

reasonable compensation for losses which he could prove to the satisfaction of a Compensation Court. My view of compensation is that it should be limited to the cost of the buses and depreciation, cost of buildings and depreciation, and any expenditure incurred in establishing the business, and in connection with that expenditure he should be allowed a reasonable amount of compensation; but if you go to the other extreme and give goodwill, then, taking into account what Compensation Courts have given in the past, they will give such sums as will make it prohibitive for local bodies to step in.

*Hon. Mr. Veitch.*] I would like to read from clause 39 (b): "In determining the amount of such compensation, the claimant shall not be regarded as having enjoyed any exclusive or preferential right or privilege with respect to the conduct of a motor-omnibus service on any route or routes." Does not that cover it?—But we think that even with those words included the matter will be regarded as including goodwill. I know the dangerous effect of such words. I quite appreciate that the last words exclude goodwill to a certain extent. The Court always errs on the side of the person whose property is being taken.

ROBERT SHERIFF BLACK, Mayor of Dunedin, examined. (No. 2.)

*Mr. Black:* I view with considerable alarm the very first line in the explanatory memorandum to the Bill, commencing "This Bill is the first step." As the question of motor transport is of decided importance to us, we feel that we should like to know the whole "pile" and to know where the "nigger" is. In other words, we should like to know the whole of the proposals and see them set out specifically. For instance, we might agree to some clause as not being of local importance, and then find that our action, so to speak, would be "used in evidence against us" later on, whereas if we have the whole comprehensive scheme before us we could criticize the whole measure. That is the first objection we make: we do not feel that it is a good thing to be handed a small dose of food when we might as well have the whole meal. I would like to read a statement that has been prepared on this subject by our Town Clerk. The statement is as follows:—

"This measure has now been introduced in Parliament. I have perused a copy of the Bill. It makes drastic changes in the method of the issue of licenses under the Motor-lorry (Heavy Traffic) Regulations, and also in respect of drivers' licenses for all motor-vehicles. At present the local authority issues both of these classes of license. In the case of the heavy-traffic fees, they are apportioned amongst the several local authorities in the district on a basis to be agreed upon. In our case we agreed upon distribution on the basis of actual mileage run by each vehicle in the respective districts. We have been doing the distribution here. In the case of drivers' licenses, these are issued by each of the local authorities, and a driver is supposed to license with the district within which his garage is situate. The advantage of transferring the issue of these two classes of license from the local authority to the State Department is not apparent. The Bill provides that the deduction to be made from the fees to cover the cost of administration of the Act before the residue is apportioned to the several local authorities is to be prescribed by regulation. Just what is meant by "administrative expenses" is not defined. It is therefore not possible from the Bill itself to form any opinion regarding the scope of administration that it is intended shall devolve upon the Transport Department. Under the existing procedure in respect of the heavy-traffic licenses the local authority is permitted to deduct 5 per cent. before apportioning the balance amongst the districts entitled to it. If the new arrangement contemplates that the Transport Department is to deduct 5 per cent. from the fees, the question that arises is, What will the new Department do for this charge? Will it merely perform the routine duty of issuing the license as the Post Office does now in respect of the licenses issued by it, or will it take upon itself the further duties in respect of the administration of the Act? If it merely issues the licenses and leaves us with the further duty of the administration, a reduction of 5 per cent. from the fee would be absurdly high. If, on the other hand, it is to take to itself further administrative duty it will have to employ Inspectors to do the work, and will then, naturally enough, cover the cost by deductions from the fees, and experience suggests that such deductions will be ample. In any event, therefore, it would seem that the new method is about to make at least some inroads upon the total income we get from these licenses as a contribution to the cost of street-maintenance. Another phase in the process of attrition that emerges from a perusal of the Bill is that the exemption that now obtains in respect of motor-vehicles owned by local authorities and used exclusively in connection with the construction or maintenance of roads or streets is eliminated. For the future we shall be compelled to pay the annual license fee on this class of vehicle. And here it is to be noted that no part of these fees goes to the local authority: they are in the same category with the yearly fee of £2 paid by private motor-cars, and the product of the licenses goes to the Main Highways Fund. The explanatory memorandum attached to the Bill states that the Bill is the forerunner of a comprehensive measure proposed to be submitted to Parliament next session. It would seem that the better course would have been to have had the whole policy laid bare, and not deal with the subject piecemeal. It is common knowledge that an agitation is on foot to attach the heavy-traffic license fees paid by motor-vehicles. No such indication is apparent under the Bill under notice, but one would feel less concerned on the subject if this "comprehensive measure" to which reference has been made was in evidence at the present time. The general scope of the whole scheme seems to constitute a process of attrition by which the rightful functions of local government is being gradually absorbed by State Departments. That brings into prominence the long-standing controversy of the proper division of central *versus* local government functions, and curtailment of the latter can be justified only on grounds of outstanding merits in respect of economy and efficiency. In dealing with the issue of the two classes of license to which I have referred, I can see no prospect of either economy or increased efficiency as likely to emerge from the proposals forecasted by the Bill. Indeed, it is fairly obvious that in any event, the proposals must add to the aggregate cost of administration, with the final result that the income available for expenditure on the streets is further diminished."