

(l) EXEMPTIONS.

The following classes of services were expressly exempted from the provisions of the Order in Council as it was evident that there were special reasons in each case which made it desirable to exempt them :—

- (1) Milk and cream while being carried from farms to dairy-factories.
- (2) Vehicles used under passenger-service licenses.
- (3) Any goods carried in a vehicle used exclusively for funerals.
- (4) Newspapers, if carried on vehicles used principally for the carriage of milk or cream from farms to dairy-factories.
- (5) Goods carried under an arrangement to hire the vehicle completely and exclusively, with or without driver, for the transport of goods belonging to the hirer over a period of not less than seven days.
- (6) Goods towed by or carried on vehicles used solely in connection with the repair or wreckage of vehicles which have met with mishap.

(m) MAIN DIFFERENCES IN REGULATIONS APPLIED TO PASSENGERS AND GOODS SERVICES.

The following are the principal directions in which the provisions of Part II of the Act, as applicable to passenger-services, were varied for application to the carriage of goods :—

(1) The preference given in section 27 to applications for passenger-service licenses by the Government and local authorities in certain cases does not apply to the carriage of goods.

(2) The qualification of continuous ownership for an automatic passenger-service license is varied to continuity of service, irrespective of ownership in the case of goods-services.

(3) The maximum period of the temporary license was expanded from seven days in the case of passenger-services to fourteen days for goods-services.

(4) Under section 30 of the Act Licensing Authorities were required to fix fares and charges for the carriage of goods, time-tables, classes of vehicles to be used, &c., in connection with each passenger-service. Under this section, as applied to goods-services, it is mandatory on the Licensing Authorities to fix the class of license, the date on which the service is to be commenced, and the localities or routes to be served, while they may at their discretion fix charges, time-tables, weights to be carried, and any other matters or conditions they may consider proper.

(5) Whereas passenger-service vehicles are subject to annual inspection, the goods-vehicle regulations do not deal with this, although there are certain safeguards referred to under the heading of " Motor accidents " on page 21.

(6) A passenger-service licensee abandoning or curtailing his service is required to give not less than twenty-eight days' notice of his intention to do so, whereas a goods-service licensee in the same position may give the same or such lesser notice as may be prescribed by the Licensing Authority.

(7) Where a passenger-service licensee abandons or curtails his service without giving the prescribed notice it was mandatory on the Licensing Authority to revoke his license. The power to revoke in such a case is discretionary in connection with the goods-services.

(n) FIXATION OF CHARGES.

The discretionary power of Licensing Authorities to fix charges for the carriage of goods by licensed goods-services in place of the mandatory power to fix passenger fares is probably one of the most far-reaching variations made in the application of Part II of the Act to these services. The object of charge-fixation is twofold—firstly, to ensure that the benefits of the regulatory control are passed on to industry and trade in the form of lower transport-costs, and, secondly, to protect licensed operators from uneconomic " rate-cutting " by irresponsible competitors. In the passenger-services customary business practice demanded that fares should be reasonably stable and based on a fare-table made known to the travelling public. Generally speaking, fare-tables that had been in operation for many years in some cases were available and formed an excellent basis upon which to ground the structure of a system of fare-fixation. The position in regard to the charges for goods was not nearly so clear-cut, investigation disclosing a lack of uniformity in the basis upon which the charges for the carriage of goods were made not only as between different concerns, but also as between the customers of the same concern. Details of the systems for making charges were required to be given by applicants for goods-service licenses, and an analysis of this information disclosed the fact that 38 per cent. of the applications showed charges based on a fixed schedule with different rates for different classes of commodities, 32 per cent. adopted the ton-mile basis, 15 per cent. showed charges fixed by tender, 11 per cent. were under contract for a definite term, while the remaining 4 per cent. charged on an hourly basis. In many cases the same firm adopted two or more systems of making charges.

While it was abundantly clear that, with competition controlled by the licensing machinery, the question of fixing charges must ultimately be undertaken to protect the public against undue exploitation of the partial monopolistic position in which many operators will ultimately find themselves, and also to ensure that the full benefits of the regulatory control are passed on to the public in the form of reduced transport charges, it was also apparent that there were certain obstacles in the way of the satisfactory fixing of charges during the first year.

First of all there was a lack of reliable and properly analysed data regarding the operating-costs of motor-trucks, and secondly, although operators generally were anxious to have charges fixed in order to put an end to uneconomic competition, there was some obscurity as to the effect of charge-fixation on industry and trade and other forms of transport. Without the first it would have been