

APPENDIX III.

Wellington, 11th April, 1935.

In the matter of the Transport Licensing (Commercial Aircraft Services) Act, 1934,

and

In the matter of applications for Trunk Air Services by UNION AIRWAYS OF NEW ZEALAND, LIMITED (to be incorporated), GREAT PACIFIC AIRWAYS (NEW ZEALAND), LIMITED (to be incorporated), and NEW ZEALAND AIRWAYS, LIMITED.

DECISION OF TRANSPORT CO-ORDINATION BOARD.

THE applications which have been made for licenses for what may be termed the "trunk" air services are among the most important matters which have come before the Transport Co-ordination Board. The Board began the hearing of these applications in February and continued it in March, and besides the evidence called on behalf of the various applicants the Board has listened to representations by many local authorities and other bodies who have desired to place their views before the Board. The Board itself also has called expert witnesses with regard to weather and flying conditions to be expected on any main route, and has collected information as to the condition of aerodromes and various other matters related to the provision and carrying-on of air services.

Four applications for a trunk air-service license were originally made to the Board, but two of these were amalgamated before the Board commenced the hearing, and the Board was left finally with three applications to consider, from—

- (1) The Union S.S. Co. of N.Z., Ltd., on behalf of a company to be incorporated and to be termed "Union Airways of New Zealand."
- (2) Mr. T. S. Withers, on behalf of a company to be incorporated and to be termed "Great Pacific Airways (N.Z.), Ltd."
- (3) N.Z. Airways, Ltd.

The proposals of these three applicants are as follows :—

(1) The Union S.S. Co. desires to commence a daily service between Palmerston North and Dunedin, via Christchurch. It could bring the service into operation by the end of September, and would be willing, if required by the Board, at the end of six months, to extend the service to Auckland, via New Plymouth. The machines to be used are not specified, but a time-table is provided. The financial proposals are satisfactory.

(2) Mr. T. S. Withers proposes to start with a daily service between Auckland and Dunedin, via New Plymouth, Wanganui, Palmerston North, Wellington, Blenheim, Christchurch, and Timaru. He would consider an extension to Invercargill later. He could start by the end of the year. The machines are provisionally specified, and a time-table is provided. The financial proposals are satisfactory in some respects.

(3) N.Z. Airways, Ltd., proposes to run a service extending ultimately between Auckland and Invercargill, with subsidiary routes. It regards Palmerston North to Dunedin as "the most logical route on which to commence operations," but its intention would be to run the entire service proposed as soon as possible. The machines specified are Boeing 40 H4 machines, which are of the single-engine type, but across Cook Strait, if the Board desired, twin-engined machines would be used of a type to be selected. Time-tables were supplied. The financial proposals of the company were explained to the Board *in camera*. The company has already 4 Hermes Spartan machines, which could be used on feeder services.

Each applicant expressed the hope of obtaining a subsidy for its service, although no application was made to depend on the receipt of one; and the Board made it clear that such a question was outside its province, and that any service applied for must be carried on, if approved, independently of any subsidy.

The provisions which the Board must take into account in the licensing of air services are set out in the Transport Licensing (Commercial Aircraft Services) Act, 1934, section 8. Subsection (1) sets out general considerations to be taken into account, and if satisfied as to these the Board must consider more specific questions set out in subsection (2). Subsection (1) reads as follows :—

"In considering any application for an aircraft-service license the Board shall generally have regard to—

- "(a) The extent to which the proposed service is necessary or desirable in the public interest; and
- "(b) The needs of New Zealand or the district or districts as a whole proposed to be served, in relation to transport, whether by air, land, or water; and
- "(c) The value of the proposed service and the aircraft and ground organization thereof for auxiliary defence or other purposes in case of national or local emergency."

Clauses (a) and (b) are on similar lines to the corresponding clauses in section 26 of the Transport Licensing Act, 1931, which the Board has had some experience in dealing with. They are very general in character, and we need not dwell upon them further at this stage, except to say that in our opinion any one of the three applications may be considered by itself to fill the requirements of these clauses. We are, however, of the opinion that to permit more than one such service over the whole route, at the