

conduct of a motor-omnibus service on any route or routes." Mr. Meredith admitted that the claimant would endeavour to create a goodwill because of the existence of a license to run, and I want to know how that will affect your people in the future, seeing you paid £15,000 more than the value of the plant you took over, if the clause is wiped out, which it is admitted will create a goodwill?—Judged by the past, most disastrously; because I think this point is entirely overlooked: a man is given a license to operate a service, but in itself that license is of no value, being merely a right to run. There has been no case yet where an operator has been given a license which also gives him an exclusive right to operate. His license to run does not concern a public body. I have had private operators come to me and I have had to tell them the license does not constitute a goodwill at all, because if another operator comes along his case must be considered, and it seems to me there is nothing which is of value to be taken into account.

I presume they also know that the license is only a yearly one?—The authority to run is a permanent license, and until some break occurs in our Act it gives them five years.

You have given goodwill?—We have done it, but it does not follow that we will always do so. The license itself has no goodwill attachable to it.

What was the date of your Transport Commission?—The report is dated 11th June, 1927, and was released in July.

Was that before your Transport Board was inaugurated?—Yes. The Commission recommended the Board, and it was formed, and, of course, things have been a lot better since then. The question asked was, "Are the existing transport services adequate for the requirements of such district"; and the Commission replied, "Our answer to the question is 'yes.' This answer is subject to the qualification that the evidence satisfied us that the tramway extensions which in the past have been recommended by the Tramways Committee of the Auckland City Council are justified and should be undertaken at once."

*The Chairman.*] Is not that rather in conflict? If the services were adequate, why the necessity for the extensions?—Because the service is subject to the use of the buses. We were giving a service by means of buses where the tramway extensions are to be laid down, tramways being, of course, more efficient and satisfactory to the public.

*Mr. Ansell.*] Coming back to the question of cars competing, have you considered the question of some alteration in the Act to prevent that?—I cannot say that it has been really serious in relation to the whole of the transport area, but with the possibilities ahead we have deemed it wise to call attention to it.

*Mr. Williams.*] This Transport Board was voted for over the whole of what you call the transport district?—Yes.

By the ratepayers or householders?—Ratepayers.

And also the loan?—That is so.

It has nothing to do with what you call Auckland City?—No.

It was the whole area that voted for it?—Yes, exclusive of the North Shore.

The ratepayers of the whole Auckland transport area voted first as to whether the Board should be set up, and that was carried at every polling-place by six to one?—Yes.

I am taking the Auckland transport area. When the loan was submitted, that was carried again at every polling-booth by a majority of three to one?—Yes.

That did not include North Shore?—No; that is in the No. 2 Licensing District.

You have at present nothing to do with the North Shore?—Nothing.

*Mr. Mason.*] You say that, as things are at present, the public have the only say in Auckland. That public, of course, is the Transport Board representatives, and is a limited public. Has not the Board a jurisdiction which is clearly outside the area of the public you represent?—That is so.

That is to say, the public for whom some of the services cater have no say?—No. But that rests entirely in their own hands. The Act provides that if any contiguous district wishes to join our area it may do so on application to the Minister. The Board cannot prevent it, and then those people would ultimately have the same privileges and responsibilities as those in the present area.

I think I am right in suggesting that the Board intimated that it would offer strenuous resistance to any one coming in?—I do not think so.

There was some application to the Board?—The Board has no say as to whether those districts shall join.

What is the Board's attitude in that connection?—It is this—and it is that which we adopted before Parliament last year when the question was brought up: that we should first settle matters in the immediate district, and that then we would extend our activities; and we believed that, while these people could come in if they wished, they had nothing to lose by their remaining where they are. The question of representation was raised, and the Board said that in the meantime it did not view with favour any increase in the representation. The district you refer to withdrew its application.

You say that the Board thought the first step is to construct different extensions within the defined area?—Yes.

Actually when the Board come into operation it was running buses successfully that went outside the area?—That is so. There was a service to Henderson.

That is the one I am thinking of; and actually you withdrew what was an excellent service?—No. The people in the district seemed to be of the opinion that private enterprise could do more for them than we could, so we announced publicly that we were prepared to consider application from private owners to take over the Henderson service. We unsuccessfully approached the Railways Department, which would have nothing to do with it; and we thought, as there was this feeling in the district, that private enterprise could do more for them, and, as they were outside our area, we would let private operators run the service. We are willing to help and encourage them all we can.