

policy has been adopted in England, where coastal shipping has been threatened by the railways, and is provided for in the Road and Rail Traffic Act, under which coastal shipping may appeal for protection against discriminatory railway rates. We think this right of appeal ought to extend to other forms of transport. In addition, since there may be a danger to the community of two forms of transport combining to raise transport charges, there should be provision for such a tribunal to compel any carrier of goods by any method to file a schedule of rates proposed to be charged, and not to depart from it except under stated conditions as to notice and otherwise. Also, the tribunal should have power to investigate and fix rates, either of its own volition or on representation. As such a tribunal would have complex questions to solve, it may be thought necessary to add to it members who are experts in such matters.

With regard to the complaints of the Master Carriers against truck rates, the freight-forwarding system should be considered by them in conjunction with the railways, who would no doubt give them assistance. The general idea of a truck rate seems desirable, so long as it is on an economic basis, because it simplifies the system of complex railway rates, but whether its administration is essentially just to the small carrier seems open to doubt.

In conclusion, we make the following recommendations :—

- (1) That legislation be introduced on the lines of the English Road and Rail Traffic Act providing for appeals to a rating tribunal against any rate objected to as unfair to a competing form of transport.
- (2) That such a tribunal should also have power to originate investigations into transport charges, and to make orders where necessary.

We have the honour to be, Sir,
Your obedient servants,

S. S. ALLEN.
HARRY BELL S. JOHNSTONE.
LISLE ALDERTON.

Wellington, 18th December, 1934.

The Right Honourable the Minister of Transport, Wellington.

SIR,—

1. We have the honour to report that in accordance with your directions we have carried out an inquiry into the taxation of motor transport.

INTRODUCTORY.

2. We held public sittings in Wellington from the 4th to the 11th October inclusive, at which evidence was invited from representatives of those interested, and in particular we heard evidence from the North and South Island Motor Unions, the Motor Trade Federation, the New Zealand Road Transport Alliance, the White Star Passenger Services of New Zealand, the New Zealand Master Carriers and Customhouse Agents' Federation, the Motor Omnibus Proprietors' Association, the New Zealand Farmers' Union, the New Zealand Fruitgrowers' Federation, the Hutt Valley Producers' Association (in conjunction with the Dominion Council of Tomatoes, Soft Fruits, and Produce, Ltd.), the Municipal Association, the New Zealand Counties' Association, the Auckland Transport Board, the Christchurch Tramway Board, the Government Railways Board, and the Main Highways Board; and we have had statements furnished to us also by the Treasury and the Transport Department.

3. A mass of evidence has been placed before us accordingly, on all subjects connected with our inquiry, and on some which are not, varying from derating of farm lands to the income required for the possessor of a motor-car. Generally speaking, the parties appearing before us gave very fair statements of their views and accurate figures, but a number of figures were submitted to us by the Motor Unions upon which we find we can place little reliance.

THE HISTORY OF MOTOR-TAXATION IN NEW ZEALAND.

4. Prior to the advent of motor transportation in the Dominion, certain sections of the Public Works Act of 1908 authorized the road controlling authorities to make by-laws regulating heavy traffic. The powers contained in this Act provided for annual or other payments in respect of heavy traffic by way of compensation for damage likely to occur to any road, bridge, or ford. Power was also given for the establishment of tolls, to be levied on heavy traffic, for the payment of yearly license fees on any vehicles or machines engaged in heavy traffic, and for the prohibition of heavy traffic during certain months of the year. These powers were fully availed of, and fees were charged which varied somewhat between counties, but little information is available as to the actual schedules in operation.

5. Motor transportation was first brought under separate control by the Motor Regulation Act of 1906, which was carried down into the Consolidated Statutes as the Motor Regulation Act of 1908. This Act provided for the licensing of motor-vehicles by local authorities at a nominal charge of 10s. for four-wheeled vehicles, and 5s. for vehicles of less than four wheels. This Act was purely regulatory, and had regard for the safety of the public.

6. There has always been in force a Customs tariff on the importation of motor-vehicles. This has varied considerably during the last few years, and revenue from this source has always been credited direct to the Consolidated Fund for general revenue purposes.

7. 1921: The first form of motor-taxation directed specially towards the motor users is found in 1921. In 1921 the Customs Amendment Act imposed a tax upon the importation of motor tires and tubes, which previously had been duty free.