

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