

institute these services have provided for them at the expense of the people the roads on which they run and from which they derive their revenue. The only thing they put into it is the piece of land they may have to buy whereon to build a shed to house their vehicles, a certain amount of plant for repairs, and the vehicles themselves. These are the capital items which they have to face.

Do you think the local bodies will always develop the transport services up to their full capacity, or does not private enterprise sometimes assist in bringing about fresh development?—Private enterprise, in my experience, is very cautious in not going into an unremunerative district. If it does, it goes bankrupt.

*Mr. Broadfoot.*] The City of Auckland did not develop St. Heliers Bay. A private man has done that and has taken the risk. He is now running a nine-and-a-half-miles service, while the new road along the waterfront is only six miles and a half. By this Bill the municipality is going to obtain absolute preferment.

*Witness :* That is the fortune of war. I do not know whether that is provided for.

*Mr. Broadfoot :* He is going to be slaughtered.

*Mr. Ansell :* I am going to suggest that either the witness or Mr. O'Shea be permitted to answer a question I wish to put on the matter of goodwill. Clause 39 provides that the licensee of a motor-omnibus service is entitled to compensation if the renewal of a license is refused on the ground of competition with a local authority or the Minister of Railways. In subclause (6) it states, "In computing the price to be paid under this section in respect of any undertaking, the price shall be fixed at the fair market value," and then it goes on to say "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." How does that deal with your suggestion in regard to goodwill?

*Mr. O'Shea :* That clause is all right if you strike out the words "together with such amount (if any) as is agreed on by the parties or as is considered reasonable by the Compensation Court as compensation for the loss suffered by the claimant by reason of the refusal of the licensing authority to renew his license." He is given in one case compensation for license apart from his capital, and in the second case it is stated that in fixing that compensation the claimant is not to be regarded as having an exclusive or preferential right or privilege, but the Bill makes it an exclusive right or privilege so long as no one is licensed against him. If the Compensation Court is so disposed it can capitalize the profits of his business.

*Mr. Sullivan :* He would get goodwill for such business as he has?

*Mr. O'Shea :* I do not think so. The second clause overrides the provisions of the previous clause.

*Mr. Sullivan (to witness).*] You do not want the Bill?—I think the Bill wants to be much more fully considered. I doubt whether it is a sound Bill from the point of view of the Government itself. You want licenses to have a yearly tenure?—Absolutely.

Would you accept the present Bill with that concession?—I would be much more disposed to accept it. It would make a great deal of difference. That is what the American motor corporations do in regard to their agencies: they will not give more than a twelvemonths' license, and no goodwill accumulates there whatever.

ROBERT ALEXANDER WRIGHT, M.P., examined. (No. 6.)

*The Chairman.*] In what connection do you wish to give evidence, Mr. Wright?—As a member of the Wellington City Council. I wish to say a few words, first of all, in regard to this question of goodwill. It has generally been held in New Zealand that where a monopoly exists no goodwill is to be paid when such monopoly is taken over by a public body or the Government. As an illustration of that, I need only refer to the licenses held by publicans. They have no right to compensation if they lose their licenses, and I think that exactly fits the position with motor-proprietors who have monopoly licenses to run on a public road. If at any time a public body or the Government desires to take that monopoly over, then, in my judgment, the owners have no right to compensation for goodwill. There are just two or three clauses in the Bill that I desire to refer to briefly. In clause 25 there is power to make regulations governing pedestrian and other traffic. There is a feeling that the advisory committee is unbalanced, and will lean towards the motorists. I have nothing to say against the personnel of that committee, but no man can be a judge where his own interests are involved, and any committee or Board should be strictly impartial to both sides. Here we have the question of the control of pedestrian traffic. Some motorists think the roads exist only for them, and that the pedestrian has no right at all. That must be guarded against.

But you would not contend that no regulations are necessary?—No. Then I come to clause 26, which gives the Minister power to disallow any by-law relating directly to motor traffic or relating to any other form of traffic in its relation to motor traffic, on the ground that the subject-matter of such by-law should not be dealt with otherwise than by statute or by regulations of general application under the Motor-vehicles Act. I object most strongly to any Minister in any Government having the right to override by-laws of a local body in that way. At present the by-laws of a local body can be overridden by a Magistrate or by the Supreme Court, and no exception can be taken to that, as a Magistrate or a Judge is in an impartial position. No Minister of any Government—I am speaking generally of all Governments—I repeat, should have that power. They are all party men—they cannot help it—and, therefore, to give any Minister power in this way to override the by-law of a local body is, in my judgment, absolutely wrong. It is taking away from a local body a few of the rights it now enjoys.

No one would be less disposed than I am to take away the rights of a local body to make by-laws, but in bringing about this unification might there not be circumstances where some local body would