

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.