

district had been taken into consideration in making the recent revision. We can only point out that it is open to the witnesses to apply for a revaluation of their respective properties under section 36 of the Act.

AS TO CORRESPONDENCE RECEIVED.

The correspondence addressed to us and the reports we have obtained thereon are set out in appendices to this report. We have taken these documents into consideration, and have the honour to report to Your Excellency thereon as follows :—

Foxton Borough Council.—We recommend that the Borough of Foxton be revalued when revisions are resumed at the close of the war.

Frederick Marshall King, Auckland.—At Mr. King's request we have included in the appendices some extracts on the subject of the assessment of real estate printed in the report of the Commissioner of Taxes and Assessments of the City of New York, dated 1914. We beg to recommend these extracts to the consideration of the Department in connection with the valuation of town properties.

Otorohanga Chamber of Commerce; Valuation of Interests of Native Lessors.—Where lessees have no right, either under their leases or by statute, to compensation for improvements made by them, those improvements fall to the lessor at the end of the term. The question whether lessees holding Native land under leases that give no right to compensation should be enabled to purchase the freehold at a price exclusive of the lessor's interest in the improvements is one beyond the scope of our Commission. On the question whether the lessor's interest in the property is equitably valued under section 39 of the Valuation of Land Act, 1908, having regard to the fact that the improvements will be of less value at the end of the term of the lease than they are at the time of valuation, we have to point out that some part of the value of improvements effected by lessees is included in their valuations made under this section, since the lessee is assessed on the difference between the ground-rent reserved in his lease and the statutory rent of 5 per cent. per annum on the capital value of both land and improvements, thereby necessarily reducing the amount of the lessor's valuation as regards improvements. We can quite see that the arbitrary manner in which section 39 divides the full capital value of the fee-simple as between the lessor and the lessee may in some cases work inequitably, but do not see our way to recommend any alteration of the law in this respect other than the alterations we have recommended in an earlier part of this report. We have included in the appendices some calculations furnished to us by the Valuer-General showing how values are divided as between lessors and lessees under section 39.

W. Walters, Papakura.—In this case we consider that the owner was in default by omitting to complete his objection form in time to receive adequate notice of the sitting of the Assessment Court. At the same time, we think that the property was overvalued, used as it is for farming purposes, and we have the honour to recommend that, should Mr. Walters apply for a revaluation under section 36 of the Valuation of Land Act, the valuation be made by a different valuer, and that in the event of the Department's original value not being sustained the fee payable for the revaluation be returned to Mr. Walters.

A. A. Wilson, Solicitor, Westport.—Mr. Wilson, at an interview with the Chairman and the Secretary of the Commission, handed in a list of revaluations of properties that had been made in the Wareatea Riding of the County of Buller under section 36 of the Act. The list shows that very considerable reductions in value were made on the revaluations. Mr. Wilson asked that the whole riding should be revalued, and that the fees that had been paid by the individual landowners for their revaluations should be returned to them. We have obtained a report from the Valuer-General on the subject of values in this district, and have included it and the said list in the appendices to this report. The Valuer-General states that there is considerable fluctuations in the value