

body that conducts a motor-omnibus service should be in the position to say what shall or shall not run in opposition to it. That is not right. There is not one gentleman on this Committee who would be prepared to submit his business affairs to the judgment of a competitor. Despite Mr. O'Shea's assertion to the Committee that licensing authorities are impartial, and despite other evidence on that point, the motor-omnibus proprietors in Wellington have not had a fair deal from the Wellington City Council. That Council has shown distinct partiality, and we will show chapter and verse for it. I hold in my hand letters to the Wellington City Council as a licensing authority, dated 23rd March, 1927, asking for a third bus on the Kelburn-Karori bus route. Two months later the Council refused that license, but ultimately granted it in November. The Council took some eight months before it would concede that extra bus; and although the company was pressing them and pointing out that this third bus was required for the rush hours, the Council refused the third bus, and at the same time prosecuted the company for overcrowding the two buses. If that is not evidence of distinct partiality, then I do not know what it is. The Wellington City Council has had more appeals against its decisions than, I think, any other local body in New Zealand, and, on Mr. O'Shea's own admission, it has lost more appeals.

*Mr. O'Shea:* Will you prove those figures?

*Witness:* That is my interpretation of your remarks. I think you gave the figures in relation to the appeals upheld.

*Mr. O'Shea:* I did not give any figures at all.

*Witness:* I frankly admit I do not know the figures, but I am just as certain that my statement is correct as Mr. O'Shea is of his. I have no figures, however, so we will let it go at that. Mr. Troup has stated here this morning that all his association desires is protection from competition with the tramways. Mr. Troup is the Mayor, and the Wellington City Council is an applicant to put on buses against the Bell buses to Khandallah and Ngaio—against a well-established, well-conducted service. There is no tramway to those places, and yet he says they require nothing but protection against the tramways. Mr. O'Shea is before this Committee to ask it to delete paragraphs (a) and (b) of the clause dealing with preference, in order that the Wellington City Council can step in on this very run I refer to, against Mr. Bell's service, and take it over with an absolute preference given them by this Bill through the abolition of paragraphs (a) and (b). It is iniquitous; and I say that the views expressed by the Council's representatives before this Committee are expressed as Council representatives or advocates, and are not expressed as individuals, because those of us who know Mr. Troup know that in his own heart he would not say that a man should be deprived of a business he has built up by his own energy, and with risk to his capital, without getting compensation. No fair-minded man on this Committee or off it can say that a man who has pioneered a service, investing capital to start with, and with brains and labour, and has built up a good business, should have it confiscated without being compensated for the loss arising out of the local body taking it over; and it ill becomes a Councillor like Mr. Morpeth, who, on his own admission, is a shareholder in an electric-light concern which recently secured some £47,000 as compensation for goodwill, to come before this Committee and say in all conscience that in the case of a bus service goodwill is not a reasonable thing, although he himself benefited by it in connection with that electric-light undertaking. It is not sincere, and the Committee must see that it is not. It is simply advocating confiscation to say that a man is not entitled to the fruits of his business, and that is what the position is. If you can only license services in the manner the Wellington City Council is asking for, then no pioneer service is going to be started by private enterprise. In most cases where bus services are operating to-day, they have been pioneered by private enterprise. In connection with Vogeltown, where Mr. O'Shea has admitted the Council will not undertake a bus service, and says private enterprise will not touch it, he should have gone further and stated that the reason why private enterprise will not touch it is the fact that Vogeltown is probably half a mile to a mile from a tram terminus. If the Council would give permission for a bus service to run right into town it would be started to-morrow. If the Council put on a bus it could make up any loss by feeding the tram; but private enterprise, as I say, cannot get a license to run alongside the tram route, and is asked to take on the unprofitable end of the route where there is no tram, and it is not a fair deal. If the preference clause were altered to suit the City Council the effect would be, as was pointed out by Mr. Broadfoot, what it was in respect to St. Heliers, in Auckland, when the new route opened up. The City Council would never put in a service until some "mug" representing private enterprise pioneered it and bore the initial losses, and then, when he had worked up the business and was expecting a return, the City Council would turn round and say, "Now is the time to take it over; it is profitable." That is not fair. We heartily approve of the licensing of bus and car services being placed in the hands of an independent tribunal. Mr. O'Shea, in objection to that, stated that an independent tribunal, in an effort to be fair, might do irretrievable injury to municipalities.

*Mr. O'Shea:* I said that in regard to compensation.

*Witness:* Very well; but surely no independent tribunal, competent to do the fair thing as between a City Council and all other interests, would do an irretrievable injury to any one. Mr. O'Shea says compensation should not be paid because it would make the cost of acquiring an enterprise prohibitive. That might apply if the Council paid the initial losses. A man might possibly lose £10,000 in building up a service, and my friend admits that that would be a fair charge against the cost of acquiring the service, but not goodwill. Mr. Troup confuses goodwill with the right to use the road. There is an independent right, and that is the right to be compensated for the loss of a payable business or living, independent of the right of the roads. The City Council's objection to this Bill is that it is limiting its own powers to control transport in the same way as it has controlled it, or, may I say, miscontrolled it. We have a judgment of the Supreme Court on the question of the licensing-powers under the Motor-vehicles Act exercised by a local body in Auckland, and the Judge said then that it was contrary