

Our improved value is £44,606 higher than the owners, and they call on me to take it over at their value. In considering this matter it must be remembered that the estate is now assessed to pay the following taxation: Land-tax £1,257, and graduated tax £1,826, making a total of £3,083. This is equal to 5 per cent. on a capital value of £61,660. The graduated tax alone is equal to 5 per cent. on a capital value of £36,520; and it may be said that the graduated tax diminishes the value of the estate as a whole by £36,520 as long as it is held as one property. The owners of the estate, if cut up, would escape nearly the whole of this taxation, and it must be borne in mind that the State would lose so much taxation. This, however, is what was contemplated when the graduated tax was imposed, and the increased returns to the State consequent upon greater settlement were held to be adequate compensation for loss of land-tax.

Although the land is in the Nelson Provincial District, it really belongs to Canterbury, and settling a population there would be of the greatest advantage to a part of the colony where it is exceedingly difficult to find any land available for settlement. The sale of the Greta Estate, and dividing Greta Peaks Block into small runs, will cause a considerable improvement in the north of Canterbury, this land going down to the banks of the Hurunui.

From the Chief Surveyor's figures it appears that, in an area of 84,613 acres, there are only 11,450 worth less than £2 an acre, and this area is valued at £1 10s an acre. As an area of 21,420 acres has been taken as the best land at £6 an acre, it is certain that some of the richest blocks will reach a greater value than £6, and some will go considerably higher.

The distance from Christchurch is forty-one miles by rail to the Waipara Station, and then about twenty-three miles by road to the Hurunui Bridge, the Hurunui being the southern boundary, while the Waiau is the northern boundary, and the sea the eastern. The distance by sea from the shipping-place to Lyttelton is sixty-five miles.

Being convinced that the land is not overvalued, and believing that it would be largely to the advantage of the colony to acquire the property at the owners' value, I recommend that the matter be referred to the Solicitor-General to advise on the legal position, and also to the Secretary of the Treasury as to the matter of providing funds for payment. There may be some difficulty as to funds, but none that cannot be overcome.

Representatives of the owners assert that they would make a good sale at their value, but the evidence goes to prove that our value is fair; and there may be reasons, owing to the manner in which the property is held, that make the proprietors willing to part with the estate by conveying to the Crown under the provisions of the Land and Income Assessment Act.

Surveyor-General, Wellington.

C. M. CROMBIE, Commissioner.

(Telegram) 29th October, 1892.

ACCORDING instructions F. S. Smith and self have inspected Cheviot Estate. About 70,000 acres are of limestone and papa (marl) formation; the soil and pasturage of superior quality. The remaining 14,000 acres of sandstone, but good sheep-country. Through centre of estate from the Waiau to the Hurunui extends a splendid tract of agricultural land, amounting to 20,420 acres, worth £6 an acre. On either side about 9,900 acres, worth about £4 an acre. In western part of estate the Wart and Tormore Blocks comprise 21,219 acres of rolling hills, with flat tops and easy faces, splendidly grassed, worth £2 10s. an acre. On the south-west Benmore Block, of good hills and excellent down country, comprising 12,450 acres; worth £2 5s. an acre. The north-eastern or Seaward Range comprises fair hilly sheep-country, 11,450 acres, worth £1 10s. an acre; and the south-eastern or Port Hills comprise 8,174 acres of good hills, flats, and downs, worth £2 10s. an acre. The total value of the land is £280,767, to which must be added value of constructive and other improvements, including slips, roads, bridges, fencing, and plantations, which can be utilised, and may be valued at £20,000. The slip and port appear sufficient for requirements of district. The estate is admirably suited for cutting up into town, suburban, village-homestead, agricultural, and pastoral holdings. A State farm would utilise the large and expensive buildings, unless owners would retain them. We should expend £20,000 to £30,000 on roads, draining, &c., but this would but enhance value of land, find employment for labour. Looking at whole circumstances, I recommend, in interests of Government, public, and Land-tax Department, that the estate be taken over. Arrangements should be made to give time for survey, roading, and removal of stock; and everything should be handed over in good order and repair. On my way to Christchurch, and will report fully. In absence of survey of Cheviot my figures are only approximate.

J. MARCHANT, Chief Surveyor, Waiau.

No. 5.

J. W. A. MARCHANT, Chief Surveyor, Canterbury, to S. PERCY SMITH, Surveyor-General, Wellington.

SIR,—

Survey Office, Christchurch, 31st October, 1892.

I have the honour to report that, in compliance with your instructions of the 11th instant, I have inspected the Cheviot Estate, and now submit the attached report for the information and consideration of C. M. Crombie, Esq., Commissioner of Taxes.

I have, &c.,

J. W. A. MARCHANT, Chief Surveyor.

S. Percy Smith, Esq., F.R.G.S., Surveyor-General, &c., Wellington.

REPORT ON THE CHEVIOT ESTATE.

ON the 17th instant Mr. C. M. Crombie and I proceeded to Cheviot and saw Mr. C. R. Campbell the resident proprietor, who courteously furnished information regarding the valuations placed on