

4. *To Mr. Milne.*] I cannot say whether or not the tenants have difficulty in borrowing money on these leases. Most of our tenants are people in a biggish way, and they have no difficulty in financing at all. This lease is generally a very small matter in their business. As to the question of what is a fair arrangement as between landlord and tenant, I have been puzzling over it for years as different leases fell in, but I have always been up against the provisions of the Act. I shall be very glad to think the matter over again and endeavour to find a solution. As the Commission desires it I will hope to submit my views in writing.

---

LEONARD AUBREY STRINGER examined. (No. 31.)

1. *To the Chairman.*] I am Town Clerk of the Borough of Lyttelton, and have been so for six years. The borough has certain reserves which it leases from time to time. We have one large reserve a portion of which is in the area of the town. It is mostly used as residential sites. Practically the whole of that is leased on the Glasgow lease system, term twenty-one years, with right of renewal, revaluation of rent, and compensation for improvements. If at the end of a term the lease is not taken up by anybody the improvements lapse. The conditions seem fairly satisfactory to the tenants. The only argument we have is about the rental. We fix the upset rental. None of the Glasgow leases have fallen in yet, so that I have had no experience of revaluation. We have not let for longer terms than twenty-one years. Then we have sites lower down on the waterfront, used for grain-stores, and so on. The old business sites are falling in one by one, and there is no compensation for improvements. There was one block which was renewed from time to time until it was no longer required for business sites; then we allowed a bowling club to take it up. That quarter had ceased to be a good business site. In paying compensation for improvements we simply compensate for the value of the buildings, and not for the business as a going concern. I do not think we are likely to be faced with the difficulty of having out-of-date buildings thrown on our hands, as wool and produce stores there are always likely to remain wool and produce stores. The Lyttelton Harbour leases for residential sites have been generally accepted as pretty good borrowing security. The Borough of Lyttelton intends to stick to the present system as long as it possibly can. It is known as the Glasgow lease system. In the case of the Glasgow lease we put the rental up to auction, with a stipulation that the purchaser must compensate the old lessee for the value of his improvements. We may have different valuers for the ground-rent from those we have for the buildings.

---

HENRY RAWE SMITH examined. (No. 32.)

1. *To the Chairman.*] I am Town Clerk of Christchurch, and have been so for some sixteen to seventeen years. We have only one building lease inside the city, and we have a piece of land let to a tennis club. The building lease is for forty-two years, without compensation, on a flat rent throughout. With regard to our country leases or reserves, I have come to the conclusion that the system of putting them up for tender without an upset price is not a good one. There has been a good deal of traffic in our leases. As an instance, we have a block of about 800 acres near Bottle Lake, close to the beach. It is nearly all sand. It has been let for years at £50. The last time it was put up there was one other bid of £52 10s. Hitherto the lease had always been taken by the man who owned the adjoining freehold. However, as we had another bid for the lease, we had to fence it off. I am told that yesterday the man who took up the lease sold the goodwill for £220. It is a five-years lease, with three years and a half to run. None of our land is let on the Glasgow principle. In some of our leases we provide that if the tenants erect buildings they shall be paid compensation at the end of the period. The leases generally run from seven to fourteen years. I have had no experience of paying compensation for improvements yet. Any buildings erected are subject to the approval of the Council. If compensation is paid it is to be at full valuation.

2. *To Mr. Milne.*] If there is fencing on the rural areas the tenants have to deliver it over at the end of the term in good order and condition, without compensation. We have assisted tenants to put up permanent fences, giving the wire or other material, and, of course, the fences are considered to be the Council's property.

3. *To Mr. Thomas.*] The tenants generally complain the leases are too short. In my opinion we should get better results for the Council if we granted longer leases.

4. *To Mr. Milne.*] We have three fairly good farms down near Methven, and they are fairly well farmed. We have a block of 2,000 acres near Geraldine, which has been divided into three lots. We used to let them for seven-year terms, but had to put the term up to twenty-one years. We then got better rents and better results. There has, however, been a good deal of traffic in them. The goodwill of one was sold for £500, and of the other for £100. In one case the tenant claimed he had improved the place considerably, so that it was not all pure increase in goodwill. Then the value has gone up since the lease was let. One of the places was badly infested with gorse, and the tenant had had to clear.

5. *To Mr. Thomas.*] The tenants of these leases are generally local farmers, who work them in conjunction with their own farms. It has been stated to me that the effect of short leases is to prohibit people putting homesteads on them.

6. *To Mr. Milne.*] I think the Council are beginning to find that the short leases are against their own interests. I do not think there will be any more short leases. In the Methven leases there is a condition that if there is cropping there must be rotation of crops. [Copy of lease handed in.]