

WILLIAM FREDERICK WARD examined. (No. 9.)

1. *To the Chairman.*] I am a solicitor practising in Wellington. I represent here to-day the Wellington Hospital and Charitable Aid Board, as well as the various Church of England Trust Boards. Most of the Hospital and Charitable Aid Board leases are of residential properties—almost entirely so. I have been in the firm of Quick, Wylie, and Ward only some nine years, and as far as my experience goes nearly all the freehold property let many years ago was leased on a forty-two years lease, or, rather, twenty-one years, with the right to a further twenty-one years without compensation for improvements. When the second term of twenty-one years began the custom generally was to fix the rental at 50 per cent. increase on the rental of the first term of twenty-one years. Most of the land was on the hills around Wellington, and in those days difficult of access. Very few of the leases have fallen in up to the present. Some of the lessees who wished to preserve their improvements applied to the Board, and they have been granted renewable leases under the Public Bodies' Leases Act. They had to surrender their old leases in order to do that. There was a revaluation of the ground rental before the new term started. There have been no complaints in my experience with regard to those Hospital and Charitable Aid Board leases, nor has there been any case referred to arbitration. With regard to the Church leases, the Church does not lease under the Public Bodies' Leases Act. It generally gives a forty-two years lease, with revaluations of ground-rent every fourteen years. That applies at any rate to the city properties. Most of the Church's property is residential, and in those cases there is a renewal at a stipulated advance.

2. *To Mr. O'Shea.*] The renewable leases which were converted are practically the same as those granted under the Wellington City Leasing Act, but we have certain clauses devised to keep out slums, and so on. Mr. Carter may be able to tell you how many people converted; I should say about half a dozen. I have no doubt a great many will when they are near the end of their term. I remember Mr. Robertson, Mr. Millward, and Mr. Tripp converted.

3. *To the Chairman.*] When we offer one of these leaseholds which has not been occupied by a tenant previously we put it up to auction at an upset ground rental.

FREDERICK JOHN CARTER examined. (No. 10.)

1. *To the Chairman.*] I am the Diocesan Treasurer. I look after the Church of England trusts. We have certain endowments which are let. The leases are granted for either sixty years or forty-two years. With the sixty-years lease there is a revaluation in each twenty years, and for the shorter lease of forty-two years there are two revaluations at fourteen-years intervals. We have had no complaints from any of the tenants in regard to the terms of those leases. The leases are all fairly recent, and we have only had so far one or two revaluations. The valuing is done by two valuers and an umpire. There is no calling of witnesses or anything of that kind. I cannot say that the buildings on the land are kept in good repair towards the end of the term of lease; there is generally trouble then.

WELLINGTON, THURSDAY, 18TH JANUARY, 1917.

The Chairman: I have drafted the following clause, which I would like the parties to consider:—

“If any determination, whether of the rent or of the value of the buildings and improvements, is that of two only of the arbitrators, by reason of one of the arbitrators dissenting, either party may appeal to a Judge of the Supreme Court in a summary way. The appeal shall be based on such of the materials before the arbitrators as shall be presented by them to the Judge. And for the purposes of such appeal the arbitrators shall be competent and compellable witnesses as regards the grounds and reasons for their determination and dissent. No other evidence shall be adduced on appeal save that of the arbitrators, unless the Judge shall specially require any witness who was before the arbitrators to be examined before him on any particular point. Upon such appeal the Judge shall decide whether the determination appealed against is fair, and, if not, he may fix any other rent which he finds to be fair, not exceeding the higher and not less than the lower of the valuations made by the majority of the arbitrators and the remaining arbitrator respectively. The Judge shall fix the costs of the appeal, and may order the costs to be paid by one party to the other, or make any other order on that subject.”

I would like the parties to consider that, and see if it will not meet both sides—meet the idea of the tenants for a business tribunal and the others for a Judge. It may serve to fix principles. If it is known that the arbitrators have to present reasons for their calculations they will have to find reasons and be able to demonstrate that they proceeded on correct principles. I would like the parties to consider this. I have not discussed it with my fellow Commissioners; I have not had an opportunity of doing so.

Mr. Thomas: That is very much on the lines that were running in my own mind, only I was thinking of two valuers and an umpire—that where two agreed that should stand.

The Chairman: There is no umpire under this form of lease, but there may be under other forms.

Mr. Thomas: In leases under the Municipal Corporations Act.

The Chairman: This provides that instead of a clause providing for an umpire there should be just three arbitrators and an appeal to a Judge where there is a disagreement. I should like the parties to consider that, because it may meet both sides.