

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.