

17. Taking it off the unimproved or the improved value?—I should take it off the land, so as to give the owner as much of the value of his improvements as it is possible to give him.

18. In other words, having got the full capital value, you would regard the improvements in the nature of an exemption, and deduct it?—Yes.

19. *Mr. Campbell.*] Do you think that the property-tax was an easier one to collect and a fairer one than the tax on the unimproved value?—No. The property-tax unduly taxed industries. In my district there was a large industry, and all the machinery in it was taxed. All the same, there is no more reason why the property-tax should be considered inequitable than the tax on unimproved value. The fairest form of rating is one's ability to pay. You can only ascertain the value by what a man is getting. A property is worth what it produces, and if you rate on what it will produce you rate on the man's ability to pay.

20. Then, a venture which was losing money you would not rate at all?—No. Rating on unimproved value has caused houses to be built much closer together than was the case under the old system of rating. Buildings are now built too close together, and in advance of requirements.

WEDNESDAY, 22ND DECEMBER, 1914.

MANGAHOANE ESTATE.

STATEMENT BY MR. C. P. SKERRETT, K.C.

*Mr. C. P. Skerrett, K.C.:* I ask permission to represent the trustees of the late Mrs. Donnelly's will, and to bring under your notice what is known as the Mangaohane Block, containing 16,000 acres, situated in the Hawke's Bay District. It lies about forty-five miles from Pahiataua on the one side, and about eighty miles from Hastings on the other. It is in the Hawke's Bay County. It carries 7,500 sheep and 100 head of cattle. I will abstain from giving any description of the property, because I have a written valuation which describes it all, and my conveying the same opinion would only be giving it twice. The Government valuation of the property is £46,000, capital value. Unfortunately, Mr. Donnelly neglected to put in an objection to the valuation, and the result is that the valuation passed without objection at £46,000. We say that the value of the property is only about £30,000, and that it is therefore overassessed to the amount of £16,000. The parties whom I represent are the trustees of the will of Mrs. Donnelly. The Mangaohane Block is held by them upon trust for the daughter of the late Mrs. Donnelly for her life, and after her death for her children. The property is held by Mr. Donnelly under an arrangement contained in the will. We have a threefold object in bringing the matter before the Commission: (1.) The trustees are desirous of selling the property, and they have satisfied themselves that £46,000 is a totally excessive valuation, and they do not see how they could possibly approach the Supreme Court for sanction to sell unless they obtained a revision of the valuation. As representing the trustees, I am not desirous of unduly lowering the value of the property; on the other hand, we are desirous of maintaining an adequate value, because it is to the interest of the daughter and those dependent on it that they should get all the benefit. (2.) To avoid taxation, seeing that the daughter owns a large estate, Kaiwaka, and other lands, which place her within the graduated tax, and this £16,000 places her in the graduated scale. (3.) We have approached the Department with a view of getting a revaluation of this property. The Department, of course, have no discretion but to grant a revaluation, but have intimated to us that their course is to have the revaluation made by the same official who made the original valuation. It is not my place to comment on the practice of the Department, because, so far as we are concerned, the Department have treated us with every courtesy, and it is only because this rule of practice prevails that prevents them submitting the valuation of the property to some other Government officer. The position is a little anomalous because, as I read the statute, there is no appeal from the revaluation if the revaluation does not alter the roll. If, however, under section 31, an alteration of the assessment is required there is an appeal, and the whole matter is at large. I do not want you to consider that now, but I think you will find that that is the true position. If there is an alteration there is an appeal; if there is no alteration, and the valuer simply reaffirms his valuation, there is no right of appeal. That seems to be anomalous, and worth the consideration of the Commission. I should add this: that I have given the Department ample notice of this application, and I had hoped their valuer would be here so that we could hear from him what he has to say in respect to his valuation. If his value can be supported we should not be in the least sorry, because we might get a higher price for the property in consequence. The trustees maintain that the sale value before the war did not exceed £30,000. I may state to the Commission that we are not using a valuation which Mr. Campbell, a member of the Commission, has made of this property. I should in that connection state the circumstances. Mr. Campbell was employed long before the Commission was set up to make a valuation with a view to establishing a price at which the property might be disposed of. Accordingly, in July, 1914, Mr. Campbell went up and made a valuation, of which I have a copy. I see no reason why Mr. Campbell should not apply his own personal knowledge in the matter, but that is a matter entirely for the Commission.

*Mr. C. J. Lovatt* (representing the Valuation Department): We have a copy of a letter from Mr. Skerrett containing the facts he has just stated, and so far as the Department is concerned it has no objection to Mr. Campbell sitting, notwithstanding that he has made a valuation.

*Mr. Campbell:* I understand that my valuation is not to be brought up by Mr. Skerrett.

*Mr. Skerrett:* That is so.

*Mr. Campbell:* Then I think the Department has no cause for objection.