and they did not receive adequate compensation for what was taken from them by the local public body; and those decisions were given on these words.

Mr. Harris.] You are not dealing with goodwill?—Not in the sense of goodwill being something paid in anticipation of future profits. I am speaking of the value of the fleet and organization which is taken from the man as a going concern. The words in the section were commented on by the Court of Appeal as extremely difficult of interpretation. The wording I am going to suggest is: “In computing the price to be paid under this section in respect of any undertaking, the price shall be fixed at the fair market value (as a going concern) of the motor-omnibuses and the property of the claimant used exclusively for the purposes of the undertaking,” and so on. That is not goodwill; it is merely asking that he shall be compensated for what he has got. I submit this is the fair compensation a man should be paid. Take a case when a man has, say, a fleet of twenty buses, which is in being and has been running and serving the public for a period of years—an organization which has probably cost that man in overhead charges, experimental work, and various other things quite a lot of money to bring to a state of perfection. Take from him that organization and you take from him not only his service, but all the plant, equipment, and organization ready to hand to supply the requirements of that service. It should be paid for on the basis of “What is it worth as a going concern, a fleet in being, to take it from him and fill the requirements of the public as he has been doing?” The only fair price for that is what it is worth *in situ*—that is, as it stands as a going concern. That is what he should get. It has cost him money to get it. If he is to be sacrificed in the public interest on the ground that his absorption is to do away with economic waste, it is fair that he should not lose money by being the victim of the sacrifice. It is only fair and just that he should be reasonably compensated, and that he should not be a loser by it. He is, in any event, the loser by the fact that after spending a period of years in organizing a service he has then everything taken from him and he has to find some other avenue for his activities for the rest of his life. He has to put up with that, and therefore he should not be an actual loser in cash in the recompense you make him for what you take from him. These words have been the subject of litigation, have been found to be unsatisfactory, have been said to be unsatisfactory, and have worked unfairness. I am speaking with some intimate knowledge of the particular section, and I can assure the Committee that it works unfairly to the bus-proprietors whose buses are taken over, and I think the intention of the framers of the Bill is to compensate fairly. I therefore submit that if the words “as a going concern” are put in it will achieve that object—to be fair. That is all I want to say on that point; and I make that suggestion because I feel it is the intention of the Bill not to penalize the man who is put out of existence, and that is the only way to achieve that. With regard to the latter portion of the same clause—“In determining the amount of such compensation, the claimant shall not be regarded as having enjoyed any exclusive or preferential right or privilege with respect to the conduct of a motor-omnibus service on any route or routes”—I would respectively suggest that those words should be cut out, because it appears to me and to the committee I represent that they flatly contradict the words that immediately precede them. If members of the Committee will notice, there is provision, on top of the value of the buses and plant, about half-way down the clause, for further compensation. It says, “together with such amount (if any) as is agreed on by the parties or as is considered reasonable by the Compensation Court, as compensation for the loss suffered by the claimant by reason of the refusal of the licensing authority to renew his license.” That distinctly contemplates that the bus-proprietor is to receive something further than the bare value of his plant and assets. Now, that must mean something by way of goodwill, something in acknowledgement of the fact that he has a right to run on that road; and, of course, that is only reasonable and fair. Whether he had a right which was worth a great deal or not, or whether he was likely to lose it at any time, would be a matter which the Court would consider in assessing how much additional was to be given him for his right. But when you take the words, “In determining the amount of such compensation, the claimant shall not be regarded as having enjoyed any exclusive or preferential right or privilege with respect to the conduct of a motor-omnibus service on any route or routes,” then there is nothing further for which he can be paid, because if he is deemed to have no right to be running, then there is nothing on earth that the Court can give him.

Mr. Sullivan.] Is that not just a statement of fact. Under the law the local body can cancel the license?—Yes, under certain circumstances.

In view of that, then, is this not a mere statement of fact?—I submit not. It could only cancel under certain circumstances. There would be cases where there could be no cancellation, nor would there be. The circumstances would vary. Take, for instance, a service running without opposition for a number of years. There are such services. They have a license under the 1926 Act which cannot be taken away unless they commit breaches. Those licenses will be preserved. Then there would be other cases in which a license may not give an exclusive right to run, and there might be cases in which such licenses would be cancelled. The rights there would not be as good as in other cases, but the Court in each case would consider the probability of the license being allowed to continue or not, and would be in a position to consider what the rights were worth; but if the Court is to interpret that clause with the last portion in it, from “In determining” to the end of the clause—that in no case shall a man be deemed to have any right, either exclusive or preferential—then the Act has stated that you have nothing. You are deemed for the purpose of compensation to have nothing, and therefore the Court can give nothing.

Is the right granted not such a limited right—that the local body has so many powers as to time-tables, the character of the service, and so on, and if its requirements are not carried out it could cancel the service now? Is it not such a very limited right that really no exclusive right does exist?—Suppose you have a good service—of which there are many—who carry out their obligations, and do not lay themselves open to have their licenses cancelled: The Court in each case would decide just how good a right a man had, and the Court would be the best judge. It appears to me that if the clause retains the last part, then it practically abrogates any right of the Court to assess any rights a man may have; and the desirable thing is to leave the Compensation Court, which will have the circumstances of each particular case before it, to decide just how good a right a man had, and just what it was worth. It might be worth nothing, a little, or a lot. It is only just and fair that the Court should decide that; and to put the last portion in that clause practically precludes the Court from assessing anything for the man, because it assumes that he has no right—at least, it is told to assume by the clause as it now stands that he has no right. It would, therefore, be impossible for a man to get anything when the Court is told by the clause that he has no right, exclusive or preferential, to be on the road. That is all I propose to say on that point, and I trust I have made our contention clear. The next point I wish to refer to is clause 38, which provides for a preference to be given by the licensing authority to the application of the local or public authority, or of the Minister, over the application of any other person—(a) If there is no existing transport service over the proposed route or routes; (b) if the proposed service is an extension of an existing transport service carried on by the local or public authority or by the Minister; (c) if the local or public authority or the Minister, as the case may be, satisfies the licensing authority that it is prepared to carry on a service sufficient to meet the reasonable requirements of the public. I would like to call the attention of the Committee to this position that may arise under this clause: There may be a position where a new route or road comes into existence, which was not there formerly, which route will be used to serve inhabitants of areas formerly served by another route. The case has actually risen, or will arise, in one case, and probably will in many others. Perhaps I can make my point clearer if I mention the specific case. In Auckland we have the service of L. J. Keys and Son, one of the biggest services in Auckland, which has been running for a large number of years between St. Heliers and Auckland, and has never been in opposition to any one. Up to the present the service has had to run through Remuera and Newmarket into Auckland, as the only route available. Shortly a road will be completed across Auckland Harbour, which will go straight across the harbour to Mission Bay, Kohimarama, and St. Heliers—the areas which this service has always served. Under this clause this new road across the harbour will be a new route over which there has never been an existing service. There cannot have been, because it was never in existence. However, that route will be available in future, and the position may arise that if an application were made for a service over that route by a local authority—which, I trust, they would not make—it is possible under that clause as it stands that it would have to have preference, and Keys, who has been running to these districts for fourteen years, with a large fleet of fifteen large buses, would have these thrown on his hands and be practically ruined. I do not think the Bill contemplated such a position, and I think I have only to point that out to have the matter amended. I would suggest that the following words be added to that section: “Provided that for the purposes of this section there shall be deemed to have been an existing service over a proposed route if there had been an existing service between the same terminal points over a route other than the proposed route, such proposed route not having been previously available.” I do not know that it was ever contemplated by the clause that a man running between two terminal points would have to give preference to a local or public authority or the Minister, and be wiped out, merely because there happened to come into existence a new road which could not previously have been used. The point is this: that that new road in Auckland must inevitably be used for the service. It is three miles shorter, and it is flat, which will reduce the cost of running, reduce the time, and give the public lower fares.

Mr. Harris.] And it is not going to compete with the trams?—No; his service never has; but that road must be used by whoever serves the district. These are the main points which I wish to make; but there is one other matter also which the association would also like to bring up, and I only propose to touch upon it briefly. It is this: At the present time bus-proprietors of all kinds are liable to inspection in respect to their various obligations by a multitude of public bodies—the Transport Board, Highways Board, Public Works Department, the police, the City Council, and the Inspectors of every local body whose district they traverse—and it is desired, if it could possibly be provided, that the inspection in respect to all the various obligations should be put in the hands of one responsible body, not, of course, excepting the police—there should be one body other than the police. The bus-proprietors should not be subject to inspection by so many different officials; not

that they object to inspection, but it is a nuisance to be boarded by Inspectors from various quarters and be responsible to various officials. There is over-inspection now, which is unnecessary and a nuisance to all concerned, and if provision can be made to unify the inspection it is intensely desirable that it should be done.

Mr. Murdoch.] With respect to clause 39, I take it that you claim that the latter part of the clause, commencing "In determining," defeats the first part?—Yes; it does not allow the Court to provide for reasonable compensation if it is decided that the man has any right of any kind to be on the road.

Mr. Ansell.] In regard to compensation, do you suggest that a goodwill does exist because of the fact that a license has been granted to run through a certain district? You suggest that compensation should be given: is that what you are driving at in asking that that portion of the clause should be deleted?—That he has a certain amount of right, yes; and that the Court in any particular case will assess what that right is worth. Why I say that is because it appears to have been contemplated by the clause itself in the middle part, and, having indicated the intention to do that, it should not be taken away by the latter part; and, of course, we say that it is only fair and right that he should be compensated for whatever the right is worth.

Suppose a man or a company has a right to run to a certain district which is only sparsely populated, and the city, by the expenditure of public money on roading, &c., creates a population there, and so the business of the buses doubles or trebles, what position would that man or company be in then in regard to goodwill, seeing that the city really created the business for him?—In that case, if the man or company had the right of a renewal of the license, the Court would assess what the right was worth, taking into consideration the value of the business—whether he was making any money or not. If he was not making any money, the right is worth nothing. On the other hand, it may be a profitable service, and would be worth something. It might be, too, that the mere fact of the service running there was a factor in bringing population there. We know that in many cases the service has brought the people, and after the people, then came the improved roads, sanitary services, &c. There is also this point, which is some reason why a man should be compensated in certain cases, and that is that it might have been his foresight, energy, and capital which has created the service that is now being taken from him. There are several cases where that is distinctly so.

You suggest that should be cut out for the reason that goodwill is created, and should be allowed for?—Yes. I submit that the second portion of the clause contemplates it; therefore we should not have it given with one hand and taken away with the other.

With regard to the Appeal Board, it has been suggested in evidence before the Committee that, instead of a Board as constituted by the Bill, it should be for a Judge alone to determine. What have you to say to that?—I think there should be other people on the Board besides the Judge; but I do think—and I intended to mention it—that one of the members appointed to represent the Government should be a judicial officer, preferably a Judge, to preside, because on an Appeal Board there should be some one with judicial training of some kind to conduct the appeal, and to assist to hold the balance between the various parties. As a matter of fact, I assume that one of the men to be appointed under that clause would be a judicial officer.

Hon. Mr. Veitch: That is the intention.

Mr. Meredith: I assumed it would be.

Mr. Harris.] Dealing with the last portion of that compensation clause, what you are after, I take it, is to leave it to the Court to decide whether goodwill exists or not?—Yes.

With regard to clause 33, dealing with the special licensing authority, does your association approve of that authority as constituted?—We would like a representative of the private interests on it.

With reference to the special permits for race days, &c., under clause 40, is that all right?—We are satisfied with that.

Mr. Sullivan.] Going back to the proposed deletion of those words at the end of subclause (6) in clause 39, can it possibly be said that a man who holds a license from the city, whatever the license may be, can have an exclusive and preferential right? It is a right which the city inherently retains, and parts with only for a certain limited period. If those words were deleted the Compensation Court would have the right to exclude from its consideration, would it not, the fact that it was only a license, and was not the right of an ordinary business?—The Court would have that in any event. You do not need those words in there to give the Court that right. Might I give an instance. In public-works claims in railway cases for land taken close to a railway-line it is very often set up as a basis of claim that it is suitable for a railway-siding. Nothing is ever allowed for that, for the reason that you can only get a railway siding if the Railway Department agrees to give you one. The Court takes that into consideration—that you cannot get it; therefore you get nothing for it. In this case, whatever right exists, be it great or little, the Court can take it into consideration and assess it. If the Court finds there is none, the man gets nothing; so there is no necessity to tie the Court's hands by saying he has nothing, because in some cases they may decide he has something. It prevents them giving him anything, although they may think he is entitled to it.

In connection with the constitution of the licensing authorities, would you say that the public, through its authorities, has no right to make special provision for the protection of the public capital?—I do not quite follow the question.

The obvious and admitted motive of the 1926 Act was the protection of public capital?—Yes.

The whole machinery was framed to that end; that being so, this Bill throws that principle overboard?—I submit, not altogether. It modifies it to this extent: The other Act gave a right of monopoly, and the compensation clause allowed for no goodwill; it just put a man out of existence and gave him the barest compensation. The Bill applies the principle still, but admits the principle that if it is necessary in the interests of the public for a public body to take over the service it may

do so, but modifies it to this extent : that if it does do so it will at least do common justice to the man who is put out of existence. That is a principle we agree is right. We submit that where an individual is sacrificed for the common weal, then it is for the public to put him in the position he was in before the sacrifice.

The Chairman.] Generally, then, with the exceptions you have raised, you are in favour of the Bill?—Yes. But we are only dealing with the matters affecting the motor-omnibus interests; we have not considered the others. So far as we are concerned—that is, affecting the motor-omnibus interests—we agree with the principles set out in the Bill, subject to the slight modifications I have indicated.

THURSDAY, 10TH OCTOBER, 1929.

JOHN ANDREW CHARLES ALLUM examined. (No. 14.)

Mr. J. A. C. Allum, Chairman of the Auckland Transport Board, attended and made the following statement: The matter with which my Board is most seriously concerned is the question of licensing motor-omnibus services, involving an alteration of the provisions of the Auckland Transport Board Act, 1928. My first point is that there is no justification for altering the present position, which in Auckland is different from that in any other part of the Dominion, due to the history of transport in Auckland, which I should like just to briefly outline for the information of the Committee. In 1919 the Auckland City Council took over from the private company the Auckland tramways and developed and improved them successfully, so that they constituted an efficient system of transport for the city, and in 1924 and 1925, after Auckland local bodies had carried out a comprehensive system of laying down concrete roads, motor-omnibus competition developed on such a scale as to threaten the very existence of the tramway system, and, in addition, the motor-bus operators themselves were almost all of them losing money. This undesirable state of affairs was brought to an end by the passing of the Motor-omnibus Traffic Act, 1926, under the terms of which the Council was required to purchase 106 omnibuses and other assets belonging to private operators, at a total cost of £61,507. The value of these assets to the Council was not half of the amount paid. In addition, the Council was compelled to run a number of omnibus services which had been started by private operators without economic justification, and which did not, and in the nature of things could not, pay their way. The Council ran these services at a heavy loss each year, and the Board has been obliged to continue many of them. The annual loss on these services is nearly £30,000. This amount can be substantially reduced if the Board is allowed to develop its tramway extensions with its existing powers. After an exhaustive inquiry by a Commission of competent experts the Commissioners recommended that the Auckland Transport Board should be formed, and should be given complete and exclusive power of running and licensing transport in the Auckland metropolitan area. The parties who were concerned were the Auckland City Council (then operating the public transport services), the suburban local bodies, and the private-omnibus operators who were running certain services. Representatives of all these parties went down to Wellington in 1928, and after prolonged discussions with the Prime Minister and the Auckland members of Parliament the provisions of the Auckland Transport Board Act as now existing were agreed to by all those parties. The Act provided that it should not come into operation unless approved by resolution of the Auckland City Council and adopted by polls of ratepayers in the city and suburban districts. The Act was subsequently approved by the City Council; the polls were taken and carried by a majority of nearly six to one. The Board came into existence and held its first meeting on the 22nd December, 1928, and has continued to exercise its powers under the Act up to the present time. One of the first difficulties with which it was faced was the necessity of raising a considerable loan for the development of its undertaking. Previously a similar proposal had been rejected by the ratepayers of Auckland City, and one of the reasons for the establishment of the Board was the expectation that such a loan would be authorized by the ratepayers of the larger area. This poll was taken on the 8th May, 1929, when a proposal to raise a loan of £526,600 was submitted to the ratepayers and approved by a majority of more than three to one. I should like to remind the Committee that upon the Board's debentures a statement appears that the lender has no claim upon the Government or public revenues of New Zealand, and to say that the Board does rely upon the Government not to do anything to impair the security of persons who take up its debentures or to strike at the root of the powers whose possession undoubtedly induced Auckland ratepayers to agree to the sanctioning of the loan and would give lenders confidence to take up the Board's debentures. The proposals of the present Bill strike at the very root of the Auckland Transport Board's powers and position. Its district is a special one and is constituted under special circumstances and dealing with the difficulties peculiar to itself. No other district has suffered the intensive competition that Auckland has; no other local body has paid so high a price for the enjoyment of the powers given to it by the Act, and I seriously submit that in the exercise of those powers the Board has acted fairly and justly to the public and to all other interests concerned. The Board has no desire to make any profit out of its undertaking, but only to give the public the best possible service at the lowest possible cost. It has had to deal from time to time with applications for the establishment of private services, and has granted licenses for a considerable number of these. At the present time there are no less than ten private licenses operating under the Board, with a total of seventy motor-omnibuses. Many of these licensees have recently intimated to the Board their appreciation of its handling of motor-omnibus licensing and of their own treatment by the Board. I submit that the Auckland Transport Board Act constituted a statutory contract, and that none of

the parties to it are justified in asking for any modification of it unless they can produce some evidence of bad faith or maladministration, and I therefore submit that Parliament itself would not be justified in attempting to alter that Act. It represented an effort to secure lasting settlement of a very difficult and complicated position, and a reasonable opportunity should be given to let that settlement take place. In addition, the Board is spending the greater part of the loan of £526,600 just authorized in putting down further tramway extensions, and it cannot feel, nor can the ratepayers of its district feel, any confidence in going ahead with those works if the reasonable powers already given to the Board by Parliament are to be wantonly interfered with and the question of motor-omnibus licensing thrown into the melting-pot again. With the completion of the expenditure of this loan the amount of capital invested in the Board's undertaking will be £2,380,000. The Bill proposes to abolish the Auckland Transport District as a licensing unit, and to substitute for it the No. 2 Highways District, which extends from the Whau Creek to Matamata. All the motor-omnibus services within this area would be licensed and subsequently controlled by a new and separate licensing authority comprising representatives of various interests. One person, for example, would represent all the counties in the district. The main motor-omnibus problems of the district centre round Auckland City, and, with one or two exceptions, the services do not run into any counties at all; yet a representative of counties is to have as much voice in licensing and controlling those services as will be possessed by the two hundred thousand people in the metropolitan area who are directly affected, added to another thirty thousand persons living in other boroughs and town districts who are not affected at all. The fact is that each centre of population has its own problems, and if local interests are to be represented they should be represented by local people for each centre, and any attempt to group several distinct centres under one representative authority must be unsatisfactory. These questions have been fought out so far as Auckland is concerned, and a definite solution arrived at which should not be disturbed. We think that the definition of "motor-omnibus" in the Motor-omnibus Traffic Act should be amended so as to bring all motor-vehicles carrying passengers at separate fares of not more than 2s. within the Act. Cases have occurred in Auckland where motor-cars have been used on regular passenger routes as omnibuses in improper competition with licensed services, and the licensing authority has been powerless to interfere. We therefore suggest the following clause: "The definition of 'motor-omnibus' in section two of the principal Act is hereby amended by deleting therefrom the words 'exceeding seven in number, including the driver.'" We do not approve the proposal to bring all motor-omnibus services under the Act, as is done in section 36. We think the better plan is to deal with all such services—being practically the long-distance service car runs—under section 46. A new type of licensing authority might possibly be justified in respect of these services, but even there it seems to us unnecessary to have a composite representative primary licensing authority as well as a composite representative Appeal Board. We would point out that the Dominion Appeal Board is not very fairly constituted, and suggest that if any change from the present constitution is to be made it should be in the direction of creating a small quasi-judicial body consisting of a Judge and two assessors representing the appellant and respondent in the particular appeal. If the present powers and functions of our Board are left intact we are not greatly concerned as to the Appeal Board, but if such an Appeal Board as is proposed in the Act were to be given authority over our district it would create a very serious position. The basis of representation proposed for primary licensing authorities is bad enough, but in the case of the all-important tribunal—the Appeal Board—it is infinitely worse. With regard to the proposed transfer to the Transport Department of the administration of tramways, I should like to say that while I recognize that this is a matter primarily for the Government itself, yet our experience over a great many years as a body controlling tramways is that the Public Works Department has the technical experience and equipment necessary to deal with these matters, and that Department is in a sufficiently detached position to ensure that tramway matters will be dealt with entirely on their merits. I do not suggest that the Transport Department would not do the same; but the contents of the present Bill and the activities of the new Department do not inspire our Board with the same confidence as we have hitherto reposed in the Public Works Department, and we do desire to suggest to the Committee that if any transfer is to take place care shall be taken to ensure that the interests of tramways are not subordinated to or affected by considerations relating to other forms of transport. In this connection I would only point out that the alterations proposed in the Bill are none of them in the direction of assisting tramway-operators, all of whom desire the present position to continue; but the proposals in the Bill have been generally welcomed by the private motor-omnibus operators, who obviously expect to receive more from the operation of the Bill and the Transport Department generally than they are at present receiving. There is an injustice under which tramway-operators labour: they maintain approximately one-third of the road-surfaces where the tracks are laid, but they can receive no contribution from the Main Highways Board toward this expenditure. We think this should be remedied, and urge the inclusion in the Act of the following clause: "Where a tramway has been or is hereafter constructed on any main highway, or on any other road or street towards the construction or maintenance of which the Main Highways Board makes any contribution, then the local or public authority owning or operating such tramway shall be entitled to receive a share of such contribution proportionate to the area of the surface of such main highway, road, or street constructed or maintained, as the case may be, by such local or public authority."

Mr. Williams.] Were the representatives of the private-omnibus owners represented at the Conference you allude to as having taken place in Wellington last year before the 1928 Act was drawn up?—Yes. When we were in Wellington representing the Auckland City Council with representatives of the suburban local bodies Mr. Spencer was here representing the motor interests of Auckland—

The private-motor interests?—Yes; and he asked that the clause should be inserted that related to the protection of the existing licenses, and we all, of course, agreed to that. There was never any

desire to interfere with the licenses then existing, and on that clause being inserted Mr. Spencer expressed his concurrence and took the next train back to Auckland. We all knew what members of the private companies operating there wished. I understand that he is chairman of directors of the Passenger Transport Co.

About a year or two ago certain conditions were laid down by the local bodies surrounding Auckland as to the loading-weight that could be carried. I am not speaking so much of the transport services as in connection with the trading services. Has that question been cleared up now by your Transport Board as far as those people are concerned?—We have no jurisdiction in that matter. The Board operates in conformity with the legal position, and has found that in any cases of the kind that have arisen the local bodies have acted reasonably. In the case of Mr. Keys, I understand, the City Council met him in the matter and gave approval, and we gave him what support we could in arriving at that conclusion.

You control now the Auckland transport. Do you control the district from Newmarket to Remuera and Mount Eden?—We control the whole of the out-district in the metropolitan area bounded by the two harbours, and the Whau Creek, and the Tamaki River, and all services in that area where passengers are carried at a fare of 2s. or less.

That is for passengers, and there is really no arrangement about goods?—No; we have nothing to do with freight at all, merely passenger traffic.

Mr. Harris.] You say that your Board makes an annual loss of about £30,000 on the private services taken over?—That is the average annual loss on the buses.

Are you still making that loss?—Yes. There has been an adjustment of services, but that amount can be taken as substantially correct to-day.

Under the proposals in the Bill, if your Board runs a sufficient and adequate service, have you anything to fear?—Yes.

Why?—Because we do not think it reasonable or wise to place the licensing of services in the hands of another authority unacquainted with the local conditions.

Does not the Bill give you a definite preference as a local body?—Yes; but a very serious difficulty might arise even there. A service might be applied for and the Board might say it is not justified, but under the Bill it could be granted. Where a service is applied for to run out to some distant point in the suburbs it is licensed by the Board, and the private operators run right into the city. In the case of licenses issued by the Board there is a provision that the operator shall not pick up and set down passengers in the area served by the Board's vehicles. Some applicants for licenses state that they cannot serve the distant areas without picking up revenue on the routes traversed by other services and thus taking revenue from them.

Is it not a fact that they generally pick up passengers because the service is outside the Board's areas?—That is not a fact. Under the existing licenses issued by No. 1 Licensing Authority the Board has no power to prevent private operators picking up and setting down passengers on routes served by it; but now under the new licenses issued by the Board the private operator may only pick up passengers in the area served by the Board and set them down outside the area served by the Board, and *vice versa*. When asked what they think of this provision they say they do not like it, because they want to get hold of some of the revenue on the routes served by the Board to make up for any otherwise possible loss.

In that case you can do what you like?—Of course.

Then, what are you in a difficulty about?—Because we say that another licensing authority, without the knowledge and experience gained by those associated with the position as at present, might not give the proper consideration to the matter.

Do you think it is reasonable to suppose that a licensing authority set up by Act of Parliament giving preference to local authorities in the matter of transport services would not take into consideration a question of that kind?—I say the Bill contains nothing helpful to us; and it simply means that if a local body has power to run a service it must have preference, and our experience shows—and it is obvious that this Bill also indicates this position—that a person might apply for a certain service which we know, and he knows, is quite unjustified in itself, but the licensing authority may hesitate to refuse to give the applicant the service. The license is then granted, or subsequently granted under some final appeal system, whereas a stand ought to be taken against a proposal which is dangerous, and we know it to be dangerous from our experience.

Do you think it is reasonable that any individual transport owner should have the sole right to say whether any activity should be licensed or not: in other words, should have the opportunity of agreeing to any competition, or refusing it, with any outside concerns? I am not saying any local authority, but any transport owner?—I say most definitely that the undertaking that is publicly owned is in the position that the public should have the one and only say in the matter, and that it would be far better if a Transport Board were set up in each of the four centres, with the licensing rights we now possess. I do not need to invoke the Transport Board's dissent, but they represent the people, and that principle is practically the first and the last, and on that principle, I understand, they dissent.

How can all that be done?—It was done at Auckland.

How would you view the proposal that a licensing authority should be constituted exclusively of private transport owners? Would the Auckland Transport Board be a fair judge? Originally it did register licenses?—One hundred years ago an authority such as you mention might have been considered a fair tribunal, but to-day, with the advance of thought, we all agree that behind a public utility there must be protection for the public expenditure, and therefore your proposal is most retrograde.

You cannot have it both ways?—We are here to represent the public interest, and we say that transport is a public monopoly; and if such a principle is to be applied, as suggested, then it breaks down the principle which applies to every public utility, such as gas, water, electric light, and so on.

You suggest that transport is a public monopoly?—I repeat that the Auckland Transport Board, which has a monopoly granted it by Parliament, is only allowed to part with this monopoly in certain directions, for a limited time only—that is, a maximum of five years; so that the position actually exists.

You know the clause in the Bill dealing with the question of compensation?—Yes.

If that clause had been in operation when you took over the buses in Auckland and placed them under the City Council, what effect would it have had on the purchase-price of the private buses?—In 1926?

Yes?—I do not think it would have made very much difference, because, in my opinion, while the Act expressly stated that goodwill should not be allowed, it unquestionably was allowed. I have never yet been able to distinguish that a fleet value is anything but goodwill; so that in every case the bus companies undoubtedly obtained from the Court a sum far in excess of the value of the assets.

Do you remember the case of Gallagher and somebody else?—I am afraid I am not informed about that case, as it occurred while I was in England, but I shall be glad to have the information supplied if wanted.

Mr. Murdoch.] You raised by loan the sum of £526,600?—Yes.

What is the value of the debentures you issued?—We sold in the first issue £120,000.

What security did you give for the debentures?—The usual security under the Act.

What does it cover?—It covers the metropolitan area.

What is the whole of your assets in the area?—The whole of the property of the area.

What revenue do you receive annually from your transport undertaking?—About £700,000.

From what sources?—Tram and bus fares. There are some incidental sources as well, but they are negligible.

How will the operation of this Transport Act affect your finance?—If a separate licensing authority is set up, and there is a disposition to favour private enterprise, and it is allowed to operate—a thing we got rid of in 1926—it is going to most seriously affect us, because the position is difficult enough at the present time, and competition, by taking away revenue, would operate disastrously with us. This is my opinion, with a knowledge of the world's experience in this matter.

You assume that if this Transport Act were in operation there would be other licenses issued, and that they would come into competition with you?—If that is not so, then I cannot see the purpose of the Act.

You have not any reason to believe that would happen, except you think so?—I am afraid I have good reason to think so.

Can you give me something more concrete as to the indications you have in mind?—It seems to me that the position at the present time is indicated by what is happening in Parliament. It is not a case of any wrongful administration of an Act, but there are apparently parties wanting a change. It can only be that there is an endeavour to assist—I will not say “favour”—those who are at present suffering from what they believe to be disabilities.

The Chairman.] Do you think the motorists have been concerned?—That may be the impression placed on it; but there is a better and simpler method of dealing with it.

Mr. Murdoch.] With regard to the suburban areas, you claim, as a Transport Board, that you are giving them adequate service?—We give them an adequate service—a perfectly reasonable service—and the suggestion to the contrary would not have come about in a community where the public gave heed to the great value of the service rendered them, as in our case. I have travelled in a good many parts of the world, and I say quite definitely I do not know of a city of the size and density of population of Auckland that is receiving the service we are operating there to-day.

Are your fares reasonably low?—Yes, in my opinion.

For the different sections?—Yes, for the different sections they are low. I am not speaking at random, but from what I have seen; and figures can be taken out as to comparison of our fares with other centres: take, for example, the service to the Hutt Valley.

You suggest the following new clause: “The definition of ‘motor-omnibus’ in section two of the principal Act is hereby amended by deleting therefrom the words ‘exceeding seven in number, including the driver.’” Does that mean that you want to take in all motor-cars, or what we call taxis?—No; the idea is this: there have been cases in the Auckland district—principally North Shore—where taxis were put on to take passengers; we had community cars and we settled them; but the taxis were running and charging separate fares, and they were allowed to continue for some time.

I did not take that meaning from this new clause, which says you want to delete the words “exceeding seven in number.” Can you explain it further?—We want to make the definition of a “motor-omnibus” to apply to any vehicle plying at separate fares, no matter how many passengers, or how few, are carried.

That means that all the taxis would come under this clause?—If they ply for separate hire, yes. The taxis do not come under the licensing authorities’ control, because a person hires a taxi to go only from one point to another, and pays the fare for that taxi. I only want to deal with the position where passengers are carried on a definite route at separate fares. We think you will find that the Act is not clear on that point.

The Chairman.] Would that apply to taxis, or taxi fares, from the city to the race meetings?—Yes.

Mr. Murdoch.] They would have to take out a special license, would they not?—I do not know that a taxi is legally a motor-omnibus. A taxi is not allowed to take passengers from the city to the racecourse at a special fare. One person may hire the taxi and pay the fare, but it is not legal for three or four persons to hire the taxi and pay separate fares. If that is done, then the taxi-drivers fall foul of the city by-laws.

Mr. Ansell.] Is it the fact that there have been some hostilities between this company in Auckland and your Board?—No, none at all.

You work in harmony?—Perfectly.

You say that the work of the Board has been appreciated?—That is perfectly correct.

You say, "The Act provided that it should not come into operation unless approved by resolution of the Auckland City Council." That was done, I take it?—That was done.

And has been carried by a big majority?—By about six to one.

In view of the fact that the bus company is now favouring the proposed amendment we have before us, what would you say is the cause of their action? You say they have been well treated and are generally satisfied with the Board's work: then, why are they favouring the present amendment?—I imagine that they accepted the referendum of the people, and that the establishment of the Transport Board commended itself to the public; but naturally, as private traders, they want to get everything they can for themselves and to cut into our revenue and weaken our position, and they see in this Bill a means of doing it.

Did these bus companies offer any objection to the Auckland Transport Board Act being instituted?—The only point they raised was with regard to the clause to protect the then-existing licenses, and the city and suburban representatives agreed to that clause. But, of course, there was no intention of interfering with their licenses, and no further representations were made.

You have been working in harmony since, and there was no desire to interfere with the licenses?—None at all.

Does the present Act prevent the buses from operating against the Board?—Most certainly it does.

So that you consider if another Board were set up it might jeopardize the protection you now have?—Certainly; the protection would not then exist.

If there is a certain amount of dissatisfaction in some of the principal outer areas with the services, do you say that the Transport Board should not be ready to improve or institute those services?—Most certainly it should, where justified. The Auckland Transport Board has given an adequate and reasonable service in all districts; and I make that definite statement, which is capable of being investigated by any competent person, who will undoubtedly support it. It is admitted, of course, that the present services are not in all cases 100 per cent. satisfactory. We know it quite well, and I know it; but we are making every effort to remedy the position at the earliest possible date. In certain districts feeder buses are operating with the tram service; but the Board is replacing the feeder buses with trams as rapidly as it can, and in a short time those people who are now suffering inconvenience, through the transfer from feeder bus to trams will be able to travel right through to their destination in the one vehicle.

The position, I take it, is that the local body can effectively carry out the service, but without preference it cannot do so. I have been told on several occasions that everything in connection with the service provided by the Auckland Transport Board is not efficient. Is that correct?—It all depends on who makes the statement, because some who make such assertions cannot be regarded as people of any standing. If they were made by competent persons we would be disturbed; but I know that no competent person would make such a statement. We had a Commission of Inquiry, which definitely stated that the services carried on by the City Council were efficient.

How long ago was that?—The middle of last year, and that was the Commission's finding as placed on record.

The Chairman.] How was it constituted?—Mr. Barton, S.M. (Chairman), and Mr. W. G. T. Goodman—his name stands first in connection with transport matters in New Zealand and Australia; and the other member was Mr. Edwards, of Sydney, a member of the Police Department.

Mr. Ansell.] Was that Mr. Goodman of Noyes Bros.?—Yes; he was associated with that company some twenty years ago, and put in the Dunedin and the Adelaide trams.

You suggest an alteration in the definition of "omnibus"?—Yes.

Have you noticed within the last few days a published statement that a Magistrate has suggested that "nine and over" should constitute an omnibus?—No.

It seems fairly reasonable. You seem to fear competition from cars or taxis. Was it reasonable in Auckland? Is that the position?—It is; but it was more in the matter of the North Shore where it was serious.

Do you think that the car and the taxi can compete with buses as far as fares are concerned?—The difference is between "can" and "will." Our experience is that people will compete whether they can do it or not. These men operate without a bit of regard to economics—simply run a service; whether it pays or not is another story.

Mr. Harris asked a question regarding goodwill. You claim that goodwill was actually paid?—Undoubtedly. Taking the difference between what we considered the value of the asset, and what the private operators claimed, there was a sum of a little over £15,000 left, which represented nothing.

You paid £15,000 more than the value you received?—Not in excess of what we say was the value received, but what was in excess of the average value. We did not take our values, but the mean between the value we placed on their vehicles and assets and what the owners placed on them, and the difference was £15,000. We placed that sum to a special account and are writing it off over a period of ten years.

The Chairman.] What did you purchase?—What we were compelled to do by the Court. In some cases we made no difficulty about it—we merely went to Court and settled matters up; but in several cases the Court award was clearly a surplusage.

Mr. Ansell.] I would like to clear up a point with regard to the compensation, because the suggestion was made, I think, by Mr. Meredith yesterday that a portion of this compensation clause could be wiped out. This is the part: "Concerning the amount of compensation, the claimant shall not be regarded as having enjoyed any exclusive or preferential right or privilege with respect to the

conduct of a motor-omnibus service on any route or routes." Mr. Meredith admitted that the claimant would endeavour to create a goodwill because of the existence of a license to run, and I want to know how that will affect your people in the future, seeing you paid £15,000 more than the value of the plant you took over, if the clause is wiped out, which it is admitted will create a goodwill?—Judged by the past, most disastrously; because I think this point is entirely overlooked: a man is given a license to operate a service, but in itself that license is of no value, being merely a right to run. There has been no case yet where an operator has been given a license which also gives him an exclusive right to operate. His license to run does not concern a public body. I have had private operators come to me and I have had to tell them the license does not constitute a goodwill at all, because if another operator comes along his case must be considered, and it seems to me there is nothing which is of value to be taken into account.

I presume they also know that the license is only a yearly one?—The authority to run is a permanent license, and until some break occurs in our Act it gives them five years.

You have given goodwill?—We have done it, but it does not follow that we will always do so. The license itself has no goodwill attachable to it.

What was the date of your Transport Commission?—The report is dated 11th June, 1927, and was released in July.

Was that before your Transport Board was inaugurated?—Yes. The Commission recommended the Board, and it was formed, and, of course, things have been a lot better since then. The question asked was, "Are the existing transport services adequate for the requirements of such district"; and the Commission replied, "Our answer to the question is 'yes.' This answer is subject to the qualification that the evidence satisfied us that the tramway extensions which in the past have been recommended by the Tramways Committee of the Auckland City Council are justified and should be undertaken at once."

The Chairman.] Is not that rather in conflict? If the services were adequate, why the necessity for the extensions?—Because the service is subject to the use of the buses. We were giving a service by means of buses where the tramway extensions are to be laid down, tramways being, of course, more efficient and satisfactory to the public.

Mr. Ansell.] Coming back to the question of cars competing, have you considered the question of some alteration in the Act to prevent that?—I cannot say that it has been really serious in relation to the whole of the transport area, but with the possibilities ahead we have deemed it wise to call attention to it.

Mr. Williams.] This Transport Board was voted for over the whole of what you call the transport district?—Yes.

By the ratepayers or householders?—Ratepayers.

And also the loan?—That is so.

It has nothing to do with what you call Auckland City?—No.

It was the whole area that voted for it?—Yes, exclusive of the North Shore.

The ratepayers of the whole Auckland transport area voted first as to whether the Board should be set up, and that was carried at every polling-place by six to one?—Yes.

I am taking the Auckland transport area. When the loan was submitted, that was carried again at every polling-booth by a majority of three to one?—Yes.

That did not include North Shore?—No; that is in the No. 2 Licensing District.

You have at present nothing to do with the North Shore?—Nothing.

Mr. Mason.] You say that, as things are at present, the public have the only say in Auckland. That public, of course, is the Transport Board representatives, and is a limited public. Has not the Board a jurisdiction which is clearly outside the area of the public you represent?—That is so.

That is to say, the public for whom some of the services cater have no say?—No. But that rests entirely in their own hands. The Act provides that if any contiguous district wishes to join our area it may do so on application to the Minister. The Board cannot prevent it, and then those people would ultimately have the same privileges and responsibilities as those in the present area.

I think I am right in suggesting that the Board intimated that it would offer strenuous resistance to any one coming in?—I do not think so.

There was some application to the Board?—The Board has no say as to whether those districts shall join.

What is the Board's attitude in that connection?—It is this—and it is that which we adopted before Parliament last year when the question was brought up: that we should first settle matters in the immediate district, and that then we would extend our activities; and we believed that, while these people could come in if they wished, they had nothing to lose by their remaining where they are. The question of representation was raised, and the Board said that in the meantime it did not view with favour any increase in the representation. The district you refer to withdrew its application.

You say that the Board thought the first step is to construct different extensions within the defined area?—Yes.

Actually when the Board come into operation it was running buses successfully that went outside the area?—That is so. There was a service to Henderson.

That is the one I am thinking of; and actually you withdrew what was an excellent service?—No. The people in the district seemed to be of the opinion that private enterprise could do more for them than we could, so we announced publicly that we were prepared to consider application from private owners to take over the Henderson service. We unsuccessfully approached the Railways Department, which would have nothing to do with it; and we thought, as there was this feeling in the district, that private enterprise could do more for them, and, as they were outside our area, we would let private operators run the service. We are willing to help and encourage them all we can.

Are they making an economic success of it?—I know nothing about it. They have so far met their financial commitments to the Transport Board, and are living up to them. We sold the private operators the vehicles to carry on with.

You say they are living up to their commitments to the Board. Do you keep a check on their route or time-table?—Yes; we have our Inspectors.

Did you put a check on the time-table at the time your own buses went to Henderson?—Yes; the time-tables of all services, both bus and tramways, are checked. We do not pretend that they are 100 per cent. perfect, but they are as perfect as human ingenuity can make them or as they are anywhere else.

I saw one of those clock machines at Point Chevalier; I do not know how long it has been there; but why did you not have one of them at Henderson years ago as a check on the time-table?—We did not run a service to Henderson for years. We did not take it over until August, 1927; and we would not have taken it over then but for an order of the Court that compelled us. We ran it for only eighteen months.

Why did you not put in a clock straight away?—Because it did not appear necessary. There is quite enough expense in connection with a service of that kind without adding to it.

What does such a clock cost?—About £30.

Would not you have a lot of clocks taken out when you change from one system of trams to another?—No; the only places which need clocks now have them.

It was a case of an efficient service, and, as a matter of fact, they had to accept an inefficient one?—That is entirely a matter of opinion. I was asked my opinion as to the adequacy of that service for the district, and it appeared adequate for this area. Only two hundred and fifty people are settled in the area we are discussing, and the Railways Department would not touch the services.

However, it is a wonder to me how that time-table came to be so appallingly irregular. Was that not so?—I cannot admit that for a moment. It might have been said about four years ago, but a further improvement occurred under the City Corporation. I will not suggest that it was 100 per cent. perfect, but we helped them materially from the jump.

I do not want to indulge in generalities or repeat a lot of gossip, but to speak only of things I saw with my own eyes, with a view to an improvement in the future?—Well, I must admit that we took over from the private operators a lot of worthless junk.

Mr. Sullivan.] Can you tell the Committee what percentage of the buses that were taken over by the Auckland Transport Board from private enterprise was usable, was used, and was capable of being used when necessary?—We took over 106 buses, and we scrapped fifty-two of them. Some of them caused a great deal of amusement at the sale, and one or two were sold for £5 each. Only two of the whole lot had been designed as omnibuses; all the rest were converted lorries.

The great bulk were simply awful?—Yes. We took some up to the Supreme Court to show what they were assessing on.

Mr. Harris.] In reference to the proposal to include taxis running on city routes, would not that affect passengers going, say, to Ellerslie Racecourse, to where the fare is 2s.?—It is not competent for a taxi to do that. A taxi can only be hired by one person, but it may carry the whole of the number it is licensed for. The taxi cannot legally carry a number of passengers at one time and charge each passenger a fare of 2s. If it is done, then the driver is violating the city by-laws and will be prosecuted.

To your knowledge, it is done on race days on every bus that runs out?—I did not say that. I was asked the question about the taxi charges, and I think I said that the taxi cannot legally so charge. Your point is that the buses have been doing it; and if the taxis have been doing it, then they have broken the city by-laws.

Other than buses?—If they are doing it, they are not operating as taxis.

And the proposal you now make, if put into the Bill, would prevent that happening?—I think so; and there is also local provision to prevent its happening.

You remember the difficulty at North Shore, when the proposal was to adopt the electric-tramway system. Do you recollect the taxis starting to run from Devonport to Takapuna when the No. 2 Licensing District refused to license the buses to operate?—I do.

If your proposal were embodied in legislation it would prevent a similar state of things happening. In other words, if the conditions existing to-day were the same as at that time Takapuna would still have the inadequate steam-tram system operating, with no opportunity of overcoming it?—That is not my recollection of the circumstances at all.

That is the position, and it was only the fact that the taxis were put on at bus fares that prevented it?—I know the people objected to it.

Hon. Mr. Veitch.] As to the question of certain adjoining districts being permitted to become a part of the Transport Board area, you said the difficulty might be overcome by an Order in Council?—I said that the Act provided for the contiguous areas joining the Board's area, and the Board had no means of preventing it. The Act provides that the Governor-General, on the Minister's advice, may order those districts to be joined to the Board's area: See subsection (2) of section 3, Auckland Transport Board Act, 1928.

You also said that those people applied for a certain area to be taken in?—No; they did not apply to me, but notified their intention to apply. They took up an attitude with regard to representation, but subsequently, when a new Council came into office, they did not pursue the matter.

But you also said that the Transport Board declined to give that representation?—The Board held the request to be unreasonable, as it would have meant giving about four thousand people one representative where about one hundred and ninety thousand had only ten representatives, and also held that later on there could be a readjustment of boundaries to give them the representation they desired.

The point I wish to make is that the Government is not responsible for the fact that these people were refused the opportunity of adding their representative to the Board, because the clause lays it down that the Governor-General may by Proclamation, and with the consent of the Board, vary the principle, and order an election of members of the Board necessitated by any such alteration of boundaries?—That is certainly so; but the representations were only made to the Minister as to inclusion in the area.

I do not know about that, but the Commissioner of Transport informs me that the representations were withdrawn—they were not pursued. You might amend your evidence in that respect?—Certainly. I speak from memory; I believe they were made, and they were withdrawn.

You mentioned there was some dissatisfaction in Auckland owing to these extension buses running, and your Board seeks to overcome that by extending the trams. To what extent will this Bill operate to your detriment after you have established those extended tram services?—I do not think I said there was dissatisfaction; but I admitted that in certain cases the present services did not give a complete satisfaction, on account of their being only feeder services, and I added that the Board was remedying that by providing tramways to run right from distant points in order to remove the inconvenience, and the work is being done as quickly as possible.

Assuming the Auckland suburbs will be provided with adequate tram services, where needed, what harm can this Bill do? In what respect is it going to cripple your services?—Take the case of the people in the Dominion Road, from whence there is a service right into the city. Two hundred and fifty people in the vicinity think they would like a service, and some operator comes along and says he wants a license to run from one point to another. [Witness indicated positions on map.] We say to him, "All right, you can serve this district, or a portion of it, but you must not pick up and set down on this tram route." His answer is, "If I cannot pick up and set down on the tram route I cannot serve those people, as I must have some of this traffic to enable me to serve the district I am to cater for." Well, we cannot give a man a license on those terms if he is going to take our revenue away. Transport matters are now very difficult throughout the world, and licensing authorities, perhaps from inexperience, might grant licenses to our detriment.

The Chairman.] That is pure suggestion only. You think that may be done?—I say now, as a result of my experience in London, it is done there now. People applying for those services admit that the district they serve will not recoup them, and they desire to maintain the services by taking revenue from the inner, relatively densely populated area, and I cannot but view with alarm any move which would make that position possible here.

You suppose another body might do it?—That is possible, and it weakens our position.

Hon. Mr. Veitch.] It seems to me that you should give those people credit for seeking to maintain such a thing as the public interest—as much credit as you would take yourself?—I do not doubt any man's sincerity, but the position I mention might be possible.

You might keep in view the feelings of the other fellow?—I have only one interest—to serve the public; and at the same time we will deal justly and fairly with private operators, as we have done. There is no accusation of maladministration or of bad faith, and we desire to preserve our position in that respect.

Would it be unreasonable to ask you to pay the same compliment to public men elected to a licensing authority?—I do not want to reflect on any public man, but I say that the Auckland Transport Board came into being as the result of the transport muddle.

And you realize you cannot maintain the position I have indicated without reflecting on such a body as a licensing authority which is one elected with a wider scope than some others?—I cannot maintain that position with respect to any one. What I cannot respect is the inexperience of other people. I say that experienced men will act as a brake on inexperienced men and will not be so readily deceived.

You say that a number of Auckland people are fully satisfied with the present position, and submit as proof of the fact also that the Auckland people, by a large majority, established the Transport Board in the first case?—That is so.

And you will admit that when they made that decision they had had no experience of the Board's administration—it had not yet come into existence?—Of course, that always happens at times of election or of referendum.

And you admit also that there is no proof that they are at present satisfied, or dissatisfied, with the administration of the Board, and the only way to test it would be at a general election?—My answer is that an election will come in due time. In the meanwhile the public are well informed as to the Auckland conditions. They knew the conditions on which the Board was coming into being—it was a nominated Board—and that it had a complete monopoly of transport. They declared by their votes that they wanted it to have a monopoly of transport, and there has been no evidence since its inception that there has been any public dissatisfaction with it.

You admit that there has been no significant test of the public confidence, or otherwise, in the administration of the Board since it was first established?—There has been a complete test in regard to the Board's policy, in that on the 8th May of this year a poll was taken on the proposal to raise a loan of £526,600 to be expended in completing the tramway system, and the loan was carried. I had the honour of submitting this proposal to the various districts, and the unanimity of the support accorded was very gratifying.

I do not think that proves anything excepting that the people wanted the trams?—Well, I am satisfied that it proved the people have complete confidence in the undertaking.

The first election is to take place in 1931, but would your Board be prepared to test the position by facing an election in May, 1930?—I am not in a position to speak for the Board in a matter of that kind.

You could speak for yourself on that point, could you not?—I would not even speak for myself, because in expressing my own opinion I might prejudice that of others.

As to subsection (4) of section 46 of the Act, are you prepared to say that there has been no attempt made by any one in Auckland to unseat any members of the present Board?—There has been no attempt by responsible persons in Auckland to unseat any members of the Board.

What do you mean by "responsible" people? How would you define them?—I say the people representing public thought.

Mr. Harris: Members of the City Council.

Hon. Mr. Veitch.] Has any attempt been made by irresponsible people?—An attempt has been made. I take the words of His Honour Sir A. Herdman, who held that the Attorney-General should have been joined as a party to the action in order to test the public interest in the matter. On that occasion he made this statement in his judgment: "If people are not regarded as responsible, the last people I should cite are those who had to defend the public interest."

Mr. Mason.] Is the Attorney-General the only responsible person in New Zealand?—I understood from His Honour's finding that that official should be brought in in order to ensure that the public interest was protected, if necessary; and His Honour did not seem to think that it had been protected.

Hon. Mr. Veitch.] Are you prepared to acknowledge that the time has arrived when we should have some comprehensive legislation to deal with all motor transport, outside what is already dealt with by the present law?—I do not wish to give any opinion about the matter of motor transport as such, but I am prepared to say that, as far as motor transport is used in the carrying of passengers in the city area, in my opinion the various centres should each have a Transport Board such as we have in Auckland, with a complete monopoly as far as the public service is concerned, and that the Public Works Department should continue to exercise that control they already have over the construction of the vehicles in order to render them safe for public use. As far as the long-distance services are concerned, I have not sufficient experience to express an opinion, other than to say that there are services in the densely populated districts that seem to need special legislation of their own.

Of course, there are three branches of commercial vehicles still to be considered?—I do not consider myself really competent enough to express an opinion on the commercial vehicle. That is beyond my sphere.

Are you quite sure that in fighting for the *status quo* you are not obstructing the whole national movement for the benefit of the whole of the people, which is really the reason for the Bill? We have nothing against the Auckland Transport Board, and if you come along here and speak to us as if we were your natural enemy, allied with your opponents, that is all nonsense, is it not?—I never said that at all.

You have assumed that in the evidence; but may I remind you that the only desire of the Government is to get the best motor transport possible for the people. There is nothing further from the mind of the Government than to allow private enterprise to come into the City of Auckland and to wreck their transport organization; and in that connection I ask you to give us credit for common-sense, whatever others think. Do you follow me?—I do not suggest that is the wish of the Government, but I do suggest that it is the possible result of the passing of this Bill; because it has been said before, when the public in Auckland voted for the Transport Board, that it was only right the people should have the control of the passenger traffic, and nothing that I can see has arisen to disturb that fact.

Have you carefully thought out the personnel of the proposed Licensing Board?—Yes. I think I pointed out in my evidence that, for example, in Auckland we had one representative of counties representing a relatively few people, as against a population in the metropolitan area of two hundred thousand directly affected, which also has one representative; and to that two hundred thousand is added the thirty thousand persons in other boroughs and town districts not directly affected at all.

With regard to the constitution of the licensing authority, the Bill provides that the Engineer on the staff of the Public Works Department who by virtue of section 8 of the Main Highways Act, 1922, is a member of the District Council of the corresponding highway district shall be a member of the licensing board. You have expressed confidence in the Public Works Department, and I am glad to hear you say it. You agree with that proposed appointment?—I think you will find later on that the Engineer may be replaced, by way of substitute, by any member of his staff.

The Chairman: That always applies.

Hon. Mr. Veitch.] The Public Works Department cannot expect their men to sit there all the time, can they, Mr. Allum?—The Government Engineer, I do not suppose, attended more than ten times in two years, at the outside, in the case of the old Appeal Board.

In every case his subordinate would follow the lines of policy laid down. The counties have a representative because the question has assumed a wide national aspect. Do you not see the advantage of such a representation?—That is where we claim the error is made.

There is an appeal of course, but there is none against the decision of your Board?—No.

There is no appeal against your Board's decision, which deals with licenses to its competitors, or prospective competitors?—We do not admit for a moment that we give licenses to our competitors. The 1926 Act required us to buy out our competitors, which we did; and the 1928 Auckland Transport Board Act gives this Board power to license other people for a period not exceeding five years to operate certain services. I submit we do not license our competitors.

The Chairman.] You have power to refuse a license?—We bought the competition out as the result of the 1926 Act at a great cost, and we desire to maintain the monopoly. We shall deal justly and fairly with anybody who wishes to enjoy a share of our authority for a time, and we have done that.

Do you think your system of granting licenses for five years a satisfactory one?—Quite.

You would not like to alter it for a yearly one?—I am inclined to think the yearly license, with the purchase at the end of the period, would be quite satisfactory; but the five years gives the operator a license to run coincident with the life of his vehicle.

Mr. Mason.] With regard to your statement that the people of Auckland voted for the Bill and for the extensions, thereby showing a confidence in the control, is it not correct that two members of the Transport Board, of whom you were one, and two members of the City Council who were prominently connected in the eyes of the public with transport in Auckland were turned down by the electors at the last election for the City Council?—That is incorrect. One member of the Transport Board, myself, was unsuccessful at the last election. I was the one; you said “two.” Another member of the Board, Mr. Morton, who represents a suburban district, did not seek re-election.

I am thinking of the City Council?—Mr. Crookes was never a member of the Transport Board. I was defeated. Instead of polling high up on the list, as I did on a number of previous occasions. I was twenty-second or twenty-third; and I do not think my worst enemy will deny that a very persistent propaganda was launched against myself.

I am only concerned with certain matters, and am not making a series of accusations requiring you to defend your whole life. I only wish you to answer my point?—Well, I must respectfully say that I am not going to allow a statement to be made that I said “yes” to your question without putting in a qualification. I said “Yes,” but I also say that there was undoubtedly a system of propaganda in connection with the transport question from which I suffered unfairly. And the voting showed that the city supported me, but certain outlying districts opposed me.

Well, it found you out, and you had been undoubtedly most prominently associated with transport problems in the eyes of the people of Auckland. It is correct to say, is it not, that your name stood for transport?—That is so.

It is quite fair for the Committee to assume that the voting had reference to the question of transport?—Five members of the Board were returned to the Council, and I was defeated in those districts where the people had been growling because they had not got the service they thought they ought to have. As to the city area, my vote was ahead, and I was about twelfth.

The Chairman.] Has it been considered in other cases that there should be a right of appeal?—There is no right of appeal in many cases now.

In a case of this kind, do you not think there should be the right?—Not in the case of Auckland. We have bought a monopoly and desire to take first place.

Are the scattered areas to be left isolated, and not be supplied with transport, because you will not supply it and will not allow any one else?—I do not suggest that; I say that if we cannot do it no one else can.

You have a good right to do it, you think?—Yes.

And you are quite ready to do it?—We are entitled to do it, and prepared to deal with Auckland transport, since the Board is a new one.

But how are these people going to be supplied with transport if you decline to do it and decline to allow any one else to take it up? Are you to be the sole judges, and there is to be no right of appeal?—In some way—it is not suggested it would be one of the best services—where there is any reasonable prospect the service would be provided. I do not say that every service should pay.

If you consider it is not a satisfactory service, how would you allow those people to get their transport?—If there were cases in our own area where applicants desired to compete with our services then the licenses would be refused; if they did not compete with our services, then they could have a service of their own; they would not conflict with us. There is a case where the people got together and ran a converted lorry, with one trip in the morning and one back at night. We never interfere with what is laid down in the Act. See clause 17 of the Act of 1926.

But if any private individual proposes to do that you can refuse to allow him to do so, and he has no right of appeal. Is that reasonable?—Yes, sir. We have to protect some people against themselves. That is the whole trouble. Services have been started at the instigation of landowners to develop their land, never mind whether the service paid or not. People have been persuaded to settle in those outer districts, and once the landowners have sold their sections and got the people settled, then the responsibility of providing transport facilities is thrown on to the Board.

You will admit that the progress and prosperity of the individual in the community depends on the lines of communication?—Precisely.

If these people are on an outer margin, and you as an interested central organization decline to allow them to provide facilities to assist them in their daily life, again I ask you, how are they going to get on?—There is a lorry system, and if these people want to be served they can have their own transport.

You think they should be able to ask one of their number to provide a means of conveyance?—They could do that if they charged more than 2s. A country service would be more than 2s. under any jurisdiction, and they could run it on their own.

For 2s. they could run right through?—Certainly. In the whole of a certain area that I am conversant with the population averages only five people to the acre, and the district, which is as large as Glasgow, has not one-sixth of the population of that city.

JAMES ARTHUR FLESHER examined. (No. 15.)

The Chairman.] You are the Chairman of the Christchurch Tramway Board?—Yes.

Do you wish to make a statement?—Yes. The Christchurch Tramway Board was established in 1902, and I have been a member of it for twenty years, and four years Chairman, this being my second period as Chairman, so I speak in that capacity. This Transport Law Amendment Bill is opposed by my Board because it is against any change in the legislation which will place the trams under the control of a new Department which will act on the advice of an advisory committee; and

the Bill shows how that committee is likely to proceed, because the whole of the provisions in the Bill are in the interests of private enterprise. When we take into account the personnel of the advisory committee which recommended the provisions of this measure we can see at once that it is framed in one interest only. I appear here as the representative of the public transport interest in the City of Christchurch, and state emphatically that my Board is absolutely opposed to the measure. The advisory committee consisted of eight representatives, five of whom are the direct representatives of the motor interests pure and simple—the Motor Association, the New Zealand master carriers, the motor-omnibus proprietors, the service-car proprietors, and, lastly, the motor trade. That is five; and the three interests outside of them were representatives of the trade-unions organization, the Counties Association, and the Municipal Association. The Christchurch Tramway Board protested to the Minister at the setting-up of an advisory committee, or when it was constituted, and the reply was that the constitution of the Transport Board was only tentative, and could be reviewed in the light of experience when the Transport Bill was before Parliament this session. I will not suggest it is no use reviewing the constitution of this committee even after it has done so much, and after it has made recommendations which are being embodied in this Bill.

Mr. Ansell.] As to the constitution of the council, there are the motor representatives—one for the North Island, and one for the South Island?—I am coming to that. I am dealing with the committee which has been sitting here and advising the Minister.

I am speaking of that clause that covers the motor representatives?—That makes it worse. By the Bill there is an absolute disregard of the interests of the public transport authorities of the Dominion. There is a provision for the setting-up of advisory committees, but I cannot find in the measure any suggested constitution for such tribunals, and it looks as though it is capable of being applied inimically to the tramways interests, and, if so, it is a provision that the tramway authorities of this Dominion will be strongly opposed to. If the Bill is going to be seriously considered with a view to being passed, it ought to be amended in the direction of providing for representation on the advisory committee on the lines of the proposed local licensing committee, which consists, as you know, of the Resident Engineer of the Public Works Department, a representative of the motor interests, a representative of the counties, and representatives of the various public transport services, who constitute, I think, the proposed Appeal Board. In the Schedule of the Bill the Tramways Act, 1908, is to be administered by the new Transport Department, an Act which has been in force for many years—I was going to say fifty years. At any rate, during the whole of its existence the tramway undertakings have been under the jurisdiction of the Public Works Department, and I might mention that our experience of working under our own special Act, which was passed in 1902 in connection with the Christchurch tramways undertaking, has been exceedingly satisfactory all through, as to the manner in which we have been treated by the Public Works Department, and we do not desire to change. They have the knowledge, the organization, and the experience, and it is a retrograde measure to create a new body to control the tramway undertakings now carried on by the present organizations. There is another provision in this Bill we do not like, and that is the constitution of the Appeal Board, which is to consist of five members—two Government representatives, one from the County Councils, one from the Borough Councils and Town Boards and all other local transport authorities, and one from the private-bus owners. There are to be five members, practically the same number as at present; but there is no provision for the representation of the cities and public transport authorities excepting that we are lumped in with the boroughs. You have already had before you the recommendation of the municipal executive as to the Bill and the Appeal Board. If there is to be an Appeal Board it should be a quasi-judicial authority somewhat of the nature of that which acts now; but we feel that with the Dominion constituted as at present there should be separate Appeal Boards for the various districts.

Mr. Harris.] According to the proposed highways districts?—Yes; that is what we want. And I would strongly support the suggestion, because you can get the matter dealt with promptly, and quickly. We do not want to have to wait like in the case of the Arbitration Court, but we need to have each case dealt with as it occurs in its turn.

The Chairman. The appeals will not be very frequent, perhaps.

Witness. You do not know how frequent they may be; but, in any case, some one has to wait his turn. We suggest that a Judge of the Supreme Court or the Senior Magistrate for the district, plus the representative of the private motor interests and the public transport interests, should form the Board—a tribunal of three, like the Compensation Court, which is composed of a Judge or Magistrate and two assessors. Such a Board would give more satisfaction than the present one. I am afraid that the present Appeal Board does not operate for the benefit of public transport; but its Chairman is the Judge of the Arbitration Court, and he is now to be replaced by a Government officer under the new system. I suggest that a provision is required whereby the representative of a local body should cease to be a member when he goes off the local body, if any change at all is made in the constitution of this Board. It is also proposed in this Bill, as the Chairman of the Auckland Board has stated, the whole of the powers of that Board in certain directions are to be taken away. After all their experience they are to be deliberately deprived of the powers vested in them by Parliament. What has been done in Auckland is tantamount to a statutory contract. But in the case of Christchurch it is only proposed to take away—under clause 49 of the Bill—certain powers. Now, what are those powers? We have been working without any trouble whatever in Christchurch all through the years of the bus difficulty, and we have solved that problem, excepting in one instance, and we strongly object to clause 49 repealing section 6 of the Christchurch Tramway District Amendment Act, 1927. The Christchurch tramway area covers an area of 42,478 acres, with a population of 124,280. There are in it four boroughs and the city, parts of four counties, and in one case a whole county. Compared with Auckland, our area is 42,478 acres as against 36,559 acres.

Mr. Mason.] Covering what area?—The transport area. The population of Auckland is 167,000, roughly, or 30 per cent. more than that of Christchurch, whereas our area is about 16 per cent. more. There is the difference between the two systems. The clause taking away the powers of the Christchurch Tramway Board does not affect us as much as it does the Auckland Transport Board, but its operation would be sufficiently serious to cause us to come here and voice this objection. Section 6 of the Christchurch Tramway Act, which it is proposed to repeal, was enacted to deal with the question of the buses. Under the Motor-omnibus Traffic Act the licensing authority checks the time-tables in detail and approves the fares on an omnibus route. That power was taken away from the Christchurch licensing committee and vested in the Tramway Board, and we want it to remain with the Board for various reasons. Amongst the powers we have is that of supplementing our tramway services by buses. We now have three bus services operating. We had six, but the other three are leased out to other people who are running on their own account, and we subsidize them as the most economical way of handling the matter. Section 6 of our Act reads as follows: "The provisions of section ten of the Motor-omnibus Traffic Act, 1926, shall not require or entitle the licensing authority to prescribe the time-tables to be observed by any motor-omnibus services of the Board, or the fares to be charged on such motor-omnibus services, to any further extent than the Governor-General in Council prescribes the time-tables and fares on tramway services carried on by the Board; but the Board shall from time to time notify the licensing authority of the time-tables and fares fixed by the Board." It goes on to say: "Notwithstanding anything to the contrary in the Motor-omnibus Traffic Act, 1926, it shall not be necessary for the Board to obtain any license or permission from the licensing authority to run motor-omnibuses for the purpose of supplementing its tramway service or motor-omnibus service upon tram routes or the Board's authorized bus routes: Provided that only licensed omnibuses shall be used for the above-mentioned purposes."

Mr. Harris.] You have legislated yourselves out of the provisions of the Motor-omnibus Traffic Act?—Only with regard to the supplementary services. We still have to go to the licensing authority for the licenses for our recognized bus services, but if we have to supplement them we have the power under that section of doing so. Of course, we shall not have it under this proposed legislation if it is passed. Supposing there is a failure of the supply of electric power—we take our power from the Government—we have to provide some transport services. We would have to go through the whole of the procedure which may be laid down in this Bill. We say that as long as we are running on our old route, just to supplement our ordinary tram traffic, to have to comply with all these new rules is unreasonable. I think it will appeal to the Committee that such a provision as we have now is necessary. We work the trams subject to the supervision of the Public Works Department, and we have to obtain the approval of the Governor-General before we can do anything in the matter of routes or fares, &c. Clause 49 is the only clause in the Bill which directly affects the Christchurch tramways. Regarding the matter of the licensing authority, when I read the Auckland Act I thought I would like to see such an enactment in operation in Christchurch; but it does not affect us as seriously as Auckland, which is connected up with a number of centres. If, however, there has to be an amendment of the law, all centres should be placed on the one footing, and there should not be one law for Auckland, another for Wellington, another for Christchurch, and another for Dunedin. At the same time, with the legislation as it stands to-day, I see no necessity for the changes proposed in the Bill regarding the tramways of the Dominion. The Auckland Act is the latest, it was approved in a constitutional manner, and it is only right that the rest of the Dominion should be brought into line with the last legislation on this subject. There is a provision in clause 10 of the Bill in regard to trackless trams. Under section 2 of the Motor-vehicles Act of 1924 the definition of "motor-vehicle" expressly excludes vehicles which, although not running on rails, derive their motive power from overhead wires, and all students of tramway organization realize that the solution of tramway difficulties in sparsely populated districts is to be found in the application and use of trackless trams. We have this difficulty in New Zealand, and the trackless tram will overcome it. Even in America, where petrol is so cheap, they are not in some cases replacing their worn-out trams by petrol-buses, but by trackless trams driven by electricity. All over England it is being done, and in the Town of Wolverhampton, with a population of 350,000, trackless trams have solved their transport difficulties. It has been an object-lesson to the world. We think there should be no amendment of the Act taking away the right of the tramway authorities to control trackless trams in the usual way. If Wanganui changed its system for trackless cars probably all their difficulties would be solved. In the case of Christchurch there may be a conflict with either the Railways Department, or the Telegraph Department, or the city electricity department under this head. The matter should, therefore, be placed under the expert control of the Public Works Department like our trams are at present. The Lyttelton railway-line electric voltage is 1,500 and the Christchurch tramways is 600, and we have to cross their line, and it stands to reason that it would be far better to have the whole matter under the control of a Department which has an accumulated experience, rather than under a new Department, known as the Transport Department, which may be set up. The Bill would place the licensing of a trackless tram entirely in the hands of a licensing authority which has no experience at all with regard to these matters, and would take it away from the Public Works Department, which has the qualified staff to deal with it. Another matter is that of taxation. The Bill brings the trackless trams under the heavy licenses fees. Of course, I recognize that objection will be raised to their being exempted, and it will be said that the trams will be running on a good road and let them pay. But we are sticking to one track in Christchurch, and proposing to install trackless trams on other lines to get over our difficulty. When I recall that we have seventy-nine miles of track, which is the longest mileage in New Zealand, and the smallest population per mile, you will realize how we are circumstanced there compared with other parts where there is a dense population which the trams pass through. On another ground the trackless tram should be encouraged, because, instead of using petrol drawn from America, which is costing this country millions per annum, we are going to use our own locally-produced electricity and keep the money in the country and so provide work for our people. There is

already a trackless tram in operation here, on the Hutt Road, and before very long we shall follow on. In the case of sparsely populated districts the trackless tram would overcome many transport difficulties. As to the question of the highways subsidy, in our area we have tram-tracks laid on nine highways. The Tramway Board lays down its tracks in concrete with bitumen top surface. We have spent £119,000 in laying down 670 chains of some of the finest road-surface in this country.

The Chairman.] On a concrete foundation?—Yes. The work we are doing is really an object-lesson to every local body. Every local body can get a subsidy from the Main Highways Board towards their work, and the same applies to the allocation of the petrol-tax, but the Christchurch Tramway Board, which maintains one-third of the highway, can get nothing, and on that highway we carry the bulk of the traffic.

You refer to the city area?—The highways running through our area. People use the tramway-track more than any other part of the city streets or district roads for their transport, so that we ask for an amendment of the Act which will enable the Highways Board to make a contribution out of its funds towards this kind of work. We sent in an application to the Highways Board, and the Chairman, Mr. Furkert, told us that he was in sympathy with our request, but that the Board had no power to make a contribution. We ask for legislation to enable a grant of that nature to be paid by the Board towards our cost of the construction. We are trying to get relief through an amendment of the Order in Council. The application is still in the hands of the Minister of Public Works.

Hon. Mr. Williams.] You do not get anything from Christchurch City?—No. In Christchurch the roadway we have to maintain is wider than the Tramways Act requires. That was the system in vogue when the centre poles existed, but they have all gone now and it is not fair to the Board that it should have to maintain the whole width. The question of the double track also comes in, and in the case of our system we should like to see some relief along the lines indicated. My Board endorses the recommendation of the Municipal Association's executive with regard to tramway matters, as we consider it is unreasonable that regulations framed under section 25 of the principal Act should control tramway undertakings. We have never been brought in on those lines before; we control our undertaking under the provisions of the Order in Council, and surely that should be sufficient. The question arises whether a local transport Board like a Tramway Board should have a monopoly, and I say with all sense of responsibility that it should be protected against the inroads of private enterprise, which is usually only too ready to compete with, and take away part of, the traffic built up over the years the trams have been running. I would like to quote to you certain extracts from an article which appears in *The Tramway and Railway World* of the 24th August last. It says, "The prime object of all transport undertakings in these days must be the public advantage, and this cannot be secured in any other way than by the elimination of unnecessary competition." Later on it states, in connection with a Conference which was to be held over the Manchester case where a number of buses were refused licenses, the Ministry of Transport upholding the refusal, "Doubtless the Conference may consider it desirable, as Bailie Dollan (of Edinburgh) does, that the Ministry shall be guided in future by the view that a local authority should be allowed a complete monopoly so long as it provides an adequate and satisfactory service. No one would dream of allowing competition in the provision of gas, electricity, or water, and competition in street transport is more dangerous and absurd." I submit those extracts with every confidence for the consideration of the Committee. Again it says, "Hopes ran high when Parliament, two years ago, conferred monopoly powers upon Greenock and Port Glasgow and Derbyshire and Nottinghamshire Tramways Companies." They were not public tramways, but companies with private interests. They had in England to submit to unnecessary restrictions, from which the public suffered; and recently the Glasgow Corporation, which controls the finest trams in the world, at a meeting held in August, through its Tramway Committee, recommended that the Parliamentary Bills Committee be instructed to make application to Parliament for powers to confer on Glasgow a complete monopoly of passenger traffic within the city, on tramway routes outside the city, or on routes in competition therewith. Surely, if that has become necessary in Glasgow, we at the other end of the world cannot go wrong in making the same provision. After my experience in tramway work in Christchurch during the last twenty years—and Christchurch is my native city—I can whole-heartedly support the institution of a monopoly for its public transport services. In New Zealand we have £5,000,000 sunk in tramway undertakings, and that capital is raised by loans in the usual way. The security is the net earnings of the undertakings, but if it is not sufficient we can levy a rate. The users of a public service should pay sufficient to cover its cost, and no one has a right to expect a service to be provided under cost. The Auckland Commission in its report recommended that a monopoly should be given to such a service as the tramways, and, seeing they are the peoples' own property down to the last penny, I would not allow any competition to step in at peak-load times, collaring the traffic which this transport organization seeks to control. I endorse the statement of Mr. Allum, Chairman of the Auckland Transport Board, and I submit these remarks for the consideration of the Committee. We also ask for the following additions to the Bill: To follow clause 54—

"Where a tramway has been or is hereafter constructed on any main highway or continuation thereof, or on any other road or street towards the construction or maintenance of which the Main Highways Board makes any contribution, then the local or public authority owning or operating such tramway shall be entitled to receive a share of such contribution proportionate to the area of the surface of such main highway, road, or street constructed or maintained, as the case may be, by such local or public authority."

To follow clause 57—

"(1) Section nine of the Motor-spirits Taxation Act, 1927, is hereby amended by adding to paragraph (b) of subsection one of that section the following proviso:—

"Provided that before such apportionment is made there may be paid out of such balance such amount as the Minister of Public Works may determine to the promoter of any tramway."

“(2) Section ten of the Motor-spirits Taxation Act, 1927, is hereby amended by adding the following subsection :—

“(3) All moneys paid to the promoter of a tramway pursuant to this Act shall be paid into such promoter's General Account, and shall be available only towards defraying the cost of the construction, reconstruction, maintenance, or repair of so much of any main highway within the Main Highways Act, 1922, or of any street or streets forming a continuation of a main highway, as the promoter is required to maintain and repair by the Tramways Act, 1908, or any amendment thereof, or any Order in Council made thereunder, or towards the payment of interest or of interest and sinking fund payable in respect of moneys borrowed for the construction or reconstruction of such portion of any main highway or street or streets forming a continuation of a main highway as aforesaid.”

We submit we are entitled to a share of the Highways Fund, as the tramway road is really part of a main highway—it is convenient to a main highway—and if the tramway authority constructs and maintains that to a specified extent surely it is entitled to some consideration and to a share of the petrol-tax.

Mr. Murdoch.] You want a portion of the highways subsidy and of the petrol-tax. How do your fares compare with the other fares in New Zealand?—Taking them all round, I think ours are the lowest in New Zealand.

Yet you show a profit?—We have got to the stage when we shall no longer show a profit.

But you are not making a loss?—We have not up to the present.

That is, after allowing for all charges, upkeep of track, and everything else?—Yes.

I think you said that under this special Act of yours you could make your own provision for fares, time-tables, and so on?—For supplementary services.

Then you are pretty well catered for there?—We are quite satisfied with that provision.

Does that not give you all you need now for the upkeep of your track?—In what way?

If you wished to raise more money for the maintenance of the track you should increase your fares?—That is what we cannot do.

You have power, you know, to impose any charge you like in your own way?—That is all right; but there is a limit, on the other hand, that the public will pay, and beyond which you cannot go.

Is that specified?—I mean that the economic situation compels us to take the present course. We have to face the competition of between forty thousand and fifty thousand cycles that pass over our trams in all directions, and if our tram system were confined to a radius of three miles from Cathedral Square we could run 1d. fares all right and give a much better service; but, as it is, where you have a place like Sumner, Riccarton, and New Brighton, and all round that country beyond the three-mile limit, that is our trouble.

You run that service at the present time, and you are not making a loss?—No, because in our earlier days we had a depreciation and renewal fund. We charged 2 per cent each fund for that, and our sinking fund was only $\frac{1}{2}$ per cent. A Commission of Inquiry went into the matter, and readjusted those rates, and we have reached the limit now in the case of renewals, and the requirement in that respect is very much greater than what we have set aside, and we have to raise special loans in order to supplement the depreciation fund. What has helped us has been the electrical power from Lake Coleridge.

You do not expect there will be any increase in your electricity charges, do you?—I do not know. When the Waitaki scheme comes in I think the price of electricity will have to be reconsidered.

You want a portion of the subsidy from the Highways Fund, but you have made a statement that you have the power to impose all charges you like?—They would have to be increased.

If you were running at a loss, you have the provision to increase the fares, have you not?—That is so; but here is our trouble: the private motor-owner is so generous that he will bring in three of his friends in his car to his office.

Mr. Healy.] You have increased your fares?—We have increased the cash 1d. section to 2d. We increased recently the 2d. people to 3d., and the 3d. people to 4d., and the people on beyond the third section we put up 1d., which brings them into line. In addition, we have a system of concession tickets which brings down the cost to the regular user.

Mr. Murdoch.] If you had not sufficient money, and it was necessary to increase it, you have the power to extract as much money as would pay for the upkeep, so that you have practically a monopoly now?—That is quite true; but you can go too far with your fares—you can push them up too high, which means ruining your business.

You suggest a subsidy: on what would you base it?—On the proportion of the roadway we construct or maintain that is worn out by motor-cars.

You said there should be one law to control the whole of the State: would that not put you out of action?—If you make the Auckland Transport Board Act the standard for the Dominion we should be quite satisfied.

You think it established better conditions than any other special Act in force at present?—It embodies a great many of our conditions, and is practically drawn up on our lines.

You suggested that any new control body that was set up would not be a competent one because it would lack experience; but the Board that was set up in the first case, was it not one of inexperienced men—I speak of the Transport Board?—There has been no Transport Board.

I think you suggested that under this Bill the men who would be elected would be inexperienced, and not capable of giving the service the previous men gave. Is that not so?—I referred particularly to the subject of trackless trams—the framing of regulations to govern that particular matter, seeing that trackless trams are being established, and I considered that they should not be brought into line with motor-omnibuses.

Mr. Mason.] You thought there should be one law for the Dominion, and that you would be well satisfied with the Auckland Transport Act applied to the whole country; but I do not understand what provision in Auckland is lacking in the case of Christchurch. Will you tell the Committee what you have in view?—The Auckland Board is the licensing authority for that district: we are not; we are under the control of the City Council, which changes from time to time, and frequently.

That is the essential point in the Auckland Act you say you would like in Christchurch?—Yes; they have a monopoly there.

There is this difficulty in Auckland—I do not know whether it arises in Christchurch—regarding the transport services that run freely within and without the transport area, and the people who live beyond the area want to come in. Is not there a difficulty in the Transport Board having control?—I do not think so, because we have now from Hornby, at the Riccarton end, a private-bus service going right on beyond Templeton, outside our area, and it works in with our service.

Who licenses them? Of course, the present licensing authority. But if it were done by the Board it would be done by an authority over which some of the people concerned would have no control?—From the point of view of an elective constituency that is quite true.

Is there not a likelihood of objections from those people being placed under the domination of men who are elected by their neighbours and not by themselves?—I do not think so; we are working in that manner now. This bus service simply acts as a feeder to the trams, and there is no objection to it. It is a mutual arrangement.

By whom is it licensed?—By the local body—in this case the Christchurch City Council; and it goes into an outside district.

And there are no complaints?—No.

And the City Council does not run a rival system?—No; it is merely the licensing authority.

You have no trackless trams running yet?—No. We are calling tenders now, and have been driven to it because we cannot renew the worn-out tram-tracks.

Will they run on the existing tram-tracks to a certain extent?—They will.

Mr. Williams.] As to the highways subsidy, am I correct in assuming that Christchurch is the only city where the trams are not controlled by the municipal authorities?—Yes. Our Board is elected every three years.

Although the trams clearly belong to the people, there is a Tramways Board working alongside the City Council which is looking after the streets?—Yes; that is so, absolutely. We maintain our tracks for a good distance on each side of the rails.

Your case is the opposite to that of a body which controls both trams and streets, and that is really your main trouble?—I think we are put to a heavier expenditure than they are in Auckland.

Have you ever tried to negotiate with the City Council and offered them a share in the track and maintenance?—We have approached them, and, naturally, they are not willing to take a share.

Mr. Ansell.] You thought the Advisory Transport Council did not understand the wants of the public in some respects?—I think not.

You make that statement after considering the constitution of the Advisory Board?—I certainly do, and the whole tenor of it.

You consider the Bill is in favour of private interests, and those of the public will suffer in consequence?—Yes.

Mr. O'Shea, of Wellington, said that the policy of the City Council with regard to the passenger traffic was to carry it at the lowest possible cost. What is your policy?—The policy enunciated there is exactly our own, and we are out to provide transport at the lowest possible cost, and not to make sixpence after meeting our ordinary liabilities. As long as we make ends meet we want no more. We are not like Glasgow, which used to make hundreds of thousands of pounds and apply the money to the general good. We only want to pay our way.

You endorse that policy?—I think the Dominion is justified in laying down that principle, seeing it and the local bodies have undertaken this responsibility, and have also been ready to grant modified right to private enterprise.

You consider the public interest should be protected against private encroachment?—I do. It is far better to keep the money in this country than to send it to America to make millionaires there.

You stated you are quite satisfied with the administration of the Public Works Department?—Yes.

And have no complaints at all?—No; we have got along well with the Department, and consider it is unnecessary to set up a new one with a large staff and offices.

Have you studied the proposed amendment with regard to the constitution of the Highways Board?—I have, and I think there should be a separate Board for each Island.

I understand the Prime Minister promised a separate Board for the South Island, and there has been a compromise, and they have appointed a motor representative for the North Island on the Board and one for the South Island. The South Island motorists expected that their representative would be a nominee of the South Island Motor Union, and I presume that under the Act the Minister will call for nominations. The indication is that he will be not a nominee of the South Island Motor Union, but of the heavy traffic or motor interests. What have you to say on that point?—I have very strong views regarding it. There should be a separate Board for each Island, and the representatives should come from the people who find the money in the shape of the fees—as you suggest, a representation of the motorists.

Mr. Harris.] Why did you say that this Bill solely favours one interest only?—You have only got to look at the framing of it and what has been recommended to the Minister. Why do you want to put under the control of another authority the tramway bodies?

Can it be said it favours private interests, when special authority is taken to give special preference to local interests?—That preference clause I speak of is very hard to interpret, as I think you will find when it is applied in practice.

The Chairman.] The principle is there?—Undoubtedly.

Mr. Harris.] Can you suggest any amendment there?—I suggest the Bill should not have a day's consideration.

The intention of the Bill is to give preference to local bodies who own transport undertakings. Do you deny that is so?—That may be the intention, but the whole thing is absolutely unnecessary.

If it is made clear that licensing authorities are to give preference to the publicly-owned transport services will your objections be removed?—I have hoped for that, but know it to be otherwise.

You claim that the staff of the Public Works Department has proved satisfactory in every way?—I do, and they have.

Have you any reason to suppose that the staff set up by a new Transport Board would not be as satisfactory?—If they are going to take over the whole staff of the Public Works Department it might be all right, but it is an unnecessary cost when you have the Public Works Department handling this matter now. Look at the expense involved in handing over the licensing of drivers to the Post Office. Fancy a Postmaster or Postmistress issuing licenses! That work is done by the local bodies now, and they will be deprived of the 6d. or 9d. on every 5s. license they receive for administrative expenses.

Is it not costing the local bodies something now annually to issue the licenses?—That is not very much.

It is charged against them?—In the case of the Christchurch City Council the Traffic Inspectors conduct the examinations, and they do all that work, and we will not get one penny.

You think you should still have the charge of the issue of the licenses?—Exactly; there can be no reason for such a change.

You suggested that the local body or borough transport undertaking should have the monopoly. What is your experience as a business man as to monopolies: are they satisfactory?—I do not say they are, but with regard to public matters the position is different. If any part of the country is determined to have a transport service, and is prepared to mortgage its property to find the capital, then it is entitled to enjoy a monopoly of the business, and it is not right that there men who are financed by motor-manufacturers in America should come in and take the benefit, and that New Zealand people should be exploited for the benefit of others overseas.

Did I understand you to say from your commercial experience that a monopoly is not satisfactory, or from a commercial standpoint generally?—I do not believe in any monopolies of public utilities outside; but I hold that any public service such as water, gas, and electricity should be supplied to the community at the lowest possible cost.

Can you get on without a monopoly?—You might with one such as you have in mind, but not with the one I refer to.

Is not competition the life of trade?—Not in the matter of transport services.

Have you a gas company in Christchurch?—Yes, and our electrical undertaking competes with that.

Do you not think the principle of an independent licensing authority is quite sound; in other words, that a local body that is running a particular undertaking should not be allowed to refuse a license to its competitors?—I do not think the licensing authority should be formed of people who are interested in the license itself.

Yet you suggest that the Christchurch Tramway Board should be the licensing authority for that city?—The Legislature has granted that in Auckland: why there and not for us?

Is not your Board a competent licensing authority?—I must confess that when I read the personnel of the present licensing authority I was amazed. I never thought such a Board would be set up and be working in Christchurch. Take Sydney, Brisbane, and Melbourne, and note the action of the bodies over there in this connection. We should profit by the experience of other people. The Tramway Board in Christchurch consists of nine men—five elected by the city and four by outside areas. The whole area is fairly well represented, and the Board is elected for three years, and under that system you obtain a much better working arrangement than you would have under this Bill. There is also the power of appeal, which completes the efficiency of the present system.

Your Tramways Board is not a licensing authority?—I do not mind very much whether we are not, if the Appeal Board is made right. I certainly do not think the present Appeal Board is satisfactory.

The Chairman.] Do you recognize that, in view of the growth of the transport throughout the Dominion generally, regulation by a Department is necessary?—I think that is so, and that the Public Works Department has done all right.

On general principles, you think it is necessary that some Department should take over the question?—It should be controlled, but the Public Works Department can do it.

If one Department takes over the transport, should not it control all matters arising out of it, on principle?—It is a very wide question, that of transport. In the case of road transport it depends on where the business is coming from, and the class of business; and if it is in competition with tramways, then there need not be any Board.

I refer to a controlling Department: is it not necessary?—I do not think a separate controlling Department in Wellington is necessary.

Not to control the transport in the Dominion as a whole?—Provided the Government makes its regulations, then the local bodies should do all the work.

You have not lived in a rural district?—I have lived in a city all my life.

Is it not reasonable to suppose that if the Transport Department is established it would take over at least all the experience and knowledge which has been acquired by the Public Works Department?—Judging by what I have seen, they already have in the Public Works Department a sufficient staff, and I do not think what you suggest would be the effect, nor would it be reasonable to expect it.

ALBERT EDWARD JULL examined. (No. 16.)

The Chairman.] Who do you represent, Mr. Jull?—I represent the New Zealand Counties Association, of which I am President.

You are also a member of the Main Highways Board?—Yes.

What evidence do you wish to give?—The New Zealand Counties Association had a meeting yesterday, when they considered the clauses of the Transport Law Amendment Bill. There are certain portions of the Bill which the counties are not very much concerned about, therefore I will not deal with them—matters such as motor-omnibus districts, Transport Appeal Boards, tramway affairs, and so on—but I will endeavour to deal with the matters which the Counties Association is principally interested in. First of all, they have been working, of course, under the Main Highways Act for the past five or six years, and, naturally, the counties have become more or less acquainted with the Main Highways Board's administration, and they feel that they may be left under this Bill to embark upon what may be different methods of administration. I will now deal, in order, with the matters that the executive committee feels concerned about. Subclause (1) of clause 3 says: "There is hereby established a Department of State, to be called the Transport Department (hereinafter in this Part referred to as "the Department"), which, under the control of the Minister, shall be charged with the administration of the several Acts specified in the Schedule hereto, and with such other functions as may from time to time be lawfully conferred upon it." The executive committee would like to know what is the new control which the Minister is to exercise over the affairs of the Main Highways Board. Of course, there are other matters affected by the Bill which the Minister will, no doubt, require control of; and, if the Main Highways Board is to be under the control of the Minister, these words are differently used from what they are in the Main Highways Act now, and we would like to know whether it is the intention to vary the administrative control of the Main Highways Board's functions, and, if so, in what direction it is likely to be changed. For instance, if the Main Highways Board were to make an arrangement with a local authority for a contribution from the Highways Board's fund for a particular work, would that be a subject upon which the Minister would exercise control? Contrariwise, if the Board failed to make an arrangement with a local body which applied for, say, special consideration in regard to any work, and the Main Highways Board did not see its way to agree to that application, would the Minister under this provision be empowered to say that the Board must reverse its decision?

Hon. Mr. Veitch: Perhaps I can answer that straight away and clear up the point. The word "control" refers only to the Transport Department. The subclause puts the Minister of Transport in exactly the same position as the Minister of Public Works is in to-day, and the relation between the Government and the Main Highways Board will not be altered in any way by this Bill, but the Minister of Transport will be the Minister charged with the administration of the several Acts specified in the Schedule. The word "control" refers to the Transport Department and not the Highways Board.

Witness: Thank you; that disposes of that point. The next point is in subclause (2) of clause 8, which reads: "Where in any of the enactments mentioned in the Schedule hereto, or in any other enactment administered by the Transport Department, references are made to the Minister of Public Works or to any other Minister of the Crown, such references, in so far as they relate to the administration of any such enactment, shall hereafter be read as references to the Minister of Transport."

Hon. Mr. Veitch: The position is exactly the same there. That simply means that the relationship between the Crown and the Board is not altered, but the Minister of Transport will be the Minister responsible for the administration of the Act, instead of the Minister of Public Works.

Witness: In the Act itself we have a specific reference to the Minister of Finance, who may raise certain loans, and he fixes the rate of interest. For instance, we are allowed to charge local bodies on expenditure that is to be progressively repaid.

Hon. Mr. Veitch: There is no change there.

Witness: With regard to clause 12, which provides that no motor-vehicles are to be exempted from the payment of annual license fees after the 31st May, 1930, the Conference is quite in agreement with that provision, although individual counties take exception to their road-vehicles being made to pay, but the executive feels that it is a step in the right direction. Then I pass on to clause 26—"The Minister of Transport may disallow any local by-law relating to motor traffic on the ground that its subject-matter should be dealt with by provisions of general application." In this respect we know, as motorists, that a lot of irritating by-laws have been made, perhaps mostly by the smaller local authorities, which are irksome to motorists, and, in fact, in some cases have been shown to be unreasonable. So far as counties are concerned, which operate over a very large area, there has been evidence during the past few years of a desire to secure uniformity in the by-laws for whole groups, and only at this last meeting of the executive have we finalized a proposal whereby a complete set of by-laws, prepared by the counsel for the association, is to be prepared, and it is expected that a very large number of the counties in New Zealand will participate in the proposal to make their various by-laws uniform as far as possible. This clause seeks to place an embargo upon any progressive by-law only if it is of a character which might be made a by-law of general application. We think it would be more desirable if this clause were altered so that the general regulations would supersede anything. In fact, it may be beneficial to the Department to, as it were, "try it on the dog" permit local bodies in certain areas to frame by-laws and bring them into operation. If they were successful a general regulation could be made, and that could supersede the local by-law, which, of course, might be improved upon; but I think it would not be desirable that you should be able to preclude any improvement in the by-law administration by the local authorities.

Hon. Mr. Veitch: Perhaps I may say just a word here. Clause 26 provides, as it is intended to provide, that all matters of local interest or concern shall be left in the hands of the local bodies, and that the wider matters of national concern shall be under the control of the Minister of Transport, so as to get uniformity throughout the different districts. In making the regulations we would not think of doing that without first consulting the County Councils.

Witness : Perhaps I did not make myself quite clear. This clause says that a by-law may be disallowed on the ground that the subject-matter of the by-law should not be dealt with otherwise than by statute or by regulations of general application made under the principal Act. Of course, if there is anything flagrantly bad about a by-law it might well be disallowed; but what I mean is that we might be legislating by means of a by-law on a matter which could be of general usefulness, but not provided for in the general regulations. If we framed such by-laws and put them into operation they should not be disallowed until they were superseded by something else. If it were something of general application, then the Minister should say that it was proposed to make a regulation dealing with the matter forthwith, and the counties would know where they were.

Hon. Mr. Veitch : You say the Counties Association is going into this matter : I might add that it has already been decided that we will confer with the local bodies before any finality is reached.

Witness : I am merely setting out these points for your information. I will pass on now to paragraph (c) of subclause (1) of clause 33. We are not finding fault with this particular clause in a fault-finding way, but it is the beginning of a North and South Island method of doing things, and I am just wondering whether this provision is necessary in the case of special licensing authorities. Personally, I have views as to whether it is desirable at all, but this is the beginning of a suggestion that the North Island and the South Island should be administered as separate entities. I pass on with just that allusion. Now we come to something we know something about—Part VI, dealing with main highways. I will deal first with clause 51, regarding the constitution of the Board. I am perfectly well aware that there has been a good deal of newspaper and other agitation in the South Island in the direction of securing an administrative Board for the South Island, and another for the North Island. I do feel, however—and the executive of the Counties Association feels the same—that the agitation was largely the result of misapprehension and misunderstanding, if I may say so, regarding the administration of the present Highways Board. Some months ago, when this matter was first suggested—I think it was after the statement by the Prime Minister as to the need of two Boards—the Counties Association (which, of course, represents both the North and South Islands) met, and among the matters then considered was this question of a North Island and a South Island Board. The matter was very fully discussed by the executive, and the discussion was left mainly to the South Island representatives on the executive. A motion confirming the opinion of the executive was moved and seconded by South Island members on the executive, and carried unanimously, the motion being to the effect that it was not considered desirable that there should be two Boards, nor were they expedient or workable.

Mr. Healy : That is not the general opinion, all the same.

Witness : You mean, in the South Island ?

Mr. Healy : Yes.

Witness : The South Island counties, at the invitation of the Ashburton County, held a conference a few months ago. One of the matters of prime importance discussed at that conference was this question of two Boards. Mr. Talbot, who is a South Island member on the Main Highways Board, was present, and also one of the executive officers, and at that time there was even more life in the movement than there was subsequently. A motion was put to that meeting urging the establishment of two Boards, but after a very general discussion it was withdrawn and never put to the meeting. A very large number of counties were represented at that conference. We held another meeting of the executive yesterday, and we had the reaffirmation of the South Island members who attended the meeting of the motion passed at the conference I refer to some months ago, that in their opinion it was not desirable to change the present method of one Board for the whole Dominion. We quite appreciate that pledges or promises have been made to the effect that what was thought to be a desirable change in the administration of the Board would be effected, and if it can be shown that such a change is desirable, expedient, and workable, then it is for you gentlemen to report what you think. I am only conveying to you the point of view of the counties, which, after all, are more closely in touch with the administration of the Main Highways Board than any one else, and they feel that the proposed alteration will not make for better administration or for greater efficiency, but will be rather the reverse. Clause 51 deals with the particular point; but before I pass on to the other subclauses I would point out that the present Act provides for the constitution of the Board. I think it says that there shall be two representatives to be appointed on the recommendation of the executive of the Counties Association, one member representative of the motor-users, one member will be an officer of the Public Works Department, and two members who will be officers of the Public Works Department or any other Department, or other persons. So that to-day, with the exception that one man is required to be an officer of the Public Works Department, the other two appointees by the Government are at large. The appointments, however, were made entirely from the Public Works Department—that is, the present appointments of the three Government men. My executive feels that there should be at least an Engineer of the Public Works Department on the Board. It is very necessary, I think, that there should be a man on the Board with technical knowledge, because we have to deal with criticisms and proposals from Engineers of local bodies and others, and it is very desirable that we should have, in addition to our technical officer—who, of course, is not a member of the Board—a man on the Board with technical knowledge. I have no doubt that that is intended, but, as the present Act specifically provides for a member of the Public Works Department, I think it desirable that that should again be specifically stated. There are some other features in regard to that. The administrative work of the Board is now done by the Public Works Department, by whom a charge is made for commission on the expenditure—5 per cent. on construction and 4 per cent. on maintenance. There are times—and they are more frequent than you gentlemen may perhaps be aware of—when the Highways Board is called upon to administer, shall I say, censure or disciplinary measures to District Engineers in different parts of New Zealand, who are, in those districts, the Board's representatives. These gentlemen have to send in their requests, and they are called upon to prepare estimates for the various works. They are the gentlemen through whose offices the various counties are approached and negotiations take place. We have to have a fairly tight hold on the activities of those District

Engineers. It is possible that it is in the minds of the promoters of the Bill that the time may come when the whole administrative work of the Transport Department shall be divorced from the Public Works Department. That is as it may be; I do not know; but I do know that in Victoria the Country Roads Board is a separate entity from the Public Works Department, and, I think, the same in New South Wales. In this country we have been administering, as I say, along with the Public Works Department. I am going to assume, for the sake of argument, that one of the head officers of the Public Works Department is not a member of the Board, and will ask you to imagine the difficulty the Board may be in if we have to administer, as it were, disciplinary measures upon officers of another Department, which has to be done through another Minister and through the chief executive officer of that particular Department. I feel that it will result in the Highways Board's work being made secondary to the Public Works activities, and I do not think that will make for efficiency in administering between the Department and the counties. The County Councils are brought into touch with the Public Works Engineers not only in respect to main highways, but with respect to all other roads in the country for which public-works grants or other assistance is sought. They have become accustomed to that particular form of administration and negotiation, and therefore they are not anxious for innovations in administrative methods unless it can be shown that they are desirable from an efficiency point of view or from a financial point of view. I do not think there is any necessity for me to labour that point any further.

Hon. Mr. Veitch: It is not intended to divorce the Public Works Department from the Highways Board in that way at all.

Witness: But that is only one factor. The point is that unless the Public Works administration is to be made use of, and unless we are going to set up in this country another set of machinery—and I can understand that the Minister of Transport would not be desirous of increasing the cost of administration in that way—then the administrative work will have to be done by the Public Works officers, and I want to point out that there is a liability, unless a Public Works officer of high rank is on the Board, who has sufficient seniority to be able to enforce on the staff of his Department the necessary disciplinary measures, it may not work harmoniously.

Hon. Mr. Veitch: May I clear that point up at once? The position that will arise under this Bill when it goes through the House will be that the relationship between the Minister and the Board will be the same as it is now, and the relationship between the Board and the Public Works Department will be the same as it is now, so that any decisions, shall I say, to employ the Public Works Department to do the Board's work would be carried out on exactly the same principles as they are now. That is really the situation—the Board is employing the Public Works Department to do its work. It is not bound by law to employ it, but as a matter of common-sense it is advisable to do so, and all those principles will remain exactly as they are now so far as this Bill is concerned.

Witness: I understand that, but I am just pointing out that unless there is the personal touch there will be trouble.

Hon. Mr. Veitch: We would not think of eliminating the head of the Public Works Department.

Witness: Now I would like to say a little more about the Board. The proposal for the Board looks to me an honest attempt to give effect to a proposal for two Boards, but it is not two Boards. Dealing now with clause 51, and passing over the amended subsection (4), which we are not objecting to, the next point is the question as to how the Board is to administer. Subclause (3) of clause 51 says, "At any meeting of the Board members appointed to represent persons resident in the North Island shall not be entitled to vote on any proposals relating to any local authority or to any road or street in the South Island, and similarly members appointed to represent persons resident in the South Island shall not be entitled to vote on any proposal relating to any local authority or to any road or street in the North Island." Now, the Board is composed of nine members, and there would be a large number of questions—as a matter of fact, there are—that do not relate to any local authority or to any road or street in either Island, and all members would be entitled to participate in those discussions and vote on them; but when it comes to any geographical expenditure in the North Island or the South Island only those members representing the particular Island affected can vote. Other members can talk as long as they like, but they cannot vote. I am giving the Minister credit for a desire to give effect to what has been suggested in regard to two Boards, but I would ask you gentlemen, as reasonable men associated with administrative affairs, how you think such a proposal as this is going to work. To begin with, I think the Board is too big. It is hard to say that you could have too many men representing the counties, because they do represent the intelligent portion of the community, but it is quite easy to have too much of a good thing.

Mr. Mason.] How many are on the Board at present?—Six.

Mr. Sullivan.] Can you tell us what the objections are to two Boards?—It is unwieldy and unbusinesslike, as the proposal will only affect certain portions of the Board's work—that is, where it actually concerns expenditure on works in the South Island or the North Island, as the case may be.

The Chairman.] Is your evidence in this connection to be taken as on behalf of the Counties Association?—Yes, only as representing the Counties Association. The Highways Board, as a Board, does not know anything about this Bill. The Highways Board, as a Board, has not met, and I do not know that the Board, as a Board, would discuss the Bill. As I say, I am here only as a representative of the counties, and that I happen to be the county representative on the Board is merely a coincidence.

Mr. Sullivan.] Is that the only objection—that the Board would be too big?—No; it is that it will not work for efficiency, but may make for discord. The point is that there is to be administration by certain men on the Board in relation to expenditure in the South Island, and by another set of men in relation to expenditure in the North Island. I think I will leave the matter at that. I have put our views before you, and when I say "our views" I am speaking of the unanimous views of the North and South Island representatives on the Counties Association.

Can you tell us the views of the people in the South Island on the matter?—I can only speak for the county portion of the South Island. We represent the counties, and the Highways Board's relationship with other bodies is very trifling and quite incidental. Now I come to clause 53, which deals with the expenditure out of the Revenue Fund for maintenance purposes. I may be a little slow in picking up what this clause means, but it does not seem to me to read that the revenue is to be apportioned but the expenditure. It says, "The Minister of Transport shall fix the proportion to be borne by the moneys to be expended in the ensuing year out of the Revenue Fund in respect of the maintenance, repair, and control of main highways in the North Island to the moneys so to be expended in respect of main highways in the South Island, and the proportion so fixed shall be observed so far as it may be found reasonably practicable so to do." I may say in regard to the Revenue Fund for the purpose of dealing with the maintenance and repair of roads, that those are the particular items of expenditure over which the Board has the least control. We can take it as an axiom that any road under the control of the Main Highways Board should be adequately maintained, and yet our expenditure on maintenance—which to-day is two parts by the Board and one part by the county—has to be made to accord with the requirements of the particular counties. If a county makes an application for certain expenditure on roads in its district, then it is imperative that we find £2 for £1; so that it will be seen the genesis of the expenditure lies with the local bodies, who have to provide their third of the share of the cost. The local authority's Engineer consults with our representative in the district, and it is our business to see that the amount required, on the basis of £2 for £1, is provided. A large portion of the Revenue Fund, not being immediately required, has from time to time been transferred to the Construction Fund. There is nothing in this clause, as I read it, that would prevent the revenue being used for construction work, and it is needful at times that that should be so, but what I wish to point out is that this, after all, is the Minister's desire to give some reasonable interpretation to the request for a North and a South Island Board. Sub-clause (4) further provides, "The proportion fixed as aforesaid may at any time during the year be varied by the Minister if in his opinion it is equitable so to do." I would like members of the Committee to understand that when these proposals come before Parliament practically half the money has been expended, and it is expended at the instigation of the local bodies, the Board being compelled to contribute £2 for £1, and it is a matter over which the Board has the least amount of control, except to see that the road is properly maintained. I feel that this provision for dividing the expenditure will not effect what is sought. I do not suppose it would be likely that the Minister would in any arbitrary way vary the expenditure between the North and South Island after the Board had made the commitments for the year, as it might embarrass not only the Board but the local bodies themselves. I feel that all this goes to show that, wrapped up with the desire to secure some variation in the constitution of the Board, a number of provisions have been included that are likely to make for a considerable amount of discord, disability, and inefficiency. I will not say any more on that point. I now come to clause 54, which is one that we feel should be deleted altogether. The counties are quite aware that a statement has been made—I think, by the Minister of Public Works—that he thought it desirable in the interests of the backblock portion of the country that a proportion—somewhere round about £100,000—of the highway revenue should be devoted to that purpose. There was no suggestion, I understand, in that connection that the administration of the expenditure of that £100,000 should devolve on the Main Highways Board.

Hon. Mr. Veitch.] You notice it is entirely in the hands of the Board?—Yes; but I feel, if there is to be any deduction from the main highways revenue to be used in a manner quite different from the ordinary administration of the Main Highways Board, then it ought to be taken out of the Board's funds and administered by some one else altogether. If the administration were left with the Board, it would no longer be a Main Highways Board. Under this clause the Board would be a target for every rural and urban district in the country to have a cut at the £150,000. The counties take it that when the Minister of Public Works was talking of this—for he was talking to counties—his idea was that the money should be for the purpose of assisting in the construction of backblock roads. This grant will not provide 2s. to backblocks roads for construction. This £150,000—which is the maximum amount to be granted—is to be used in the maintenance of any road or street that is not a main highway. Any bush track that has had a bit of metal on it, or any suburban street that the local body might declare had fourteen motor-cars over it the previous week, would be entitled to a portion of the grant. Not a yard of metal could be put on a bush track under the clause. This is how the clause reads: "Notwithstanding anything to the contrary in the principal Act, the Main Highways Board may in any year pay out of the Revenue Fund to the local authority having control of any road or street that is not a main highway, a subsidy to be expended in the maintenance thereof, and not exceeding twenty-five per centum of the estimated cost of the maintenance of that road or street in that year. The total amount to be expended by the Board in any year under the authority of this section shall not exceed one hundred and fifty thousand pounds." Just imagine the enormous amount of additional work you are going to throw on a body you call a Main Highways Board under this clause. To begin with, the amount it is proposed to take is equivalent, roughly, to one-fifth of the total petrol-tax that the counties are getting, after allowing for the other deductions. Every city could make an application under the clause, and, if I am any judge of the cities, they will not be slow to come along with their applications.

Mr. Harris.] Such applications would not be entertained by the Main Highways Board?—Then, why put the obligation on the Main Highways Board to make an investigation into all the little streets and by-roads of the whole of the country? From the administrative side the Board simply cannot do it. I am going to say now, as a rural man, what I have been warning the rural districts of for years—"Watch the cities." It is no use blinking the fact that the cities are clamouring for a greater share of the petrol-tax, and the cities are being built and maintained by the activities of the people

in the rural districts. The cities want to take part of the money which should be used for construction and maintaining rural roads for roads in the cities. To begin with, we say that any raid on this fund will be to the detriment of the rural districts, and yet I submit it was the rural people to whom it was intended this proposal should apply. But this is the point: if you take an amount such as £150,000 from the Main Highways Fund it must have the effect of retarding the carrying-out of a programme of main-highway construction and improved paving throughout the whole of the country. This programme has been set out by the Board, and the counties are working to it. The various counties are, as it were, getting their machinery together in contemplation of bearing their portion of the cost of carrying that programme into effect, and if you take one-fifth of the revenue from the petrol-tax out of the fund, then you must seriously retard the carrying-out of that scheme. As I have already said, the money is only to be used for the maintenance of these particular roads. First of all, an investigation would have to be made to see if a road was entitled to a grant, and then to see if the money had been spent on it; consequently the administrative costs would be very high. It would be departing, as I say, from the fundamental principle of main highways, and the amount to be given would be just the reverse of what is being given in other parts of the country. Under this proposal the amount is to be £1 for £3. To-day the general contribution of the Main Highways Board towards county roads is £2 for £1; so that it will be seen that there will immediately be a clamour for this particular contribution to be increased to something like what the counties are getting for the other roads. All this increases the administrative work very considerably. A much greater amount of checking would be necessary to ascertain whether, say, 1,000 yards of metal went on to a road for which the county gets £2 for £1, or on to a road for which it is to get £1 for £3.

Mr. Sullivan.] We would have to get a Highways Board that could do the job entrusted to it.

Witness: I have no doubt that you could but I am simply stating, from the counties' point of view, that this is not desirable, and that it should not be made a function of the Highways Board. And another reason for that is that the Public Works Department in respect to all roads that are not main highways are making grants from time to time for construction work, and so on, and you would have the Public Works Department and the Main Highways Board operating on the same roads, which is a position that does not obtain to-day.

Hon. Mr. Veitch.] The Counties Association opposes the clause?—It feels that it is not right to take that money out of the Main Highways Board's funds. There is just one other point. I would like to refer to clause 58 (5), which reads as follows: "From the total amount of the heavy-traffic license fees received in any year there shall be deducted such amount as may be prescribed in respect of administrative expenses, and the residue shall be paid to the local authorities entitled thereto in accordance with regulations to be made in that behalf under section 166 of the Public Works Act, 1928." The Counties Association had communication from several Councils in this matter, and they felt that the system of distribution at present in force was working fairly well, but I know there are inequalities. For instance, in the district where Mr. Healy comes from there is a desire that some alteration should be made, because one area which may be in one group for the purpose of distributing heavy-traffic fees is being disregarded.

Mr. Healy.] The Awatere County?—Yes. The Minister might be able to indicate what is suggested there. Personally, I have stated to the Counties Association that the distribution is not sound—there is too big a proportion of the fees going to the cities and boroughs in comparison with what goes to the counties—so I am hoping that in the framing of the regulations regard will be had to a proper distribution. It is possible that the Minister may be able to devise a scheme which may materially improve the present scheme.

Hon. Mr. Veitch: This would be a distribution based on actual traffic.

Witness: I think distinct improvements could be made.

The Chairman.] You consider that this clause is necessary in some form?—I gave two contrary opinions—one from those counties which felt that the present system was working all right, and another from the rural parts. In the rural parts of the country where the towns do not occupy such an important part the distribution is reasonable good, but in other places it is distinctly unfair. Subclause (6) of clause 58 is a proposal to repeal sections 164 and 165 of the Public Works Act. Briefly, those sections are a prohibition on the use of lorries or vehicles over a certain weight.

Hon. Mr. Veitch: It is intended to administer this for the purpose of keeping axle-loads down. The present method of doing so is so inequitable and rough-and-ready that it does not give the country people the traffic or service they are entitled to under more scientific conditions. The axle-loads will not be increased.

Witness: The counties think that that could be done by your regulations under section 166 rather than by repealing the two sections, which are the only statutory bar to the bringing on to the roads of vehicles over a certain weight; and the counties feel that they have been engaged with the Main Highways Board for a period of years in the construction of a type of road calculated to carry a certain weight, and if by any regulation the weights that are to be put on the roads are going to be in excess of the maximum loads for which the roads have been constructed the counties will be seriously embarrassed and the Highways Board would be faced with extra expense. If you build a bridge or road to a standard which statutorily says it is limited to 10 tons for a four-wheeled vehicle and 15 tons for a six-wheeled vehicle, then you know where you are. The standard is fixed, and we hope that these sections will not be repealed; but if the Minister can see his way to make regulations in a more scientific way it would be better to do so by regulation, still retaining those sections in the Act.

Hon. Mr. Veitch: Subclause (3) of clause 58 reads: "The power to issue heavy-traffic licenses conferred by any regulations for the time being in force under the last-mentioned section shall include the power to refuse to issue a license with respect to any motor-vehicle that does not conform to the requirements of such regulations." Suppose you get a design of motor-vehicle which will carry more

goods, and in that way give the farmer cheaper transport without knocking the roads about—which is of immense importance to them—that point must be taken into consideration. The County Councils' convenience is not the only consideration—it is cheap transport for the farmer.

Witness : If you can do that by regulation, you can still leave the sections in the Act, which, after all, is a distinct statement to certain quarters that they must not use a type of vehicle in excess of certain weights. If you repeal it, it would be an indication to some importers to reintroduce such a type of heavier vehicle.

Hon. Mr. Veitch : They would not get a license to use them.

Witness : But the importers would not know till they got the vehicles in, because the regulations may change from time to time.

Hon. Mr. Veitch : But they will not import vehicles until they are certain they can use them.

Witness : The counties think it would be better protection if there were a statutory prohibition.

Mr. Healy.] You did not refer to the collection of drivers' licenses and heavy-traffic fees. My two counties oppose that strenuously?—The committee did discuss that matter, and they felt that, whatever machinery is proposed to centralize that, they would not object.

Two of my counties strongly opposed it, and I understand they wrote to your association?—We had a letter from the Marlborough and Awatere Counties, and they were considered, but the general opinion of the committee was that a centralized method of collection is not undesirable. There were local objections, but, on the whole, they thought it was a move in the right direction.

You say that the association agrees to the constitution of only one Board for the two Islands?—Yes; they are unanimous on the one Board.

That does not apply in my own district?—Awatere was one of the counties which did not agree. I think there were four in the South Island. In reply to a circular from the Counties Association, Awatere was one which considered two Boards were desirable.

That is the general opinion in my district?—That is possible.

Then you say, with regard to the distribution of the £150,000, that you are sure your counties will receive that with open arms. I presume you are referring to the backblocks?—I have tried to show that the backblocks would not get a yard of metal without that clause. No unmetalled road could be metalled, because that is construction, and this is maintenance.

Mr. Ansell.] What does your association think of the constitution of the Transport Advisory Council?—The constitution is not set out. We know the present constitution, and we have heard that it is likely to comprise a Railway man, and a Farmers' Union man.

That was foreshadowed in the Budget?—I am afraid I did not know that, but our members inform me that is the position, and, as it is an advisory body, our members felt that if what was stated was done it would make for improvement.

In regard to the administration of the Highways Board under the Public Works Act, are the counties satisfied with the administration?—We have an assurance from the Minister it is not proposed to divorce the administration from the Public Works Department; and, of course, the only part of the administration which the counties are in touch with are the District Engineers, who will, I understand, be retained in the administrative work.

But the present administration is quite satisfactory?—I think it can be said to be quite satisfactory; but it is not proposed to change it.

Would you suggest that there would be an improvement in administration from the Counties' point of view if a transfer is made to the Minister of Transport?—If the phases which I stated in giving my evidence are taken into consideration with regard to the Public Works Engineers, then, so far as the counties are concerned, I do not think it will make any difference as to what particular Minister happens to be administering it.

Would you consider there would be a possible duplication of Departments, with the corresponding increase in expense?—If it did, then I think it would be detrimental. I do not think the country could stand two big Departments administering the same thing. The only answer is that Mr. Veitch says it is not contemplated.

Did your association consider the administrative costs of the proposal involved?—The association did not go into that question. Of course, we recognized that most of these things involved some additional cost, but we expressed ourselves generally that the administration in conjunction with the Public Works Department was working quite satisfactorily.

In connection with clause 12, relating to exemption of vehicles, some of the city authorities are taking exception to that. Do the counties agree that all vehicles should be taxed? The position has been put forward by the city representatives that their own vehicles which are engaged in roadmaking should be exempt. Have you dealt with that aspect?—We did go into the matter. The largest proportion of heavy-traffic fees is at present going to boroughs and cities, and therefore the counties will not get back an amount equal to what they pay if the same disproportion exists when the transport people have finished with their regulations for distribution. Several counties have raised the question as to the iniquity of charging them for vehicles engaged entirely in road-construction. My personal view is that vehicles that are engaged entirely on road-construction work should be exempt. That is my own opinion; but the executive went into the matter, and they do not wish to be pernickety in objecting to every little matter.

With regard to the constitution of the Highways Board as proposed under the Act, you are not in favour of that, I presume?—The executive are entirely unanimous that the proposed constitution is not likely to be beneficial, and they do not think it is desirable, nor have they seen any good reasons for bringing it about.

In view of the fact that this suggested alteration is, I understand, a compromise with the South Island so as to give that Island a representative on the Board, how would you suggest the difficulty should be

overcome—the counties to have a representative for each Island?—No. It just happens that there is a North Island representative and a South Island representative. There is no obligation to provide for each. The Islands have not separate representation. Each representative is a representative of all the counties of New Zealand, and if the representative of the South Island is in the North he takes the same interest in the discussions as I do when I am in the South. We regard ourselves as representatives of the whole country; but there is a good deal of horse-sense in the Counties Association, and they think it would be better to have a man from the North and one from the South.

Do the counties object to the motorists having another representative on the Board?—That phase, I am sorry to say, was not considered. The executive never had a chance to discuss that, but they came to the conclusion that the present constitution suited them and that they did not desire any change. At present, and even in the Bill, the proposal is to have two representatives from the counties in the North Island and two from those in the South, and one motor representative from each Island. In each case they have distinguished between the numerical strength of the motorists and counties, and the Bill follows that, and that numerical standard is what suits the counties, and I do not think it would be desirable to ask me to give my own personal opinion.

With regard to clause 54, which you suggest should be deleted, why do you presume it is for backblock roads?—Because I saw it stated by the Minister of Public Works that some amount should be deducted from the Highways Fund for the purpose of additional assistance to the backblocks roads.

Your association was quite unanimous in regard to deleting that altogether?—Yes.

You say it is departing from the fundamental principles of highways administration—in other words, that the highway funds should be kept for the main highways?—Yes.

Do you take up this attitude: that it is a dangerous thing for the counties, because if this is granted to backblock roads, then the cities will have a claim for a greater proportion of the petrol-tax?—No. I say that the clause as drawn provides for any street or road getting assistance. It is not a fear that it may happen—it is in the clause itself.

If this is given to backblock roads, then I understand you to say that it would be open to cities to demand a greater proportion of the petrol-tax?—I say it is very wrong for them to try and get it.

We know that there is only a certain amount of money for disposal, and if that amount is given to the backblock roads there would be so-much less for the other roads?—Yes.

Under this provision for the £150,000 to be spent the counties would have to provide £450,000?—Yes.

Therefore you object to the clause?—Yes.

With regard to limitation of loads, you agree with what has already been said?—Yes, and counties are working on that basis.

Therefore you object to the proposal to make any alteration?—I doubt whether there are one hundred miles of road in the Dominion which would stand continuously loads of over 10 tons on one vehicle.

Mr. Harris.] With regard to clause 51 (3), relating to representatives of the North and South Island, and that the representative of one shall have no voting-power in respect of expenditure in the other Island, you think that is impracticable?—Yes; I think it is nonsense.

Has it been your experience that the present constitution of the Board, with a personnel of six, is adequate?—Quite.

In amplification of your statement about clause 54, would an application from a county for grading or re-formation be considered maintenance?—Re-formation would be maintenance.

Would not the Counties Association agree that a local authority should be entitled to some assistance for regrading or re-forming a road in the backblocks?—Counties would much prefer to have additional secondary roads on which they could get two for one. We would prefer the extension of secondary roads to such a proposal as this.

You do recognize, however, that many of the backblock roads should be assisted, even to the extent to one to four, under the provisions of this clause?—In the case of the backblocks the difficulty is to get one-fourth of the cost, let alone three-fourths. The more backblocks roads you have, the more contribution you must give them. What is the use of saying you will give them one to three? That is no good.

Is it not better than nothing at all?—They say, give us more secondary roads on which you give us two to one.

You are giving the opinions of the counties?—I am talking from the county point of view.

Mr. Healy: Some of the counties.

Witness: The counties which know the effects. I am representing the counties executive.

Mr. Harris.] I understand you did not consider the functions of the Highways Board?—Yes.

With reference to heavy-traffic fees, I think you said that to-day the cities were getting far too high a proportion of the fees?—I think so. That is my report to the Counties Association.

Is it not a fact that some 68 per cent. of these are paid to the cities to-day?—I am not in a position to say. I know they are getting more than 68 per cent. of the total.

Is it not a fact that the larger proportion of the heavy-traffic fees themselves are paid by the cities?—You say “paid by the cities”: that means for use of vehicles which may be garaged in the city and going out into the country.

I was going to put it to you, is it not a fact that, while a large proportion of the heavy-traffic license fees are paid in the cities, those vehicles use the city roads almost exclusively?—No.

Consider the motor-omnibuses?—Yes, that is right.

And local loans are raised for the purpose of constructing main highways within the city?—Yes.

Heavy license fees are paid by them?—Yes, and the butcher and the baker are up and down the city streets all day.

And a substantial proportion of that money is expended in the country and paid for by the towns, and the people in the towns never use the country roads?—We say that a heavy-traffic vehicle operating in a rural district will do more damage to the road in a day than it will do to a road in the city in a year. I suggest that when these regulations come out the Department should take into consideration whether they could divorce the city from the counties in the matter of this distribution. That is to say, that, say, certain licenses are issued in the city for the city, let the owners operate only in the city.

You agree to that?—Personally, yes.

I am afraid the country would lose?—But we would know what we were getting.

What is the proportion of heavy traffic in the country as against the town?—It is very small in the country. But you get heavy traffic in the city operating from the wharves to the warehouses, and *vice versa*. You can afford to put down any type of road for that.

My point is that the proportion of heavy traffic in the country is negligible?—I would not agree with that at all.

Mr. Sullivan.] You say you would give to the cities the heavy-traffic fees in those cases where the heavy traffic was confined to the cities?—That is my own personal view.

Would you do the same with regard to the petrol-tax?—No, I would not.

If the principle should apply in one case, why not in the other?—All I can say is that the principle of taxation for the purpose of constructing high-class roads as obtaining in the United States and Canada is that the cities are taxed directly through the rates for a contribution towards the construction of roads leading to the cities, otherwise they would never have had them; and that is the fairest way. The cities live on the country districts.

In other words, you say it is the duty of the cities to assist in the construction of the rural roads?—I say that it is the practice in the United States and in England, where many of the towns are not in county boroughs.

Rural traffic uses the city streets?—Precious little. They come into a town and put up at a garage.

What contribution does the country traffic pay towards the upkeep of the city streets?—They pay plenty in the way of buying materials from the cities.

Does the city pay anything for the goods it purchases from the country?—Yes, but as traders they do not get much from the country without making a substantial profit out of it.

With regard to the Main Highways Board and the question of separate representation, do you know of any agitation in the South, apart from the counties themselves, for the establishment of a separate Board?—Yes; two Christchurch papers made a lot of talk about it, and in spite of statements made to the contrary they kept on repeating it.

Is it a fact that the amalgamated progress leagues of the South Island have asked for a separate Main Highways Board?—I have not seen that, but it is possible; I do not know. I know that the amalgamated counties have not asked for it.

You do not know whether the amalgamated leagues have asked for that?—No.

And what about the automobile associations: have they asked for a separate Board?—Yes; they are the people who promoted the suggestion.

In other words, are you aware of the fact that there is a general demand on the part of public opinion for a separate Board?—I do not think there is. I know there are various parts of the South Island where they are very vehement against it.

I do not dispute your contention that some of the counties, or most of them, have decided not to ask for a separate Board?—But it is the counties who are providing the share of money necessary to go on with the different works. It is not the progress leagues.

Is it a fact that the people who use the roads are asking for separate Boards?—Some of them. The County Councils are comprised of motorists, even though they do not belong to any of the leagues.

Are you aware of the fact that the Canterbury Progress League consists of representatives of County Councils?—Yes.

And that the Canterbury League has asked for a separate Board?—I am not so sure that they have.

Well, I can give you my assurance that they have?—It is possible.

Has there been any dissatisfaction in the South Island in regard to the work of the Highways Board?—You will have to be more specific. Do you mean that somebody puts in an application to get five for one and is only entitled to three for one?

I mean that the motorists have pressed on the counties the need for greater activity in the carrying-out of main highways. The counties reply is that they are not satisfied with the returns they get from the Main Highways Board?—I cannot tell you as to that.

If there were a special representative of the South Island on the Board, would it not tend to smooth over any friction and a certain amount of futility in regard to the work?—I do not think it would. As a matter of fact, the counties in the South Island are getting into their stride because of the alteration in the legislation which has enabled the Highways Board to meet the South Island counties' objections to loans by spreading the payments for their contributions over a period of years. The difficulty is that there is so much activity at present to embark on these schemes that we cannot keep pace with it. The counties are working excellently in conjunction with the Highways Board in their programme.

Even in regard to the accelerated progress, how does it compare with the progress in the North?—Quite well.

I mean recently?—Yes, quite well.

I do not see why such a Board as is proposed would be inefficient merely because the North Island representative would not be entitled to vote on proposals affecting the South Island, or *vice versa*. If the whole Board could discuss a proposition, how would it affect the efficiency if the combined intelligence of the Board were brought to bear on the subject?—It would mean this: that the representatives would gradually get the feeling that the other Island's business was no concern of theirs, and they would drop out of it. They would lose interest in it.

The Chairman.] The Mayor of Wellington complained of the allocation of the heavy-traffic fees, and afterwards admitted, in reply to a question of mine, that those fees were divided by mutual agreement?—Yes, and from which they took 10 or 12½ per cent. commission.

Does that not obtain generally—by mutual agreement?—Yes; but every now and again it is fixed by a Magistrate.

Mr. Ansell.] In view of the fact that heavy-traffic fees are not received by the Highways Board, would you consider that the heavy-traffic interests have a just claim for representation on the Board in view of the fact that none of their fees go into the fund administered by the Highways Board?—I do not think there should be any special representation.

Witness (recalled): I would like to say that some questions have been put at this inquiry which have had a pretty close bearing on the Highways Board administration. It is difficult for a man in my position, to give satisfactory answers on the technical side, and I think it would be distinctly advantageous to the Committee to have the evidence of a technical man like Mr. Tyndall of the Highways Board staff.

GEORGE CHARLES MUNNS, M.P., examined. (No. 17.)

Mr. Munns: I am speaking on behalf of the Auckland suburbs. The Auckland transport at present is governed by an Act which was brought in about two years ago. This Act is so detrimental to the suburbs, and the dissatisfaction is so intense, that we are asking the Minister of Transport to make provision in one direction only, and that is to make the Auckland Transport Board elective instead of nominative. When the Transport Board was constituted it was constituted as the result of the finding of a Commission which recommended that the Board should be a nominated Board, the Auckland City Council to have six members and the united suburbs four. The operations of that Board are exactly similar to the Board when it was governed by the Auckland City Council, and they are detrimental to the suburbs. Our transport has not progressed—in fact, it is no better than it was under the old regime—and so intense is the dissatisfaction that Auckland ratepayers themselves have just taken a Supreme Court action to remove certain members from the Board. The Chairman of the Board was the Chairman of the old Auckland Tramway Committee. He lost his seat at the last election—could not secure election out of twenty-one members. He was rejected by the Auckland ratepayers mainly because of his mishandling of the transport question. To-day the Auckland City ratepayers are faced with tremendous losses. Already £20,000 to £30,000 is foreshadowed as a loss. And we have no redress; we have no say in electing our representatives—they are foisted on us and we have to submit to whatever they choose to do.

The Chairman.] By whom are they nominated?—Six by the City of Auckland, and four by the combined suburbs. All we ask is that, as we pay the piper, we should have the right to elect our own representatives. However, I will leave it to Mr. Melville to address you.

Would not clause 5 alter that?—No: we are asking for an addition to that. All we ask is to make that Board elective forthwith, and if the same gentlemen get in again we will accept the wishes of the ratepayers.

Mr. Mason.] Do you happen to have considered whether the numerical strength of the representation on the present Board is proportionate to the populations concerned in the districts nominating?—Yes, the Auckland City Council controls an area with about two-thirds of the population, but we have an immensely larger area. When the proposal was mooted to bring in a Transport Board it was vigorously opposed by the Auckland City Council, and it was only when they realized that the City Council would still control the Transport Board that they were in favour of the Board as constituted.

Then, you wish us to understand that it is the people represented by the minority on the Board who are most dependent on the transport?—Yes.

We were told the other day by a witness that the Board had been administered very efficiently. Is that the general view of the people?—The general opinion of the people is that we are infinitely worse off. Fares have increased, and people have gone bankrupt, and we have empty houses. There is stagnation where there should be progress.

The Chairman.] And do you attribute all that to transport difficulties?—Yes, that is what is keeping us back.

Mr. Harris.] How is it that the loan which was recently submitted was carried by the Auckland ratepayers?—The new appointments were not made, and had the suburbs dreamed that the Auckland Transport Board would have been returned with the same personnel I am certain that that loan would have been rejected.

JOHN MORISON MELVILLE examined. (No. 18.)

Witness: I am representing the Borough of Mount Eden. I endorse the remarks of Mr. Munns on the question of the Auckland Transport Board. I personally and my borough have been interested in that for some years, as we are seriously affected in the outer part of the borough. The district covered by the Transport Board comprises Auckland City, Mount Eden, Mount Albert, Newmarket, Onehunga, One Tree Hill, Mount Roskill. The population is substantial, as stated by Mr. Munns. The Transport Board has six city members, and it has lost money since last March, and it lost money for the previous year, while a loss of £22,000 at least is predicted for the year ending March next. The

services through our district in particular are worse than they have ever been—that is, from the terminus of the tram routes outward. There has been no improvement; in fact, they are worse. The buses are worse, the service is less frequent, and fares are higher. The control is substantially the same, owing to the fact that six members of the Board are nominated by the Auckland City Council, the same as before. The loss is going on the same as before, and the service is bad. We claim that the Auckland Transport Board Act should be amended further than is suggested in the Bill, and that an elective Board should be provided for, taking in the transport area. Then if the same Board goes back it is our funeral. Dealing with the Bill, clause 5, we understand, provides for the licensing-power being taken away from the Transport Board. We agree with that. We disagree with the principle of an operating authority having power to license themselves or any one else. I will now briefly outline the comment made by a meeting of the Mount Eden Borough Council specially called to consider the Bill. First of all, I want to say that, as a general principle, they entirely approve of the setting-up of the Department, transport being the first thing necessary for every industry in the Dominion. With regard to the advisory committee, district licensing authorities, the central Appeal Board, and the Highways Board, I will take them as a whole. In each case it is substantially provided in this Bill that the Minister of Transport, or Governor-General in Council, may make an appointment or have the power of veto, nominations being made by various interests concerned outside the Department. We think that will not work, and cannot work for efficiency and satisfaction throughout the Dominion in boroughs and towns; and we are of opinion that the interests represented on licensing committees should be directly appointed by the various interests concerned—Borough Councils, motor owners, and the like. We should get away from the nominating principle to direct appointments by the interests concerned. Clause 16 provides that motor-drivers' licenses and heavy-traffic fees should be collected by the Post Office and be subject to a collection charge. We wish to put forward an objection to that, for this reason: that, taking our own borough for example, and others known to us, we have set up machinery for control of traffic within our own particular district. That makes it necessary to engage Traffic Inspectors or pay the police to undertake the duties. The Traffic Inspectors having been engaged, the collection of these fees is a minor item in their duties, and in collecting the fees they earn a very substantial amount of their salary, which makes a difference of £70 to £75 per year to the Mount Eden Borough revenue. We suggest it might have a similar effect on other boroughs. We therefore object to that clause as it stands at present, and suggest an amendment. With regard to the heavy-traffic fees, we have heard it suggested that possibly regulations will appear under this Act dealing with the amount levied on heavy traffic, and possibly dealing with the petrol-tax. We think the heavy-traffic fees as they now stand are not too big compared with other forms of transport taxation, for the reason that damage is done by weight as well as by volume. We have had that experience. Therefore, motor-lorries should pay both heavy-traffic fees and the petrol-tax. We are not satisfied with the allocation of the petrol-tax; not that we claim any particular further advantage in a borough of the size of Mount Eden, but smaller districts we consider are not fairly treated. The subject should be further investigated, and dealt with by regulation. Clause 26 gives the Department power of veto over by-laws. It is difficult to suggest amendment. We do not agree with the clause as it stands. We say that it is impossible for a Department to keep in touch with all the requirements of a local district on a question of by-laws, and that further consideration should be given to clause 26 with a view to modification. Clause 38 provides for preference being given to the Minister of Railways or a local authority in applications for license for transport. We are of opinion that preference should be eliminated, for this reason: that transport of passengers and goods being the first essential to the success of any industry, if a local authority or the Minister of Railways cannot give an efficient service they should stand on an even basis with others—there should be no statutory preference. That is the unanimous opinion of my Borough Council. If any particular line of railway cannot pay on a fair basis with any other transport undertaking, we say that that railway, in the interests of the Dominion, must go. Clause 54 deals with the power to grant up to £150,000, to be vested in the Highways Board, in respect of streets or roads not being main highways. We are of opinion that that clause should be either eliminated altogether or a definite method of allocation provided, because if the authority rests with the Highways Board it resolves itself into a question of which district pulls the hardest, and the one that does pull the hardest will get the funds. It is a dangerous clause, in our opinion.

Mr. Harris. With regard to the power of veto in clause 28, is it not your experience that at times local authorities are apt to frame very harassing by-laws, which do more harm than good, and that for that reason it becomes necessary for some check to be instituted? Certain local bodies, say, frame a by-law that drivers must not exceed twenty-five miles an hour on concrete roads, when everybody knows that that by-law will not be carried out. Should there not be some power of veto?—We recognize that there should be power of veto where a by-law is likely to interfere with through traffic; but we are concerned with schools and streets where there is heavy cross-traffic, and we are afraid that the power of veto might interfere with the control of that traffic, to the danger of children.

But you do not suggest the power of veto would be arbitrarily applied, do you?—No; but we suggest it would be impossible for a central authority to control it.

You know that the harbour by-laws have to be approved by the Minister, and that he retains the right of veto?—Yes.

Have you any objection to that?—We can only give you our opinion, that centralization in these matters is not in the general interest.

Will you explain why you object to the preference clause in No. 38?—Take a concrete case. From Mount Eden right away to Waikowhai—about four miles—now being run as a service by the Transport Board and admittedly losing money: inefficient service; no satisfaction; no comfort; most infrequent service: better without it. Why let the Auckland Transport Board have the right to refuse an application for license by an outside body? Why should the Board get preference?

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.

Will you please try and dissociate yourself from the membership of your executive and regard the matter purely from the standpoint of a County Council representative in the point I am going to put to you now. With regard to clause 54, which provides that a subsidy may be granted up to 25 per cent. for maintenance of roads, how would the county of which you are a member view that proposal?—I do not know that we would apply that way, because we have always received our proper quota from the Public Works Department when we have made application to them.

Do you think it would be better to leave the granting of funds as it is at present?—I certainly do.

The Chairman.] And if you thought it was necessary for some money to be granted in that way you would prefer to have the Public Works Department supplied with a greater amount of funds for that allocation?—Most decidedly, or only having the money spent on the main or subsidiary roads.

By increasing the number of subsidiary highways?—That is so; but I would prefer to have it through the Public Works Department.

WEDNESDAY, 16TH OCTOBER, 1929.

HENRY JAMES KNIGHT examined. (No. 20.)

The Chairman.] Whom do you represent, Mr. Knight?—I am representing the White Star Tourist Services, Ltd.; and I may say that Mr. Gallagher, secretary of the Aard Association, has also asked me to make representations on behalf of that organization conjointly with our own. Their ideas on this matter are exactly the same as ours. I have here a map which will show briefly the routes throughout New Zealand on which members of both our organizations operate. This map shows just the White Star routes, and you might say that the Aard Association runs over the same routes, so that we cover practically the whole of New Zealand. The number of members of our association is approximately sixty, and Aard is about the same, making a total of approximately one hundred and twenty, and the number of cars of the two organizations is one thousand four hundred. We cover between us approximately fourteen million miles per annum, and the number of passengers carried is approximately four millions, while the number of employees of both organizations is about two thousand eight hundred.

That is for the two bodies?—Yes.

Mr. Williams.] The Aard embraces the Duco, does it not?—Yes. At the annual meeting of the White Star Tourist Services held in Dunedin at the end of September the following resolution was passed, which I would like to read: "The annual general meeting of members of the White Star Tourist Services, Ltd., expresses its appreciation of the Government's action in grappling the problems affecting motor transport in the Dominion, and approves of the setting up of a Ministry of Transport, and particularly of the proposals embodied in the Transport Law Amendment Bill, the chief of which, the licensing of all passenger transport motor services, is regarded by the organization as the only satisfactory solution of existing difficulties." I take it that the Aard Association endorses that, although they have not had an opportunity of meeting since the Bill was placed before the House. I will not waste any time in dealing with the relationship of transport to the public welfare, you gentlemen are probably better aware of it than I am; but it is well known that good highways and good methods of transport are essential to the welfare of the community, and two of the greatest factors are the safety of the travelling public and service. We say that there is a great necessity for legislation on the lines of this Bill, which is based on exactly the same lines as the Motor-omnibus Traffic Act of 1926; and I would like to draw attention to the fact that that Act was passed at the instigation of the Municipal Associations of New Zealand to protect municipally-operated enterprises, such as tramway concerns and bus services—in other words, the public money controlled by the local bodies. This Bill, we say, is exactly on the same lines, and service proprietors have for some years passed been asking for legislation on those lines. Mr. Williams would remember that we approached him on several occasions when he was Minister of Public Works, and I think we had his sympathy at that time and hope we still have it. Dealing with the Bill, it has ten Parts. The whole are tending towards uniformity, and planned to ultimately prevent overlapping and establish a single control throughout. The idea of the Transport Department is only temporarily dealt with in the present Bill, but the ultimate idea is to bring in one Act covering motor transport and all that it affects, and at a later stage wipe out the several Acts, which are now more or less conflicting, and embody them all under one control. I will just run over the various Parts of the Bill which, generally speaking, are not contentious. Part I, setting up the Department, is, of course, essential. Part II, abolishing all exemptions from the payment of license fees, is quite as it should be. If license fees are to be paid, they should be paid by every vehicle of the type. I will not deal with Part III at the moment. Part IV provides that goods services are to be regulated, and I think the Master Carriers' Association realize the necessity for regulating goods services in the same way as passenger services. Part V deals mainly with Auckland and Christchurch transport, but principally with Auckland, to bring that district into line with other parts of New Zealand. That is necessary if we are to have a national scheme. I will deal with Part VI later. Part VII deals with motor-spirits taxation. It has been held that that is a sop to the oil companies. We hold no brief for them, and we think the trade is firmly enough established, especially with 4d. a gallon tax on it. The amendment aims, of course, at taxation on spirits locally manufactured. It is a tax on the use of the roads, and should be made.

The Chairman.] Have you gone into the cost of production of spirit in this country at all?—No. We are simply dealing with the road proposition. It is a tax on the use of the road, and we agree

with that. Part VIII is a machinery clause for regulations for newer types of vehicles, when they come in. That is necessary, too. Part IX, I think, only affects Invercargill. There is a tramway law which says that before a tramway-man can become a driver he must have been a conductor, and this amendment is therefore necessary for one-man trams. Part X establishes uniformity in control of drivers' licenses—that is, that all drivers' licenses shall be dealt with through one channel. It will not be competent for a man to be turned down in Wellington, for instance, and then go to some small county and get his license from a man who does not know how to drive a car himself; and it will also prevent Inspectors being put on in future by counties and get their salaries out of the fines they secure. Out of these ten Parts in the Bill, the two I have not dealt with are apparently the contentious ones, and I would like to deal with them.

Mr. Williams.] Contentious from your point of view?—No; I think, from various points of view. We believe that they are being mainly opposed by local bodies. In fact, so far as I know, the local bodies are the only people opposing them.

The Chairman.] What part are you referring to?—Part III. In this connection I would like to say quite definitely that the motor service proprietors—and we represent here to-day over 90 per cent. of them—are definitely opposed to any system of licensing by the present licensing authorities, or any extension of the present system. That is, if this Bill were amended in the form that the local bodies want it amended, we are opposed to it. We will accept the Bill as it stands, and urge that it should be put through as it is, because the system of licensing that the Bill incorporates is calculated to give satisfaction. It is a very fair system, and if any amendment is suggested, leaving the power in the hands of the present licensing authorities, we are opposed to it. The system proposed in the Bill is impartial, and an expert committee is suggested. The present control is unsatisfactory. Take the Wellington City Council for instance: how can it expect to be a licensing authority for a run which might go through to New Plymouth; and how are we going to get on with all the other local bodies through whose districts we run? The same applies on many other services, some of which are running for hundreds of miles every day; and no single local authority is competent to exercise controlling rights for a license of that sort. On the local bodies that are now operating and granting licenses under the Motor-omnibus Act we see a lack of expert knowledge. In that connection I may say I was appointed to the Transport Appeal Board for the Canterbury District, and am still a member. The Christchurch City Council is the licensing authority in that district, and out of twenty appeals brought forward by private owners, and some by the Tramways Board, nineteen decisions were reversed, and only one upheld. That, I say, proves a very unsatisfactory state of affairs. Ninety-five per cent wrong is a very bad average.

Mr. Murdoch.] What district?—Canterbury: No. 10.

What does it embrace?—The whole of Christchurch and within about thirty miles of the city. It has to be understood that City Councils are bodies politic. They are elected on a platform—may be representing a citizens' association, labour, or something else—and are pledged to a certain line of action, and in exercising their judgment on a matter of that sort they do it according to the party platform and not according to law, and that is why in Christchurch so many of the decisions I have mentioned were wrong. The licensing authority proposed in this Bill is a body of experts, and the weaknesses I have mentioned will be obviated under a system of that sort, so that the Board proposed is likely to give satisfactory results. Briefly, speaking from memory, the Board proposed is a Chairman, nominated by the Government, and presumably a Judge; another nominee of the Government, acting in the interests of the public, who must have a knowledge of transport; one member each nominated by the counties and municipalities; and a fifth member nominated by public bodies operating transport. Private owners have no representation. However, the Board would be a body of experts, they would know what they were talking about, and we would not have 95 per cent. wrong decisions. The Appeal Board is almost similarly composed, and it does give representation to motor-service proprietors. We claim, therefore, that the licensing authorities proposed are infinitely better than the present control. The compensation provision in that Part is also creating a little concern. The Motor-omnibus Act provided that there would be no compensation for goodwill, and I think you will agree with me that that is very unfair. We say that any service established should be paid for, including pioneering, publicity, developmental work, or anything of that nature. A man starts a motor service, and it may two or three years before he is showing any profit. He may be working at a loss all that time, but he knows what he is working for; but if he has to give up the service it means that he cannot get anything for that developmental work. We say that any value that is established should be paid for. We are not saying that a man should be able to claim some ridiculous figure for goodwill to which he can establish no right, but we are saying—and the Bill provides for it—that whatever amount the Compensation Court decides is adequate for his loss of business he shall receive, and that is all we are asking in that connection. On the point of compensation, no claim is allowed for a license. The actual holding of a license does not entitle a man to anything, as there is no obstacle in the way of an additional service being placed on any route if proved necessary. Under the Bill prior rights are given to municipalities substantially within their own boundaries—that is, in the event of a new route being required in a city, the local body operating the trams and buses would have the prior right to that service. That deals with Part III. With regard to Part VI, the Main Highways Board representation seems to have created some little stir. We commend this clause along with all the others. There is certain alteration in the representation, and we are quite in accord with that. We say that if there is going to be any amendment it should be in the direction of providing representation for commercial interests. At present it is proposed that an additional representative would be nominated by the motor unions and approved of by the commercial interests. It is quite possible, if the motor unions had the right to appoint that man, that he may not be acceptable to the commercial interests. If, therefore, any change is being made, we say that any amendment should include the commercial interests by giving

them representation on the Board. The main objection that local bodies appear to have to these clauses is the loss of power. They say they are losing power, that their rights are being filched away by this legislation. We say the time has arrived when it should be. The Department of Transport is to control transport, and this is a thing it can handle. If this Bill is cut about and the system of licensing comes out, then there is no need for a Transport Department at all. It is necessary, if we are to have a national scheme, that these matters should be handled by a Government Department—the Transport Department. We have now Dominion registrations, Dominion licenses, and Dominion regulations, and any new legislation should be on those lines. The collection of the heavy-traffic fees by the Transport Department, through the Post Office, is objected to by the local bodies. At the present time we know of cases where the local bodies are not getting the fees they should be getting. There are plenty of people throughout New Zealand who are evading the payment of heavy-traffic fees, and we say that if the Department collects them it will get more money than is being collected at present. The machinery will be that before any man can operate a service car he will have to pay all the fees payable. He will get a special license plate, and the whole thing will be done in one operation through the Post Office in lieu of the many operations necessary at the present time. The possession of that special plate will show that all license fees have been paid, and the money will then be allotted, less the small fee for collection (which will probably be less than at present), and eventually more money will be available than at present. The local bodies themselves are the worst offenders now in the matter of heavy-traffic fees. There are Councils in New Zealand which pay no heavy-traffic fees. The Wellington City Council, I think, pays none, because it pays itself, and New Plymouth pays none. Those are only two instances, and no doubt these municipalities will object later on because they will have to pay in a cheque like every one else to the Post Office. We see no reason why they should object, and we say that to put every one on the same footing is the correct method. I would just like to quote one or two instances of local-body control which we object to, where it is overlapping and lacks uniformity. Here is one, a report of which appeared on the 7th October, where Mr. Justice Ostler quashed a Hamilton Borough by-law. A case was taken against a service proprietor for the examination of his bus. It was found that Hamilton had no jurisdiction over that case at all, and yet the man had to go to the expense of defending it, and it probably cost him a good deal before it was found out that Hamilton had no jurisdiction. Under this Bill they would have jurisdiction. Here is another case, in Timaru: The Timaru Borough Council is taking action against one of our members who trades into Timaru because, it says, he has not paid his heavy-traffic fees. They have been paid in Dunedin. Then they took another case against him because he had not taken two vehicles that plied for hire to be examined. The Timaru Council has no right to take this action, and it will find itself in the same position as Hamilton has found itself. The local bodies do not know where they are getting to, and we say the powers the local bodies have are not exercised uniformly. Take the heavy-traffic license fees before they were paid quarterly, as at present: Some local bodies required the twelve months' fee in advance, others were satisfied with six months, and some with three, while some were good enough to let the whole twelve months go and collect the fee afterwards. We say that is not right, and that matters should be uniform. Those are some of the objections we have, and we say the Transport Department will co-ordinate everything and collect the fees in one operation through the Post Office, thus doing away with the pinpricking attendant on the present system.

The Chairman.] Do you think that the whole twelve months' fee should be paid when the heavy-traffic license is taken out?—Decidedly not. We object, of course, to the heavy-traffic license. We say it is not a fair tax so far as motor transport is concerned. One man may pay a heavy-traffic fee and use a car for a hundred thousand miles a year, while another man may only get a little use out of his car. Finally, we say in this matter that it is the duty of the Government to legislate in the public interest. You are hearing evidence from various branches of the industry, and the public are not represented at all, except by yourselves, and we say it is your duty to legislate in the public interest—first, for the public safety; secondly, for their service; and, thirdly, to avoid unnecessary economic waste. There is no doubt the time is overripe for the control of this uneconomic competition, and, broadly speaking, there are only two alternatives—to remove all restrictions, wipe out the Motor-omnibus Act altogether, and allow a policy of “free for all,” or to adopt some reasonable control, which we say this Bill covers, and place the business on a sound footing. I would just like to say that there is no special privilege for private enterprise in this Bill whatever, and every time we have met the Railway Department on this matter it has expressed its approval of some form of licensing, and I take it that the Department is still of that opinion. That, sir, covers the whole of my case. This Bill is the result of expert consideration by representatives of all branches of the industry, and we say delay would be dangerous. The legislation should be put through now. The Transport Department and the machinery provided with it are the logical solution of the position, and I trust the Committee will use every effort to have the Bill passed this session.

Mr. Williams.] With regard to Part VI of the Bill, which deals with the proposed new Main Highways Board, subclause (3) of clause 51 provides that the members of the Board who belong to the North Island shall not deal with South Island expenditure, and *vice versa*. Assuming that the Board is composed as suggested in this Bill, do you think it is in the best interests of New Zealand that the South Island should not know what is going on in the North Island, and *vice versa*, so far as the continuity of roading and control goes?—They would know, but I take it the provision here is that they would not be voting on capital expenditure from revenue other than their own.

But do you think it wise to break the continuity of policy between the two Islands? Your firms operate practically from the Bluff to the North Cape, and I take it that you want the same policy of roading and management from one end of the country to the other, independent of Islands?—Yes. We claim that everything should be on a national basis, eliminating different systems or types of control.

Mr. Harris.] Do all your cars come under the definition of "omnibus"?—They do not; none of them come under the Motor-omnibus Traffic Act at the present time. Our cars are termed service cars, but under this Bill they will be classified as motor-omnibuses. But motor-omnibuses are a distinct vehicle: their description is "a vehicle carrying more than seven passengers and plying for hire at a fare not exceeding 2s. for a single journey." The bulk of those whom we represent run service cars, and at the present time they are not controlled by legislation, but we are asking that they shall be controlled according to the provisions of this Bill.

I think you said that there were many people in New Zealand evading the payment of heavy-traffic license fees. What authority have you for saying that?—I know of one or two cases myself. The heavy-traffic fees are payable to local bodies—that is, they collect them themselves—but there is no compulsion to collect them and in some cases they are lax, and I know of cases where the fees are not being collected at the present time.

You are not referring to the local bodies' own vehicles?—In some cases, yes; but I know of private cases also where they do not pay their heavy-traffic license fees.

The Chairman.] You approve of the principle that the heavy-traffic licence fee should be paid at the same time as the vehicle is registered, but you do not contend that the full twelve months' fee should be paid then?—No; but, as I said before, we contend that the heavy-traffic license fee is an unfair tax. It is only charged on cars over 2 tons in weight used in public transport, and we claim that that is an unfair class tax, and we are hoping to have that tax removed at as early a date as possible, because the petrol-tax is the only equitable system of collecting taxes. A man buys his petrol and is taxed according to the use he makes of the highway, but so far as the heavy-traffic fees are concerned he does not pay, for a number of reasons, in proportion to the use he makes of the roads. In the event of that tax having to be paid we want to see some uniformity in its collection.

You are not personally affected by the payment of fees: you pay only to a limited extent?—Practically every vehicle we have in use pays, according to the size of the car. We pay on practically every car in our fleets, because 2 tons is the limit, and very few even seven-seater cars, with their load, would be less than 2 tons.

With reference to the licensing of vehicles, do you think, if the present principle of licensing by local bodies is maintained, that a local body could possibly maintain control and inspection over cars that would be travelling long distances?—They would have no chance, in my opinion. I cannot see that it would be possible for Wellington City to grant licenses and impose conditions covering a service, say, between Wellington and Napier or Wellington and New Plymouth. Even a combination of licensing authorities on either of those routes would have great difficulty in carrying it out. They would all want to impose their different restrictions or regulations.

Mr. Williams.] Do you think a 6-ton vehicle does more harm to the road than a 30 cwt. vehicle?—It does.

From what you say, I gather that the extra petrol a heavy vehicle would use on a journey, compared with a lighter one, should compensate for the extra use of the road?—To a large extent it would, because the heavier vehicle would be using much more benzine.

At the same time, whoever constructs the road has to construct it according to the heaviest vehicle that goes over it?—Yes; but the type of highway would enter into the question, of course. For instance, a 6-ton vehicle running on the Hutt road, in my opinion, would not do much more damage than a private car; but it depends on whether the road is built for it. If the two vehicles, however, were run on the old macadam road the heavier vehicle would, of course, do a great deal more damage. Our main objection to the heavy-traffic tax is this: that we start on a car of 2 tons, and hundreds of privately-owned cars in the country are as heavy and travel just as fast, and they get away with it, and why should a man who gets his living by the use of a heavy vehicle be penalized? That is why we say it is a class tax.

Apparently your main trouble is that the commercial vehicle pays a heavy-traffic fee, and the private owner does not, for the same weight?—Yes. When the petrol-tax was imposed we agreed to it as a fair tax for the use of the highway. The petrol-tax is a fair indication of the use you get from the highway, and is reasonable, but the heavy-traffic tax is not a fair tax, and at that time we understood it would be wiped out. Unfortunately, it was not, and we are still paying the two. I think we can prove that we are paying a much greater rate than any other branch of the industry. There is a man here to-day who, I find, is paying over £200 a year for each one of his vehicles before it turns a wheel.

The heavy-traffic fees have always been a local-body tax, and not a Government tax?—That may be; but it does not trouble us much who gets it when we are paying it.

The heavy-traffic fees are more a construction tax than a running-tax?—We realize that, and that the local bodies collect it; but the fact remains that we are paying twice—we pay the petrol-tax along with the private owners, and all other taxes, and that money finds its way into the Highways Fund.

You cannot run on the roads until you have the right to run on them, and the local bodies have to subscribe towards the cost of building those roads?—Yes.

And that, I take it, is their idea for imposing the heavy-traffic fees?—We do not object to the payment of taxes, and recognize the necessity for good roads—we have to have them—but we do object to be the only people paying the heavy-traffic tax.

Hon. Mr. Veitch.] The point is that you pay these heavy-traffic fees for the use of the main highways, and yet the money does not necessarily go there?—That is so. The fees collected, I understand, may be used for anything in the way of street improvements, repairs, alterations, or, I take it, it may be used as in Wellington for the purchase of half a block of property for street-widening. It is the possession of the local body, and they are entitled to use it for that purpose.

Mr. Williams.] As against that, the owner of the commercial vehicle is not confined to the main highways?—That is so.

Hon. Mr. Veitch.] We can take it that your contention is that, if heavy-traffic fees are to be charged all heavy cars should pay, whether privately or commercially employed?—We first base our case on the fact that it is unfair, and would like to see it removed; but as a last resource, if the revenue is essential and it cannot be removed, we say it should be graded and cover all cars of a certain weight, and not only cars plying for hire.

The Chairman.] Are you aware that some main highways are classed as No. 5 highways?—Yes.

Would you be of opinion that no main highway should be classed less than No. 3, or a subsidiary highway less than No. 4?—Would you consider that reasonable?—In the national interest the main highways should be brought up to as high a standard as possible.

You consider, then, No. 3 is not too high?—I just forget what No. 3 is, but I think they should be brought up to that.

I want you to consider that question carefully, because it is a very important one?—The reason I would say “yes” is because it is in the national interest, and one must subordinate any local feeling in a matter of that sort. The Mamaku Bush Road, for instance, is a national highway, and should be brought up to the national standard in the interests of the whole of the country.

HENRY JAMES KNIGHT recalled.

Mr. Sullivan.] Could you, Mr. Knight, elucidate the question I put with reference to the transport advisory committees and the number of appeals in Christchurch?—I would not swear to the exact number, but since the inauguration of the Act in 1926 there have been, roughly, twenty appeals brought before the Transport Appeal Board, which is the final and determining authority, and is only one case has the appeal been disallowed as against the interest of the private owner.

Do you mean the Christchurch Transport Appeal Board?—Yes, No. 10 District. The first appeal, so far as I remember, was against the licensing authority by the private owner to obtain a license at all, and that was reversed by the Transport Appeal Board. Then there have been appeals in respect of fares, and the addition of extra buses, and on various points relevant to the running of services. And the main reason for it, I think, is the lack of knowledge of the Council. They have simply left well alone, and it has been necessary for the private owner to come to the Appeal Board to get his extra buses.

Then, the position is that the great bulk of these appeals have not had any relation to the granting or refusal to grant licenses, but to matters which I might term minor matters—relating to fares and such things?—Yes, the bulk of them are of that description.

WALTER SYDNEY BUSSELL examined. (No. 21.)

The Chairman.] Whom do you represent, Mr. Bussell?—I represent the omnibus-proprietors of No. 10 Licensing District, Canterbury. These omnibus-proprietors are owners of forty buses, of a capital value of approximately £45,000, and the taxes paid by them are approximately £5,000 per annum. I think, when you realize these figures and the money involved, we should have some say in the legislation that is passed.

That would be the direct taxes?—Yes, on buses carrying twenty-five passengers each—insurance, petrol-tax, heavy-traffic fees, and licensing fees. The tax paid on a single bus running regularly on the road, including petrol-tax, is approximately £212 per annum; the tire-tax is omitted. One of the things that Mr. Knight has touched on has been a thorn in the side of every omnibus-owner ever since the petrol-tax came in. We recognize that that tax is a fair one to every one—a person using the road is paying for it; but we do claim that the heavy-traffic fee of £2 per seat per annum, less 15 per cent., is nothing more or less than a class tax on heavy-traffic vehicles. I cannot agree, however, with what he said, that the light car does not do as much damage to the road as the heavy vehicle. It depends entirely on how the vehicle is shod. An example of that is to be found in the Heathcote County, where the County Council was tar-sealing a piece of road. The County Engineer left a piece bare, and told us to keep our buses off it. The light cars ran over it and swept that piece of road bare down to where it was scarified, while all the week buses were being carried over that road, and, as far as could be seen, they had consolidated the work. The buses do not do as much harm as the light cars travelling fast, provided they are properly shod. The weight of an ordinary seven-seater Hudson on its tires is greater per pound per inch of road-surface covered than an ordinary twenty-five-passenger bus, the way it is shod. Then, there is the great difference in speed at which the machines travel. Fast light traffic does more harm to a road than heavy traffic at a lower rate of speed, provided the heavier vehicles are properly shod. Of course, I am referring all the time to pneumatic tires. We understood that when the legislation was passed there would be a reduction in, if not a complete withdrawal of, the heavy-traffic fees, and on those grounds, I believe, every one supported the petrol-tax. The gentlemen I represent unanimously support the present Bill in its entirety. We consider that licenses in the past have not been properly dealt with. With all due respect to City Councillors and Borough Councillors, they may be skilled as Councillors, but when it comes to a question of passenger transport and motor business generally they have not sufficient knowledge, and a licensing Board, as suggested in this Bill, are the only fit and proper persons to grant licenses. I could quote from our own experience the actions of the Christchurch City Council. Their vote on these licensing questions is generally a party vote. I think there have been approximately twenty appeals arising from the decisions of the Christchurch City Council, acting as a licensing authority, by the firm I personally belong to, and nineteen have been upheld by the Transport Appeal Board, which shows quite clearly the necessity for a separate body as a licensing authority. Going further,

our local body which controls the passenger-carrying business is the Christchurch Tramway Board, who cater for work right outside the tramway area, which we consider is not a fair proposition. The people have to pay for this tramway undertaking, and if the Tramway Board runs at a loss outside its area the people have to pay. As an instance, there was a special job: the railway return fare was 9s. 8d.; the Tramway Board took twenty people return for £4. As another instance, quite recently they took forty-five people in one bus to Rangiora for 1s. 8d. each; the railway fare is 3s. Things like that the Tramway Board can do, and the local authority apparently does not care how much is lost so long as the other fellow is done out of the job. To the best of my knowledge, every service that is being run by a local body under this Motor-omnibus Act is being run at a loss; and this was the Act they got put through for themselves. My company was burnt out in 1926, and we practically, as you commonly put it, "went through the mill." However, we faced our losses. We had only one bus left from the fire, and to-day—three years later—we have four buses running. That looks as if private enterprise, under similar conditions, can do handsomely where a public body runs at a loss. The route which we run over is rather unique in New Zealand. There is partly competition with the Tramway Board, and it is a route through a district to which the Board would not give a service. We gave it and to-day we have four buses, and at times it is all we can do to cope with the traffic. There are instances where the Tramway Board has sublet its license to a contractor and subsidized that contractor out of the Tramway Fund to run a service which they cannot make pay. There is a case out at Templeton, where a bus is run four miles from Templeton to Sockburn, and a fare of 9d. is charged; then the passengers have to change to a tram, and are charged 6d. to the city—a total distance of nine miles for 1s. 3d.; and it takes approximately an hour to do the trip. A bus could do the whole journey in twenty-five minutes, at a fare of 1s. 6d. return, instead of 2s. 6d. I do not know whether the Tramway Board is absolutely within its rights in subletting these runs. However, this particular service was carried out before by private enterprise; but when the 1926 Act came into operation the owner could not get a license and had to sell to the tramway, with the result I have stated, which shows plainly that this Bill is wanted. I understand that you have had local bodies before you who are very much damning this Bill, and yet they had representatives on this Transport Board who agreed unanimously to the Bill as drafted. I think it shows very little trust on their part in their representatives on that Board. We had representatives there also, and I assure you that every private man is quite satisfied with the Bill as drafted. We are here to support it, and to ask that this Committee recommend it to be put through the House as it is. Registrations are nationalized to-day, and most of the fees, and we think the time has come when licenses should be a national affair to control in the same way as other matters are now controlled.

Mr. Ansell.] With reference to your statement in regard to damage, did I understand you to say that the light car will do as much damage as the heavy bus?—On a macadam road, yes; and in that respect I was only giving you the experience of the Heathcote County Engineer on that particular road.

Engineering opinion, as a rule, is this: that a light car will damage the surface, but heavy traffic will shatter the foundation. Have you any idea whether that is correct?—That would depend entirely on the heavy traffic. I am speaking entirely of buses. The light fast car does more damage and throws more stuff out of the road than a slower bus which is shod properly.

What would be the laden weight of your buses, approximately?—Five tons.

Do you agree that in some cases the heavy weight would shatter the foundation?—On solid tires, certainly.

Take your ordinary buses?—No, not to the extent it is claimed they do. I admit that on a pot-hole road the foundation must to a certain extent get shattered more by a heavy machine than by a light one.

You say that services are, and can be, carried out profitably by private enterprise where local bodies make a loss. Could you give the Committee an indication of the important factors that bring about that position?—No; I have not been connected with any local body, and it has always been a great puzzle to me. They have a monopoly and choose their routes. Whether they are over-staffed or not I cannot say, but our men work under a more strict award than theirs. It is scarcely courteous to say so, but it certainly looks like mismanagement—a lot of overloading and over-staffing.

It is rather an important question, and I would like to get something more definite?—I am afraid I cannot help you much in that respect. However, they should be able to explain the position. Every return they bring out shows a loss—a frightful loss.

To get down to tin tacks: do you consider that private enterprise could carry on a run successfully from a financial point of view, and that a local body would necessarily make a loss, because of the conditions under which they run?—On roads that I have in mind I am absolutely certain it would.

Mr. Harris.] What is your experience of the way in which the Christchurch City Council has carried out its duties as a licensing authority? Has it been fair and equitable?—I can only say, as I said before, that we have appealed against their decisions many times, and our appeals have been upheld by the Transport Appeal Board. With all due respect to them, they would vote as labour against citizens if a labour party were in power. Nothing else controls it. These men are good Councillors, but they do not seem to know what is necessary in the interests of the travelling public. It is the great big public that is getting hit. You gentlemen represent the public, and it seems to me they are not getting what they ask for. They ask for a certain thing, but it is denied them. For instance, the people from Templeton do not want to ride in a bus and then a tram at a fare of 1s. 3d., and take an hour over the journey when a bus would carry them for 9d. in twenty-five

minutes. But they are compelled to do it. Why? They must ride in the bus and tram or take the train, and why should those people not have the right to go with a private man who can run through in twenty-five minutes? We are living to-day with our transport up-to-date, and the people want to live with the times, and yet the public bodies are inclined to force them to be antiquated. If a vote were taken of the public it would be found that they were unanimous in asking for what we are asking for to-day—a through and up-to-date service when they can get it.

On general principle, do you think it right that owners of public transport services should have the sole right to a license, and that licenses should be refused to opposition firms?—Absolutely, no. It would be like a man sitting in judgment on his own law case.

Generally speaking, you have found the operations of the Motor-omnibus Traffic Act, particularly that part dealing with the licensing of motor services, as being unsatisfactory?—Yes. The 1926 Act has been a sore point with private enterprise all over the country.

Mr. Murdoch.] How do your fares compare with the tramway fares?—We are compelled, where we touch the tram routes, to charge 2d. more than the tram does. The Motor-omnibus Traffic Act of 1926 compels that.

That does not apply to a through service?—Yes, I am afraid it does if we touch a tram route; but it only applies to passengers picked up and put down within the tram limits.

You can pick up and set down on the route you have without extra charge?—Yes, where we do not touch the tram route.

The Christchurch tramway witness when he was here stated that that undertaking showed a profit. Do you know whether that is correct?—I must say it is incorrect, according to their printed reports in the newspaper.

Do you support the principle of separate Highways Boards for the two Islands?—Yes, we do. I certainly do.

Mr. Sullivan.] To put it mildly, I am astounded at your statements in regard to the Christchurch City Council acting as a licensing authority. How many times have you appealed from the Christchurch authority to the Transport Appeal Board?—I am quoting from what Mr. Knight told me—something like nineteen or twenty appeals.

How often has the Transport Appeal Board turned down the licensing authority?—We won nineteen out of twenty appeals.

I think there must be something wrong with your figures?—There may be, but I know that we only lost one appeal.

I have not the details here, but I certainly had in mind that the Transport Appeal Board had turned down the decisions of the licensing authority only twice. I am referring, of course, to the city and inter-city traffic. On the whole, have you not had a square deal from the Christchurch City Council?—Yes, on the whole; but I know we have been held up at times for as long as three months, and that has held up business. I must say, however, that you and certain members have always supported us, but there was a faction that would not give the private enterprise a chance at any price. There are members of that party who would not let private enterprise in Christchurch get anything if they could stop it.

Is it not a fact that, so far as your own appeals from the licensing authority to the Transport Appeal Board are concerned, only on two occasions has a decision of the Transport Appeal Board been against the licensing authority?—No; there have been more than that. A lot of these appeals have been for fares against the Christchurch Tramways Board, and *vice versa*.

So far as the Transport Appeal Board is concerned, have you had a fair deal from them?—We can take no exception; they have been absolutely fair. I do not think you could get a fairer tribunal. There are five men on it—two representatives of the Government, one of the Christchurch Tramway Board, one of the City Council, and one representing bus-owners, and every decision except the last one has been unanimous.

Taking the present machinery as a whole—the licensing authority as constituted, plus the Transport Appeal Board—the general result has been satisfactory from your point of view: at least, you have had fair consideration and fair decisions?—Yes; we have been upheld by the Transport Appeal Board in a way in which we would never have been upheld had the licensing authority been a Board such as is contemplated in this Bill—going from the 31st May to the end of October before we would know where we were. Decisions have been held up in a way in which they would not have been held up by a body of experts. If the Council had been composed of nine men, probably it would have been the same.

In connection with the evidence you have given as to why private-enterprise buses succeed and public-enterprise buses fail, Mr. Ansell asked you whether you could give an explanation. Mr. Ansell asked this question: It is repeatedly alleged that you people do not make adequate provision for depreciation. Is there anything in that? We depreciate our machines double what the Tramway Board does. They reduce 12½ per cent.; we reduce 25 per cent.; and anybody who knows the business knows it must be done. We run better buses and give a better service than they do. We keep our machines absolutely up to date.

Taking the private omnibuses as a whole, do you think that what you have stated in regard to your own provisions would apply generally? For instance, the General Manager of Railways, in his report to the Government in the annual Railways Statement, raises the question also, and questions whether adequate provision is made for depreciation?—The concerns that I know of do make adequate provisions. Of course, there may be one or two who do not.

Do the whole of the motor-omnibus services approve of this Bill?—All that I have discussed it with and to whom we have written approve of it.

Is it in accordance with representations you have made?—Yes, in accordance with the representations I have made and they have made to me.

You refer to a conference at which the Bill was drafted. What conference was that?—I was referring to the representative on the Transport Board—that this Bill as drafted was approved unanimously by every representative on that Board. The municipalities had representatives, and the Automobile Association, and so on, and from information I can get the only people who approve of the Bill outside this Committee are the transport people themselves. The municipalities do not like it.

Do you mean there was a conference?—No. I am referring to the advisory Transport Board. If you appoint a representative, you have to abide by his decision.

Did the advisory Transport Board make representations on these lines?—This Bill has been drafted by them, I understand. It was drafted from their recommendations.

In regard to light cars doing as much damage as heavy cars. I do not think that is the opinion of engineers generally, is it? Mr. Galbraith would not hold that opinion?—I do not think he would; but it is taken from an experiment made by an engineer on the Heathcote Road.

The Chairman.] With reference to speed and weight, would you be of opinion that the damage done by weight would depend on the extent of that heavy traffic and the nature of the road? If it was a good road and there was moderately heavy traffic—say, 5-ton vehicles—would you consider that would be damaging the road?—I would say that speed comes in to it more than anything else. It is a great factor in connection with the tearing-up of any road.

It has been stated that there was a report made in Australia on the increased cost of maintenance of roads there after the speed was increased by an average of five miles an hour. Would you consider high rates of speed more damaging to roads, particularly secondary roads?—What speed?

Well, when you get thirty miles or over?—If you travel over forty miles an hour it will tear the soul-case out of any road.

What do you think is the cause of corrugations?—There are so many different opinions that I would not like to attempt to give one.

Do you consider the heavy traffic, travelling at a comparatively reasonable speed, would be likely to produce corrugations?—Light traffic would produce corrugations before heavy traffic. My opinion is that, while speed is the cause, one corrugation will cause more.

HAROLD CLEMENT JONES examined. (No. 22.)

Mr. Jones: I am speaking on behalf of the New Zealand Motor Conference, a combination of the North and South Island Motor Unions. In connection with our associations right throughout New Zealand, our membership is open to owners of all motor-vehicles. A great proportion of our members are owners of private cars, and we have business firms as well. The views we are expressing this morning are the unanimous views of the motor associations throughout New Zealand—in both Islands. I would like to say that the clauses in the Bill concerning the motorists, with few modifications, we are strongly in favour of. A very great deal of this legislation we have been advocating for a long time, and, owing to the large increase in the number of motor-vehicles on the road, we consider it most necessary. In 1925, when the first motor vehicle registrations were made, they totalled 115,843. In September of this year the registrations amounted to 201,111, showing an increase in four years of 85,268; and with so many vehicles on the road we feel that it is essential that motor legislation should be brought up to date. With regard to clause 16, this is a clause which relates to issuing drivers' licenses by the Registrar of motor-vehicles. We think this is a great step forward, because when a motorist registers his vehicle he can get his drivers' license at the same time, and we are strongly in favour of that clause being retained. With regard to clause 19, dealing with prosecutions for reckless driving and exceeding speed-limits, we think that, if possible, provision should be made for the taking of evidence on behalf of accused persons in places other than where the alleged offence took place. We have had instances where a man may have committed a breach in Napier or Auckland, while he himself lived in Wellington. The summons would be issued at either Auckland or Napier, as the case might be, and it would be putting an undue hardship on the owner to have to travel such a distance to deal with the case. Clause 20 amends section 31 of the principal Act by omitting the words "is liable to a fine of twenty pounds," and substituting the words "in the case of failure to comply with any of the provisions of subsection two hereof, shall be liable on conviction to imprisonment for twelve months, and for any other offence under this section shall be liable to a fine of twenty pounds." We think the word "knowingly" should be inserted after the word "failure." It is possible on a dark night to meet with an accident without knowing, and under the present provisions it leaves no discretion to the Magistrate, who would have no option but to inflict imprisonment. We certainly think provision should be made to cover that.

The Chairman: You would have to be careful; otherwise you would give the owner a continuous defence.

Witness: Yes, it would have to be carefully worded. Clause 24 (1) states "Every person driving a motor-vehicle on any road or street shall when approaching a railway-crossing reduce speed when within one hundred yards of the crossing to a rate not exceeding fifteen miles an hour, and shall not increase speed until after he has crossed the railway-line." We consider that 100 feet instead of 100 yards would be much better. At a distance of 100 yards from a crossing, particularly at some crossings, it is too far away to reduce speed down to fifteen miles an hour, and we think that, after the words "shall not increase speed," the following words should be substituted—"until he is about to cross the railway-line"—for the words "until after he has crossed the railway-line." As soon as a motorist starts to cross the railway-line we consider that the sooner he gets over the better, and I think, as a matter of fact, most motorists do get over as soon as possible. Clause 51 deals with the constitution of the Highways Board. We consider that we are representing those who pay the taxation to the Highways Fund, and as such we should have a greater voice than we have on the Highways

Board. The unanimous opinion of the motorists is that there should be only one Board and that it should be constituted as follows: (a) Two members to be appointed, with the approval of the Minister of Transport, on the recommendation of the executive body of the New Zealand Counties Association: (b) two members to be appointed, with the approval of the Minister of Transport, as representatives of owners of motor-vehicles: the Minister of Transport shall call for nominations for such appointments from incorporated societies or other organizations representing such owners: (c) three other members, one of whom shall be appointed as the Chairman of the Board. We consider that one Board, having a uniform policy right throughout New Zealand, would be much better than the suggestion contained in the Bill. We understand that in the past there has been some sort of a promise to the South Island that two Boards should be constituted; but the motorists in the South Island have now come to the conclusion that it would be much better to have one Board, but with an extra motorists' representative, and if you can see your way to have that included in the Bill it will give great satisfaction to the motorists.

Mr. Williams.] You make no reference to the South Island in that suggestion?—No.

I take it the trouble in the past has been that the South Island had no representative. It was a matter of chance who represented the motorists, but I believe that the representative on the Board has been a North Island man?—As a matter of fact, there was a member nominated, and the Minister approved of the one from the North. If the arrangement is carried out as we suggest, there is no question that the motorists would do as the counties have done, nominate one from the North Island and one from the South, and the motorists have sufficient confidence that they will look after the interests of all. Finally, we are strongly in favour of the Bill going on the statute-book. There is another matter—that is, with reference to clause 54. We are right up against that clause; but Mr. Wynyard will speak on that.

I take it that you are not in favour of any alteration to the Highways Board as at present constituted, except to put another motorists' representative on?—Yes, that is so. We are also in favour of clause 51 (4), that the term of a member of the Board shall be for three years.

With reference to clause 15, which relates to dealers' plates: have you anything to say as to that?—We have considered that. We understand the trade have asked for it, and we think it is quite fair.

At present they are used only for business purposes?—Yes.

Mr. Ansell.] With regard to drivers' licenses, you say you agree with the proposals as set out in the Bill. Who do you suggest should be the examining authority?—We consider that where the local authorities have efficient testing-officers it should be done by them, but I think you will agree that at the present time a lot of the officers of local bodies are not efficient. There are lots of cases where people in the trade will not send a new owner up to, say, the Wellington City Council for a test, because they put them through a harder test than they do at a place, say, like Petone. We consider the standard that a driver should undergo should be of a higher standard than at present.

With regard to the representation of motorists on the Highways Board, is it the general understanding that, although you have not asked for a direct representative for the South Island, the intention is that there shall be one representative from the North and one from the South?—Yes.

And do you think that member should be one representing the interests of private-car owners or trading interests?—Seeing that the number of private-car owners in New Zealand at present is so large, the proportion being 170,000 private cars to 30,000 commercial cars, we certainly think that the motor-associations should have some say in the nominations of these representatives. In the case of the commercial vehicles, the heavy-traffic fees do not go to the Highways Fund—they go to the local bodies; and the only taxation the commercial vehicles pay which goes to the Highways Fund is the petrol-tax, and the tire-tax, and the registration fee. And, in any event, a great number of the owners of the commercial vehicles are members of motor associations and are represented by those associations.

I take it that you agree to this clause on the distinct understanding that the appointees shall be approved by motor associations?—That is so.

Have you any engineering knowledge of the damage done to roads by different classes of vehicles. The statement has been made that heavy traffic does practically no more damage to certain classes of roads than a light car?—I think I can give you a case in point. Mr. Mason will know this, because I am referring to the Auckland Domain. There is an ordinary tar-sealed road, over which heavy traffic is not allowed to travel. It is only an ordinary light road tarred over. It has been in existence for years and years, and owners of private cars have ridden over it all that time without doing it any damage.

Mr. Sullivan.] That would be slow traffic, of course?—Yes; and the road looks little more than a footpath. It has had no attention, and was not specially prepared.

Mr. Harris.] At what speed do they travel there?—Fifteen miles an hour.

With regard to clause 51 and your suggested subclause (c)—“Three other members, one of whom shall be appointed as the Chairman of the Board”—you approve of that?—Yes.

You know that at present there are only six members?—Yes.

You would make it seven?—Yes.

It has been suggested that the commercial interests have a right to representation on the Board. Included in your association there are some commercial interests?—Quite a lot of commercial interests are members of the different associations. For instance, in the Auckland association they have decided now to have a special commercial badge. So many inquiries have been made for them that they have decided to have one specially struck for commercial vehicles. So the necessity for that shows that we have a lot of commercial owners as members of our associations—in fact, on the executive of two associations for some time there were heavy-traffic representatives.

And they are not pressing for direct representation on the Board?—No.

Mr. Sullivan.] Do the South Island motor organizations approve of one Main Highways Board?—Yes; and the speaker after me will read a resolution which was passed by the South Island Motor Union recently which will make that position quite clear.

Is not that a change of front on the part of the South Island?—I think they have previously asked for a separate Board for the South Island?—What was previously asked for was for two representatives, one for the North Island and one for the South. When the South Island found, after many applications, that they could not get that, they then pressed for a South Island Board, hoping that they would get some result. There was a kind of half-promise that we should have two representatives, but it was never carried out, unfortunately, and we hope now that it will be carried out.

And after having persuaded their parliamentary representatives that two Boards were necessary they now desert them and say one will do?—If you will put that question to Mr. Harley he will give you some information on that point.

With reference to the master carriers, they are asking that one of the motor representatives shall be representative of them. What would be the view of your organization in regard to that?—We do not think it would be fair. We feel that with the large number of private ordinary motorists, not heavy-traffic people, there is such a preponderance, with our present representation on the Board, that they must, anyhow, look after the heavy-traffic interests just as much as the interests of the private-car owners. On the other hand, if you have heavy-traffic men purely on the Board they will look after the roads more round the cities, where the heavy traffic occurs, than in the country.

Mr. Williams.] Has your association considered this point: is it worth while taking the control of the Main Highways Board away from the Public Works Department and putting it under this new Department?—We have considered that matter to some extent. As it is proposed to be constituted, we looked upon it as a non-political Board, and from the motorists' standpoint, it is to be brought under the Transport Department, with the Transport Advisory Council machinery as at present, we think it would work all right.

It would probably work just as well if it were left as it is?—It might do so.

The Chairman.] With reference to the classification of roads, do you think it reasonable that a main highways should be classed as No. 5?—I think Mr. Wynyard could answer that question better than I could.

But you must have an opinion on the matter. No. 5 is the lowest possible class of road. Do you think it reasonable that a main highways should be classed as No. 5?—That is a very big question.

It is a very clear one?—Naturally, in time, we hope that all the main highways will come to a higher standard than that, but until the money is available we shall have to wait.

Mr. Sullivan.] With reference to the testing by local bodies generally, do you find that the testing by small local bodies is unsatisfactory?—In many cases, yes; but by the larger bodies such as Auckland, Wellington, Christchurch, and Dunedin, it has been satisfactory.

Mr. Mason.] Do you find that harm is done in actual practice as a result of slackness in testing?—In many cases, yes.

HARRY CLEMENT HARLEY examined. (No. 23.)

Witness: I am speaking as a representative of the New Zealand Motor Conference, being the South Island representative on that body. Mr. Jones, who has preceded me, has given you our views generally in regard to the proposed Bill, and it is quite unnecessary for me to report at length on it; but I would like to speak particularly with regard to clause 51, and to say that the resolution passed by the South Island Motor Union with regard to the establishment of one Board, with another motorists' representative on it, to be nominated by the South Island Motor Union, had an addendum to the effect that the granting of the request would be taken as a full compliance with any political promise made to give a separate Board to the South Island. I would like you to understand that the Conference is quite unanimous that the present Highways Board, with an additional member in the motorists' interest, would cover the ground quite satisfactorily. We admit the right, and we quite expect the Government will also nominate another representative, so as to have control of the Board. That would be quite natural, and we are quite in accord with it. With regard to clause 54—provision for payment of subsidies to local bodies in respect of maintenance of roads and streets that are not main highways, with a limit, I think, in any one year of £150,000—we are opposed to this clause. We consider that the funds of the Main Highways Board should be used for main highways only, and therefore we are strongly opposed to this clause, and we have asked Mr. Wynyard to speak further in regard to this matter. He has certain facts and figures which he will place before you.

Mr. Williams.] Do you think that clause 53 will work satisfactorily?—No; we think the Main Highways Board should fix the proportions. We are very strong on that.

Not the Minister?—We consider that this Highways Board is a non-political body, and we are very strongly opposed to political influence dominating it in any shape or form.

You would not be in favour of clause 53, with its present subclauses, as it stands at present?—Subject to the statements I have just made. I should like to say that we discussed that this morning. If we get one Board, as suggested by us, probably this clause would have no effect.

Mr. Ansell.] Why do you say "probably"?—Well, I take it that this would be largely done away with in that clause.

The Chairman: The proportion would have to be allocated by some one.

Mr. Williams.] It is done by the Main Highways Board under the present Act?—Yes.

Very satisfactorily?—Yes.

Mr. Ansell.] With regard to the construction and maintenance of highways, I suppose you agree that that is purely an engineering job?—Yes. In regard to that matter, I have always understood that engineers considered it absolutely necessary to provide a much more expensive construction for heavy traffic than would be necessary for lighter traffic.

My point is this: Can you see any reason for transferring the administration of the Highways Board from the Public Works Department to the Minister of Transport?—Do you consider that the main work of the Highways Board is the construction of roads, which is an engineering job?—Yes.

Can you see any reason why the Highways Board should be transferred from the Public Works Department to the Minister of Transport?—No; I can see no advantage.

Do you agree to the suggestion, without knowing whether you are going to receive any advantage—simply on the chance that you may receive some advantage? Has the Conference discussed that phase of the matter?—The unions have been well satisfied in the past with the control of the Main Highways Board, and they would be perfectly satisfied in the future if they still had control of it. They do not, so far as I know, wish to give any one else any higher authority.

The motor associations are quite satisfied with the way the work has been carried out?—Yes.

And unless some good reason is shown for transferring the administration you would object?—Yes.

With regard to the allocation of funds, I take it you object to the Minister having control of the funds in such a manner as he considers best?—We are strongly opposed to that clause.

And the allocation at present allotted and as carried out is satisfactory to the North and South Island unions?—Absolutely.

Mr. Harris.] With regard to the proposed transference to the Ministry of Transport, I take it that the motor-owners do not mind—they are satisfied with the present system; they have no reason to think there would be a change of policy?—They probably have reasons to think there would be a change. It might be politically controlled to some extent in that case.

There is no proposal to that effect?—The motorists are strongly opposed to any political control.

Assuming that no other control than at present exists were made under a different Ministerial head, you would have no objection?—No.

You object to Ministerial control: have a look at subclause (4) of clause 53 and tell me what you think of that?—In that case the Minister has absolute discretion. We are opposed to that.

You think that should be deleted?—Yes.

Do I understand you to say that your South Island unions suggested that that additional motorists' representative on the Board should be made on the recommendation of the South Island body?—No, the New Zealand Motorists Conference.

I think you said "South Island"?—No; that was originally the case. We are satisfied that the motorists of New Zealand should select the representative.

Mr. Sullivan.] What do you say about the master carriers being given one of the representatives?—I consider that the New Zealand Conference, representing both the North Island and South Island motor unions, are the people who should make the recommendation. It must be remembered that numerically they are infinitely stronger than the carriers, and they pay to the Highways Fund a very much greater sum.

They claim otherwise?—I should say they are wrong. They certainly pay fees to the local bodies, but those fees do not go into the Highways Fund.

The heavy-traffic fees provide the main highways in the cities?—They may be granted; but we are dealing with the Highways Fund, and not with a part dealt with by the local bodies.

The master carriers claim that they pay a larger proportion of the petrol-tax than the private motorists?—I should question that very much. Further, there are the licenses and tires in addition to the petrol-tax.

Mr. Ansell.] I would point out that the figures given by the heavy traffic people were based on a mileage of ten thousand per vehicle per year, and those produced for private cars were based on five thousand miles.

The Chairman.] The heavy-traffic people claim that, while you have two representatives, they have none?—I would answer that largely on the grounds already stated. Further, they would only represent the interest solely of the heavy-traffic people, while our ramifications and interests are so wide that we would look after the interests of all motorists, the heavy-traffic people included. I say that our interests are the interests of motorists generally; but from the heavy-traffic point of view it seems to me that they would be interested only in their own section. Everything we do, on the other hand, is done in the interests of the whole body of motor-owners, including the heavy-traffic people themselves.

You heard the question put to the last witness with regard to the classification of roads. If a road is maintained at a low level it might serve your purpose and yet not the purpose of the heavy-traffic people?—Yes.

There would be a conflict there?—It is quite reasonable for us to argue that good roads is the first plank in our platform, and we are just as anxious for them as the heavy-traffic people.

Are the associations quite definitely in favour of the setting-up of a special Department to deal with all phases in connection with road transport? Do you, for instance, think that a Transport Board to control all these matters is necessary?—I think so.

In that case, do you think it would be workable to maintain the control of one part of it under the Public Works Department and the other under the Minister of Transport? Do you not think that the setting-up of that Board necessarily carries with it the responsibility of transferring it to one Minister?—I think there should be only one authority.

Mr. Williams.] Referring again to the question of the heavy-traffic people and the motor associations, you have never refused to allow the heavy-traffic people to join your associations?—No; we have a lot of them in our membership now, including taxi-drivers.

You are prepared to accept them all?—Yes, anybody can join our associations; we represent all classes.

MONTAGUE HARRISON WYNARD examined. (No. 24.)

Witness : I am the representative of the motorists on the Main Highways Board, and I am speaking as that representative at the request of the Motor Conference. The clause I am asked to deal with is clause 54, providing for the payment of subsidies by the Highways Board on roads that are not main highways. I wish to speak from the point of view of the financial provisions of the highways at present so far as it affects that matter. I would like to read the following tables, which have been provided to me by the officials of the Main Highways Board :—

Estimated Position of Revenue Fund, 31st March, 1930.

	£		£
Balance 1st April, 1929	521,000	Expenditure on general maintenance	1,000,000
Tire-tax	200,000	Earthquake damage	75,000
Motor fees	350,000	Interest and other charges	113,000
Petrol-tax	800,000	Transfer to Government Fund	750,000
Public Works Fund	35,000	Balance	155,000
Interest and miscellaneous receipts	37,000		
Repayment from Construction Fund	150,000		
	<u>£2,093,000</u>		<u>£2,093,000</u>

The expenditure of £150,000 on other roads and streets would reduce the balance at 31st March, 1930, to £5,000. The transfer of £750,000 provides for an extra £100,000 which it has been found necessary to transfer to maintain present rate of progress.

Expenditure on Relief Works.

					£
1926-27	..	..	..	..	43,234
1927-28	..	..	..	..	74,921
1928-29	..	..	..	..	219,394
1929-30	(to 31st August, 1929)		..	..	97,492
					<hr/>
					£435,041

Expenditure on Maintenance of Secondary Highways.

					£
1928-29 ..	..	..	..	..	147,873
1929-30 ..	..	..	..	..	337,664

The latter figure (£337,664) represents the total of approved items submitted on the annual estimates.

Main Highways Estimates, 1929-30.

	Construction.			Maintenance.		
	Amounts applied for.	Amounts approved.	Cash allocation.	Amounts applied for.	Amounts approved.	Amount approved on Secondary Highways.
	£	£	£	£	£	£
1 ..	198,125	142,492	125,000	102,567	99,973	32,184
2 ..	187,243	128,150	140,000	171,157	168,041	57,469
3 ..	63,597	31,957	20,000	52,613	52,613	6,504
4 ..	110,778	62,328	31,000	61,667	61,530	14,305
5 ..	68,949	49,754	32,000	132,867	103,474	24,191
6 ..	85,175	57,762	40,000	55,230	53,700	11,483
7 ..	98,046	59,375	41,000	81,408	68,085	13,343
8 ..	108,063	56,984	32,000	69,975	54,521	17,173
9 ..	218,490	120,092	82,000	107,872	103,817	9,875
10 ..	82,191	48,404	31,000	68,397	55,473	8,720
11 ..	26,771	35,756	33,000	91,507	91,507	29,046
12 ..	53,514	35,760	20,000	120,801	112,828	27,711
13 ..	44,304	36,341	30,000	42,575	38,924	7,557
14 ..	230,701	136,255	90,000	44,042	44,042	16,464
15 ..	79,048	75,708	60,000	77,372	69,154	14,700
16 ..	51,022	30,770	45,000	42,754	37,882	13,320
17 ..	95,570	105,944	80,000	44,117	40,492	16,936
18 ..	56,399	47,163	28,000	54,078	51,338	16,683
	1,857,986	1,260,995	960,000	1,420,999	1,307,844	337,664

Schedule Showing Amounts involved in Special Schemes approved by the Board after the Passing of the Motor-spirits Tazation.

Highways District.	Estimated Cost.	Board.
No. 1—	£	£
Auckland—Maungaturoto ..	249,000	249,000
Other paving-works ..	115,000	80,000
No. 2	400,000	300,000
No. 4	40,000	30,000
No. 5	75,000	56,000
No. 6 (Te Kuiti - Bulls) ..	200,000	200,000
No. 7	44,000	33,000
No. 8	100,000	75,000
No. 9*	65,000	49,000
No. 10	24,000	18,000
No. 11	30,000	22,500
No. 13	30,000	22,500
No. 14	324,000	243,000
No. 15	243,750	183,000
No. 16	65,000	56,000
No. 17	180,000	150,000
No. 18	50,000	37,500
	<u>£2,234,750</u>	<u>£1,804,500</u>

* Also Wellington City and Suburban Highways Board paving schemes, on which there are at present annual charges amounting to approximately £22,000.

Commenting on the foregoing, I would point out that if the sum of £150,000 or any sum approximating that amount has to be found for the purpose of outside roads it will mean that the balance of £155,000 at the end of this year will be reduced accordingly. Even so, with our expenditures to-day we are not able to contribute all the requirements of local bodies in connection with road-construction. The amount that has been applied for this last year in respect of works in the different districts throughout New Zealand are as follows: Applied for, £1,857,986; approved, £1,260,995. The actual cash allocation which will be available is £960,000. Those figures refer to construction. On maintenance account the figures are: Applied for, £1,420,999; approved, £1,307,844; and the amount approved in respect of secondary highways is £337,664. We cannot cut down the allocations in connection with maintenance, because maintenance is absolutely essential to the keeping of the roads in order. The actual amounts in connection with the second column of the main-highways estimates table are not the amounts actually allotted, but the amount of cash which we anticipate will be used for that purpose. The local bodies, through the institution of the petrol-tax, have been receiving the benefit of the secondary highways during the last year, but they have not found the full effect of that particular benefit; and, as a proof of that, I would mention that during 1928-29 the amount which was expended on secondary highways, and which was for the special purpose of relieving the counties, was £147,873, and the amount which has been applied for this year for the maintenance of the same roads is £337,664. So it is quite evident that the local bodies are finding the benefit of these additional highways. With regard to the actual amount of construction work in connection with the operation of the petrol-tax, which was to be applied for the purpose of construction of high-class paving for the carrying of heavy traffic, that programme was laid down last year in order to absorb the amount which had been accumulated in the fund, and also for the expenditure of from £180,000 to £200,000 a year. One-quarter of the petrol-tax was set aside for that purpose. Those programmes, which have practically all been accepted, amount to £2,234,750, of which £1,804,500 is being found by the Board. If, therefore, our funds have to be utilized for the payment of works in connection with other than main highways the result will be that we will have to cut down our expenditure in other directions, because we will not have the money available to transfer from our Revenue Account to our Construction Account in the following years. We cannot, as I have said, cut down the maintenance, because that is absolutely essential to maintain the roads. At the present time, on our Construction Account we have not been able this year to give the amount that our District Engineers are requiring throughout New Zealand to maintain our construction work to the extent we would like. That matter would be accentuated in the future if further money could not be found. The other particular phases of this question have been dealt with by Mr. Harley. Clause 54 is to the effect that the Main Highways Board is, as its name implies, a Board for the construction and maintenance of "main highways." If other roads are allowed to come into the matter the purposes of the Main Highways Board are to a certain extent affected, and an enormous number of applications and other details will have to be gone into which would make the work very cumbersome indeed, and which would grant very little relief to the local bodies, because the money we would have available would be very small indeed. I am only dealing with this clause of the Bill, but there is another important matter dealt with by the other witnesses, and it is evidently in the minds of some of the members of the Committee—I refer to the question of the Public Works Department and the Transport Department. From my knowledge and experience on the Board I consider it would be absolutely essential, if the Highways Board is transferred to the control of the Transport Department, that the head or one of the high officials of the Public Works Department should be a member of the Board, in order that there may be a direct relationship between the two Departments.

Mr. Williams.] When you referred to the difference in the amount of money that you had spent last year on the maintenance of secondary roads and the amounts you proposed to spend this year, would that be in respect of the same length of roads?—Practically in respect of the same length. We have not extended the length of the secondary roads more than a few miles.

Then, that would be due to the extra use on those roads?—Yes; and also it must be remembered that last year was the commencement of the scheme, and they did not get into the swing of it. I know that the Highways Board have still got applications for miles more of secondary roads to be taken over. We had applications this year for, I think, something like two thousand miles in addition to what we already have.

That would be the proper way, following the policy adopted in the past for assisting these extra districts: they are supposed to be provided for in clause 54?—Yes, so far as the funds would permit.

Would you prefer that course rather than that the £150,000, approximately, should be used?—Yes.

With regard to the Public Works Department and the Transport Board, the aim of the Highways Board up to the present, independent of any Minister, has been to construct roads throughout New Zealand in conjunction with the local bodies?—Yes.

And it is all done through the Public Works Department's Engineers—they deal with the local bodies and refer back to the Board their recommendations?—Yes.

And the construction of the roads is a different proposition altogether from controlling the traffic which uses the roads?—Yes. If, however, the control which is referred to in the Transport Bill is no greater than is exercised under the Main Highways Act—and that, I understand, is the intention—then so long as we have one or two members occupying a high position in the Public Works Department upon the Main Highways Board I do not think any great harm will be done. My main reason for saying that is with a view to the discipline of the people who work under us.

In a sense it would duplicate the work of the local bodies so far as the Engineers are concerned?—It might do so, but the District Engineers of the Public Works Department would still be the local representatives on the Main Highways Board. I am not sufficiently *au fait* to know whether there would be any difficulty in the matter.

The Public Works Engineers, as you know, must deal with Public Works grants to local bodies as well as grants to the Main Highways Board, and I take it they would watch both aspects of the case?—Yes.

Do you think there might be duplication in administration by removing it to the Highways Board?—Of course, there may be some difficulties between the Ministers, but I cannot add to my previous remarks on the matter.

Mr. Ansell.] With regard to the motorists' claim for additional representation on the Highways Board, I understand that you have supported that claim in the past?—Yes, for a number of years.

And you consider their claim is just and reasonable?—I think so. When the Act was passed the only money paid was the tire-tax. It was contemplated that license and registration fees should come in on top of that; and now not only are those taxes paid, but there is the petrol-tax, and the motorists are contributing out of our total revenue of some £1,500,000 very nearly £1,300,000, whereas when the Act was first brought into existence their contribution was only some £250,000. Under the circumstances it seems only reasonable that they should have substantial representation.

And it would assist you in your work on the Board?—It certainly would.

With regard to the clause repealing certain sections in the Public Works Act, the intention of that Act was to limit loads of four-wheeled vehicles to 10 tons, and six-wheeled vehicles to 15 tons. Do you consider that desirable?—Only in so far as it applied to the development of motor traction. There may be in the development of motor traction, vehicles which would not do more damage to the roads than the limited vehicles, and, as those may change on account of development from time to time, there might be difficulty in having a hard-and-fast statutory law, when the matter could be dealt with by regulation.

I understand there is no intention of allowing increases in loads; but the point I want to get at is this: would it encourage importers to import heavier vehicles than at present?—I think it would unless a distinct statement was made by the Minister as to the intention of the alteration.

With regard to heavy-traffic license fees, it has been suggested that there is provision in this Bill that the Government can by regulation reduce heavy-traffic fees. Have you gone into that aspect?—I have not considered that particular matter. I have not been considering it from the point of view as their representative, as it is not a Highway Board matter.

Mr. Harris.] With reference to clause 54, you mentioned some extraordinary allocation for this year—£75,000 in respect of earthquake damage. Such an allocation will not be necessary next year?—I do not know, but the amount we anticipate spending is £250,000 altogether.

At some time or other it is possible that you may have funds which had not been allocated, due to the discontinuance of that particular expenditure?—Yes, but on the figures I have given I do not know where we shall get the money next year.

You know the clause is purely permissive?—Yes.

It has been suggested that the cities would apply for some of this money?—Yes, I think it is very likely.

Do you think it likely that the Highways Board would grant it for the cities?—I do not think so, but I am not prepared to say—I am only one member of the Board.

Assuming that that extra £150,000, or a portion of it, would be expended on backblocks roads, do you not think it reasonable that the backblocks roads should have some benefit from the fund?—They are getting it indirectly at present, inasmuch as the shares which the Board is giving in subsidies on secondary roads is affecting the whole of their funds.

The Chairman.] You mean the counties are getting it?—Yes, and the General Fund of the counties would be greater in consequence.

Mr. Harris.] I want to draw a distinction between the secondary roads and the backblocks roads. Is it not reasonable that backblocks roads should get some benefit from the petrol-tax?—My previous remark went to show that they do get an indirect benefit. I do not think anything more should be expected.

How do you suggest that the backblocks are getting some benefit?—By the fact that the general funds of the county are being saved the amount which we are now contributing towards the secondary roads.

Mr. Healy.] It is going on to the main roads?—No, it is a general saving to the county.

Mr. Harris.] Does not this clause merely give permission to the Highways Board, at its discretion, to allocate a portion of its funds to roads which to-day are not receiving any benefit whatever?—That is so.

And you do not think this desirable?—I do not think so, seeing the situation the Highways Board is in.

Your contention is that they should deal only with main highways?—Yes.

It has been suggested that the commercial interests have a right to direct representation on the Board?—I can only refer to the statements made by previous witness and say that I agree with them—that the representatives of the motor unions, who include in their membership large numbers of heavy-traffic people, are the best people to represent the views of the motor-owners on the Highways Board, than a section of those owners, who are only specially interested in the heavy-traffic side.

How would you view a suggestion that one representative should be appointed on the recommendation of the private-car owners, and one on the recommendation of the commercial-vehicle owners, rather than two from the motoring class generally?—I do not think it would be acceptable. It would leave the representation in the one class purely sectional.

Mr. Sullivan.] What objection is there to giving heavy-traffic people representation?—On the ground that their interest will be purely sectional, whereas the motor unions representative, representing as he does both the heavy and light vehicles, would look after the interests of motorists generally.

Do they suffer through not having special representation, or is there some interest of their own which would secure benefit if it were specially represented?—I do not think so. I personally look upon myself as representing them, and on many occasions they have consulted me in connection with various matters, and I always bring their representations forward and further them as much as possible so long as they are in the interests of motorists generally.

Have they expressed any dissatisfaction with any decisions arrived at?—Not to me.

Mr. Broadfoot.] Reverting to the question of the co-ordination of the Highways Board and the Public Works Department, you say you think it desirable that some of the higher officials from the Public Works Department should have a seat on that Board?—Yes.

Do you not think there is a limit to the number of Boards that departmental men can sit on and at the same time carry on their ordinary business?—You mean a physical limit?

Yes?—Possibly there is; but we have not found any difficulty in the Highways Board.

But you will admit that there is a physical limit?—Yes.

And there is a possibility of a danger-point being reached by overloading?—There may be, but, as I say, from the Main Highways Board standpoint we have found that the Government officials were able to do their work quite well.

Do you agree that it is a dangerous thing to dissipate a man's energies too widely, instead of concentrating on fewer jobs?—It depends on the individual.

I am dealing with the average individual?—It still depends on the individual.

With regard to the backblock roads, there is a controversy, I think, between one of the counties in my district—the Waitomo County—and the Highways Board, which is being wrangled out now?—Yes.

Are you prepared to admit that the traffic as going on to-day is costing the counties a great deal more than it used to, and that moneys which used to be expended on the back roads are being used to maintain the highways?—They allege that.

That funds are being wrongfully diverted?—My reply to that is that we have to take things generally, and the indications are that since the Main Highways Board came into existence the contributions by the local bodies towards the main highways has remained practically stationary. The increased cost of maintenance of main highways has been borne by the constantly increasing subsidies which the Board has been paying in lieu of, as was the case when the Act was first passed, a subsidy of 10s. in the £1, and later £1 for £1, and later still, £1 10s. for £1, and now £2 for £1.

But there may be specific instances where it has worked otherwise?—We are prepared to deal with those cases.

With regard to the motorists getting more representation, I would like to ask, who are the motorists?—The motor-users.

What about the consuming public being served by all these transport services. They may own cars or they may not, but they use the motor transport for their goods. I include that section among the consuming public. Surely they should get representation before the motorists get a second representative?—They have representation, in a sense, as the general body politic.

Do you not think they are entitled to a wider representation?—I do not think so.

The Chairman.] With reference to clause 54, I assume you will admit that there is a proportion of the petrol-tax revenue earned on rough outlying roads which do not come under the ordinary expenditure?—Yes; a very small amount, though.

And you will agree that the worse the roads the greater the amount of petrol consumed?—Yes, and the fewer the motor-cars.

But are those contributors not entitled to anything for what they contribute?—I do not think so. They are obtaining an indirect benefit from the subsidies on the secondary highways.

Do you think it is necessary for a Department to control all the different activities in connection with motor transportation?—I do not think it is absolutely essential that the one Department should control both the general transport conditions and the construction of roads, any more than it should control, say, the construction of railways.

Still, you are aware of the tendency rather to unify control than to spread it?—Yes, and I see no objection, provided proper provision is made so that the present efficiency of the Board is continued.

Mr. Broadfoot.] Would it not be better for the Highways Board to have their own engineers?—My personal views are that, instead of centralizing the work, as suggested by the Chairman, it would be splitting it up by creating another construction body alongside the one we already have.

THURSDAY, 17TH OCTOBER, 1929.

CHARLES FISHER GARDNER examined. (No. 25.)

Witness: I am Mayor of New Lynn, and in speaking to-day I am representing the Borough of New Lynn, Glen Eden Town Board, Henderson Town Board, and three ridings in the Waitemata County—Waipareira, Waikumete, and Titirangi. We have considered this Bill, and we think some clauses are quite good. Clause 12 provides that there are no exemptions—every vehicle must pay its share. Clause 16 refers to the collection of drivers' license fees. At present those are collected by the local bodies with their existing staff, and that, of course, means no added expenditure to the local body. Under the Act they will lose at least some of that revenue. It has been suggested that there has been a loose system of granting licenses in New Zealand owing to local bodies having control of the issue of drivers' licenses. We do not agree that that is so. We think the standard of driving in New Zealand is extremely high. I know of my own experience that it is much easier to get a driver's license in London than it is in Auckland or any part of New Zealand. I produce a license granted in London. [License produced.] In London all you do is to say that you have driven a car before, pay the license fee of 5s., fill in a form, and get the license. There is no test—just simply tell them you have driven a car. Clause 19 provides that a warning of seven days shall be given where prosecutions are to follow. That is a fair and reasonable clause. With regard to subclause (2) of clause 25, regarding lights on other vehicles, this is an important matter, but I think all the necessary powers exist to-day. All I can say is that on the majority of our roads horse-driven vehicles and bicycles do not bother to have lights attached; but I think the existing powers should be enforced, and if the Bill provides for the enforcement of lighting on all vehicles it will do good. With regard to clause 30, I suppose it is made clear elsewhere, but it does not seem very clear as it is, that where an extension of population occurs or on the expiration of existing licenses they will be automatically extended. It seems to us that this is necessary. Our population is not fixed—it is not static—it is growing all the time, and we believe there should be ample provision for extension.

The Chairman: Probably the licensing authorities would control that.

Witness: We think it should be amply provided for, so that there will be no hold-up by the Department. Clause 29 provides for all districts being incorporated into motor-omnibus districts. I do not know what will happen if a district is put into the wrong omnibus district. Is there provision for an appeal? If not, I suggest there should be. Where the main highways district did not coincide with transport requirements there might be difficulty. The district might do quite satisfactorily from the highways point of view, but not from that of the Transport Department.

Mr. Mason: Not "might be difficulty"—cases have already arisen?

Witness: Yes.

Hon. Mr. Veitch: An amendment is being prepared in that direction.

Witness: We think the appeal should be not to any Board, but with a view to getting general satisfaction. The local authorities who have to administer these matters want to keep out of trouble just as much as any one else, and if they are able to appeal to some authority which is regarded as being absolutely impartial they have a better chance of keeping their people quiet than if they have to go to some one who may be accused of being partial. That is a difficulty which appears in transport matters already. So the matter has a "nasty taste" to start with, and we would be much happier if appeals were to be made to a Judge of the Supreme Court.

Hon. Mr. Veitch: It is intended to have a Judge on the Board, in any event.

Witness: But he is not the majority. We think it should be composed of a Judge alone.

Mr. Williams.] Would a Magistrate do?—I think it would depend on the importance of the case in point. I would not think of sending a minor case to a Judge. It might be possible to spread the cases so that in the majority of cases, not involving big issues, it would not be necessary to send them to the Judge.

I understood you to say that one person should decide. It might not always be convenient to get a Judge?—I think where a big issue was involved—say, a large sum of money at stake—it should go to a Judge.

Hon. Mr. Veitch.] Who is to decide which cases should go to the Judge and which to the Magistrate?—I think that could be overcome without any difficulty by fixing cost of appeal to a Judge.

Mr. Sullivan.] There might be difficulty in getting a Judge if the work accumulated.

Witness : That is possible, of course. Clause 36 seems to create, as does the main object of the Bill, a private right in the King's highways. We claim for our people the immemorial right to the King's highway. It is the King's highway, and therefore the highway of the subject, and no vested right in it should be created. I know that goes to the fundamentals of the Bill, but I think the Bill is attacking a fundamental principle which should not be attacked.

The Chairman.] Briefly, you are against giving any sole right of the road to any one?—I would not go as far as that. I think we might adopt the American system, whereby if A is in a position to give better service in the transport of passengers and goods than B, and A has sufficient financial standing, he should have a license; and A would continue until some one else came along and beat him. We say that is as far as any rights should go over the public highway. Of course, public safety and public convenience should be considered, using the term "public convenience" in its broadest sense. This arrangement would satisfy these principles in the highest degree consistent with economy.

Hon. Mr. Veitch : This does not provide that there shall be only one service on one road. Perhaps I might intervene and explain what is intended. It is not intended to eliminate competition entirely, but it is intended to eliminate the competition of the pirate, who simply comes in and makes the business ruinous to himself. There will be ample room for competition on the roads under this Bill. This only provides for the licensing of the services, but that would not give the exclusive right to run on the road—it would mean that no one else could come in and compete without a license, and it is hoped in that way to exclude the pirate, but not to eliminate competition.

Witness : We were told that the Motor-omnibus Act did not propose to eliminate competition, but we know the effect of it. I will be able to give some figures later respecting this effect. And we are very much afraid that the present Bill rather amplifies and strengthens the powers that that Act gave.

The Hon. Mr. Veitch : The power we had then was the power given to a local body to eliminate its own competitors. That is one injustice that you are complaining of. But this Bill takes away the power of the local body to eliminate competitors, and puts it in the hands of another. This Bill would overcome your difficulty.

Witness : I cannot see much provision in the Bill for any kind of competition at all. We know what happened over the last Act, and we know the results.

Hon. Mr. Veitch : This eliminates the principle of the last Act and adopts a new one.

The Chairman.] At any rate, you want to see the ground open for competition?—Quite. Of course, in regard to the system I have suggested, I have merely indicated the direction in which it operates; I have not attempted to go into details. Any one can see that possibly two services might run parallel on the same route.

Mr. Williams.] When you say you would give A or B a license until some one beats him, he would have to have some terms to tender on. You could not expect him to accept a license for, say, a week?—No. I should say not less than a year, and possibly in some circumstances, with proper protection, for five years. It simply introduces the element of competitive tendering. Clause 39 seems to take away the right of these independent licensing authorities to grant a license to any one else if an application is made by the Minister of Railways. That has a particular application in our district. Some of the gentlemen on the Committee know the position. We are in the western suburbs there and we are served by the northern railway. We live west, and when you leave Auckland by train for our district you go directly east—you encircle the city and encounter a back-shunt at Newmarket, which takes time, and after twenty minutes' travelling, for which you have paid mileage, you find yourself back where you started from; so that we are particularly concerned. It does not appear that the Appeal Board is in a position to say that the railway service is not satisfactory to the district—as it is not—and they must grant a license to the Railway Department to the exclusion of every one else; so that from the point of view of our district this is a particularly dangerous clause. For some years New Lynn made no progress at all, beyond the progress which would have been occasioned by the introduction of certain industries, some of which I was connected with, in the district. When the motor-buses came along the situation was entirely changed and rapid progress was made.

The Chairman.] But you understand that this applies not to the Railway Department itself, but to a Railway bus service?—Yes. If the Railway bus service is to be subject to competition under the clause suggested, then I have no objection to offer; but if that is not so, then I have objection to it. Part IV brings goods under the provisions of the Act. That, of course, concerns us all—all who are interested in industry—and we believe it will have the effect of further crippling industries. I say that advisedly, because I think the industries of this country are in rather a bad way at present. Unemployment figures seem to prove that without much further consideration. It will have the effect of forcing industries into crowded centres, which is not good.

The Chairman.] You think it will eliminate competition on the road: is that your point?—Yes. It will increase transport costs, which are of vital interest in any industry. It will eliminate competition to some extent in the transport of goods, and so increase the cost. The main object of the Bill seems to be to cut out competition and create monopolies in the transport business. For the moment I will deal with passengers only. As I mentioned a moment ago, when the buses first came along a fairly good service was put in to New Lynn and the other districts I represent. I will deal with the New Lynn figures first. From 1921 to 1925 the increase in population in New Lynn was 83 per cent. I think that was a record in New Zealand for a place of that size. Glen Eden, a smaller place, increased 100 per cent. The local authorities of New Zealand anticipated—I think, quite properly—that that increase would continue, and they put in a sewage system at a cost of £80,000, and a water system, and they borrowed money which went towards making the concrete road to Henderson. That, by the

way, was the first concrete road out of any city in New Zealand. Then the Motor-omnibus Act came along, and the City took over the companies' buses in the anticipation, I suppose, of making a lot of money. The city said the companies were doing well, and they wanted the money. The City Council altered the service, made part of it a feeder service, and part of it ran through the city. They increased the fares approximately 20 per cent., and managed the business in a way which was quite unsatisfactory to the district. In March last their successors abandoned the service and granted a license to the Auckland Omnibus Co. During the period under review certain things happened in the district, and I have tried to tabulate them in some way. I may say that the Auckland Omnibus Co. is giving better service than that of the city and the subsequent Transport Board, but it is seriously handicapped by being debarred from handling traffic within the city boundaries, the natural result being a less frequent service and a 16·6 per cent. increase in fares. This, coupled with the knowledge that under the Act no improvement was possible, resulted in a very definite arrest of settlement in the districts and a transfer of population to the city. In this connection I would refer to the activity in cheap flat buildings in the crowded city areas, where building permits have been fairly constant for the last four years. I have the figures for the years 1925 to 1928—I mean the value of the building permits issued in Auckland and New Lynn—and they are as follows:—

				Auckland (City).	New Lynn.
				£	£
1925	..	..	..	1,244,863	56,695
1926	..	..	..	1,188,049	55,745
1927	..	..	..	1,298,281	42,251
1928	..	..	..	1,148,675	25,207

I have already stated that during the period 1920 to 1925 the increase in population in New Lynn was 83 per cent. I am not sure, but I think there is included in the last amount of the New Lynn building permits the cost of the new post-office. It will be seen that during the period given the drop in New Lynn was equal to about 54·5 per cent., as against 1 per cent. in the City of Auckland.

Mr. Harris.] In the value of new building permits?—Yes. I have the figures for New Lynn, Henderson, and Glen Eden. In those districts there are 110 empty houses to-day, and that, of course, reflects on the land-values also. I think I am very conservative in saying that there has been a drop in land-values in those districts of 25 per cent. I have taken out some particulars in connection with land-values. In 1926 a man named Davis, holding 4½ acres in the centre of New Lynn, appealed to the Government valuer for a reduction, and was assessed at £1,400; in 1927 he appealed again, and was assessed at £1,300; in 1928 he again appealed, when the assessment was £1,240; and in 1929 he appealed and got a reduction to £940. The total reduction in his case was approximately 33½ per cent. Another section, 3¼ acres, on the corner of Great North Road and Linwood Road, was valued in 1926 at £1,395, and it was sold on the 29th August last for £925. Then a complaint was made that the State Advances Department was not treating New Lynn fairly in the matter of advances for building homes. An appeal was made to me, and I put it this way: I said, "The Department is right. I think so much damage has been done to the district by these motor-bus regulations that the valuer is quite right. He realizes that the value is not there, owing to the absence of transport facilities, and it is not safe for him to make advances." In that connection I do not think I can do better than read a letter which I found on my files, written by G. Lawrence Taylor. The letter is as follows:—

"The Chairman, Town Board, New Lynn.

"Auckland, 21st March, 1929.

"DEAR SIR,—

"It seems to be definitely established that the Advances Department is turning down all applications for Government loans at New Lynn, and this is placing a very severe handicap on the progress of the district. I helped to finance the building of twenty-one homes on Melwynn Estate. Most of the purchasers put in applications for Government loans over a year ago. The first five of the applications were considered by the Loans Board a few weeks ago, and all were refused, no reasons being given. Loans are being granted at Avondale (City) and other suburbs in great numbers, but New Lynn is being left out. Take a concrete example: Mr. Witham, Section II, Great North Road, New Lynn, a very suitable applicant in every way, and house well built—loan refused. Exactly similar houses, built by the same firm, and of identical design and specification, have during the past month had loans granted as follows: Mr. Bryant, Avondale, loan of £850 granted; Mr. Grant, Chatham Avenue, Mount Albert, loan of £950 granted; Mr. Asquith, Margaret Avenue, Mount Albert, loan of £900 granted. One would suspect that it is probably want of confidence over transport that is causing the Department to treat New Lynn in this manner, but you can realize what a handicap it is to many of the new people in the district where they have erected homes, depending on the Government loan. Many of these people will have to leave their homes and lose what money they have put in. Surely it would have been fairer for the Loans Board to have granted smaller amounts for similar houses at New Lynn than in suburbs nearer town, and protect their securities in that manner. I should esteem it a favour if you would get the Town Board to send a protest on to the Prime Minister, and I am sure he would do something to relieve the position; at any rate, he would tender a reason for the injustice. I am afraid it would be no use writing to the Advances Department.

"Yours faithfully,

"G. LAWRENCE TAYLOR."

That substantiates my contention regarding the effect on land-values. What I do know is that this decline is the result of transport troubles. I have used these figures to show that there was not a general drop in values. It may have slowed up a little, but not to the extent that it has done in New Lynn. I am certain the decline in New Lynn would not have been as great as in the other parts of Auckland if transport had not been interfered with. That decrease in land-values and in population will be a serious matter to a number of people in the district who have invested all they have in their homes. A good many of them will have to walk out penniless. I could give instances where that has happened already. Downing, a man working for my firm, bought a section and paid about 75 per cent. off it. He went to the Department, and was treated as I have suggested, with the result that he lost all he put into this section. The following is a statement supplied to me by the Henderson Town Board :—

“ Since the advent of motor-omnibuses as a means of transit between the outer suburbs and the city, and the consequent competition with the older and slower orders of transport facilities as represented by trams and suburban railways, the trend of motor-bus regulations, and latterly legislation, has been in the direction of penalizing motor transport with a view to forcing the travelling public to use the older types of facilities already provided, presumably in order that these may return some measure of revenue and therefore justify their continuance. This is quite a reversal of the general policy of twelve years ago, when politicians and the apostles of health urged people to live out in the suburbs—in the open spaces—and so avoid congestion in the city. Under this urge a large percentage of the population erected homes in the outer suburbs, and particularly after the inauguration of motor-bus transport; but during the past three to four years this influx to the suburbs has not only ceased, but the tide has turned in the direction of a drift to the city, people being compelled to live in or near the city owing to inadequate and unsuitable means of transport, and the precarious situation in this connection. This decline in outer suburban development dates from the restrictions placed on motor-bus transit, and more definitely so from the time the bus transport fell to the control of the City Council and the Auckland Transport Board, and is fully evidenced at present by the large number of empty dwellings in these districts. Owing to the latter body failing to make a success of the service to the western suburbs, and the subsequent granting of a license to a private firm to run the service, residents of these areas have had revived hopes that the great progress previously made under privately-owned services will again visit these districts. However, the drastic legislation proposed under the Transport Law Amendment Bill will, if made operative, undoubtedly sound the death-knell to outer suburban development, and my Board has considered the provisions with grave concern. Already building activity is practically at a standstill, and land-values have materially depreciated, while the population statistics as indicating additional settlement show almost a negligible result. The total building permits for the year ending 31st March, 1925, was forty-nine (including eighteen new dwellings), of a total value of £14,460. In 1927 the figures were—Permits, forty-two (twelve new dwellings); total value, £9,903. In 1929, thirty-six permits (eight new dwellings); total value, £5,328. The decline in building activity is ascribed to the precarious position respecting transport facilities. The ratepayers of the district sanctioned the loan for the concrete paving of the main highway primarily for the purpose of achieving a quicker and more suitable means of transit. Motor-omnibus legislation has already curtailed a large measure of the benefits that would naturally have accrued to the district from this public work, and the new Bill proposes to create a situation which may deprive the people of practically the whole of the beneficial results expected. My Board feels that it is desirable to repeal all particular restrictions appertaining to motor-omnibus services, and resort to the policy of the ‘ open road ’ with respect to such services, fully believing that the people themselves are the best judges of the means of transport most suitable to them.”

That indicates, at any rate, that the Henderson Town Board is of the same opinion as myself—that the decline in the districts is due to the lack of transport. We have not lost sight of the fact that there is something in the nature of a depression, but we do not think that the people living in New Lynn would regard it as a reason for moving into the city. I would also like to read the following statement prepared by the Chairman of the Glen Eden Town Board :—

“ With the introduction of motor-bus services by private enterprise an era of prosperity and building activity resulted in Glen Eden. This was most marked during the period 1924–27, when 157 new houses were erected in the district. This, of course, meant a large increase in population, which rose from 530, when the town district was formed in 1921, to 1,065 as shown by the census of 1926, and it is estimated that it has further increased to approximately 1,300 at the end of 1927. With the acquisition of the bus service by the Auckland City Council, and the consequent institution of an unsatisfactory feeder service, the population rapidly decreased. People who had purchased properties with the intention of making their permanent homes in the district, and who were then being served by an adequate bus service, suddenly found that feeder services were totally inadequate and unsuitable to their needs, and had perforce to leave and live in or near town, and in many cases lost all they had put into the purchase of their homes. The buildings figures in Glen Eden show as follows :—

		Increase.			Increase.
1921–23	..	145	1926–27	..	53
1923–24	..	166	1927–28	..	30
1924–25	..	200	1928–29	..	6
1925–26	..	270			

I received a telegram yesterday which I would like to read, for the reason that it shows how unreasonable some of these licensing authorities can be. The position is that, I think, it was in this year, or perhaps late last year, that the Auckland Transport Board decided to abandon the bus services to New Lynn and to grant a license to a private company. They decided to abandon on the 31st March this year. They did not give much time for any one else to form a company, to secure the necessary buses and to establish a service. However, the Auckland Bus Co. went to the Transport Board and made arrangements to get some buses which they had taken over under the Motor-omnibus Act from one of the companies, and started this service under circumstances which, as you will see, inevitably meant difficulties. Now, this is what happened: The Auckland Bus Co. has ordered other buses, which will be arriving in the country soon, but this is the telegram I got yesterday from the Town Clerk of New Lynn:—

“Bus Company’s license to carry standing passengers withdrawn after Public Works inspection. This robs capacity by one-third as result inability pick [up] traffic. If restriction withheld further six weeks new rolling-stock then available probably able handle situation. Bus Company applying. Interview Ransom Saturday here. Present fleet operating under said restriction. Cannot handle peak loads even running intensive service. Can you see Minister Public Works?—TOWN CLERK.”

It seems to me strange that those buses, which have been carrying on satisfactorily for some months—that is, before necessary additions are made—should be prevented from carrying the people. The buses were sold by the Auckland Transport Board some time in January and continued to operate under inspection from then till now, and to say that they are not fit to handle the traffic now seems to me unreasonable.

Mr. Ansell: It would depend on the condition of the buses.

Witness: The buses were inspected when they were bought, and they have been inspected since several times, and they are only asking to be permitted to operate them for another six weeks, but they are informed they cannot do it. It does not seem reasonable.

The Chairman: The only justification for refusal would be if they were dangerous.

Witness: That will be the suggestion, of course. I think another effect of the Bill will be a large increase in the number of private motor-cars on the road. I know cases in New Lynn when the bus services were interfered with and the owners were told they would have to observe certain regulations which meant that they could not operate over the same field as before. The result was that the people who had been using the services bought private cars. And I think the effect of this Bill will have a similar effect—if the people cannot get the proper service they will buy cars for themselves. The people will not be dictated to: if they cannot get the facilities, they will get cars for themselves.

Mr. Mason.] When the regulations are made sufficiently irritating?—Yes.

Mr. Harris.] You think that would not be in the interests of motor-car sellers?—I am afraid in this opposition to the Bill I am not considering my own interests. I have a small interest in a motor-importing concern: I am obviously not considering that.

Mr. Healy.] Empty houses, I presume, are fairly general throughout Auckland, as in other cities, at the present time?—I do not know any place that has as high a percentage of empty houses as the district which I have the misfortune at the moment to represent. I am certain it is not so in the case of the City of Auckland. I am certain our population has been drifting into the city, and as an evidence of that I would point out that, while there may be some empty houses in Auckland, there is very great activity in the building of cheap flats. Personally, I think that is wrong. I have no quarrel with the big flats, but anything that will encourage the building of cheap, inferior flats is bad.

This Bill cannot stop that?—It is interfering with the happiness and convenience of the people. I think it is socially bad in that respect.

Of course, most of the cities are overcrowded and overbuilt?—That is certainly the case in Auckland. There are some areas in Auckland which should be condemned.

You have regular suburban trains running to New Lynn?—That train gets you five miles from the city.

But you have regular suburban trains?—Yes, there are regular trains.

You attribute the reduction in land-values to the lack of bus service?—Yes; but not wholly, of course. We know there is some depression, but 80 per cent. or more of that reduction, as far as New Lynn is concerned, is certainly due to bad transport. I have studied the land question in New Lynn for a number of years.

Mr. Sullivan.] I suppose the municipal government has not got anything to do with the decline?—No.

Mr. Mason.] Referring to your observation as to transport of goods, your district and the Henderson district produce a good deal of perishable produce, such as strawberries, for instance?—Yes.

And a lot of that produce is put on motor-lorries?—A good deal of it, yes.

Would restriction on that be dangerous?—Yes.

That sort of transport has to work at high pressure, and any kind of regulation would be difficult?—Undoubtedly. That matter was discussed by the Henderson people. They said it would have a very bad effect on the soft fruit carried.

In fact, it is vital to the district that there should be unrestricted facilities?—Yes.

With regard to the present preference for flats, do you remember the housing shortage immediately after the war, when a number of houses were turned into flats in Auckland?—Yes.

And since the people have been able to get new houses they have shown a preference for the bungalow?—Yes.

And that was largely responsible for the development of these suburbs?—Yes. Where the people can get out, they prefer to live in bungalows and have their own gardens.

In other words, they go into flats because they are forced into them?—Yes; and I go further and say that when that class of people go into the flats it will create an undesirable situation. Of course, I am not referring to those who live in high-class flats.

Is it the case that substantially all the suburban trains take about an hour, within a minute or two, to go from Auckland to Henderson?—Yes, that is true. About forty-five minutes to go to New Lynn. As a matter of fact, one could work in the city of Auckland and walk home to Avondale quicker than by taking the train.

Do you happen to know that the road transport system is so organized that buses from Henderson must pass and leave standing on the road the passengers on the city side of Avondale?—Yes. I followed a bus in my own car not long ago—and this is quite common—at three o'clock in the afternoon. It was a Henderson bus, with four passengers in it, and not allowed to pick up passengers after crossing the Avondale Bridge, and we passed twenty or thirty people standing on the roadside. Many of them tried to stop the bus, but it was not allowed to stop, nor did it stop. I saw a woman and an old lady together, and they almost got in front of the bus to stop it, but it did not pick them up.

Under the Auckland Transport Board, was the time-table regular and convenient?—No, it was not. The system was bad. When I came back to New Zealand in December last, on one occasion I wanted to go home by bus, and I could not find anything about the service as to times. I could not even find out where the bus started from, or anything. Some of them ran as feeder services, and some ran right through.

Have you ever noticed that frequently there is a bus standing idle?—I know they waste a lot of time standing.

We have had some evidence to show that the Auckland Transport Board's administration, particularly in regard to bus services, has been efficient. Is that your opinion?—No, it is not my opinion.

Is that the popular opinion in Auckland?—No; I think the reverse is the general opinion.

And what is the opinion in your own district?—It is certainly not the opinion in my own district, and as an evidence of that I may say that this is what happened: The Transport Board was asked to put on a better service, and they agreed, provided they were guaranteed 1s. 6d. per mile per bus. That seems to indicate that they considered the running-costs were 1s. 6d. per mile, and I think they gave that as their opinion at one time before the Commission. Anyway, they wanted that guarantee. Well, a bus-mile should certainly cost more than 10½d. on that class of road in this country. I am basing that on the experience of the companies in New Zealand and comparing that with the figures in England.

Do you think you could find one man who was used to the bus-service business who would be glad to take it on at 1s. a mile?—I could find a dozen. I would have a shot at it myself. But, of course, you cannot do it if you keep your bus standing and only run it four miles a day.

The buses are run by the Tramway Manager, are they not?—I understand so. For several years a large part of the Tramway Manager's time was occupied in preparing cases for presentation to Parliament showing the impossibility of the bus compared with the tram.

I think he busied himself with proving that the trams were the only proper means of transport, both before the Commission and before Parliament?—Yes.

Mr. Williams.] Do you think it would be better to have no licenses and not control at all?—No. I think control in the interest of public safety and convenience are necessary, but not on economic grounds.

What do you mean by public safety?—Well, it must be a good machine to commence with, and there should be regulations as to speed and general conduct on the road.

What do you mean by public convenience?—That they should be available when required.

Would you run a bus at 1s. a mile if every one else was allowed to do as he liked?—I do not suggest that. I say if some one guaranteed me 1s. a mile I would do it, and still pay 4d. a gallon petrol-tax. I do not suggest that there should be no control as to competition. I have already suggested a system of tendering for a monopoly for supply of transport facilities to any given district.

Then, the whole question is really a matter of deciding how many buses should run, and how often they should run?—I think that should be decided by the requirements and trade offering.

The Chairman.] Some one would have to determine what those requirements were?—Yes. I think the people themselves should have some sort of control—either by way of being heard by the licensing authorities or handling it themselves.

Mr. Mason.] At present you have no voice at all?—No; we are the pawns in the game.

And always have been?—Yes, since the present Act came in.

Mr. Ansell.] You refer to the fact that local bodies would lose revenue under clause 16, and I think you said that, so far as you were concerned, you discovered no evidence of a loose system of granting licenses, and that the standard of driving was high?—Yes. I think the conduct of the average pedestrian is the finest example of faith in motor-drivers that I have seen.

Do you consider that the alternative system of licensing will create a serious loss to the districts?—Yes; I have already stated that.

You say that no vested right to the road should be created. I presume you are anxious about the goodwill created by a license?—No; I think the highways belong to the people.

I do not understand your attitude?—I say a regulation only is necessary to ensure the public safety and convenience. I think the economic side should be left to competition.

Your suggestion with regard to tendering for the right to run over a certain road is a new principle so far as New Zealand is concerned?—So far as I know, it is.

Suppose that were adopted, how would the system work if a road ran through the districts of several local bodies?—They would simply have the right to pick up pedestrians all along the road. I do not think there should be such a thing as a penal fare. Free use of the King's highways covers that, but it may be obscure.

In part IV with regard to the carriage of goods, you think the present proposals will have a detrimental effect and force industries into the crowded centres: why?—Because the further restriction on the transport of goods will force them into the centres.

And do you think the effect of this proposed legislation would be to increase the price of transport?—It no doubt would increase the cost of transport. Every restriction placed on industry slows it down and increases the costs.

With regard to the Henderson Town Board, you have given certain figures with reference to buildings. Was there any serious alteration made to the service and the time-table on the introduction of the buses?—Yes, there was an increase in fares and a reduction in the service. Of course, another thing which probably had some effect on land-values and settlement was the uncertainty created. Before people will invest in land they must have a feeling of confidence—that it is a growing district and that it will continue to grow.

Why do you think the present Bill will force people to provide transport for themselves?—They will not be forced to do so, but they will provide themselves with cars if they are not provided with an efficient service. If you interfere with a good service and compel them to walk distances to transport points they will buy cars.

And do you suggest that this Bill would have a tendency that way?—Yes.

You say that the running-costs of a bus are 10½d. a mile. Does that include depreciation?—It includes everything—that is, if it is economically run. It depends on keeping the bus running, and using careful administration throughout—not sending a bus out to a terminus and waiting half an hour for a tram.

Mr. Harris.] I gather you say that unrestricted competition, subject to certain control, should be allowed so far as motor-omnibus service is concerned?—I do not think there is anything wrong with unrestricted competition. It has settled down into a satisfactory state of affairs in London, and it was settling down in Auckland into a satisfactory state of affairs; but, notwithstanding that, I think the American system, already indicated, would be better than the “open road.” There are dangers in the “open road.” You get time-tables not properly arranged, and there is racing on the road.

You think the speed of the vehicles should be controlled?—Transport is one of the things which is very difficult to handle. I do not know why the City Council abandoned the fish-market and took on the transport business.

Is it not a fact that in your own district, prior to the coming into force of the Motor-omnibus Act, 1926, as a result of the improved transport facilities you then enjoyed, your districts were going ahead by leaps and bounds?—Yes.

And immediately that Act came into force a decline set in?—Yes.

And that is practically the sole reason of the decline in land-values in those districts?—Yes; that is my definite and considered opinion, and I have had to do with the district for a number of years. As the crow flies, it is near the city; but by railway it is a long way from the city, which meant under railway transport that the district could not make much headway. But when the buses came there came a period of prosperity. Even in spite of the depression land-values would have increased if there had been decent transport facilities.

You have some knowledge of districts similarly placed—beyond Mount Eden or Glen Eden. Would the same argument apply?—Yes, the same thing has happened.

So, generally speaking, the Motor-omnibus Traffic Act has acted disastrously so far as the Auckland suburbs are concerned?—Yes.

With reference to your illustration of A and B running services, you say that under the proposals of the Bill A should get a license for three years?—Yes.

And at the end of that period B could presumably apply for a license also?—Yes.

The matter would then rest with the licensing authorities?—Yes, to decide which could best serve the district.

Have you sufficient confidence in the proposed licensing authorities to accept their decision as satisfactory in such a case?—I did not raise any point on connection with the licensing authorities. I think a final appeal to the Supreme Court would be satisfactory to all.

But it would be quite possible under the proposals contained in the Bill for a competitive company to apply for a license?—Yes.

Have you sufficient confidence in the licensing authorities as proposed to be constituted to satisfy you that they would allow competition later on, or where they considered the service should be extended or continued?—I would have sufficient faith in the licensing authorities if its directions under the Act were to consider first the needs of the district concerned and appeal to a Judge where available.

Hon. Mr. Veitch: That is the surest thing in the world. This Bill overcomes all your difficulties.

Witness: If that is so, there will be no objection.

The Chairman.] In some respects it appears to me your evidence appears to be contradictory. In the first place, there is a suggestion approaching very nearly to what may be called free trade, and in another case you say you would only grant a license for one year definitely, and, if the service proved satisfactory, possibly for five years. That is so, is it not?—Yes.

I think it is the intention of the Bill to cover all that?—It does not appear to provide for that. It does not mention the cost of service or fares.

No, but it gives the Board, as it is proposed to be constituted, power to grant licenses on specific conditions. Naturally, the Bill could not set out the specific conditions: that would depend on the requirements of the locality?—If that is how the Act is going to be administered, then it is clear that a good part of our objection is removed; but we were told the same thing about the last Act.

So your lack of confidence is really created through the failure of the previous legislation?—[The witness did not reply to this question.]

With reference to the need of control over the road, and more or less a monopoly of certain undertakings, why do we have trade combines? Is it not for the purpose of eliminating useless competition?—We have trade combines certainly, but they do not stop competition. They are not State-protected.

But in this case there must be control over the roads in order to make it worth while for organizations to provide facilities?—The London General Omnibus Co. have no protection.

Hon. Mr. Veitch: The Bill will be of great benefit to your districts; I can promise you that.

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