

21. He would give a certain proportion of his income—he would not give it all?—That must depend largely on the nature of his business.

22. Do you not think the results of the previous years should be taken into consideration in fixing what is a fair rental for the succeeding period of twenty-one years?—It should be, but I do not know that it should be the chief element. I do not know what the gentlemen who are in a large way of business and making very handsome profits would say to it.

23. It would be more difficult in the case of a tenant occupying premises for his own use; but in the case of a tenant who occupies premises for letting I do not think there would be very much difficulty?—It was suggested to us on one occasion that if there was the slightest hint of a question to a tenant as to what he was making out of his business he would say, "That is my business."

24. It could be ascertained?—I do not know that it could.

25. A proper valuer would require to know before he could fix a proper value?—Most tenants, I think, would refuse to say what they are making out of their business.

26. *The Chairman.*] You say you think the proposed tribunal rather cumbrous?—I meant that sort of system of appealing from the decision of two out of three arbitrators.

27. It is only where there is a disagreement that you would have to go to the Judge?—Yes.

28. Would you have the whole thing gone into again before the Judge, because one has to consider the question of expense?—No doubt. What material would the Judge have before him?

29. Exactly the materials that were before the other two arbitrators, and he would dissect the matters as laid before the two arbitrators and come to his conclusion, which would be not less than the lowest nor more than the highest?—He would have to consider the provision of the third arbitrator.

30. If it is possible to do it before a third arbitrator I cannot see why it should not be possible to do it before a Supreme Court Judge. Do you see any reason why it should not be done?—It could be done, but I had not considered it before your Honour put it to me; but it seemed to me to be cumbrous to give a right of appeal in that way.

31. Can you suggest any method by which the existing costs of arbitration could be reduced?

*Mr. O'Shea:* Supreme Court proceedings are much cheaper than any arbitration.

32. *The Chairman.*] I think it would tend to bring about uniformity, for the arbitrators would be compelled to give their reasons, and upon appeal those reasons would be canvassed, and they would lay down the grounds upon which their values were arrived at. The question of principles would be considered by the Court, and whether those principles had been properly applied. And a person would consider whether it was worth while appealing before he did so; but if it was an appeal in a summary way he would simply take out a summons and serve it on the other side, and the matter could be very inexpensively dealt with. However, you have not considered that, Mr. Gray?—No, I had not considered the matter before your Honour made the suggestion.

*The Chairman:* It is only put before the parties for consideration so far.

33. *Mr. O'Shea.*] The main contention that has been put forward by the Corporation, at least in respect to arbitration cases on leases in the past, has been what people have given by tender for leases in a similar position?—That has been one of the contentions. I know of cases where rents have been fixed by tender or by agreement, and where these have been used by the Corporation in connection with arbitration cases.

34. If the tribunal proposed by the Corporation—that is, a Judge of the Supreme Court—were to sit and determine these matters, do you think there would be many cases going to the Court after a few cases had been dealt with? Do you think it would tend to agreements being come to between the parties?—I think the confidence the public have in their Honours would help the idea that a few cases settled by a Judge would settle the thing. I should suppose that if a Judge, after hearing all the evidence, fixed a certain rental for a certain street he would be laying down a standard for that street.

35. Do you think that proceedings in the Supreme Court would be as expensive as they are before arbitrators? In your experience which is the cheaper?—You would get rid of the arbitrators' fees.

36. You agree with me that arbitration is a thing to be avoided?—In such cases it is.

37. *Mr. Blair.*] Supposing the tribunal is altered, would you consider it fair to force that alteration on objecting lessees—holders of existing leases: would you make it applicable to subsisting leases if the lessees were not agreeable?—I do not see that there would be any unfairness in it. If the tribunal was one in which the public have confidence what objection would there be to it?

38. *The Chairman.*] I am afraid the lessees have not that confidence. They pin their faith in the business man, and would exclude lawyers and land agents?—The difficulty in getting business men in Wellington is that most of the business people are personally interested in the matter.

*The Chairman:* The main point in my mind, and I think it is the same also in the case of the other Commissioners, is, What is the proper arrangement in the event of a tenant throwing up a lease in respect of a valuation?

*Mr. Blair:* Yes.

*The Chairman:* There is the suggestion on the one side of 60 per cent. and on the other side of 90 per cent.

*Mr. Blair:* The main point as far as the tenants are concerned is that it will only apply to new leases. We are quite prepared to concur if the Court considers that 60 per cent. is necessary to protect the Corporation—well, 60 per cent. it should be; but we think that probably 60 per cent. is too much. Possibly 10 per cent. may be too little, but I think the Court should say that 10 per cent. would protect the Corporation; but we consider that there should be proper protection as far as the Council is concerned.