

34. Is it not a fact that a very large number of sales were put to you in cross-examination?—Mr. Skerrett is coming here to address the Commission, and this is Mr. Skerrett's case, not mine. I expressly refrained from mentioning these matters when making my statement.

*The Chairman:* Witness objects to be cross-examined on matters that he expressly refrained from speaking about in his evidence-in-chief, and the objection is upheld.

35. *Mr. Myers* (to witness).] It is a fact, is it not, that in the Court a great many reductions were made?—Nominal reductions.

36. Is it not a fact that in a number of cases substantial reductions were made?—The most substantial reduction I know of was the Newtown Hotel. The others were merely a matter of £1 and £1 10s. a foot.

37. I suppose you will admit that Wellington lands are not easy to value, and that opinions with regard to the values of land in any particular street are very divergent?—There are many views held. I might qualify that by saying there are two views held primarily in town.

38. You have had experience of Compensation Courts?—Yes.

39. Is it not your experience that in the case of a claim in the Compensation Court the values given by the different witnesses vary tremendously?—Like the buyers and sellers of property.

40. I am not speaking of the claimant and respondent, but of the witnesses called?—Witnesses follow their lead.

41. We may take it there is a very great difference, and that there are as many opinions almost as there are men?—No. One side's witnesses are fairly close together and the other side's witnesses are fairly close together.

42. And there is a big difference between them?—Sometimes.

43. Is it not also the fact that some streets in Wellington are in the transition stage from residential areas into business areas?—Speaking generally, that may be so.

44. Is it not a fact that in regard to streets of that kind lands are very difficult to value?—No, not in my opinion. If a street is in a transition stage the business people who go there will give a price for what they want in that street beyond its value for residential purposes and somewhat below its business value, because it is below the value in an established business centre.

45. Will you tell me, then, on what basis a house on that land should be valued?—On the residential basis.

46. Then, upon what basis should land on which stores and business premises are erected be valued?—My opinion on that matter is not according to the law. If a man acquires a business site in a residential area he should be taxed from a business point of view, but I do not agree that residents in that street should be taxed on a business basis.

47. But suppose the street is one into which business premises are gradually coming—not an isolated business site?—The sections that are still unoccupied by business sites are still residential areas until there is a demand for them. There is no market for them until there is a demand, and the owner could not sell them until there are sufficient business people to buy them.

48. In those streets you are not going to have anything like uniformity?—You might or you might not. You have to undertax the business man or overtax the residential man.

49. According to your view, one or the other course should be adopted?—No. The business man should be taxed and the residential man should be left alone.

50. Then the person who built a house there, and who chooses to keep his house there, though he might sell it if he chose for a business site, is to be rated on the basis of a residential valuation. Is that not so?—No; not sell it if he chooses. It is not a question of selling if you choose in Wellington. It is a question of getting one who will choose to buy. The whole point really pivots on Thorndon Quay. One side has been acquired by wool-brokers and the Government, and on the other side there are only two business people—Murray, Roberts, and Co., with a wool-store, and Kirkcaldie and Stains, with a bed-factory. The whole of the rest of the street from Davis Street to Tinakori Road is residential sites. I will not say they are all for sale, but I think you can go and buy every one of them. They are all taxed on a business basis.

51. Do you pledge your word to that?—I believe it to be so.

52. Do you not know that the contrary is the fact. That the Department has treated those lands not as business lands, but as something midway between residential areas and business areas?—No. I quoted the sales this afternoon. They were to the tramways, the New Zealand Loan and Mercantile, Dalgety's, the Government, and the Corporation. They are all out of the market.

53. Do you know the valuations placed on the two business sites on the western side—Kirkcaldie's and Murray, Roberts's?—Not to speak authoritatively. I should say, about £27 or £28 a foot.

54. Do you know what the neighbouring residential sites are valued at?—At the same price.

55. I suppose that those business sites as business sites are worth more than £28 a foot?—No. The land is worth no more than you can buy it for.

56. I suppose they paid more?—No, less.

57. You have given a few instances where properties were sold at less than the Government valuation?—Those were my own personal sales.

58. Do you not know that those are exceptions to the rule?—Decidedly not.

59. Do you not know that almost invariably where sales of land are made in Wellington, whether business or residential lands, the prices are in excess of the Government valuations?—I cannot answer the question, because I can only speak from my own personal knowledge.

60. I suppose you know that information as to every sale in Wellington goes to the Valuation Department?—I believe that is so.