

58. Nobody else was present when he made that statement?—No; but Ewington was present when he said the property did not belong to me.

59. I suppose your title is good enough, and what he said will not hurt you?—That is so, as can easily be ascertained.

Subsequently, witness (Robert Smith) said: I omitted to state that when I protested at the sitting of the Court to Mr. Ewington, the Magistrate told me he had noted it.

HUBERT EARLE VAILE examined.

1. *The Chairman.*] What is your position, Mr. Vaile?—I am a member of the firm of Vaile and Son (Limited), land agents, Auckland. I have had a great deal of experience, and have been brought into contact for a great many years with the Government Valuation Department and with the Assessment Courts. With regard to the Valuation Office, if I may say so, I think we have been always treated with uniform courtesy and with every consideration. In the whole of my experience I must say the Valuation Department has treated everybody I have had to do with with the utmost consideration. The constitution of the Assessment Courts is such that no objector, and especially the small objector, gets a proper chance. If any proof of that is wanted, it is to be found in the fact that at the last sitting of the Assessment Court in the city there were objections running into hundreds of thousands of pounds—I think they ran into a million—and the total reductions made only amounted to £2,000. People do not object for amusement; and I think that shows that the Assessment Court is perfectly useless. It was pointed out, too, after the sitting of the Court that this £2,000 could not really be called a reduction, as it principally consisted of the rectification of errors in the calculations. The Court solemnly sat and listened to objections, and absolutely nothing was done. It seems to me that it is perfectly hopeless, unless the objector has some representation on the Court. At present the two assessors who are appointed to sit with the Magistrate are interested in keeping the values up—one for the local body, and one for the Government.

2. *Mr. Campbell.*] What about the third?—The Magistrate does not take the slightest interest. He sits there, and one assessor whispers to him and the other assessor whispers to him, and the valuation is sustained and the objector has not got a chance. I have over and over again seen an objector come to the Assessment Court and give evidence in regard to his objection and ask for a small reduction, such a reduction as could not possibly warrant him in paying half a dozen witnesses and a solicitor. The valuer then swears that the valuation is fair, and a valuer employed by the Department in some other district gets up and says the same thing. I have seen five of them get up and swear that the valuation was fair, and then the Court says: "The valuation is sustained, go on with the next case." Unless a man is prepared to go to the Court with half a dozen witnesses and a solicitor to assist him he has not a possible hope of getting a reduction; and, of course, the reduction he is asking for may not be worth going to all that expense. I think the man who is in a small way is entitled to just as much consideration as the man who objects on a very large amount. When the valuers go to a district they take the record sale in that district. I do not say they put all the valuations up to that—they could not do so—but you hear them constantly quoting the record sale, and, to my mind, on general principles it is grossly unfair. The highest possible price paid for a particular piece of land does not really affect the value of the rest to any extent. One swallow does not make a summer, but the Department's witnesses get up one after another and tell the Court about this splendid sale at an enormous price. I know it is a difficult matter to devise a proper system of representation, but I do not think the difficulties are insuperable. I think every objector putting an objection in should be required to nominate some reputable valuer to act as objectors' assessor. Then, say a week before the Court sits, the Valuation Office should count up the number of gentlemen who have been nominated and the votes cast for them, so to speak, take the three highest, and then simply send a ballot-paper to each objector to vote for one out of the three, and whoever secures the most votes let him sit as the objectors' assessor. The weakness of that system would seem to me to lie in the possibility of there being a large number of unsuited persons nominated, and to guard against that it would be a good thing if the old system of licensed valuers were reverted to, and then you could confine nominations to licensed valuers. That, of course, is not essential to the carrying-out of the scheme. It is only a suggestion. I would also like to refer to what seems to me to be an unfairness done to tenants of leasehold property. At the Assessment Court the freeholder comes along and says, "I have been advertising my property for sale at so much less than the Government valuation," and, if he proves that, he has a very good chance of getting a reduction. But if the tenant of a leasehold comes along and offers to sell, the reply of the Court is, "We are not allowed to buy leaseholds, and we cannot take that as any evidence in favour of a reduction." That seems to me to put the tenant of a leasehold in an unfair position. In the case of some leases in St. Stephen's Avenue, at Parnell, which had almost expired, the tenants were compelled to pay taxation on the calculated value of their leases worked out by rule of thumb; but, as a matter of fact, the Court frankly admitted that the lessees could not sell the goodwill of their leases for anything like the price at which they were assessed. It seems to me that this is entirely unfair. Surely, the selling-value of a property should be taken into account. Mr. Mackenzie, who has been referred to to-day, has stated that he thinks that is fair, too; and as for Mr. Mackenzie in these matters, there is not a fairer valuer in the Government service. He said it was unfair that a taxpayer should be called on to pay taxes on a value he could not possibly get in the open market. The only thing was, he said, if you do not divide the interest between the landlord and the tenant, and make the two add up to a total, what becomes of the difference? In cases of this kind, it would seem that there is a certain amount of value lost. The landlord cannot sell because the lease is on it, and the tenant cannot sell because the lease is almost run out. I admit, of course, that the valuer cannot do anything different from what is done at present because of the provisions of the Act, and, as far as the Department is concerned, under existing legislation, they have done their best.