

*Mr. O'Shea:* I think it would go a long way towards a settlement. I will put it before my Council.

*The Chairman:* It will have this effect: that these valuers will have to proceed on something like right reason, because they know they will be overhauled if they do not, and then by making them compellable witnesses on both sides the whole of the matter can be threshed out before the Judge. The expense of calling fresh witnesses is done away with, so that each side will have to see that it gets all its evidence before the arbitrators, and the appeal is only to lie where there is no concurrence. Of course, it may mean that either the Corporation representative or the tenant's representative, if he is not thoroughly conscious of his duty, may stand out in order to get an appeal. Of course, that is not proper conduct on the part of any arbitrator.

*Mr. Tripp:* I think legislation should be provided for due notice being given. There should be some protection in the case of a tenant failing to give notice of intention to claim renewal.

*The Chairman:* I remember a case where a man had gone on for some years before proceedings were taken for determining the question. It came before the Court, and in consequence of that there was a form devised which is now to be found in the Public Bodies' Leases Act—a provision that if things are not done up to time that shall not matter. In one of the forms of lease that I have seen it is provided that time is the essence of the contract. That, I think, is a most iniquitous provision, and it is put in without any tenant knowing what the meaning of it is. It prevents any relief in equity where there has been a fault which is quite excusable. We have the power to grant relief even with respect to options, and it might be that relief could be obtained under that provision if the time was not duly observed.

*Mr. Thomas:* Would it answer if the leasing body should give the notice?

*The Chairman:* The tenant has to give his notice.

*Mr. Thomas:* The leasing body has its machinery to keep a check on all these things, but where you get to smaller people they do not keep the close businesslike touch with these things. It should be provided that the leasing body should give notice of the time for revaluation within twelve months of the revaluation.

*Mr. O'Shea:* We do remind them in Wellington, but it would be an intolerable burden if the duty were put on us.

*The Chairman:* What I have found is this: that you have got to be more particular with regard to private individuals than in the case of a public body. A public body is amenable to public opinion, and if they were to take advantage of some technicality it would go far to destroy the value of these leases; and it has never been considered good policy to be strict in that respect. It is in private cases that you are apt to be tripped up for want of observance of technicalities, but in cases of public bodies there has not been the same trouble, unless they should have some legal adviser who can never see anything beyond a technical point.

*Mr. Milne:* Does your proposal apply to Wellington only or to other towns as well?

*The Chairman:* My idea is that this is a clause that should not be applied to residential leases, and that in the case of a residential lease auction is the best, because there is no goodwill to save.

*Mr. Milne:* I really think that one of the principal causes of difficulty in Wellington is the abolition of the auction clause, because that has been the safeguard down South.

*Mr. Tripp:* We have a lease which is not an auction lease, but we can put it up to auction ourselves. In the case of the D.I.C. one of their leases is an auction lease. I may point out, however, that if a firm like Anthony Hordern wanted to come in here it would pay such a firm to pay several thousand pounds to run up the price of the lease and get the goodwill of the business.

*Mr. Milne:* That only applies to leases held by drapers.

*Mr. Tripp:* It applies to a lease in the same way held by a merchant.

*Mr. Milne:* There is not the same competition.

*The Chairman:* The auction is to protect the local body really and not the tenant. The objections to auction are not applicable so much to residential or farm leases. There there is not so much a question of goodwill. It is only in business premises that the question of goodwill can crop up. Under the Public Bodies' Leases Act the tenant has the option; you may have a clause in the lease which gives him the option of having an auction or not. With amendments, I do not know that the city should not adopt the provisions; they would give them wider powers than they have got under the Municipal Corporations Act.

*Mr. Thomas:* I think that in cases where a tenant is dissatisfied with the rent at which he may be assessed—even by three arbitrators in agreement—in cases where he is faced with the question of either submitting to what is to him an intolerable rent or throwing up the place, he should be enabled to have some test of the value of the arbitration.

*The Chairman:* I do not see how that would test the value of the rent, because if there was no bid it might be because the rent was too high, or it might be because everybody sympathized with him and would not bid against him. There is a sort of camaraderie amongst these leaseholders very often. We know that each arbitrator considers that he is to a certain extent representative of the man who has appointed him, and he knows the views of his client or appointor; and if the other two are going to fix a rent which the tenant says he cannot pay then his arbitrator will object, and there will be then the right of appeal. If all three agree I think the man must stand by the conduct of his arbitrator.

*Mr. O'Shea:* We make a point of not instructing our arbitrator at all.

*The Chairman:* I am afraid that is a counsel of perfection that is not followed by all tenants. I confess that I do not approve of valuation twelve months beforehand; the buildings may go out of repair.