

36. Do you think there is no reason for all this agitation?—I am quite prepared to agree that there are several things creating the trouble: one is that the leases are granted on too short terms.

37. One lessee gave evidence yesterday that he was not getting a payable return?—I have no doubt that a man who puts up a two-story building on Lambton Quay has himself to thank for it.

38. *Mr. Blair.*] You say that there is taken into consideration what the tenants have been receiving from the properties: you think it is right that that should be done?—I suppose the arbitrators do so. I have not been present at the arbitrations, and do not know what they do; but I have no doubt that those facts are placed before them by the lessees.

*Mr. Blair.* What I suggest actually takes place is this: that the Council calls a number of witnesses to say that the value of the land is so-much, and that a fair proportion of the value of the land is so-much, and they say that should be an indication of the value of the rent.

*The Chairman.* Have we not got what is done in the pamphlets of Mr. Morrison, in which he states all these factors on both sides?

39. *Mr. Blair.*] Those are the later cases. (To witness) Did you ever read this book? It was a communication from the Leaseholders' Association to the committee, written in 1914. We made a suggestion to the committee that they should alter their lease, and it was stated by Mr. O'Shea yesterday that they disapproved of the lease?—As a matter of fact I think it was common ground that the Council desired to see the term of the lease made longer, and that there should be a less expensive method of arriving at a valuation.

40. We suggested this in 1914, and we heard yesterday that our suggestion had been adopted?—We were of opinion that the term of the lease is too short and ought to be lengthened.

41. *The Chairman.*] You concede that some alteration in the term ought to be made, and that it is exceedingly desirable—which everybody recognizes—that the expense of these valuations should, if possible, be modified?—The whole crux of the thing lies in these two matters from the point of view of the Council.

*The Chairman.* And the other point is, what provision ought to be made for ensuring valuation in the event of a tenant finding the rent assessed at too high a point.

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ARTHUR RICHMOND ATKINSON examined. (No. 5.)

1. *Mr. O'Shea.*] You are a member of the City Council, and you are chairman of the Leaseholds Committee?—Yes.

2. You have occupied that position for some years?—Yes, five or six.

3. I take it that the Council is dissatisfied with the present conditions of assessing the rentals of the leases?

4. *The Chairman.*] In the first place, take the term of the lease—fourteen years: the Corporation considers that it would be more advantageous to both sides to have twenty-one years?—Yes, more advantageous to us, because more advantageous to the tenant.

5. What are the other conditions in regard to which dissatisfaction is felt?

6. *Mr. O'Shea.*] The tribunal?—That is the point that weighs strongest with myself personally, and I think it weighs with the whole Council. I am entirely dissatisfied with the present tribunal.

7. *The Chairman.*] Can you account for the fact that this system of leasing prevails in other places where no such dissatisfaction exists?—I am inclined to think that, if the issue had once been as keenly fought and sides taken as here, the same difficulty would arise; but I am not sufficiently familiar with the conditions.

8. In Dunedin, as I understand, they have not this cumbrous system of arbitration, but it is referred to three valuers—that is, one appointed by each side, and those two valuers appointing the third. This dissatisfaction that exists in Wellington has not been found to exist there: can you give any reason for it?—I think the valuers probably have been a good deal more uniform in Dunedin than they have been here in recent years. There has been a general steady advance, with great fluctuations.

9. I suppose the increase in value has surprised everybody but the freeholders?—Yes.

*Mr. O'Shea.* I would like to point out to Mr. Atkinson that in Dunedin the decision of the assessors is not final—it goes to auction.

*The Chairman.* In Dunedin, although it goes to auction, it is very rarely that any one ever bids above the upset.

*Mr. O'Shea.* Still, it is there.

*Mr. Thomas.* It enforces the valuation.

*Mr. O'Shea.* It is in the mind of the valuers all the time.

*The Chairman.* That may be one factor, certainly.

10. *Mr. O'Shea* (to witness).] The Council suggest a Judge of the Supreme Court as arbitrator?—Yes.

11. What are the reasons for the suggested change?—The reasons are in the defects of the present system—the want of certainty; the want of any fixed principles; the want of a reasoned award; the entire want of continuity about it; the limited nature of the panel. This objection grows more and more each year—the fact that a large proportion of the panel for one reason or another is biased, and that the bias in a large majority of the cases is against the Corporation; the demoralizing, unbusinesslike, entirely unjudicial character of the proceedings. This summarizes in a general way the Council's objection.