

ground that the rents fixed were so low as to indicate that the arbitrators were partial or had arrived at their conclusion by some improper method. No personal charge of corruption was made, but the Court was asked to infer from the alleged inadequacy of the rents some bias or misconception on the part of the arbitrators. A comparison of the rents awarded with the previous rents and with the values claimed by the Corporation valuers was laid before the Court, and the Court said that, "if it had to deal with an award as it deals with the verdict of a jury, there was a strong case made out for interference by the Court based on some misconception of the position by the arbitrators, and that the rentals were lower and irreconcilable with the decision of the D.I.C. arbitration, the umpire in that case having been a Judge of the Court. Further, if the awards are proper, then the Government valuation of land in the centre of Wellington is far beyond what it should be, and people who have bought land near the centre are giving absurd prices." The Court nevertheless held that, as the tribunal was appointed by the parties and no right of appeal was given, the awards could not be interfered with merely because the Court might come to the conclusion that the results were against the weight of evidence or based upon some error in law or fact.

*Corporation still press for Assessment on Capital Values.*

The principle on which valuations were to be made was not dealt with by the last-mentioned judgment, but the Corporation evidently still laid great stress on sales of the freehold. The Court said, "This is how counsel for the Corporation present their case: they take the rents previously paid, and they take the value of the land sold recently or formerly in the vicinity; they also take the Government valuations, which they say have been increasing in this part of the city." From examples cited by the Court in illustration of this it is evident that the Corporation's counsel tested the propriety of the rents awarded by contrasting them with 5 per cent. on the freehold values. The tenants maintain that the Corporation's effort still is to have the rents assessed by way of a percentage on the freehold value and thus to get away as far as they can from the basis of valuation laid down by the Court of Appeal, and hence they view with grave suspicion the attempt of the Corporation to obtain legislation on the subject. Legislation on the subject has so far been deferred, and in the meantime this Commission was appointed to inquire and report.

*New Proposal by Corporation.*

Since then the Corporation has put forward a suggestion with the view of inducing the lessees to submit to a change in the constitution of the tribunal. At the outset of our inquiry the Corporation's counsel made a proposal, which the Mayor confirmed, to the effect that if the capital value of the land was under £2,000 a Magistrate, and if or over that amount a Judge of the Supreme Court, should be the sole assessor, and stated that if the tenants agreed to this the Corporation was prepared to grant a lease renewable every twenty-five years, with a provision that if a lessee did not wish to renew the Corporation should pay him 60 per centum of the value of his buildings at the end of the term. The lessees replied to this that, while they would welcome any concession, they did not desire any to be forced upon them, and strenuously opposed any change in the constitution of the tribunal. The tribunal thus proposed, it will be noted, differs from that for which the legislation of 1915 was promoted, and dispenses altogether with a lay tribunal.

*The first question submitted is:—*

- (1.) Is the system of valuation prescribed by section 137 of the Municipal Corporations Act, 1908, satisfactory in its application to—(a.) Leases that have heretofore or that may hereafter be granted by any Borough Council; or (b) leases that have been heretofore or that may hereafter be granted by the Wellington City Council?

THREE TYPES OF RENEWABLE LEASE.

Under the Municipal Corporations Act, 1908, section 136, three distinct types of renewable leases involving valuation are open to be granted by a Municipal Council. These are—

- (1.) A lease for a term not exceeding twenty-one years, with a provision that the lessee may at any time before the expiration of the term have a new lease for a