

*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reads: "Sections one hundred and sixty-four and one hundred and sixty-five of the Public Works Act, 1928, are hereby repealed as from the first day of January, nineteen hundred and thirty."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