

cent. after twenty-one years if the term exceeds that period. But if the term does not exceed twenty-one years provision may be made for a new lease to be auctioned (apparently the Board is to fix the rent) subject to the payment of valuation for buildings if a stranger acquires the lease. It is expressly provided that this value is to be determined by *arbitration*.

There seems to be no reason for this arbitrary increase of rent after twenty-one years, and none why those bodies should not have the same powers of lease as are conferred on municipalities or as may be obtained under the Public Bodies' Leases Act.

High school reserves, where they consist of town land or building-land, may be let for fifty years, but if the term is longer than twenty-one years the rent must be advanced at least 50 per cent. for the period beyond. There is no provision for renewals. Why high school reserves in a city or borough should not be on the same footing as regards leasing as the endowments of municipalities is not apparent. Again, there appears to be no reason for the automatic increase of the rent.

Auckland Hospital Board.

The position of this Board was specially brought under our notice. It has special powers of its own under special Acts, and by section 7 of the Reserves, Endowments, &c., Act, 1898 (No. 39), as amended by the Auckland Hospital Acts Amendment Act, 1907, novel provisions with regard to renewals and valuations are enacted. Two valuations are to be made, one of the gross value of the property, the other of the permanent improvements, and the annual rent is to be 5 per cent. of the gross value of the property after deducting the value of the improvements. There is to be only one valuer. By the legislation as it stood prior to the Act of 1907 the endowments were vested in the Public Trustee, and it was the function of this neutral and disinterested official to appoint the valuer. But he was superseded by the Act of 1907, and the Board itself, which is the landlord and cannot be described as neutral, appoints the valuer. This consequence was doubtless overlooked when the Act of 1907 was passed, and deserves serious consideration with a view to some amendment. The effect was to alter (no doubt unconsciously) the operation of existing contracts.

Forms of Lease.

We have the honour to forward with the Commission printed forms of various public-body leases that have been brought to our attention. There are doubtless other varieties of which we have not heard.

Evidence.

We have also the honour to forward notes of the evidence as taken by Mr. H. M. Gore, the secretary to the Commission.

In witness whereof we have hereunto set our hands, this first day of May,
one thousand nine hundred and seventeen.

J. H. HOSKING, Chairman.

C. F. THOMAS.

W. MILNE.