

being run up to enable some one else to get the hotel license both she and her subtenant might lose the property. Both Mrs. Laurenson and her subtenant decided to hold on and see what they could do with it, and the offer of the Council was refused. Things went on until the question of the new licensing legislation came up, and quite recently this year we wrote again on behalf of Mrs. Laurenson agreeing to accept the offer of the Council which had previously been refused. [Letter read.] The Council in reply regretted that they could not agree. The Council no doubt was justified in that. That is their business, and they have public moneys to control. But, as the Commission had asked if there was any danger of a miscarriage of justice in connection with the auction system, it seemed to me that I should place this case before you. It seems to me, with respect, that a tenant has a right to hope for a renewal of his lease at a fair price. We contend that rental should not be based on the fact that there is a hotel on the land. The lease provides that the rental shall be on the land. It is to be based on the land, apart from the buildings upon it. I do suggest that it is not the intention in such a lease as this that the tenant should be called upon to pay a price which does not represent the price of the land at all. These city properties are mostly held by people to use for their own business purposes. Now, suppose a man under these circumstances holds a property on which a draper's, butcher's, or boot shop is established, and he makes a great success of that particular corner. In consequence of his industry and prudence he makes that particular corner a specially valuable place for that particular class of business. A rival comes along and, as things are, can force that man out of that place. He can either outbid him altogether or he can force him to pay a rental for the premises at which it is impossible for him to continue his business in that place. May I be allowed to suggest that there might be some legislative provision insisting that in such a case as this, which is quite an isolated case, there should be the right of appeal to the Court. The Corporation already has power to reduce the rent by special order, and it does seem to me that as the place becomes more settled this sort of thing may happen more frequently.

*Mr. Lewin (Town Clerk):* May I say that the view of the Council was that what was asked would give a lessee a chance to get out of a bad bargain immediately after the bargain was made. We knew there was somebody else who was prepared to give more than the tenant, and as trustees for the public the Council could not have done anything else.

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ALEXANDER SLIGO examined. (No. 44.)

1. *To the Chairman.*] I am a bookseller and stationer. I am not a Corporation tenant, but am a tenant of a trust-estate lease under Corporation conditions practically. We have had the lease for thirty-five years. There have been two valuations. My father bought the lease from some one else who had failed to make good on his lease. The term was twenty-one years, and there was a covenant for two-thirds valuation at the end of the term. It was different to the Corporation lease in that respect. At the end of the term, and before the new lease was granted, the extraordinary proposition was put and forced on my father that "if only two-thirds belong to you the other third belongs to us, and therefore you must pay us a third of the value of your property before we give you a new lease." It is only fair to say the new lease was at a fair valuation, but £288 10s. was in my opinion filched from my father in connection with that lease. The old lease had no renewal clause, but simply two-thirds of value of buildings to be paid at end of lease. At the end of the term it was to go to auction at a new upset rental. I am not quite sure whether we paid an increased rental in this case. There were some five or six properties in the area that came in under the Thomson trust estate, and two of the properties which were valued went without competition at the upset rentals. An arbitration case was forced upon us, and the rentals were increased by something like 50 per cent. or a little over. That was about nine months ago. We do not complain of the 50 per cent., but the condition as to auction is manifestly unfair to a tenant who has established himself in business. It cost us £40 for the arbitration case in connection with the lease. A certain amount of feeling was created at the auction. One of the witnesses for the lessors at the arbitration—one who, like a good many others of the valuers, is directly connected with the carrying-on of estates for the big landlords of Dunedin—himself bid at the auction until it had gone past the figure which he had placed upon the lease at the arbitration case. It seemed to us there was a lot of laying of heads together. In fact I think there was a caucus in the office of the auctioneer, who was also a valuer for the lessors. No doubt there was some one to take the responsibility off this man's shoulders had he secured the lease. An argument put forward by one of the arbitrators was that we tenants had been established in business so long that we could pay a considerably increased rental. It is like the case of a man who had an invalid wife—the landlord knew she could not be shifted, and so he raised the rent. It seems to me that any one's goodwill is at the mercy of any one who comes along. It is not always that goodwill attaches merely to the name of a firm. I feel certain that if the bulk of the bigger business houses in Dunedin decided to shift into King Street they could force the trade into King Street. A man wants to get in just exactly where the public walk. Another thing is that, if some tenant pays a fabulous price under pressure at auction, there is a tendency to assess the rentals in the vicinity on that fabulous price. The valuers may disclaim that process of valuation, but the bulk of them are collecting rents for the bigger landlords. Our arbitrator in the case I have mentioned was a valuer long established in Dunedin, and one who knew the business from A to Z. I think the valuers, with the exception of the valuer for the lessor, came to somewhere near an agreement. The valuation fixed on the building would have afforded me no relief. My valuer valued the building, and the other valuer suggested the Government valuation, which had been standing for some twenty years. Then rather than confuse the issue they came to a compromise somewhere between the two.