

87. *The Chairman.*] There is a specification?—Yes. I built a motor-garage and wash-house the other day, and I measured up every foot of timber in it, and ordered the timber. A contractor wanted £143 to build it for me. I would not give the amount, and said I could build it for £100. I measured up the job and bought the timber, and erected it for £106.

88. *Mr. Rutherford.*] Is it not the custom of contractors for a job to engage a man to take out the quantities, and all the tenderers pay for that work?—In England there are quantity surveyors, and the architects produce the quantities, and the contractors tender on that. In New Zealand, I believe, the tenderer takes out the quantities himself, and that accounts for the variation in prices.

89. *The Chairman.*] I did not quite follow you in regard to the property next to the New Occidental Hotel. You say it was taken over at the amount of the mortgage?—Yes, and which was a little less than the Government valuation.

90. *Mr. Campbell.*] And it was subsequently taken over at the present Government valuation?—Yes. We had the section for sale at more than the Government valuation, but could not get a bid for it. It bears out what I said: it is not what a man asks for a property, but what he can get.

#### STATEMENT BY THE VALUER-GENERAL.

*Mr. F. W. Flanagan* (Valuer-General): Generally, the preamble to objections to valuations is that there is a widespread feeling of dissatisfaction at the inaccuracies of the valuations, and also in the Assessment Court there is an inordinate number of objections. I just want to put before you a few facts to show that the City of Wellington has not been revalued since 1906, and that a great deal of the work of the valuers consisted in making adjustments—that is, increasing values where they were considered to be too low and reducing them where they were considered to be too high. Taking these factors into account, the revaluation has been one of the most successful carried out in the Dominion. The number of assessments in the City of Wellington was 11,585. The total number of objections received amounted to 1,133. The number of objections withdrawn after consultation with the valuers was 492; the number of objections heard and determined by the Assessment Court was 641—not 6 per cent. of the total; the number of objections disallowed by the Court, including those struck out for non-appearance, was 575. The number of objections upheld by the Court was 66. Practically the whole of the lessees of reclaimed land who appealed to the Court contested the valuations on general grounds, but only eight objections, representing six objectors, were actually contested in the individual cases. As Mr. Myers has pointed out, the procedure of the Court was that the Court first of all agreed as to whether there had been a general increase of values. When that question was unanimously decided by the Bench the Bench allowed every individual objector to come in and contest his appeal. The unimproved value of the land comprised in the City Corporation freehold is £1,165,002, less exemptions, £239,702—that is, leaving a rateable value of £925,300. I desire also to state that the revaluation of this city took nearly eleven months to perform. There were four valuers engaged. There was the ordinary City Valuer, Mr. Ames, who was retained by the Department; Mr. Martin, the district valuer here, who had working with him two valuers for whose valuations he was responsible. I wish to emphasize that particularly, because remarks have been made to-day to the effect that one of the valuers was a young man of three years' experience in the Department. The valuations of that man were subject to the supervision of Mr. Martin. I also wish to say this in connection with the revaluation of Wellington that, departing from the ordinary procedure of the Department, I instructed the valuers, after the valuation notices had been issued and objections been returned, to see the objectors. They did so. Dates were fixed by arrangement, and in several cases honourable compromises were arranged. I do not find that that system works altogether satisfactorily, because in numerous instances when the valuers had arrived at a compromise with the objector certain people in sections of the city started associations for the purpose of having the values reduced, and succeeded in breaking these people with whom we had agreed from their allegiance. In fact, in many cases I was told, when I stated that the Government Valuation Department had no desire for high values and would compromise on the valuations, that we had no right to make any compromise, and that the only valuation that could go to the Court was the original valuation. In cases like those the arrangements we had come to were put an end to, and the valuations that went to the Court were the valuations fixed originally by the Department. There is another thing I have been very careful in regard to in connection with the valuations throughout the Dominion, and that is to see that the officers are conducting their valuation on certain well-defined lines. I have already furnished the Commission with the "Memorandum of Instructions to Valuers," and the whole of the valuers of the Department are now working under those. The points that have been emphasized by a number of objectors to-day are there brought under review, especially with regard to the acceptance of speculative or boom values. The Department has in no instance done so, and it is a fact to-day, speaking particularly of rural land, that the Government cannot buy land for settlement at anything like £3 to £4 over the Government valuation. I have adopted that course for this reason: that the Government is not only charged with making valuations for taxation and revenue purposes, but the valuers also have to make valuations for the State Advances Department, for the Public Trust Office, and for the Government Insurance Office, and, as a matter of safety, I take the precaution of keeping the values under what may be called the actual market value.