

ADDENDUM BY MR. H. B. S. JOHNSTONE.

I am in complete agreement with the report submitted by the Transport Co-ordination Board in all except the following particulars :—

In paragraph 21 of that report it is stated that the scale of fees (under the Heavy Motor-vehicle Regulations) requires some modification—a statement with which I agree and to which I give my support in every respect except that I do not consider that vehicles of Classes A and B should be totally exempt from all taxation under such regulations.

The Board's reasons for recommending such exemption are set out in paragraph 22 of the report, and I disagree with the exemption of these two classes because to my mind the complete removal of the aforesaid taxation from such vehicles will cause a large increase in the number of these on the roads, which I consider to be undesirable for the following reasons :—

(1) The speed of which such light vehicles are now capable is very high, and the tendency is to increase such speed in all new models to be brought out in future.

(2) Such high speeds upon all but sealed roads do damage out of proportion to the loads carried.

(3) This effect will be very noticeable upon rural roads other than sealed highways, and although such vehicles will pay through petrol-tax a share of the damage done by them to highways, there is no provision whereby such payment can be allocated to roads other than highways.

(4) The removal of such tax will tend to encourage the use of numbers of such vehicles to replace heavier vehicles which are still subject to tax, such as, *e.g.*, those of Class F, which while carrying a greater load may be expected to do so at a considerably lower speed. Thus, a vehicle of Class F is taxed £18 15s. a year, and its gross weight loaded is up to 5 tons. But two Class B vehicles each of a gross weight of 3 tons will give a gross capacity of 6 tons, for which under the Board's recommendations no tax is payable. Add to this the greater probable speed obtainable from the two Class B vehicles, and you have a distinct incentive to a service proprietor to go in for these two vehicles as against the one of Class F which is rightly asked to pay its appropriate tax, and which is well within the limit encouraged on Class 3 roads, which class of road I understood to be the aim of the Main Highways Board at present.

5. The wear and tear on all roads other than those sealed caused by the two lighter higher-speed vehicles will not be less, and will probably be greater, than that caused by the slower and heavier machine, nor as stated in 3 above will the extra petrol-tax, if any, find its way on to any roads other than highways, and it is on the highways traversed that the sealing, if any, has been done, whilst most of the extra damage caused as aforesaid will be done to the unsealed rural roads.

6. Speed limits have been and may be imposed, but in scattered country districts are more honoured in the breach than in the observance. This is through no fault of the traffic inspectors, who cannot cope adequately at all times with their huge districts.

7. In spite of the representations of the Farmers' Union, I consider it to be unfair that a farmer owning a truck should use it free of the heavy motor-vehicles taxation, because in so doing he is making his neighbours pay for an amenity which he enjoys in that case largely at their expense. In this matter the unfairness of any such suggestion at once becomes apparent if one considers what the effect would be were users of all ancillary vehicles to be exempted.

For the above reasons I disagree with that portion of the report which I have indicated, and am of opinion that although the alterations proposed in the scale of heavy motor-vehicle charges are in all other respects very desirable for the reasons set out in the report, yet it is equally undesirable that vehicles in Classes A and B should pay no tax at all. I recommend a tax of £3 15s. for Class B vehicles, and one of £2 for Class A vehicles.

There is also a point referred to in paragraph 29 of the report under the heading "Financial effect of the new scale" upon which I desire to go further than the recommendations of the report.

I agree that any loss of revenue to the local authorities caused by the alteration in the scale of the heavy motor-vehicle fees must be made up to such bodies, but I consider that still further assistance to them is justified, for the following reasons :—

The total length of rural roads other than highways in New Zealand is 36,550 miles.

The total maintenance expenditure upon these for the year ended 31st March, 1933, was £763,648. This amount represents an expenditure of £20·9 per mile, and it is submitted that even this expenditure is no longer adequate to keep up to standard the capital asset represented by the roads in question, but that it was the utmost that could be afforded for the purpose at that time, a considerably larger annual expenditure being necessary if such roads are not to deteriorate and thus much of the capital asset built up during past years be lost.

The only ways in which any form of motor-taxation contributes anything to the upkeep of these rural roads is through the heavy motor-vehicles taxation, and, since 1931 only, by way of Government subsidy on rates, which prior to that year was found by the Government from other sources, so that the counties are in no better position in that respect than previously.

The heavy motor-vehicles taxation is estimated to produce this year £178,000, and if the whole of this amount were to be used for the upkeep of rural roads the amount available would work out at £4·87 per mile. This is not, however, the position in practice, because much of this money is used for purposes other than the upkeep of rural roads, and half the amount would be a liberal estimate of the sum actually so used, and this would amount to only £2·43 per mile.

While I am opposed to derating for many reasons, yet I am in favour of the principle upon which I believe the Main Highways Board has always worked—*i.e.*, that of making the user pay.

The application of this principle to the highways has now resulted in 75 per cent. of the cost of these being borne by motor-taxation, and this is probably a very fair proportion when the extra roading facilities required by such traffic is considered over and above those necessary for other forms of traffic, and the extra use of the highways caused by the advent of the motor-vehicle, and the resultant higher standard of construction and maintenance required. Furthermore, all classes who use motor-vehicles on the road pay their share of this taxation.

In my opinion the time has now arrived when some extension of this principle should be made in the case of rural roads as well as of highways, and I therefore recommend that in addition to making up to the local bodies the amount of £46,000 or other sum which will be lost to them through any alteration in the heavy motor-vehicle fees such as that recommended in the report a further sum