In regard to the unanimous opinion of your association that the Bill should be postponed, were they quite unanimous ?—Yes.

Mr. Healy.] It may not happen in Wellington that the buses run outside the city boundary, but it would happen in some cases. Licensed motor service cars probably run only a mile in a borough and then perhaps 200 miles or more on county roads : how would you get over that ?—They would be charged heavy-traffic fees.

But in cases where the home of a car is in a town and the fees are collected by the Borough Council : the County Council gets nothing ?—The county does here. The Hutt County gets a proportion—and a very big proportion—of our heavy-traffic fees.

That is not general in all districts ?—I think so. The Bill proposes to make it universal, because it divides the whole of New Zealand into areas, which the licensing body will have control over, and the license fees will be distributed over the whole area.

The Chairman.] In the case of competition between a municipality and private enterprise, how would you base your fares if one paid heavy-traffic fees and the other did not ?—We base our fares simply to show the smallest margin of profit. Of course, we cannot lose on it ; we dare not, otherwise we would have to make it up out of rates. We fix the fares just as cheaply as we can.

In making up your balance-sheet you do not allow for what the other man would have to pay for heavy-traffic fees ?—No ; but, of course, we allow for all charges, and bring the fares down to just an actual paying-point.

Mr. O'Shea, on behalf of the Municipal Association, said he would like it to be recorded that the Mayor of Wanganui, the Mayor of Feilding, and the Mayor of Invercargill desired to give evidence in regard to their own respective districts, to support what had been said by himself and Mr. Troup, but were unable to be present. The Mayor of Masterton was in the same position. However, the opinion of the Municipal Association was unanimous.

CHARLTON DOUGLAS MORPETH examined. (No. 5.)

The Chairman.] Whom do you represent, Mr. Morpeth ?—I am a member of the Wellington City Council, and there is only one matter really that I want to speak about, as the Mayor, in speaking for the Municipal Association, has also voiced very succinctly and completely the ideas of the Wellington City Council in respect to the Bill. I wish to deal with only one particular feature of the Bill, and that is one you cross-questioned Mr. Troup about, which is dealt with in subclause (6) of clause 39 and subclause (4) of clause 46. These deal with the question of the authority to run upon the roads under license granted thereby. The question that, to my mind, needs very serious consideration is the question of the right to part with our birthright. This business of licenses and authorities to run on a defined portion of a road means that we part with our birthright for a mess of pottage. The roads are the property of the people. We have constructed them and maintained them, and they are therefore our responsibility from the beginning and continuously, and will remain our responsibility to the end. Why should we part with the right of user over them and for a paltry fee give it up in perpetuity to a private interest ? It is all very well to say that a private interest starts and maintains a service and creates a public utility, but what do they pay for it ?

Mr. Broadfoot : They have risked their capital.

Witness : They risk their capital, and under the Bill they get it back.

Mr. Broadfoot : They may.

Witness : I say they will. I am connected with a company in Hawera which has just sold its electrical plant and undertaking to the Power Board of North Taranaki. The Hawera Electrical Co.—and I am in the fortunate position of being a shareholder—had a right conferred by Act of Parliament some twenty-six years ago. That right was extinguishable after a certain number of years, and it has now been bought by the North Taranaki Power Board. The wording of the statute was that they were entitled to demand from this company, after the expiry of twenty-five years, the undertaking, the land, hereditaments, rights, easements, plant, and so on, used in the undertaking. That is to say, the word " undertaking " connotes a goodwill. The same word is used in this Bill, and by it we got back our capital and about £37,000 for goodwill. That was very nice for the shareholders ; but why should we, the people of New Zealand, part with the goodwill of our roads, and that is what it says here in this compensation clause—subclause (6) of clause 39—and subclause (4) of clause 46, which distinctly state that they shall be paid compensation for their rights. Let them by all means, get their capital back ; but they paid nothing whatever to create the user of the road, and why should we have to pay through the nose to get it back, because we know that in all opera, tions of this sort, where a public authority has to buy back a concession, whether it be the Government or a Municipal Corporation, it has to pay through the nose. That is the point I want to make. His Worship the Mayor has dealt with the many points in the Bill, and there is no occasion for me to go over them and labour them. My point is that I see no reason why we should pay goodwill to a private entity as the result of granting it a user of the King's highway.

The Chairman.] Would you object to any one who had established a business and helped a community to grow being fully and fairly treated ? I know of many instances where men have started in a small way and helped materially to build up a community with their service, and it seems only equitable that where such a man has to step out and leave that service to some one in a larger way of business that he should be fully recompensed for the effort he has put forward ?—Certainly he should get all his capital back ; but presumably he made a good living. Such a business as that of running across the roads of the people presupposes the use of the road. He does not put down those roads. The Government, for instance, decides to build a railway, and it has to put down permanent-way at great cost before it can start to work to earn profits. These gentlemen who