

aviation in New Zealand. Mr. McLeod thought the route should be Auckland—New Plymouth—Palmerston North—Christchurch—Dunedin. He would eliminate Wellington, where he does not consider flying conditions are possible for the trunk service at present.

There is little to choose between the applicants under several of the headings of subsection (2), but we must refer to question of the carriage of mails. The view of the Post Office is that the service intended to be provided between Palmerston North—Christchurch—Dunedin by the Union Steamship Company is the only one that interests them. The Post Office maintains that letters are usually written during the day, and posted at the end of business hours in the afternoon. For such letters the existing mail-service between Auckland and Wellington and between Wellington and Christchurch is all that can be desired; because the letters between these places are posted in the evening and arrive at their destination by the following morning. Letters posted in Auckland for the South Island, or those from the South Island for Auckland, will reach their destination quicker by air between Palmerston North and Christchurch, and transshipment to or from the train at Palmerston North, than by keeping the letters overnight at Auckland or Christchurch, as the case may be, and then taking them the whole distance by air. A simple analysis of the times of arrival and departure will demonstrate the soundness of this conclusion. As to passengers, however, quite different considerations apply, and if a passenger desires to make his journey as quickly as possible his transit will be much more rapid by air, and the long-distance flight is therefore preferable. All the evidence at our disposal agrees that night flying is still not possible in New Zealand with any safety. While still discussing the question of mails, we ought to note the possible future importance of New Plymouth as a mail centre, if it becomes the landing-point of a trans-Tasman service.

While it is a matter not specifically mentioned in the Act, we are convinced that the control of any company undertaking a trunk service within New Zealand ought to remain in New Zealand.

We should have preferred the two rival applicants to have joined forces, and so have established a strong company to carry on the service. With this end in view, we brought the parties together for negotiations, which unfortunately were not successful, and it seems impossible for more to be done in this direction.

Taking all the above factors into consideration, we have come to the conclusion that some service beyond that which is proposed by the Union S.S. Co. is desirable. It is true their service could be extended at a later date, and it is likely also that, whatever applicant is granted a license, the entire service cannot be commenced from the outset. We feel, however, that the Union S.S. Co.'s proposal in its initial stages is not quite sufficient, because except by feeder services it is out of direct touch with half the population of the country, and particularly the two largest centres. Its aim is primarily to be a mail-service, and many difficulties are involved in its future extension. The main service must be one that can fly from Auckland as far south as possible. Treated as a service only from Palmerston North to Christchurch or Dunedin, the Union S.S. Co.'s proposal is a valuable one, and we see no objection to a license being issued to it for this particular route—in addition to the main license which must go elsewhere—and thus both passengers and mails will be adequately provided for.

We propose, therefore, to grant a license to Mr. Withers' intended company, upon its incorporation, the precise terms of the license to be stated later. Mr. Withers must satisfy the Board that the control of his company is in New Zealand. The machines to be used must be of British manufacture and of a type to be approved by the Board. The service will in the first place be on the route proposed by the applicant from Auckland—New Plymouth—Wanganui—Palmerston North—Wellington—Blenheim—Christchurch—Timaru—Dunedin, but subject to the remarks hereinafter made. The company must be incorporated and in a position to receive a license at a date which the Board will fix after discussion with Mr. Withers; and the date of commencement of the service and other incidental points will then be arranged.

The Union S.S. Co., if it so desires, may have a license on similar terms for the route Palmerston North—Christchurch—Dunedin.

It may be that under these circumstances Palmerston North will be sufficiently provided for by the Union S.S. Co. without being made a calling-place for the Great Pacific Airways. This can be settled later.

The state of the aerodromes on each route is an important factor affecting all the applications before us. It may happen that services licensed by us will be ready to operate before the landing-grounds proposed to be used are fit for the purpose. We have asked for a report to be furnished to us on the state of these grounds, and when it is ready we shall be in a position to say which grounds can be used at once. An inter-departmental committee is at work on the matter, and the information collected by it will be of great value and will guide us in allowing or refusing the use of any ground. Until we know any aerodrome is in a safe and proper condition, its use will not be permitted and the license will not include it.

We desire to refer to the special case of Wellington as regards any flying-service in which it is an intermediate port of call. Subject to the report of the committee mentioned above, which may result in some modification of its views, the Board feels it is incumbent upon it to make special provisions having regard to the difficulty and danger of making calls at Wellington, due mainly to climatic reasons. The same consideration does not apply to an equal extent to the short-distance flights already licensed between Wellington and Blenheim and between Wellington and Nelson, because on them the weather conditions in Wellington can be more easily forecasted when the flight begins. For the long-distance flights further precautions must be taken. Evidence given by experts, and not contradicted, shows that on at least 10 per cent. of the flying-days a landing at and departure from Wellington could not be made according to time-table, and that on at least 5 per cent. of such days a landing or departure could not be made at all. The Hon. J. McLeod also was of opinion that Wellington must be omitted