

The particulars of the claims paid during each of the quarterly periods in 1931 are as follows :—

Quarter.					Number of Claims.	Amount refunded.
						£
March	..	..	..	..	9,474	37,652
June	..	..	..	..	10,111	37,074
September	..	..	..	..	8,098	28,047
December	..	..	..	..	9,433	29,377

5. TRANSPORT LICENSING ACT, 1931.

The Transport Licensing Act, which became law on the 11th November, 1931, marks the most important step that has been taken up to the present in the direction of meeting the problems that have arisen as a result of the growing competition in the field of transport in the Dominion. The principle upon which the Act is based—viz., regulation of the public motor industry with the object of securing (a) compulsory co-ordination between it and the other forms of transport, and (b) the organization of the public motor industry on the lines calculated to yield the maximum utility from its use—is now recognized and applied throughout practically the whole world. It was first applied in New Zealand in the field of suburban passenger-transport by the provisions of the Motor-omnibus Traffic Act, 1926.

Prior to the Transport Licensing Act coming into operation all passenger-services were required to procure “plying for hire” licenses from Borough Councils, and those services carried on in motor-omnibus districts under the Motor-omnibus Traffic Act, 1926, could operate only in accordance with licenses granted under that Act.

The “plying for hire” licenses were under the jurisdiction of the local authority in which the service was plied for hire, but in practice were enforced by the two terminal local bodies only. Fees ranging up to £2 10s. per annum were payable for each license. These licenses could be refused solely in cases where the applicant was of disreputable character, and were of no value whatsoever as a weapon for securing economic regulation of the services.

Broadly speaking, the Motor-omnibus Traffic Act was for the purpose of eliminating wasteful competition between omnibuses and electric trams, and, although it was in force mainly in those urban centres where electric tramways were in existence, its provisions were also in force in bigger centres, such as Hamilton, Palmerston North, and Timaru, where tramways did not exist. In most cases the licensing authorities under this Act were the local authorities which operated the tramways, with the result that so long as the main objective—viz., the elimination of wasteful competition with the tramways—was attained the regulatory powers dealing with the field of omnibus passenger-traffic were not universally enforced. Only short-distance services which charged fares of 2s. or under for any journey, counted one way only, and only the bigger vehicles designed for the carriage of more than seven persons, including the driver, were covered.

A description of the field of public passenger-transport by motor-vehicles at the time regulation in the public interest was adopted is characterized by two outstanding facts. On the one hand, there was the relatively small field of urban transport, where the seed of regulation was sown six years ago and the fruits of co-ordination have already been enjoyed, and where the benefits of experience were available as an aid in administration. On the other hand, there were those considerable sections of omnibus services which were not embraced by the Motor-omnibus Traffic Act, and the whole field of service-cars, where unregulated competition held sway, with all its attendant evils of financial instability, duplicated services, unnecessary wear-and-tear on roads, irregular and unsatisfactory services, wasteful concentration of services on “fat” routes, and avoidance of “lean” or developmental routes, &c. Combined with this morass of economic evils was the fact that the services were distributed from one end of the Dominion to the other.

(a) PASSENGER SERVICES.

SCOPE OF ACT.

1. *Services covered.*—Provision is made whereby no passenger-service may be operated on or after the “appointed day” unless such service is authorized by a passenger-service license. The following classes of service do not require passenger-service licenses :—

- (a) Taxis, provided they do not run on defined routes ;
- (b) Services for the carriage of school-children and their teachers ; and
- (c) The carriage of private parties on special occasions where the vehicle is hired as a whole.

Factors to be taken into Account in the Consideration of Applications for Licenses.—The extent to which the provisions of the Act change the method of entry into the passenger-transport industry is indicated by the factors which are required to be considered in connection with applications for licenses.