

These bargains, made between landowners and building owners, were never intended, at their inception, to work out, as they do, such disastrous results for the building owner or lessee.

I have in mind now a Yonge Street lot bought some years ago at \$50 a foot. The owner said to a man of enterprise:—"You put up a good building on that property and I will give it to you at \$4 a foot, ground rent, for twenty-one years, and I will then renew the lease."

The offer was accepted. The man of enterprise erected a building which cost about \$4,000, or over twice as much as the cost of the land. The landowner got 8 per cent. for his investment, and the building owner was successful in having his building occupied by good tenants, and thus the bargain seemed a fair one to both parties.

Some few years ago this lease matured, and, after the usual arbitration proceedings, the rate was fixed at \$23.50 per foot, about 47 per cent. on the original cost. The proprietor of the building is not so fortunate now, the position being that his tenants pay less rent now than they did ten years ago. After all these years he does not net 5 per cent. on his \$4,000 building, which is actually worth less than when erected, while the land has, without any labor or outlay whatever on the part of its owner, increased about six-fold.

Leaseholds will, no doubt, go on forever, but those who have to do with their renewal should use every effort to see that the interests of the unfortunate lessees are not altogether swallowed up by the lessors. This is only one instance of many I could refer to

Toronto, May 28.

EQUITY.

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ARBITRATION REFORM.

In any well-considered scheme of law reform, there must be provision for the simplification of the arbitration laws relating to land damages, ground rent renewals, expropriations and similar matters. As they are conducted now arbitrations are simply a sort of legal brigandage, by which arbitrators, witnesses, experts and counsel pile up a long bill of costs at the expense, in most cases, of the municipal corporations throughout the Province.

The people of Toronto, individually and collectively, have suffered more from the opportunities of piling up costs afforded by the arbitration laws than those of any other community. There are many large landed estates that hold land upon the ground-rent system, and the tenants are often coerced into paying rents beyond all proportion to the earning power of the land by the knowledge that in an arbitration they would have no chance against the superior resources of the land owner. The corporation of the city has always an arbitration on hand, sometimes three or four, and spends on an average probably \$7,000 or \$8,000 a year in costs. Take the MacPherson arbitration now going on. For more than twenty days a County Judge, several of the ablest counsel of the city, a host of valuers, experts, practical builders, and all the officers of the court have been engaged in determining the amount of damage done to some ravine land through which the city constructed the Rosedale sewer several years ago. Two practical men, with power to settle the question without calling witnesses or hearing counsel, could have done the work in half an hour. As matters stand, the costs are probably \$2,500 a ready, and no man knows what the end will be.