In view of that, then, is this not a mere statement of fact ?—I submit not. It could only cancel under certain circumstances. There would be cases where there could be no cancellation, nor would there be. The circumstances would vary. Take, for instance, a service running without opposition for a number of years. There are such services. They have a license under the 1926 Act which cannot be taken away unless they commit breaches. Those licenses will be preserved. Then there would be other cases in which a license may not give an exclusive right to run, and there might be cases in which such licenses would be cancelled. The rights there would not be as good as in other cases, but the Court in each case would consider the probability of the license being allowed to continue or not, and would be in a position to consider what the rights were worth ; but if the Court is to interpret that clause with the last portion in it, from " In determining " to the end of the clause —that in no case shall a man be deemed to have any right, either exclusive or preferential—then the Act has stated that you have nothing. You are deemed for the purpose of compensation to have nothing, and therefore the Court can give nothing.

Is the right granted not such a limited right—that the local body has so many powers as to time-tables, the character of the service, and so no, and if its requirements are not carried out it could cancel the service now ? Is it not such a very limited right that really no exclusive right does exist ?—Suppose you have a good service—of which there are many—who carry out their obligations, and do not lay themselves open to have their licenses cancelled : The Court in each case would decide just how good a right a man had, and the Court would be the best judge. It appears to me that if the clause retains the last part, then it practically abrogates any right of the Court to assess any rights a man may have ; and the desirable thing is to leave the Compensation Court, which will have the circumstances of each particular case before it, to decide just how good a right a man had, and just what it was worth. It might be worth nothing, a little, or a lot. It is only just and fair that the Court should decide that ; and to put the last portion in that clause practically precludes the Court from assessing anything for the man, because it assumes that he has no right—at least, it is told to assume by the clause as it now stands that he has no right. It would, therefore, be impossible for a man to get anything when the Court is told by the clause that he has no right, exclusive or preferential, to be on the road. That is all I propose to say on that point, and I trust I have made our contention clear. The next point I wish to refer to is clause 38, which provides for a preference to be given by the licensing authority to the application of the local or public authority, or of the Minister, over the application of any other person—(*a*) If there is no existing transport service over the proposed route or routes ; (*b*) if the proposed service is an extension of an existing transport service carried on by the local or public authority or by the Minister ; (*c*) if the local or public authority or the Minister, as the case may be, satisfies the licensing authority that it is prepared to carry on a service sufficient to meet the reasonable requirements of the public. I would like to call the attention of the Committee to this position that may arise under this clause : There may be a position where a new route or road comes into existence, which was not there formerly, which route will be used to serve inhabitants of areas formerly served by another route. The case has actually risen, or will arise, in one case, and probably will in many others. Perhaps I can make my point clearer if I mention the specific case. In Auckland we have the service of L. J. Keys and Son, one of the biggest services in Auckland, which has been running for a large number of years between St. Heliers and Auckland, and has never been in opposition to any one. Up to the present the service has had to run through Remuera and Newmarket into Auckland, as the only route available. Shortly a road will be completed across Auckland Harbour, which will go straight across the harbour to Mission Bay, Kohimarama, and St. Heliers—the areas which this service has always served. Under this clause this new road across the harbour will be a new route over which there has never been an existing service. There cannot have been, because it was never in existence. However, that route will be available in future, and the position may arise that if an application were made for a service over that route by a local authority—which, I trust, they would not make—it is possible under that clause as it stands that it would have to have preference, and Keys, who has been running to these districts for fourteen years, with a large fleet of fifteen large buses, would have these thrown on his hands and be practically ruined. I do not think the Bill contemplated such a position, and I think I have only to point that out to have the matter amended. I would suggest that the following words be added to that section : " Provided that for the purposes of this section there shall be deemed to have been an existing service over a proposed route if there had been an existing service between the same terminal points over a route other than the proposed route, such proposed route not having been previously available." I do not know that it was ever contemplated by the clause that a man running between two terminal points would have to give preference to a local or public authority or the Minister, and be wiped out, merely because there happened to come into existence a new road which could not previously have been used. The point is this : that that new road in Auckland must inevitably be used for the service. It is three miles shorter, and it is flat, which will reduce the cost of running, reduce the time, and give the public lower fares.

Mr. Harris.] And it is not going to compete with the trams ?—No ; his service never has ; but that road must be used by whoever serves the district. These are the main points which I wish to make ; but there is one other matter also which the association would also like to bring up, and I only propose to touch upon it briefly. It is this : At the present time bus-proprietors of all kinds are liable to inspection in respect to their various obligations by a multitude of public bodies—the Transport Board, Highways Board, Public Works Department, the police, the City Council, and the Inspectors of every local body whose district they traverse—and it is desired, if it could possibly be provided, that the inspection in respect to all the various obligations should be put in the hands of one responsible body, not, of course, excepting the police—there should be one body other than the police. The bus-proprietors should not be subject to inspection by so many different officials ; not