

1936.  
NEW ZEALAND

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# TRANSPORT CO-ORDINATION BOARD

(ANNUAL REPORT OF).

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*Presented to both Houses of the General Assembly pursuant to Section 11 (b) of the Transport Law Amendment Act, 1933.*

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The Honourable R. SEMPLE, Minister of Transport, Wellington.

SIR,—

WELLINGTON, 31ST MARCH, 1936.

We submit our annual report, in accordance with the duty imposed on us by section 11 of the Transport Law Amendment Act, 1933.

## INTRODUCTORY.

1. The year 1935–36 has been the second year of operation of the Transport Co-ordination Board.

2. The Board has not performed its functions completely for the full year, owing to changes in the policy of the Government following the general election last year. In a letter dated 30th January, 1936, addressed to the Chairman of the Board, the Hon. the Minister of Transport requested that the Board should defer the consideration of any more appeals from the decisions of Licensing Authorities, and asked the Board to co-operate with him pending a decision as to future transport policy.

3. Later, the Hon. the Minister of Transport informed the Board that he desired a similar postponement of air-service applications—which come to the Board direct and not on appeal.

4. The Board wished to co-operate with the Government, as requested, in every possible way, and indeed believes it is its duty to do so, and consequently since the beginning of February, 1936, the Board has held only one public sitting, and has dealt with no appeals or original applications since that time.

5. By a subsequent letter dated 3rd March, 1936, the Hon. the Minister of Transport suggested that members of the Board should resign, as changes would be made in transport legislation. With great deference to the wishes of the Minister, and with every desire to co-operate with the Government, the members of the Board felt that they should make their annual report at any rate before taking action as suggested, and to this the Hon. the Minister of Transport agreed.

6. There is a statutory duty placed on the Board, by section 11 of the Transport Law Amendment Act, 1933, to submit an annual report to Parliament on the work done by the Board for the year ending 31st March, and in compliance with that section, the Board submits this report.

7. The Board recapitulates its functions which are set out in paragraph 4 of its previous report as follows :—

- (a) To hear and determine appeals from District Licensing Authorities and the Central Licensing Authority under section 43 of the Transport Licensing Act, 1931.
- (b) To conduct inquiries and investigations directed by the Minister of Transport under section 11 of the Transport Law Amendment Act, 1933, and as a result of such inquiries and investigations to make such recommendations as it may think fit “for the purpose of securing the improvement, co-ordination, and development, and better regulation and control of all means of and facilities for transport and all matters incidental thereto.”
- (c) To license commercial air services under the Transport Licensing (Commercial Aircraft-services) Act, 1934.
- (d) To institute and conduct inquiries and investigations on its own initiative under section 11 of the Transport Law Amendment Act, 1933, for the same purpose as those directed by the Minister. Under this heading also may be grouped the routine work of the Board incidental to the performance of its duties under this and other heads.

8. Apparently there is a belief that the Board, on account of its name, has some real power to co-ordinate transport services. Actually this is not the case, except with regard to air services. Where road services are in competition with rail or sea transport, the Board has no authority to do more than to require the road service to conform to what the Board thinks desirable, and the Board can only exercise this authority when an appeal is brought to it. The railways, or marine transport, as the case may be, are then free to take such countervailing action as they see fit. The Board draws attention to its report on competitive transport, contained in Appendix II of its report to Parliament of last year.

9. The Board has not been invited by the Hon. the Minister of Transport to express its views on any of the problems which have come before it from time to time, and in this respect we do not wish to embarrass the Minister in any way by stating such views in detail. Consequently our report is somewhat limited in its extent. In the period covered by our former report, so much of the Board's time was occupied in dealing with current and accumulated appeals, air-service applications, and investigations desired by the Minister of Transport, that some other important matters did not reach the stage of final consideration or recommendations.

10. The law under which the Board carries out its duties remains unaltered from last year, except that an amendment was made by the Transport Licensing Amendment Act, 1935, which came into force on the 26th October, 1935. The main provision affecting the Board was a provision extending the maximum term of passenger-service licenses to three years. This provision has not been made to apply to goods-service licenses.

11. Mr. Alderton, a member of the Board from the beginning of its operations, resigned from the Board on the 31st March, 1936.

#### APPEALS.

12. Appeals during the year have not been so numerous as last year. This is partly due to none having been dealt with in February and March, 1936, but if those pending were added to the number actually disposed of, there would still have been some difference between the two years.

13. With regard to passenger transport, the licensing system has been operating for four years. The industry has reached a stage of stability which has justified the extension of the period of licenses as mentioned above, and few appeals have been filed against decisions of Licensing Authorities. So far as the Board is aware, both passenger-transport operators and the travelling public have been satisfied with the way in which the system has worked.

14. Although no passenger transport appeals of very apparent importance have been heard, the Board took the opportunity—in the case of an appeal by the Rotorua Bus Company against a license granted to S. Emery—to refer in detail to the question of passenger-fares. There is great variation in the fares charged over similar routes in different parts of the country, and although most of them are moderate, there are some which the

Board regards as too high. Appeals have not reached the Board against these fares, but it is clear that where fares approach (or exceed) 6d. a mile—as they do in some cases—it is cheaper for prospective passengers to use their own cars, if any, and the service is not performing its proper function of providing economical transport. The matter has been in the hands of the Licensing Authorities, and except on appeal the Board could not deal with it. The decision given in the case mentioned was designed to draw attention to the duty of authorities in that respect.

15. Goods-services have been subject to the licensing system for less than three years, and consequently, and on account also of the greater difficulty they present, are not in such a settled condition as the passenger-services. Steady progress has, however, been made with their regulation.

16. The number of goods transport appeals, including those pending at 1st February, 1936, has diminished, and no appeals of vital importance have been heard during the year. The important decision given on 4th April, 1935, in the cases of Hilder and Sons and some twenty-five others, was set out at length in our last report, though actually it belongs in date to the year now under review. We think we need not refer to it further.

17. The following table shows the number of appeals requiring determination during the year, and the nature of the decisions given:—

PASSENGER-SERVICES.

Authority No.					Autho- rity's Decision upheld.	Autho- rity's Decision modified.	Autho- rity's Decision reversed.	Ad- jour- ned.	With- drawn.	Not dealt with.	Total.
1	..	..	..	..	..	..	..	..	1	..	1
2	..	..	..	..	1	..	1	..	..	..	2
4	..	..	..	..	2	..	..	..	..	..	2
5	..	..	..	..	3	..	..	..	..	..	3
6	..	..	..	..	2	2	..	..	..	..	4
7	..	..	..	..	..	..	..	..	..	..	..
8	..	..	..	..	..	1	..	..	1	..	2
9	..	..	..	..	1	..	1	..	..	..	2
10	..	..	..	..	..	..	..	..	..	..	..
Central	..	..	..	..	..	..	..	..	..	4	4
Christchurch Metropolitan	..	..	..	..	..	..	..	..	..	1	1
Total .. .. .					9	3	2	..	2	5	21

GOODS-SERVICES.

Authority No.					Autho- rity's Decision upheld.	Autho- rity's Decision modified.	Autho- rity's Decision reversed.	Ad- jour- ned.	With- drawn.	Not dealt with.	Total.
1	..	..	..	..	2	..	..	1	2	..	5
2	..	..	..	..	1	4	2	..	3	10*	20
4	..	..	..	..	1	..	..	..	..	4*	5
5	..	..	..	..	3	2	1	..	..	..	6
6	..	..	..	..	4	..	..	1	..	1	6
7	..	..	..	..	1	2	1	..	5	..	9
8	..	..	..	..	3	1	..	..	..	2	6
9	..	..	..	..	1	1	2	..	..	..	4
10	..	..	..	..	2	1	..	..	..	..	3
Total .. .. .					18	11	6	2	10	17	64

\* Includes three heard by Board but decision not issued.

18. In nearly all the cases that came before us on appeal, the New Zealand Government Railways Board was either a party or was represented. The interests of the railways and of road transport clash to a great extent, and there is need to determine the respective spheres in which they should operate. Over short distances, on good roads, it is inevitable

that road transport from door to door must be the cheaper, and it has been suggested that a solution of the problem lies in determining over what distance in each case road transport should be allowed to function in competition with a railway. As roads improve, however, and vehicles are better constructed, these distances tend to become longer. Certain commodities, however, can be carried more economically by road over very long distances, while railway rates are variable, and in many instances, especially where rail and sea transport are in competition, are extremely low in comparison with the standard railway rate over the same distance. These and other factors complicate the problem, and we have tried to decide each case on its own merits because we cannot find a general rule to fit them all.

19. In the case of long-distance traffic between Wellington and Napier, arrangements were made between the New Zealand Government Railways Board and long-distance operators, which are believed to be mutually satisfactory, and which the Board was glad to assist. Between Dunedin and Christchurch, also, the Board believes it was able to help in the conclusion of certain agreements between the Railways Board and private operators.

#### INQUIRIES AND INVESTIGATIONS.

20. The Board received no direction from the Minister of Transport during the year for carrying out any special inquiries or investigations.

#### AIR SERVICES.

21. In last year's report the Board predicted the growing importance of this branch of its work. This forecast has proved correct, a large amount of work has been done, and the foundation of a complete system of air travel has been laid. Four air-service routes are now in regular operation, including one main route flown with large machines, and all the aeroplanes used on these services are of modern type. Because of the growing importance, as well as the comparative novelty of this form of transport, the Board, in later paragraphs, gives a somewhat extensive summary of the present position.

22. In considering air-service licenses generally, in all cases the Board has had the advantage of reports by the Government's technical advisers upon such subjects as the suitability of the machines intended to be used for the particular service, the condition of the aerodromes, and landing-grounds on the route, climatic conditions, and other factors in the situation of a technical nature. In addition to such reports, much evidence has been given to the Board on these matters by the technical advisers of applicants themselves and of their opponents.

23. The Board has given close attention to the question of safety of air services. The Board has been impressed with the necessity of twin or multi-engined machines being used on main routes, or when a regular sea crossing is necessary, and in all cases where the use of a large type of machine is warranted. The aeroplanes used on one of the regular routes are not of this type, but this case is exceptional because the population to be served is sparse and scattered, and the use of larger machines would not be practicable. In some cases also the Board in its decisions has prescribed conditions with regard to the use of certain aerodromes with a view to additional safety.

24. The Board considers, however, the safety of air services is not entirely assured without the provision of beam wireless or some form of wireless telephony or telegraphy between the aeroplanes and the ground being installed and maintained. This is especially the case with main services. The Board thinks the matter is one for the technical advisers of the Government to consider, in conjunction with the companies concerned, and to frame regulations prescribing such methods of communication as may be decided on. The climate of New Zealand in many places is subject to low-lying clouds and fog, and the danger arising from this source can be eliminated to a large extent by proper methods of signalling. The Board regards this matter as one of great importance in the interest both of passengers and of the companies carrying on air services.

25. All air-taxi licenses came under review by the Board during the year. These licenses entitle the holder to fly for hire between any two licensed landing-grounds in New Zealand, and are distinct from licenses to carry on a regular service. The earlier air-taxi licenses issued by the Board were much restricted, because the Board considered it wise to limit them very carefully in the first place until it was seen what measure of protection the regular services

would require. On the 26th September, 1935, a conference of all persons concerned was called by the Board, including Aero Clubs and all holders of air-taxi licenses and route licenses. The conference was attended by representatives of every club, person, and company to whom a license had been granted, or agreed to be granted (except one), and a unanimous decision was arrived at prescribing the scope of air-taxi licenses. The Board approved of this decision, to which it gave immediate effect. The decision, which remains in force until 1st October, 1936, enables an air-taxi license-holder to fly between any two licensed aerodromes with the following condition as to fares :—

Minimum fares—				£	s.	d.	
One passenger	..	..	..	3	0	0	per hundred miles.
Two passengers	..	..	..	3	10	0	„
Three passengers	..	..	..	3	15	0	„
Four passengers	..	..	..	4	0	0	„

But where the flight takes place between two points served by the same licensed service, the individual fares shall in no case be less than the fare charged by the licensed service, plus 10 per cent.

It is believed that this provision gives adequate protection to licensed route services as regards passengers, but when it is renewed further protection should be given also as regards the carriage of mails and goods.

26. The following is a summary of the position of air services so far as regards operators of route licenses :—

(a) *Air Travel, Limited*.—This company commenced operations on 18th December, 1934, under a license granted on 4th December, 1934. In February, 1935, a further license was granted for five years. The company operates a route Inehbonnie—Hokitika—Franz Josef and Fox Glacier, and to Haast and Okuru. One machine was used to start with, and in September, 1935, the Board gave permission to use a second. An air-taxi license was granted in February, 1935. The machines used are : One D.H. Fox Moth four-passenger machine and one D.H. Fox Moth three-passenger machine.

The following table gives details of operations, and indicates the growth of the service :—

Period ended					Mileage.	Passengers.	Goods.	Mails.
							Lb.	Lb.
31st March, 1935	..	..	..	..	31,500	599	2,637	1,841
30th June, 1935	..	..	..	..	17,433	310	2,221	3,527
30th September, 1935	..	..	..	..	17,100	208	1,762	4,231
31st December, 1935	..	..	..	..	24,300	372	4,689	5,190
Total	..	..	..	..	90,333	1,489	11,309	14,789
31st March, 1936	..	..	..	..	28,400	661	2,102	4,620
Total	..	..	..	..	118,733	2,150	13,411	19,409

(b) *East Coast Airways*.—This was the first company to receive a license. The service commenced on 16th April, 1935, and has been carried on since, with 2 D.H. 84 Dragon machines, having a carrying-capacity of eight persons, inclusive of pilot. The company's aeroplanes fly between Gisborne and Napier, two trips a day each way, but from 18th March, 1936, the service has been suspended, pending alterations to the Gisborne aerodrome. In July, 1935, an air-taxi license was granted to the company. In July, 1935, the company applied for licenses to fly over the following routes : (1) Napier—Dannevirke ; and (2) Napier—Taupo. These applications were adjourned at the request of the company *sine die*, to be brought on for further consideration at any time on fourteen days' notice.

In January, 1936, the company applied for the following route licenses : (1) Gisborne—Opotiki—Tauranga—Auckland ; and (2) Napier—Palmerston North. In accordance with the Minister's request, these applications have not been heard.

The operations of this company provide a nucleus for services covering all the eastern districts of the North Island, connecting with trunk services, when commenced, at Auckland and Palmerston North or Wellington. The following table shows the number of passengers carried, and other details :—

						Mileage.	Passengers.	Goods.	Mail.
								Lb.	Lb.
Period ended 30th June, 1935	..	..	..	..	..	26,167	754	..	98
Quarter ended 30th September, 1935	..	..	..	..	..	34,300	849	..	..
„ 31st December, 1935	..	..	..	..	..	38,576	1,172	101	..
Total	..	..	..	..	..	99,043	2,775	101	98
Quarter ended 31st March, 1936	..	..	..	..	..	30,320	1,033	146	..
Total	..	..	..	..	..	129,363	3,808	247*	98*

\* For period 1st October, 1935, to 31st March, 1936.

(c) *Cook Strait Airways, Ltd.*—This company was granted a license in February, 1935, for a service between Wellington, Blenheim, and Nelson, with the right to run to Hokitika as required. The service commenced on 30th December, 1935, with 2 D.H. 89 “Dragon Six” machines, with accommodation for six passengers each. The company holds a license also for an air-taxi service. The company’s regular service connects with Union Airways at Blenheim, where Wellington passengers can leave or join the latter service. Fares were provisionally fixed in December, 1935, but that provision has now lapsed, and in accordance with the wishes of the Minister the Board has not heard a further application from the company to fix its fares, and accordingly the company at present is free to charge what it thinks fit. In the light of evidence now available, it appears that the provisional fares of 25s. between Wellington and Blenheim were too low. The following table shows the company’s results since it started flying :—

Period.						Mileage.	Passengers.	Goods.	Mails.
								Lb.	Lb.
December	..	..	..	..	..	1,125	55	82	..
January	..	..	..	..	}	56,875	3,001	3,899	..
February	..	..	..	..					..
March	..	..	..	..					710*
Total	..	..	..	..	..	58,000	3,056	3,981	710

\* 16th–31st March, 1936, only.

(d) *Union Airways of N.Z., Ltd.*—This company was granted a license for the route Palmerston North – Blenheim – Christchurch – Dunedin, and commenced operations on 16th January, 1936, on the following time-table :—

South.				North.			
Depart Palmerston North	..	8.30 a.m.		Depart Dunedin	..	11.30 a.m.	
Arrive Blenheim	..	9.27 a.m.		Arrive Christchurch	..	1.02 p.m.	
Arrive Christchurch	..	10.55 a.m.		Arrive Blenheim	..	2.30 p.m.	
Arrive Dunedin	..	12.37 p.m.		Arrive Palmerston North	..	3.37 p.m.	

Up to 31st March, 1936, the company’s planes had flown 71,575 miles, carrying 1,211 passengers, 861 lb. goods, and 1,055 lb. mail (from 16th March).

The company works with three D.H. express air-liners (D.H. 86) carrying from ten to twelve passengers each, and has also a Miles-Falcon with accommodation for two passengers. An unfortunate accident at Rongotai aerodrome resulted in the death of Squadron Leader McGregor, the company’s chief pilot, and extensive damage to the Miles-Falcon machine, which is now temporarily out of commission. An application for an air-taxi license was made by the company in February, 1936, but at the request of the Minister the application has not been heard. The company’s operations give a connection between the North Island at Palmerston North and the chief centres of the South Island,

and the service is capable of extension to Auckland and other centres in the North Island or to Invercargill and other centres in the South Island. If by any chance the service of Great Pacific Airways—referred to later—is not commenced, this service can be expanded to perform all the functions of a main trunk service.

27. The following route licenses have been granted or agreed to be granted to companies which have not yet commenced to operate under such licenses :—

(a) *N.Z. Airways, Ltd.*—This company was an applicant for what may be termed the main trunk service through New Zealand, for which Great Pacific Airways, Ltd., also applied, while Union Airways applied for a part of the same route. With its main application, the company applied for certain other routes, and when the main application was refused by the Board's decision of 11th April, 1935, the Board left it open for New Zealand Airways to apply for such other routes as it still desired. The company then applied for the following routes :—

1. Whangarei—Auckland—Hamilton—Rotorua—Whakatane—Gisborne.
2. Auckland—Rotorua—Napier—Masterton—Wellington.
3. Christchurch—Timaru—Cromwell—Queenstown—Dunedin.

For reasons which were very fully stated in the Board's decision, dated 11th July, 1935, the Board refused a license to carry on an air service over the first two routes, and granted a license over a portion of the last route. The company has several machines, but so far has not commenced regular flying over this route. The company holds an air-taxi license. The machines owned by the company are as follows: Hermes Spartan, 5; Puss Moth, 1; Boeing 40 H-4, 2. Of these, the Boeing machines, on the advice of the Controller of Civil Aviation, can only be used on aerodromes licensed for other than "light aircraft only."

(b) *Great Pacific Airways (N.Z.)*.—This proposed company was the successful applicant for the main trunk service between Auckland and Wellington, Christchurch and Dunedin, with calls at some intermediate places. The company is not yet incorporated, and so cannot actually receive the license which was promised by the Board's decision of 11th April, 1935. The progress of the company is most disappointing. Though the Board's decision was given twelve months ago, so far as the Board is aware no steps have been taken for the incorporation of the company itself, except to form a subsidiary company to undertake its flotation. This subsidiary company, which was registered in May, 1935, seems to have advanced the matter no further. On 23rd September, 1935, however, the Board was informed by Mr. Withers—the organizer of the company—that Mr. E. T. Fisk had "ordered three Avro 652 machines for New Zealand trunk service." No further details of the purchase have been supplied to the Board, and it is not known when the machines will arrive in New Zealand. It is understood the company is now seeking a subsidy before proceeding further, and this is a matter outside the Board's control. It appears to the Board that the time has now arrived to fix a definite date for commencement of the service, failing which, the license should be cancelled.

One matter remains unsettled with regard to this service—the question of allowing it to stop at Palmerston North. This matter has twice been the subject of a hearing by the Board, and no final decision has been given, but the point is of no practical importance pending further evidence of the company's intention to commence operations.

28. The following air-taxi licenses have been granted :—

(a) Those already mentioned to Air Travel, Ltd., East Coast Airways, Ltd., Cook Strait Airways, Ltd., and N.Z. Airways, Ltd.

(b) Licenses to Aero Clubs: Air-taxi licenses have been issued to the following clubs, affiliated to the New Zealand Aero Club: Auckland Aero Club, nine machines; Wellington Aero Club, five machines; Western Federated (N.I.) Flying Club, two machines; Hawke's Bay and East Coast Aero Club, three machines; Wairarapa and Ruahine Aero Club, two machines; Manawatu Aero Club, two machines; Marlborough Aero Club, one machine; Canterbury Aero Club, four machines; Otago Aero Club, four machines; Southland Aero Club, two machines.

Each license is for four years from the 31st October, 1934. The following table shows the work done by the machines of these clubs in the year ended 31st December, 1935 :—

Club.					Passengers carried.				
					1st quarter.	2nd quarter.	3rd quarter.	4th quarter.	Total.
Auckland	..	..	..	..	450	575	379	781	2,185
Wellington	..	..	..	..	583	586	315	73	1,557
Western Federated	..	..	..	..	18	1	2	1	22
Hawke's Bay and East Coast	..	..	..	..	99	70	37	54	260
Wairarapa and Ruahine	..	..	..	..	40	16	11	8	75
Manawatu	..	..	..	..	179	20	47	92	338
Marlborough	..	..	..	..	91	56	43	47	237
Canterbury	..	..	..	..	183	388	297	216	1,084
Otago	..	..	..	..	409	388	186	294	1,277
Southland	..	..	..	..	355	276	132	66	829
					2,407	2,376	1,449	1,632	7,864
Number of flying hours					532	384	304	460	1,680

(c) *Waikato Aviation Company, Ltd.*—A license was granted to this company on 14th June, 1935.

(d) *Mt. Cook Tourist Company of New Zealand, Ltd.*—This company was granted a license in February, 1935, for an air-taxi service. The aerodrome at the Hermitage is not ready yet, and the company has not purchased a machine. The date of commencing operation of the company—fixed originally as 31st October, 1935—was postponed to 1st April, 1936.

29. The following applications have been made for licenses—by others than those named above, and the applications stand adjourned :—

(a) *Falcon Airways, Ltd.*—This company was formed by Squadron Leader Hewitt, who applied for a daily service between Auckland and Whangarei. At the applicant's own request the application was adjourned *sine die*, to be brought on at seven days' notice.

(b) *F. B. Cadman.*—The applicant asked for route license covering Kaikohe, Whangarei, Dargaville, Auckland, Hamilton, Te Kuiti, New Plymouth, Te Aroha, Tauranga, Whakatane, and Opotiki, with future extensions to Kaitaia, Great Barrier, Thames, and Bay of Islands. Of the aerodromes on these routes, only three were fully licensed, and it was therefore impossible to proceed with the application which was adjourned *sine die*, to be brought on at fourteen days' notice.

30. STATISTICAL SUMMARY.

SERVICES OPERATING AS AT 31ST MARCH, 1936.

Number of regular services	..	..	..	4
Number of air-taxi services—(Companies, 6; Aero Clubs, 10)	16			
Number of machines licensed for above services	..	..	53	

Regular services : Companies, 9.  
Air-taxi services : Companies, 18\* ; Aero Clubs, 34.

\* Includes eight machines licensed for regular services.

Classification according to Types of Machine.

Type of Machine.	Passenger seating-accommodation.	Companies.	Clubs.	Total.
D.H. " Moth " (all types)	1	..	28	28
D.H. " Puss Moth "	2	1	1	2
D.H. " Fox Moth "	4	2	2	4
D.H. Dragon (D.H. 84)	7	2	..	2
D.H. 86 Express air-liner	10-12	3	..	3
D.H. Dragon Rapide (D.H. 89)	6	2	..	2
Miles " Falcon "	2	1*	..	1
Desoutter Monoplane	2	1	1	2
Waco	3	..	2	2
Hermes Spartan	2	5	..	5
Boeing 40-H. 4	4	2	..	2
	..	19	34	53

\* Out of commission.



*Operations of Route Services to 31st March, 1936.*

—	From	Mileage.	Passengers.	Goods.	Mails.
				Lb.	Lb.
Air Travel (N.Z.), Ltd. .. ..	18/12/34	118,733	2,150	13,411	19,409
East Coast Airways, Ltd. .. ..	17/3/35	129,363	3,808	247*	98†
Cook Strait Airways, Ltd. .. ..	30/12/35	58,000	3,056	3,981	710‡
Union Airways .. ..	16/1/36	71,575	1,211	861	1,055‡
		377,671	10,225	18,500	21,272

\* 1st October, 1935, to 31st March, 1936.  
31st March only.

† Carried on day of commencement of services.

‡ 16th to

*Accidents.*

—	Route Services.		Air-taxi Services.		Total.
	Pilot.	Passengers.	Pilot.	Passengers.	
Involving loss of life .. ..	..	..	1	..	1
Involving serious injury .. ..	..	..	..	..	..

31. In granting licenses the Board has proceeded with caution. The Board has had two main objects in view, the first to provide for the safety of all licensed services, and the second to proceed on a rational plan from a sound beginning. With the aid of reports from the technical and other officers of the departments concerned, we have tried to make sure of the first object by careful consideration of the type of machine proposed, the aerodromes intended to be used, and a close scrutiny of the financial position of applicants for licenses so as to be certain that the machines employed and all appurtenances for their maintenance should be kept in first-class order. With regard to the second object, we have thought it best to disregard too ambitious schemes, and to provide services which are capable of expansion as the demand for air travel grows. It would not be desirable, in our opinion, from the point of view of safety or utility, to start services on a large scale before it is known whether air travel can be successful financially, and whether it is desired by any large section of the people. We believe that a good foundation has been laid by the licensing of the existing air services, and by the experience which will be gained from them it will be possible to judge better from time to time what further services are needed.

## ROUTINE BUSINESS.

32. The Board has held meetings in Wellington at regular intervals for the transaction of current business, and to deal with matters referred to it by the Commissioner of Transport. Between these meetings the Board has been kept acquainted by correspondence with matters requiring the Board's attention, and such matters have been dealt with in the same manner. Included in the matters placed before the Board from time to time by the Department, or dealt with by the Board of its own motion, are the questions of simplification of licensing procedure, hours of work for "owner-drivers," and alternative methods for the regulation of goods transport.

33. Further consideration has been given to the simplification of the licensing procedure, and the proposals with regard to the same reached final shape. Legislative sanction for the proposals is necessary to carry them into effect.

34. With regard to the hours of work of owner-drivers, the information furnished by the Department did not impress the Board so far as control by the Transport Administration was concerned. The Board requested further information, but this had not been supplied before the Board ceased to meet, and the matter therefore was not finally dealt with. The questions of hours of work for owner-drivers, and of hours and conditions for driver employees are of some complexity; one cannot fairly be dealt with apart from the other, and no action can be taken without very full information of all the relative facts, and careful consideration of the results of such action to both classes of drivers and to the industry upon which they are dependent.

35. Alternative methods for the regulation of goods transport have been considered. In particular, attention has been given to a scheme worked out by the Transport Department for the “zoning” of goods transport, designed to avoid the tendency of licensing authorities to confine the operations of individual carriers to too small an area, or sometimes to impose unnecessary restrictions. The scheme has not been fully developed yet, and careful examination will be needed to determine whether it offers sufficiently substantial advantages over the present system to warrant its trial. We offer no opinion as to its merits as yet, but simply record our interest in the matter.

36. Some difficulty has been experienced in enforcing the law against certain unlicensed carriers, who have adopted a colourable system of purchase and resale of goods to avoid the need for holding a license. In other cases different methods have been adopted for the same purpose. If the licensing system is preserved, it may be necessary to bring all goods transport under control, whether the goods are carried for hire or by ancillary users of road transport. At present transport licensing affects only a small percentage of the vehicles actually carrying goods on the roads, and the situation needs to be carefully watched to prevent evasion of the law and to avoid hardship to licensed carriers. Legislative action in the matter may become necessary.

37. During the year the Board spent some time in conferences and discussions with representatives of transport interests, including the Government Railways Board, the New Zealand Master Carriers’ Federation, and representatives of air services.

#### GENERAL.

38. The Hon. the Minister of Transport has intimated to us that it is intended to make a complete change in the system of transport licensing. We do not know what method of control is contemplated, and therefore add little of a general nature to our report.

39. For the reasons mentioned in the last paragraph, we make no detailed suggestion of any amendment to the Acts under which we are working at present. If the principle of appeals from Licensing Authorities is retained, however, we point out the importance of a judicial and impartial appellate tribunal for their decision. So many conflicting interests arise, and the details of some cases are so intricate, and the cases themselves involve questions of such importance to carriers themselves as well as to the community, that an independent decision of each case should be beyond question.

40. We draw attention again to the four penultimate paragraphs of our last report—paragraphs 33–36 inclusive. It is unnecessary to repeat at length what we have set out in them already, but we believe they set out adequately the need for adequate co-ordination of transport and of transport facilities under combined or closely related control.

#### CONCLUSION.

41. Finally we wish to record our appreciation of the help given to us by the Commissioner of Transport and staff of the Transport Department.

We have the honour to be, Sir,

Your obedient servants,

S. S. ALLEN, Chairman.

HARRY BELL S. JOHNSTONE.

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