

uniform administration with regard to renewals has given confidence in the lease to lenders as well as to lessees. The Wellington attitude with regard to loans on the city renewable leaseholds may possibly be due to the litigation and unrest which have arisen with regard to the leases. To rescue its leaseholds from the slur thus cast upon them we suggest that the City Council should direct its Sinking Fund Commissioners that they may lend on these leaseholds as authorized securities. A general limit upon the amount which may be lent may be fixed. Within this limit the amount to be lent in any particular instance would be, in the discretion of the Commissioners, based on the valuation and the circumstances of the particular case.

GENERAL.

Various Public-body Leases

The terms of our Commission confined our inquiries to leases granted by municipalities and to the operation of the provisions for leasing contained in the Municipal Corporations Act, but, as already indicated, there are other public bodies which grant renewable leases similar to those authorized under that Act. We desired the representatives of such bodies to give us information regarding the working of their leases, and in substance our suggestions may be fitly extended to such leases *where the endowments consist of town property*.

Several of such bodies have special legislation of their own on the subject of leasing, and this would have to be considered in making alterations. Some have taken the powers granted by the Public Bodies' Powers Act, 1887, or the Public Bodies' Leasing-powers Act, 1908, or the Public Bodies' Leases Act, 1908 (No. 240).

The Public Bodies' Leases Act, 1908 (No. 240).

The last-mentioned Act provides a very wide scope. It authorizes long leases without renewal for a period not exceeding fifty years, as well as renewable leases of the kind available under the Municipal Corporations Act. But the values of the rent and buildings *are to be determined by arbitration*. The Act provides for two arbitrators or an umpire, and the duty of the umpire is to consist in analysing the valuations of the two arbitrators if they disagree, and thereupon to make an independent valuation which is not to exceed the higher or be less than the lower of the arbitrators' valuations. We would also point out that in the limit of fifty years for a non-renewable lease there is a departure from the Municipal Corporations Act which gives a period of sixty-six years.

Harbour Boards.

The limit under the Harbours Act is likewise fifty years for town lands, but with a proviso that if the term is longer than twenty-one years the rent must be advanced at least 50 per cent. for the period beyond. There is no power to grant renewable leases as in the case of municipal bodies. Where a Harbour Board possesses that power it is either because of a special Act or because it has come under the Public Bodies' Leases Act or one of the earlier Acts of that type. In some cases it may be that harbour endowments consisting of reclaimed land, the potentialities of which have not been tested, require special treatment. Where such land is let for the first time a lease with the right of perpetual renewal or for a longer period than twenty-one years may or may not be prudent for the Board, and the probability of the development of the reclaimed land in the course of twenty-one years is doubtless the reason under the Harbours Act for the automatic increase of rent by 50 per cent. after the first twenty-one years where a longer term than twenty-one years is granted. When, however, the reclaimed area has once been developed by occupation the reason for the automatic increase fails and must form a bar to beneficial leasing. Escape from the position can, of course, be effected by the Board being brought under the Public Bodies' Leases Act.

Other Public Bodies.

Charitable Aid Boards and Hospital Trustees are restricted to forty-two years for town land or building-sites, with an automatic advance of not less than 50 per