

1915.
NEW ZEALAND.

VALUATION OF LAND COMMISSION

(REPORT OF THE COMMISSIONERS, ETC.).

Presented to both Houses of the General Assembly by Command of His Excellency.

COMMISSION TO INQUIRE INTO AND REPORT UPON CERTAIN MATTERS RELATING TO THE VALUATION OF LAND IN NEW ZEALAND.

LIVERPOOL, Governor.

To all to whom these presents shall come, and to Ewen Alexander Campbell, Esquire, of Wanganui, farmer; Thomas Frederick Martin, Esquire, of Wellington, barrister; and James Gillies Rutherford, Esquire, of Auckland, farmer: Greeting.

WHEREAS it is expedient that inquiry should be made into certain matters relating to the valuation of land in New Zealand and the necessity or expediency of amending the law relating thereto:

Now, therefore, I, Arthur William de Brito Savile, Earl of Liverpool, the Governor of the Dominion of New Zealand, in exercise of the powers conferred by the Commissions of Inquiry Act, 1908, and of all other powers and authorities enabling me in this behalf, and acting by and with the advice and consent of the Executive Council of the said Dominion, do hereby appoint and constitute you, the said

EWEN ALEXANDER CAMPBELL,
THOMAS FREDERICK MARTIN, and
JAMES GILLIES RUTHERFORD,

to be a Commission for the following purposes:—

- (a.) To inquire into the petition of certain ratepayers in the Borough of Otahuhu that the values assigned to their properties at the revaluation made as at the 31st March, 1914, were overassessed, and to report to me as to whether or not the said values were affixed in accordance with the definitions of “unimproved value” and “value of improvements” in the Valuation of Land Amendment Act, 1912;
- (b.) To inquire into the petition of certain ratepayers of South Riding of Castlepoint County that readjustments of values of lands in Castlepoint County be made in consequence of alleged disparities between the aggregate increase in value of land in South Riding and the aggregate increase in the value of land in the remainder of Castlepoint County, and to report to me as to whether or not the values assigned to the said lands are relatively uniform and in accordance with the definitions of “unimproved value” and “value of improvements” in the Valuation of Land Amendment Act, 1912;

- (c.) To inquire into such cases of alleged excessive values as may be brought under the notice of the Commission, and to report to me as to whether these values were assigned in accordance with the definitions of “unimproved value” and “value of improvements” in the Valuation of Land Amendment Act, 1912;
- (d.) To consider whether, in view of the scope and objects and the practical working of the Valuation of Land Act, 1908, and its amendments, the Assessment Court provided for in the said Act is so constituted as to ensure equitable consideration of objections heard and determined by the Court, and to recommend, if considered necessary or expedient, an alternative which will improve the composition of the Court while at the same time preserving its judicial character;
- (e.) To consider and to report to me as to whether section 31 of the Valuation of Land Act, 1908, affords an owner, who is not satisfied with the value of his land as fixed by the Assessment Court, an equitable alternative;
- (f.) To consider and report to me upon the methods of the Valuation Department in making valuations;
- (g.) And generally to inquire into and report upon such other matters arising thereout as may come under your notice in the course of your inquiries and which you consider should be investigated in connection therewith.

And with the like advice and consent I do further appoint you, the said

THOMAS FREDERICK MARTIN,

to be the Chairman of the said Commission.

And for the better enabling you, the said Commission, to carry these presents into effect you are hereby authorized and empowered to make and conduct any inquiry under these presents at such times and places in the said Dominion as you deem expedient, with power to adjourn from time to time and place to place as you think fit, and to call before you and examine on oath or otherwise, as may be allowed by law, such person or persons as you think capable of affording you information in the premises; and you are also hereby empowered to call for and examine all such books, papers, writings, documents, or records as you deem likely to afford you the fullest information on the subject-matter under inquiry, and to inquire of and concerning the premises by all lawful means whatsoever.

And, using all diligence, you are required to report to me under your hands and seals not later than the twenty-first day of December, one thousand nine hundred and fourteen, your opinion on any matters inquired into by you as aforesaid.

And it is hereby declared that these presents shall continue in full force and virtue although your inquiries are not regularly continued from time to time or from place to place by adjournment.

And, lastly, it is hereby further declared that these presents are issued under and subject to the provisions of the Commissions of Inquiry Act, 1908.

Given under the hand of His Excellency the Right Honourable Arthur William de Brito Savile, Earl of Liverpool, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Member of the Royal Victorian Order, Governor and Commander-in-Chief in and over His Majesty's Dominion of New Zealand and its Dependencies; and issued under the seal of the said Dominion, at the Government House at Wellington, this sixteenth day of November in the year of our Lord one thousand nine hundred and fourteen.

W. F. MASSEY,
Prime Minister.

Approved in Council.

J. F. ANDREWS,
Clerk of the Executive Council.

REPORT.

To His Excellency the Right Hon. Arthur William de Brito Savile, Earl of Liverpool, G.C.M.G., the Governor of New Zealand.

MAY IT PLEASE YOUR EXCELLENCY,—

In pursuance of your directions, contained in the instrument dated the 16th day of November, 1914, appointing us as a Commission under the Commissions of Inquiry Act, 1908, to inquire into and report to you upon certain matters relating to the Valuation of Land in New Zealand, we, the undersigned, Ewen Alexander Campbell, of Wanganui, farmer; Thomas Frederick Martin, of Wellington, barrister; and James Gillies Rutherford, of Auckland, farmer, have the honour to report as follows:—

1. We have held sittings in the North Island, in the Cities of Wellington and Auckland, the Boroughs of Otahuhu and Masterton, and at Tinui, in the County of Castlepoint; and in the South Island, in the Cities of Christchurch and Dunedin, the Boroughs of Invercargill and Gore, and at Edendale and Mokotua, in the County of Southland.

2. We have also received a number of letters from property-owners who were unable to appear at our sittings. These letters we in all cases referred to the Valuer-General for a report to us upon their contents, and we have taken into consideration the allegations made in the letters and the reports thereon made by the Valuer-General, treating the letters and reports as being in the nature of evidence brought before us.

The purposes for which we were appointed a Commission are the following:—

- (a.) To inquire into the petition of certain ratepayers in the Borough of Otahuhu that the values assigned to their properties at the revaluation made as at the 31st March, 1914, were overassessed, and to report to me as to whether or not the said values were fixed in accordance with the definitions of “unimproved value” and “value of improvements” in the Valuation of Land Amendment Act, 1912;
- (b.) To inquire into the petition of certain ratepayers of South Riding of Castlepoint County that readjustment of values of lands in Castlepoint County be made in consequence of alleged disparities between the aggregate increase in value of land in South Riding and the aggregate increase in the value of land in the remainder of Castlepoint County, and to report to me as to whether or not the values assigned to the said lands are relatively uniform and in accordance with the definitions of “unimproved value” and “value of improvements” in the Valuation of Land Amendment Act, 1912;
- (c.) To inquire into such cases of alleged excessive values as may be brought under the notice of the Commission, and to report to me as to whether these values were assigned in accordance with the definitions of “unimproved value” and “value of improvements” in the Valuation of Land Amendment Act, 1912;
- (d.) To consider whether, in view of the scope and objects and the practical working of the Valuation of Land Act, 1908, and its amendments, the Assessment Court provided for in the said Act is so constituted as to ensure equitable consideration of objections heard and determined by the Court, and to recommend, if considered necessary or expedient, an alternative which will improve the composition of the Court, while at the same time preserving its judicial character;

- (e.) To consider and report to me as to whether section 31 of the Valuation of Land Act, 1908, affords an owner, who is not satisfied with the value of his land as fixed by the Assessment Court, an equitable alternative;
- (f.) To consider and report to me upon the methods of the Valuation Department in making valuations;
- (g.) And generally to inquire into and report upon such other matters arising thereout as may come under your notice in the course of your inquiries, and which you consider should be investigated in connection therewith.

3. In the course of our investigations we found much dissatisfaction with the constitution of the Assessment Court, and met with many complaints that district valuers and Assessment Courts attributed too large a proportion of the total value of the properties to what is defined in the Valuation of Land Acts as the "unimproved value" thereof. Complaints were also made that the valuers acting for the Valuation Department did not sufficiently inspect properties when valuing them. By far the greater part of the evidence brought before us related to these three matters, and we will therefore take the liberty, in making this our report, to depart somewhat from the order in which Your Excellency has set out the several matters to be investigated by us, and will report, first, on the constitution of the Assessment Court; secondly, on the principles that we consider should be acted upon in arriving at the "unimproved value"; and, thirdly, on the question of the inspection of properties, and then report upon the other questions you have referred to us.

AS TO THE ASSESSMENT COURT.

4. We found that many property-owners appeared to consider that the Assessment Courts were hostile to them when they appeared before such Courts in the capacity of objectors to the valuations placed upon their properties by the Valuation Department, and statements were made at several of the places visited by us that property-owners in many cases abstained from appearing in Court in support of their objections, deeming, as it was said, such a course to be useless. The reason for this state of mind on the part of property-owners was said to lie in the enactment under which Assessment Courts are set up. This enactment provides that the Court shall consist of the local Magistrate as President, and a member appointed by Your Excellency in Council, and a member appointed by the local authority of the district whose roll has been revised, such last-mentioned member not to be a member of any local authority. (Valuation of Land Act, 1908, section 13.) The evidence convinces us that property-owners in general hold the view that the members appointed by the Government and the local authority respectively will be subconsciously influenced in the direction of sustaining the valuations made by the Valuation Department, since it appears to be the opinion of property-owners that it is to the interest of both the Government and the local authority to keep values high for the purpose of levying the land-tax in the one case and the local rates in the other.

5. We have not thought it necessary to endeavour to ascertain whether there is any foundation in fact for these opinions, because we are quite satisfied that they are very widely held among the property-owners of the Dominion, and we are strongly of opinion that it is of the first degree of importance that every Court of justice in the land should, as regards the mode of its constitution, be such as to command the confidence of all persons having business before it. We should add that no reflection was made by the witnesses on the personal fairness of the members of any Assessment Court. The witnesses objected to the mode of the constitution of the Courts, and considered that unconscious bias on the part of the two members must inevitably exist in the direction of supporting the interests of the authorities appointing them.

6. We invited suggestions from witnesses as to the manner in which, in their opinion, the Court should be constituted, and proposals were made by different witnesses that the Court should be constituted as follows :—

- (1.) A Board of valuers for a city and the surrounding districts.
- (2.) The member of the Court who is now appointed by the local authority to be appointed by the objectors to valuations in the districts revised, or by the ratepayers of such district.
- (3.) The Magistrate and two independent persons.
- (4.) The Magistrate and three assessors, appointed by the Government, the local authority, and the objectors respectively.
- (5.) The Court to consist of the Magistrate alone.
- (6.) The Court to consist of three Magistrates.
- (7.) A Supreme Court Judge and two permanent assessors for the whole Dominion appointed either by the Government or by the Judge; or two of such Courts for the Dominion.
- (8.) A Magistrate and two permanent assessors appointed by the Government, or two such Courts.
- (9.) A Judge or Senior Magistrate and one member appointed by the Government and the local authority jointly, and the other by taxpayers and ratepapers.
- (10.) The President to be a barrister and a permanent officer, and the other two members to be permanent assessors appointed by the Government.

The suggestion numbered (1) above was made by two witnesses at Auckland, and the suggestions numbered (3) to (10) were made by one witness in each case. Suggestion No. (2) was made by nine witnesses, and was made in Wellington and Auckland and at Otahuhu and Mokotua, and also in some of the correspondence addressed to us.

7. On the best consideration that we have been able to give to the subject, we are of opinion that the Court should consist of a permanent President for the whole Dominion, who should be a member of the legal profession, and that the Government should appoint an assessor, being an expert in land-values, either for the whole Dominion or for each provincial district, and that the other assessor should be appointed by the ratepayers of the local governing district the roll of which has been revised, such last-mentioned appointment to be made at a meeting of the ratepayers convened by the Mayor or Chairman of the district. We further suggest that in the perhaps unlikely event of the ratepayers failing to appoint an assessor the appointment should fall to the local authority.

8. We think it very desirable that the President of the Court should act for the whole Dominion. He would thus obtain a thorough knowledge of the working of the Valuation of Land Acts, and there would be uniformity in the interpretation of such important provisions as the definitions of "improvements," "unimproved value," and "value of improvements." We have, however, the honour to recommend that the President should be a person other than a Stipendiary Magistrate regularly exercising civil or criminal jurisdiction, since the evidence shows that the sittings of the Assessment Courts are frequently interrupted, sometimes for as long as a week at a time, by reason of the Magistrate having to attend to his ordinary business. These interruptions occasion much inconvenience to farmers and others, who often travel some distance to attend the sittings of the Assessment Court.

9. The Assessment Court, constituted as suggested by us, would no doubt be in the nature of a Board of arbitrators, but similar Courts have for many years been constituted for awarding compensation for land taken for public works and for settling industrial disputes, and we believe that the mode of the constitution of these Courts is such as to command the confidence of all persons appearing before them. Further, we believe that the existing dissatisfaction on the part of property-owners with the constitution of the Assessment Court will be most effectually removed by giving them direct representation on

the bench. The President, in addition to deciding legal points, would hold the balance as between the two assessors appointed by the Government and the rate-payers respectively.

10. Subsection (2) of Regulation No. 2, made on the 24th July, 1901, requires seven days' public notice to be given of the sitting of the Assessment Court. In the case of Assessment Courts constituted for districts in which the annual system of local rating obtains, at least ten days' notice of the sitting of the Court is required to be given (Rating Act, 1908, section 25). We recommend that on the occasion of the revision of a roll under the Valuation of Land Act, at least fourteen days' notice of the sitting of the Court be given, and that the notice be inserted at least three times in the local newspaper, and also at least three times in one other newspaper circulating in the district affected. We further think it should be an instruction to the officers of the Valuation Department to endeavour to have the purport of the notice inserted in each of the newspapers in the columns devoted to local news. We make these recommendations because we have come across several cases in which objectors failed to see the advertisement of the sitting of the Court.

11. In practice the Valuation Department appears to give, as a general rule and where practicable, individual notice of the sitting of the Assessment Court to each objector who has not agreed to a reduction offered to him by the Department. This step is not required to be taken either by statute or regulation, and we think it due to the Department to express our sense of its fairness in going outside the strict letter of the law in endeavouring to assist objectors in the matter of placing their grievances before the Court. In one or two cases the evidence shows that, owing to delay on the part of the objector in furnishing particulars that have been required by the Department, but were omitted from the original objection, it was only possible to give the objector a day or two days' notice of the sitting of the Court, the date of such sitting not having been fixed when the objector was first communicated with, and in some cases the notice has not actually reached the objector in time for him to appear before the Court. It is for this reason that we consider it desirable that full public notice of the sitting of the Court should be given as above suggested.

12. The existing practice of the Department to interview an objector and endeavour to come to an agreement with him as to his valuation is also not prescribed by law. Although in one or two instances witnesses have objected to the practice, we none the less consider it a desirable one. We think it is clearly to the interest of the objectors that they should have the opportunity of obtaining a reduction without having to sustain the expense and loss of time incident upon appearing at the Assessment Court.

13. Some of the witnesses have complained that in the interviews they had with the district valuers they were misled by statements made to them by such valuers, or were overborne by them, with the result that they agreed to the valuations or abstained from going to the Court. We quite recognize that district valuers must occasionally meet with objectors who sorely tax their patience; and, further, we are not much impressed by statements of the purport of conversations made some time back, especially in cases where the witness has shown some degree of heat. All we desire to say on this head is that as the district valuers have a far greater knowledge of the provisions of the Valuation Acts than the great majority of objectors can possibly have, we think that they should in all cases, when dealing with objectors, inform them fairly of the provisions of the Act affecting the matter under discussion, and in particular avoid saying anything that may possibly have the effect of misleading them in any way.

14. We also have the honour to recommend, on the suggestion of the Valuer-General, that where an owner objects to a valuation affecting the interest of any other owner, the Valuer-General shall send to the latter owner a copy of the objection, and shall give him at least seven days' notice of the sitting of the Assessment Court.

15. Another complaint that has been made to us is that objectors are often kept for a considerable time awaiting the calling on of their cases in

the Assessment Court, and suggestions have been made by witnesses that the list of cases should be broken up into divisions, either in the alphabetical order of names of objectors; or in blocks of streets or other areas of the district. This complaint referred more particularly to the recent sittings of the Assessment Court in the City of Wellington, but it was shown that there were an exceptionally large number of objections to be heard at the Court, and that much time was taken up by the lengthy addresses of counsel on the question of the valuation of properties held under leases granted by the City Corporation. We do not think it necessary to make any recommendation on the subject, since, if the Assessment Court be constituted in the way we have suggested, the sittings would be continuous, thus avoiding the present inconvenience caused by adjournments, and, moreover, there would be on the Bench an assessor directly representing the objectors. We think it may well be left to such a Court to make all reasonable arrangements for the convenience of the parties appearing before it. At the same time, we do not desire to be understood as in any way suggesting that the existing Courts have not met the convenience of objectors so far as was possible.

16. One or two witnesses have alleged that the President of the Assessment Court has refused to allow an agent, not being a solicitor, to appear for them. We find that clause 3 of the further regulations made under the Valuation of Land Acts on the 24th day of February, 1901, provides that in all proceedings in the Assessment Court the rules and practice of the Magistrates' Court, so far as applicable, shall apply. The Magistrates' Courts Act, 1908, section 64, makes the following provisions on the subject of the appearance of parties in the Magistrates' Court:—

“64. (1.) A party to an action may appear and act personally or by a barrister or solicitor of the Supreme Court, and not otherwise:

“Provided that under special circumstances the Court may permit any party to appear by an agent authorized in writing by the party himself, if in New Zealand, or, if absent therefrom, by any person holding a power of attorney from such party authorizing such person to sue and be sued for and in the name of such party; but such agent, unless he be a barrister or solicitor, shall not be entitled to receive any fee or reward for so appearing or acting

“(2.) A corporation or an incorporated company may appear by any officer, attorney, or agent of such corporation or incorporated company on behalf thereof.”

We have the honour to recommend that in all cases it shall be competent for an objector to appear before the Assessment Court by a barrister or solicitor, or by an agent appointed in writing under the hand of the objector, or of a person holding a power of attorney from the objector authorizing him to receive the rents of the objector's real estate. We further recommend that the agent so appointed shall not be debarred from charging a fee for his services. The evidence convinces us that many property-owners abstain from objecting, or from following up their objections, on the ground of the expense involved in obtaining legal assistance; and we consider that, especially in country districts, a number of objectors could unite in appointing a practical valuer or farmer to appear for them, they sharing the payment of his fee. Objectors sometimes find it necessary to engage a professional valuer and to call him as a witness on their behalf, and in such cases the additional expense of employing a solicitor, coupled with the loss of the objector's own time, will often outweigh the advantage to be obtained in the way of a reduction. We think that every reasonable facility should be given to property-owners in the matter of presenting their cases to the Assessment Court, seeing that the taxation and rating which are consequent upon the valuation of their properties is a matter of much concern to the great majority of them.

17. Evidence has been led before us that objectors are sometimes asked in the assessments whether they are prepared to sell their properties at the Department's valuation, and that an answer in the negative is taken as an admission

that the valuation is fair. If this is done, we consider that the test so applied is not a true one. The Valuation of Land Acts speak of the sum which the property might be expected to realize if offered for sale, and not of the sum at which the owner is prepared to sell it. The property may be the objector's home, and he might well not be prepared to sell it at even what he considers an excessive valuation. The case is the stronger in country districts, where the owner has sunk his all into a farm, which provides employment for himself and members of his family.

18. Under the present law the burden of proof lies upon the objector, so that the Department's valuation has to be sustained unless the objector can satisfy the Court that it is excessive (Valuation of Land Act, 1908, section 16). Witnesses have suggested that either the onus of proof should be on the Department, or that there should be no onus on either side. We think, however, that the onus of proof properly lies with the objector, and cannot therefore recommend any alteration in the law in this respect.

PRINCIPLES OF VALUATION.

19. We have the honour further to report that we have taken into consideration the evidence adduced before us that an excessive proportion of the capital value of properties is attributed to the unimproved value thereof, with the consequence that property-owners are allowed an insufficient sum for their improvements. Land-tax is payable on the unimproved value, and in some districts the local rates are also levied on that value. Therefore as regards land-tax, and, in some cases, local rates as well, the value of the improvements upon the land is in the nature of an exemption from taxation.

20. Taking the evidence generally, we find that comparatively few complaints have been made that the capital value of properties has been excessive. Indeed, we have heard a considerable amount of evidence to the effect that sales have taken place above the capital values as arrived at by the Valuation Department or fixed by the Assessment Courts.

21. The task of dividing the capital value of properties as between the "unimproved value" and the "value of improvements," as respectively defined in the Valuation of Land Acts, is by no means easy, and is apparently one that falls to the lot only of the Department's valuers. The Acts do not prescribe any method by which the adjustment in question is to be made, and the evidence shows that different methods are employed by different valuers. Speaking generally, we consider that the evidence as a whole shows that in a number of cases the complaint that an undue proportion of the total value of properties has been attributed to the "unimproved value" has been well founded.

22. One ground of complaint under this head has to do with the valuation of lands situate in or near boroughs, and that have been subdivided into allotments for building purposes or are in proximity to lands that have been so subdivided, but where land has been subdivided in advance of the market for building allotments. It sometimes happens that a few only of the allotments are sold, and the rest of the land continues to be used for purely agricultural or pastoral purposes. In such cases owners have complained that the land has been valued somewhere near the prices that have been obtained for the few lots that have been sold. We think that in these cases the valuer should take into consideration the state of the market for building lots as existing at the time the valuation is made, and that land which then is used for purely farming purposes should not be valued on any other than a farm-value basis, unless there is sufficient existing demand for building lots in the vicinity thereof to warrant a higher valuation. Under other headings of this report we shall respectfully recommend to Your Excellency that revaluations be made of certain properties as regards which we are of opinion that considerable doubt exists upon the evidence as to whether the unimproved value has not been overstated.

23. Closely allied to the foregoing case is that of streets in towns the properties in which are mainly used for residential purposes, but in which a few

properties have been purchased or are used for business purposes. Here, too, we consider that the demand at the time of valuation for business places in such a street should be taken into consideration, and that an owner should not have his residential property assessed as a business-site value unless it has really acquired that value. But where the demand shows that a property has acquired a business-site value, but the owner prefers to use it for residential purposes, it should be assessed by reference to the values of properties in the locality that have been purchased or are used for business purposes.

24. The ascertaining of the unimproved value of properties situate in strictly town areas does not, as a rule, present much difficulty, seeing that in such areas land is found to have a more or less fixed value per foot frontage, and the buildings thereon can readily be valued. But in farming districts the ascertaining of the unimproved value of land presents a more difficult problem, especially in areas in which land has been reclaimed from swamps or the soil has been improved by liming or manuring.

25. Land in some parts of Southland has been largely brought to its present degree of productivity by the expenditure of money and labour. The evidence shows that in some parts of this country the land is practically useless for agricultural purposes unless it is limed and manured, and some of the lands were originally swamps that have been drained by the efforts of the settlers. Complaints were made by witnesses from these districts that they were not allowed the benefit of these improvements, but that the soil was valued as it exists to-day, irrespectively of the money and labour expended in bringing it to its present condition. We deal with these complaints in a later part of our report.

26. We think it convenient here, and in especial connection with farming properties to examine the provisions of the Valuation of Land Acts that affect the finding of the unimproved value. The Valuation of Land Act, 1908, section 2, defines "capital value" as follows:—

"Capital value of land means the sum which the owner's estate or interest therein, if unencumbered by any mortgage or other charge thereon, might be expected to realize at the time of valuation if offered for sale on such reasonable terms and conditions as a *bona fide* seller might be expected to require."

The Valuation of Land Amendment Act, 1912, section 3, defines "improvements," "unimproved value," and "value of improvements" as follows:—

"'Improvements' on land means all work done or material used at any time on or for the benefit of the land by the expenditure of capital or labour by any owner or occupier thereof in so far as the effect of the work done or material used is to increase the value of the land, and the benefit thereof is unexhausted at the time of valuation; but does not include work done or material used on or for the benefit of the land by the Crown or any statutory public body, except so far as the same has been paid for by the owner or occupier either by way of direct contribution or by way of special rates on loans raised for the purpose of constructing within a county any road, bridge, irrigation-works, water-races, drainage-works, or river-protection works:

"Provided that the value of improvements made out of loan-moneys raised for the purpose of constructing within a county any road, bridge, irrigation-works, water-races, drainage-works, or river-protection works as aforesaid shall not exceed the amount of principal estimated by the Valuer-General to have been repaid by the owner in respect of any such loan by way of special rates.

"'Unimproved value' of any land means the sum which the owner's estate or interest therein, if unencumbered by any mortgage or other charge thereon, might be expected to realize at the time of valuation if offered for sale on such reasonable terms and conditions as a *bona fide* seller might be expected to impose, and if no improvements (as hereinbefore defined) had been made on the said land.

“ ‘ Value of improvements ’ means the added value which at the date of valuation the improvements give to the land.”

The Act of 1908, section 6, as amended by the Act of 1912, section 4, directs that the valuation roll shall set forth particulars of (*inter alia*),—

- (d.) The nature and value of the improvements;
- (e.) The unimproved value of the land;
- (f.) The capital value of the land.

The word “ land ” is defined in section 2 of the Act of 1908, as amended by section 3 of the Act of 1912, as follows :—

“ ‘ Land ’ means all land, tenements, and hereditaments, whether corporeal or incorporeal, in New Zealand, and all chattels or other interests therein, and all timber or flax growing or standing thereon :

“ Provided that native bush or trees which have been planted for shelter or ornamental or utility purposes shall not be included in the definition of land in this section.”

Apart from the above provisions, the Acts do not contain any direction as to the method to be adopted in valuing land. Probably no such direction can be inferred from the mere statement of the order in which the particulars of the properties are to be set out in the valuation roll.

27. The Valuer-General, in a printed “ Memorandum Explanatory of the Valuation of Land Act, 1908, and its Amendments,” dated the 16th of September, 1913, and published by the Government Printer, advises the district valuers to arrive at a standard unimproved value of land in a district. He proceeds : “ Having arrived at such a standard, it then becomes necessary for the valuer to adjust his values according to the quality of the soil, situation, accessibility, configuration, or other natural peculiarities of each particular piece of land. Uniformity of unimproved value of land is of the utmost importance. Rural land of similar quality and position must be valued uniformly, whether in a large or a small holding, so as to ensure uniformity of unimproved value.” We are of opinion that the Valuer-General here lays down a satisfactory method of arriving at the unimproved value of land in country districts, but in the cases that have come before us, and in which we doubt whether the unimproved value has not been fixed at too high an amount, we consider that the valuers have not, in arriving at their standard values, allowed a sufficient sum in respect of improvements. This may be partly accounted for by valuers taking a number of sales of typical farms, and deducting from the purchase-money their own valuation of the improvements on those farms, making that valuation too low. It can readily be seen that if the standard unimproved value of land in a district is fixed too high the whole district will be overvalued; and, further, that since the unimproved value of any given property and the value of the improvements thereon must not exceed the capital value of the whole property, the value of the improvements gets cut down to a sum that, added to the unimproved value (found by reference to the standard value), will make up the capital value. We think that this explains some of the complaints that owners have not been allowed a sufficient sum for their improvements.

28. The Valuer-General at page 12 of his memorandum says : “ Having estimated the unimproved value and the value of the improvements, the valuer is able to apply a check on his estimates, as these two values combined must represent the fair selling-value (known as the capital value) of the whole. If the valuer’s estimates combined exceed the fair selling-value, then his estimate of the unimproved value, or of the improvements, or of both, is too high, and he must reduce his estimates accordingly. If his estimates combined do not reach the total selling-value, then he is too low either in the unimproved value or in the improvements, or in both, and he must increase his estimates accordingly.” This statement requires that the valuer should not be content with arriving at the standard unimproved value and the capital value, and fixing the value of the improvements on the property he is valuing by deducting its unimproved value from its capital value, and then see

whether their value, plus the unimproved value as found by him, is higher or lower than the capital value of the property, thus testing his valuation.

29. Land in a district may be of such different quality as to render it necessary to arrive at more than one standard unimproved value for the district, and we understand that the Valuer-General's directions are so interpreted in practice.

30. It might be thought that it would be better to first apply the method of valuing the unexhausted improvements, and to find the unimproved value by deducting the value of these improvements from the capital value—a method approved by the Supreme Court in the case of *Nightcaps Coal Company v. Valuer-General* (25 New Zealand Law Reports, page 977), under the Valuation Acts then in force. Such a plan, however, is, in our opinion, not always feasible under the present law, seeing that the statute defines “value of improvements” as being that added value which the improvements give to the land irrespectively of their cost. Thus money and labour expended in clearing, draining, ploughing, and other such works will represent, on valuation, the increased value that the property as a whole would sell for, which increased value may be more or less than the value of the money and labour originally expended in effecting those improvements. We think the method suggested by the Valuer-General will in most cases of valuing country lands be found to work well, and will tend to maintain uniformity in the unimproved value of lands of similar character in a district.

31. The provision made in the Valuation of Land Act, 1908, section 3, that the value of improvements should not exceed the cost of such improvements, was repealed by the amending Act of 1912. This repeal would, in our opinion, have applied particularly to the Southland cases that were brought before us. The valuation of these lands was, however, made shortly before the repeal took effect. The amending Act was passed on the 26th October, 1912, but did not come into force until the 1st April, 1913, and we understand that the valuations were being made, in whole or in part, between these dates.

32. We consider that drains that have been made for the purpose of draining, and that have drained, swamp lands should be allowed as an improvement, notwithstanding that the drains have ceased to run by reason of the swamp having been successfully drained. We are clearly of opinion that such drains are within the statutory definition of “improvements,” seeing that the benefit the land has obtained from them is not exhausted. We differentiate the case from that of drains made for other purposes, and that have ceased to be of any use to the land, and have not added to its selling-value.

33. As an instance of a case in which the improvements must be valued below their cost we may take the case of a farm having on it a large house formerly occupied by the owner of a station that has been subdivided and sold or leased in comparatively small areas, one of such areas being the farm in question, or the case (an example of which came before us) of an over-improved farm from which other farms owned by the same owner, and situate at some distance therefrom, are worked. In each of these cases the value of the improvements must, in conformity with the statute, be cut down to the added selling-value that they give to the land on which they exist.

34. In addition to the instructions given by the Valuer-General in his memorandum, we have the honour to recommend that the standard unimproved value of land in country areas be fixed by several district valuers acting together, with the assistance of a local valuer appointed by the ratepayers of the district and paid by the local authority. We make the latter part of this recommendation particularly in view of the valuation of improvements, since the cost of fencing, ploughing, and other such works varies much in different localities. We may here add that several of the witnesses suggested that a local valuer should accompany the district valuer when making his valuation, and that the same person should also sit on the bench as the ratepayers' assessor. We consider that the local valuer should be a person other than the ratepayers' assessor, since the Court would not be constituted on judicial lines if a person

acted both as valuer and judge, and, as above mentioned, we think it necessary for the local valuer to assist the district valuers only in valuing typical properties for the purpose of arriving at the standard unimproved value of land in a district. We think that in fixing the standard unimproved value of a district, or part of a district, a liberal allowance should be made for the improvements on the typical farms that are taken, so as to ensure that the unimproved value of the district shall not be placed too high.

35. In the valuation of town properties we consider that the valuer should always be competent to value buildings as well as land, or should be associated with an architect or practical builder.

36. We beg further to recommend that the valuer appointed to value a country district should have a knowledge of farming and of the cost of improvements, and that, whether as regards country or town districts, the valuer selected should, where practicable, be one having a good knowledge of the district.

37. Wellington witnesses expressed the opinion that certain properties situate in the city must have been overvalued at the recent valuation, on the ground that since the previous valuation of 1906 rents in the business parts of the city had declined, while the cost of building had increased. The witnesses generally on this point argued that productivity should be the basis of valuation. The question, however, on what basis lands should be valued for land-tax, local rates, and other assessments is not a matter that has been referred to us by Your Excellency. The statute speaks of the selling-value, and it is quite possible that the market price of land in a town may be above its value, based strictly upon productivity. The witnesses who spoke on this subject referred largely to the case of leasehold properties held under the City Corporation, but two of such witnesses admitted that they did not know of any sales of freehold property in the city that had been effected below the Government valuation, one of such witnesses (a large city property-holder) adding that he knew of a great many sales that had been made round about the Government valuations, but that the present owners had found that they could not make a profit at the prices they had paid. The witness, in terms, complained of the legislation, and not of the administration thereof by the Department. The Valuer-General, in his memorandum to which we have before referred, enjoins the valuers "not to strain after high values, nor accept isolated 'boom' prices, nor values involved in exchanges of land as a standard of value, but to determine the value neither above nor below the fair selling-value, in view of the many and diverse purposes for which the values are used."

38. As regards local rating, it does not necessarily follow that where on the revision of a roll the values are considerably increased the local authority should continue to levy the rates at the same amount in the pound as they stood at under the previous valuation; and evidence has been given to us by property-owners at Titirangi, in the County of Waitemata, that the local authority reduced the rates in consequence of the increased values shown by the recent valuation. The selling-value of land is undoubtedly affected by the existence of high local rates, and the Valuer-General, in his evidence before us, stated that an increase in rates is regarded by the Department as a factor in fixing values.

AS TO INSPECTION OF PROPERTIES.

39. A considerable number of complaints were made to us in different districts that the valuers had not sufficiently inspected the properties when making their valuations, and in some of these cases the evidence seems to bear out the complaint. In a number of the cases, however, the property-owner did not complain of the capital value placed upon his property, but considered that he was not allowed enough for his improvements. We are inclined to think that some of the valuers have proceeded upon the method of deducting the standard unimproved value as found by them from the capital value, and treating the sum left as representing the value of the improvements, a method which, as above pointed out, would only work justice if the standard value is not fixed at too

high a sum. We desire to emphasize the necessity of a sufficient inspection being made of each property, both for applying thereto the standard unimproved value with reference to the original nature of the soil and the situation and other characteristics of the property, and for valuing the improvements thereon.

40. Complaint has been made before us that buildings have been valued from the outside only. While we think that in the majority of cases of buildings on farms in this country a sufficient valuation could be made without an inside inspection, we are nevertheless of opinion that an inside inspection of buildings (especially residences) in towns is always necessary, having regard to many kinds of improvements which owners of town buildings make thereto, and which are not always apparent from a merely outside inspection.

41. We have the honour to recommend that, so far as can be conveniently done, the valuer, when revising the roll of a country district, should give individual notices to the landowners of the approximate dates at which he proposes to visit their properties, so as to give them an opportunity of being at home when the valuations are made and of conferring with the valuer on the subject of their improvements. We further recommend that the valuer should make inquiries as to the existence of underground drains, and as to whether land situate in swamp districts has been reclaimed.

METHOD OF VALUING LEASEHOLD INTERESTS.

42. A considerable body of evidence has been brought before us in Wellington, Auckland, and elsewhere concerning the valuation of leasehold properties under section 39 of the Valuation of Land Act, 1908. Under this section the capital value of the leasehold interest is arrived at by finding the annual sum left by deducting the annual rent reserved by the lease from a sum equal to 5 per centum of the capital value of the freehold. Then the present value of the annual sum so found is arrived at according to the number of years the lease has to run. The tables used for this purpose are, as required by the Act, prepared on a 5-per-cent.-per-annum-compound-interest basis. If the lease gives to lessee any right to compensation or of purchase or other valuable right, the present value of such right is also ascertained and added to the valuation of the lessee's interest. If the rent reserved by the lease is equal to or exceeds 5 per cent. per annum on the capital value of the freehold, his valuation in respect of rent is nil, and he would be assessed at only the present value of any right to compensation or of purchase or other valuable consideration to which he is entitled under the lease.

43. It has been objected before us that the statute does not take into consideration the burdens or disabilities placed upon some lessees by the terms of their leases. A notable instance of such a case was cited before us in Wellington. The lessee held a considerable amount of land, and had only one building erected thereon; by the terms of his lease he was prohibited from erecting more than one building, yet he had to pay land-tax and local rates on the basis that he could, if he chose, still further improve the land.

44. The Valuer-General, in his evidence given at our last Wellington sitting, expressed the view that section 39 ought to be amended so that the Department could take into consideration restrictions placed upon lessees. He referred us to a Valuation of Land Bill introduced in New South Wales in 1912, and stated that he discussed the question of these restrictions with the officer in charge of the New South Wales Valuation Department and the Law Draftsman of that State on the occasion of his visit to Sydney last year. The Law Draftsman, he added, decided to adopt our section 39, but thought that where onerous conditions were imposed by the lessor the Valuer-General should be empowered to allow for them in apportioning the full capital value of the fee-simple as between the lessor and the lessee.

45. Mr. Flanagan thought this only fair. The New South Wales Bill deducts from the lessee's valuation "the value of any unfulfilled onerous conditions to which the lessee is liable under the lease" (clause 25). This, however,

does not meet the case of a restrictive covenant such as was contained in the lease to which we were referred in Wellington, or in the lease held by Messrs. Ward Bros., at the Hutt, where the lessees were prohibited from using the land for other than agricultural purposes: *Re Ward and the Valuer-General* (25 New Zealand Law Reports, page 510). Mr. Flanagan suggested an amendment of paragraph (b) of subsection (2) of our section 39, which we think would include such cases. He desired that an allowance should be made in favour of a lessee in respect of "the detrimental value of any restrictions in the lease which prevent the lessee from putting the land to the use to which it is best adapted at the date of valuation," as well as in respect of the value of any onerous unfulfilled conditions to which the lessee is liable under the lease. We approve of an alteration of section 39 on these lines, and consider that such an amendment of the law should go far to remove the complaints we have heard concerning the operation of the section.

46. The valuation of the lessor's interest in the land would necessarily be increased by the amount allowed to the lessee under such a provision; but the lessor can have no just ground of complaint on this head, since he or his predecessor in title imposed the restrictions upon the lessee, and they may be assumed to be of value to the lessor in respect either of the land leased or his adjacent lands.

47. In the case of *Re Hutt Park and Racecourse Board* (27 New Zealand Law Reports, page 246), decided in 1907, the Supreme Court held that where land is owned in fee-simple, but the grant contains restrictions on the owner's powers of alienation, these restrictions should be taken into account by the valuer, and the land be accordingly valued at less than a fee-simple clothed with full powers of alienation, the Court pointing out that the definition of "capital value" contained in the Act spoke of the value not of the land, but of the owner's estate or interest therein. A similar decision was given in the case *Valuer-General v. Ormsby*, reported at page 44 of the same volume, where the property valued was Native land subject to restrictions upon alienation. We notice, however, that section 39 requires that the combined interests of the lessor and the lessee shall not be estimated at less than the capital value of the land would be estimated at if held by a single owner in fee-simple "without limitation of estate or power." We think, however, that the mere circumstance that the land has been leased should not deprive the freeholder of the benefit of the decisions above cited, but that an allowance should be made to him in respect to any restrictions contained in the grant, whether as to selling or leasing, or as to the use to which the land may be put. In some cases the owner may have been prohibited from leasing the land except for a specified purpose. It is true that in such a case he is not, under the present law, charged (as regards rent) with more than the capitalized rent he will actually receive under the lease for the unexpired term thereof, but he is also assessed upon the present value of his reversion in fee-simple that will fall in at the expiry of the lease, and it is in respect of this reversion that we consider the allowance in question should be made. The cases to which these observations apply are mostly those of lands held for semi-public, though rateable, purposes.

48. Another ground of complaint made by lessees was that whereas the owner of the fee-simple has the right under section 31 of the Valuation of Land Act, 1908, to offer his land to the Government, yet the lessee has, by the express words of the statute, no such right. Some of the witnesses who appeared before us desired that lessees should have this right; others suggested that in lieu thereof lessees should have the right of appeal to the Supreme Court against the decision of the Assessment Court on the question of the amount of the valuation. Under the existing law appeals to the Supreme Court are permitted not on questions of mere valuation, but only on points of law. We do not approve of the suggestion that lessees should have the right to offer their leasehold properties for purchase by the State, but we have the honour to recommend that they should have the desired right of appeal to the

Supreme Court in questions of valuation. We do not suppose that the right would, as a rule, be exercised except where leasehold property of considerable value is concerned, but we think that all lessces should have the opportunity of appealing against their valuation should they so desire.

RIGHT TO OFFER LAND FOR PURCHASE BY THE GOVERNMENT.

49. It will be convenient now to report upon Your Excellency's direction to us to consider whether section 31 of the Valuation of Land Act, 1908, affords an owner who is not satisfied with the value of his land as fixed by the Assessment Court an equitable alternative. We found that a considerable number of property-owners in different parts of the Dominion either did not know of the existence of this section or had a very imperfect knowledge of its operation.

50. The section entitles an owner (other than a lessee) who is dissatisfied with the decision of the Assessment Court to give notice to the Valuer-General, within fourteen days after the hearing, that he (the owner) requires that either the capital value be reduced to such lower sum as he thinks is the fair value, or that the property be taken by the Government at that sum. Thereupon either the Valuer-General must reduce the capital value to the sum so mentioned by the owner (or to any other sum mutually agreed upon), or the Government must purchase the land at the sum so mentioned by the owner.

51. The following criticisms upon the operation of this section have been made before us:—

(1.) That inasmuch as owners are frequently dissatisfied not with the capital value at which their properties have been assessed by the Court, but with the proportion thereof that has been attributed to the "unimproved value," the section does not really afford them any relief.

(2.) That where the owner has not objected to the Department's valuation of the improvements, but only to the unimproved value, and has obtained a reduction off the capital value under section 31, the amount of such reduction is under section 32 of the Act taken not wholly off the unimproved value (which alone was in contest in the Court), but partly off that value and partly off the value of the improvements. In this connection, counsel for the Valuation Department suggested to a witness at our last Wellington sitting that section 31 should be altered by providing that a freeholder, when he objects to the decision of the Assessment Court, should be required to state not only the capital value at which he values his property, but also his unimproved value and his value of improvements, and that the Crown should have the right to purchase the land at the owner's unimproved value, leaving the value of the improvements to be ascertained by arbitration. The witness, who was considerably interested in city properties, approved of the suggestion.

(3.) That where an owner holds several contiguous properties, but owing to their being let to different rateable occupiers the properties have been separately valued as required by paragraph (b) of section 6 of the Valuation of Land Act, 1908, such owner has to offer each of the properties separately to the Government, with the possible result that one or more only of the holdings may be taken, and the remaining holdings thereby rendered less valuable to the owner.

(4.) That an owner who has objected to his valuation, but has not appeared before the Assessment Court, has not under section 31, but should have, the right to offer his property under the section.

(5.) The Valuer-General considered that the section is often abused by syndicates and other owners of land, who offer their land under section 31 in the full belief that the Government will not purchase them, thereby getting their valuations reduced considerably below the fair selling-price, and sometimes also seriously crippling the finance of local bodies. The Valuer-General also instanced some cases where the objector had offered his property to the Government at the sitting of the Assessment Court, and where, on the valuer meeting him to discuss the offer, it was found that the property had since been sold privately at a price above the value fixed by the Court.

(6.) The Valuer-General also suggested that where an owner takes advantage of section 31, a period of three months should be allowed to the Government in which to decide whether the valuation shall be reduced or the property purchased, and that he shall have power during that period to place the property in the hands of a registered land agent for private sale at the net amount of the valuation fixed by the Assessment Court, and on reasonable terms and conditions.

52. We approve of the suggestion made by counsel for the Department under paragraph (2) above. This meets also the case under paragraph (1).

53. As regards paragraph (3), we recommend that the property-owner shall have the right, if he so desires, to offer all his contiguous properties in one offer to the Government.

54. We disapprove of the suggestion No. (4), that an objector who has not appeared in support of his objection should have the benefit of section 31.

55. As to paragraph (5), we recommend that the Government should from time to time acquire properties under section 31, with a view to checking the abuse of the section referred to. We are unable to agree with the suggestion under paragraph (6), as we think a property would be injuriously affected by remaining in the Department's hands for three months, or even a shorter period, should a sale not be effected by the land agent, and the Government decide ultimately not to acquire the property. We think the owner should have the right to offer his land to the Government without being placed at this disadvantage.

56. We have on the preceding pages reported on the questions referred to us by Your Excellency in the order of the importance they assumed to us on taking the evidence, and we now have the honour to report under your remaining directions.

OTAHUHU PETITION.

57. We sat at Otahuhu on the 1st December, 1914, to hear evidence in support of this petition. The petition, which was addressed to the House of Representatives, runs as follows:—

“That petition of ratepayers of the Borough of Ōtahuhu humbly sheweth:—

“(1.) That the undersigned ratepayers of this district hereby petition Parliament to take into consideration the matter of excessive valuations of properties in this borough as set forth by the recent valuations of the 1st April, 1914, and to add our protest to the unjust system of burdening the ratepayers by this method throughout the whole of the Dominion.

“Your memorialists therefore humbly ask that the Government will be pleased to institute an inquiry to amend this inequitable taxation by Government officers.”

The petition was referred by the House to the Lands Committee, which, on the 22nd October, 1914, recommended that the petition be referred to the Government for favourable consideration. The witnesses who appeared before us were represented by a member of the Bar, who acted generally in support of the petition, and asked for further time in which to formulate his case. We adjourned the sitting until the 3rd December, holding a sitting in the City of Auckland on the intervening day. At our suggestion counsel in the meantime selected a number of cases deemed to be typical of the grievances of the petitioners.

58. We found that the complaint on the part of property-holders in the borough was attributable partly to alleged overvaluation of the unimproved value of their properties and undervaluation of their improvements; partly to the circumstances that the borough had, on the 31st March, 1914, come under the system of levying local rates on the unimproved value; and, again, partly to the fact that the borough, which had only been constituted two years ago, had since levied special rates in connection with loans for water-supply and drainage. The alleged high valuation of the unimproved value, on which were payable the land-tax and the general and special rates, was said to bear hardly upon the property-holders of the borough; and as regards the local rates it

was said that, while there was dissatisfaction all round with the new valuations, they pressed more heavily on the owners of 5 acres and upwards.

59. The borough was described to us as having a business centre on the Great South Road from the junction of the Panmure Road and the Railway-station Road to the Nixon Monument. Outside of this centre the land was said to be used for dairy-farming and fruit-growing, with nursery gardens near the station. There are golf-links in the borough, near to which is the favourite residential area, where a good many buildings had been erected.

60. Particulars of the valuation of some dozen properties in this borough were given before us in evidence. The Government valuation to which the complaints referred was made between September and December, 1913, and came into force on the 31st March, 1914. The previous valuation had been made in 1911. We found that in the cases brought before us considerable increases had been made in the recent valuation upon the figures shown in the valuation of 1911. In several of the cases the increase was over 50 per cent., and in one or two cases it was not very far from 100 per cent.

61. In our opinion, the borough generally was overvalued in 1913. This we find to have been caused partly by the fact that farming-land had been subdivided into building sections far in advance of the demand for residential sites, and had been valued to a considerable extent on an allotment basis, and partly by the circumstance that the valuation was made on the basis of sales that had been effected during a short period in which there had been a brisk demand for building sections, but which demand had fallen off at the time the valuation was actually made. This can be explained as follows: The information as to the sales was obtained by the valuer from the conveyances and transfers registered in the Deeds Registration and Land Transfer offices respectively. These instruments do not disclose the actual date of the sale, and in practice are not executed until the purchase-money has been fully paid, or a sufficient part of it has been paid to enable the purchaser to raise the rest by way of mortgage. The evidence showed that there had been but few sales since the 31st March, 1914, and that the falling-off of the demand had taken place about the time the valuation was actually made.

62. We think these considerations justify us in respectfully recommending to Your Excellency that a new valuation be made of the Borough of Otahuhu in accordance with the values that existed before the declaration of war. And in making this valuation (should Your Excellency approve of the foregoing recommendation) we consider that land in the borough that is used for farming or fruit-growing purposes, and that has not actually acquired a residential or business site value, should be valued with reference to the purposes for which it is actually used at the time of valuation, notwithstanding that it may have been divided with a view to sale in allotments.

CASTLEPOINT PETITION.

63. We held a sitting at Tinui on 8th December last to hear evidence in support of the petition addressed to the Right Hon. the Minister of Lands. The petition reads as follows:—

“The memorial of the undersigned ratepayers of the South Riding of the County of Castlepoint sheweth:—

“Whereas an examination of the valuation rolls, giving the revaluations of properties in the four ridings of the Castlepoint County, as estimated by the Government valuer, for the year commencing 1st April, 1913, shows an average increase on the unimproved value in the North Riding of 30·3 per cent.; in the East Riding of 31·9 per cent.; in the West Riding of 35·9 per cent.; and in the South Riding of 79·2 per cent. on the previous valuations:

“And whereas, in our opinion, the increase in value in the South Riding should have shown but little difference from that in the other ridings in the county; and we are quite at a loss to discover any adequate

grounds for believing that there has been such an extremely disproportionate increase in the unimproved value of property in this riding compared with the other ridings:

“And whereas, also, by this great increase in our valuations the burden of the county rates is largely transferred from the ratepayers of each of the other ridings to us of the South Riding:

“We, therefore, respectfully petition you to cause a readjustment of the valuations to be made, with a view of placing us on a fair footing with the ratepayers in the other ridings, and rectifying the injustice which we believe has been done to us.”

64. The case for the petitioners was conducted by Mr. H. H. S. Ryder, of Langdale. He stated that the petitioners were satisfied generally with the valuations of their own properties, but considered that the North, East, and West Ridings of the county had been undervalued, with the result that the South Riding had to bear a larger share of the burden of the local rates.

65. The evidence satisfied us that land in the South Riding is generally of better quality than land in the other ridings, and, moreover, has considerably appreciated in value in recent years. We were not satisfied that land in the other ridings had been undervalued. The evidence showed that in the East, North, and West Ridings considerable increases had been made in the Government valuation of unimproved values of 1912 upon the previous valuation of 1907. For example, some properties in the East Riding had been increased by 50, 68, 70, and 94 per cent. respectively; in the North Riding by 50 and 61 per cent.; and in the West Riding by 50, 100, 127, and 313 per cent.; and sales were quoted in support of valuations in each of the four ridings. The evidence was largely directed to the Annedale property, situate in the West Riding, which the petitioners thought was valued too low in comparison with their properties. This property, which was valued at £6 8s. per acre capital value, was stated to carry practically two sheep to the acre, and to fatten all the surplus stock produced each year, and also the bullocks off the hilly country. It was brought out in evidence, however, that there were three separate owners of three different parts of the Annedale property, and that as each of these owners was the rateable occupier of her part of the property, there had, in accordance with section 6 of the Valuation of Land Act, 1908, to be a separate valuation of each of these parts, each part being consequently treated as a separate and distinct holding. Although the property as a whole was sufficiently served with roads, yet the back portion, which was stated to be twelve miles from the main road, had no legal means of access of its own. The whole property is, however, worked as one holding. In these circumstances we do not consider that the three separate parts of the property, treated as three separate holdings, have been undervalued. At the same time, it appears to us that the manner in which the property has been subdivided has caused the total of the valuations of the separate parts to be considerably less than the property as a whole would be valued at.

66. The unimproved values of the Annedale property were increased at the recent valuations as follows:—

Acreage.	Owner.	Valuation of 1907.	Valuation of 1912.
6,869	Mrs. Burge and Miss Williams	£ 23,878	£ 30,910
3,445	Mrs. Hoare	7,413	11,627
5,366	Mrs. Reed and Miss E. C. Williams	15,998	22,805
15,680		47,289	65,342

This shows a total increase in the unimproved value of £18,053.

67. Having carefully considered the evidence adduced, we are of opinion that the petitioners have not substantiated the matter of their petition.

OTHER CASES OF ALLEGED OVERVALUATION.

68. We have taken evidence from all persons who have appeared before us at our different sittings and complained of the valuations of their properties, and have also received a number of written communications from persons who were unable to be present at our sittings, and have obtained reports thereon from the Valuer-General. In considering this evidence, and these communications and reports, we have laid it down as a rule to be observed generally for our guidance not to recommend a revaluation in individual cases that have been adjudged upon by the Assessment Court, and where there is no evidence that the Court was constituted or proceeded on other than judicial lines. In the following cases as to which evidence was given verbally we have the honour to recommend as under :—

Auckland Sitting.

Robert Smith, farmer, of Mount Smart, Onehunga. Property of 10 acres, situate in the One-tree Hill Road District. 1908-9 valuation—Unimproved value, £900; improvements, £100 : 1913-14 valuation—unimproved value, £2,550; improvements, £50. Mr. Smith asked for a revaluation for the reason that the assessor appointed by the local authority had been employed by it at a fee to value his and some other properties in the road district in conjunction with the Government valuer. It was proved before us that this was done, and that Mr. Smith raised the point at the hearing of his objection, but that it was overruled, and the valuation sustained. Although we do not consider that the assessor acted otherwise than in good faith, we are nevertheless of opinion that the Court was not constituted on judicial lines, so far as this case was concerned, and therefore we have the honour to recommend that Mr. Smith have a revaluation of his property made free of charge to him should he apply for one. (*Note.*—The Valuer-General reports to us that the improvements were valued at £100 at each of the two valuations.)

William Bishop, settler, of Titirangi, Waitemata County. Property of 237 acres, situate near the City Council's motor drive, and described as broken land containing steep gullies, and carrying fifty sheep, six head of cattle, and two horses. One or two holdings in the vicinity had been cut up into sections and sold for summer resorts. One owner had cut up 100 acres into 3, 4, and 5 acre sections, and in ten years had sold only about five of them. Valuation (Bishop) in 1909—Unimproved value, £550; improvements, £275 : valuation of 1914—unimproved value, £2,370; improvements, £425. This appears to us to be one of those cases of farm properties valued largely on the basis of residential sites, to which we have referred earlier in our report. We recommend a revaluation, should Mr. Bishop so desire, free of cost to him, the valuation to be on the basis of the use to which the property is put, unless there is clear evidence of a present demand for residential sites in the immediate vicinity of the property and it is found to be suitable for such sites. Mr. Bishop, who gave his evidence very fairly, stated that had our sitting in Auckland been known of in time about twenty other settlers similarly circumstanced to himself would have attended before us. We therefore beg to recommend that inquiry be made into other cases in his neighbourhood that may be thought to bear a resemblance to his, with a view to revaluations being also made of such of the properties as are found to be in like case with his.

Otahuhu Sitting.

Mrs. J. R. Laing, widow, of Titirangi. Property of 747 acres in the Titirangi Riding, situate about three miles and a half on the other side of the Titirangi Range. The land was described by Mr. Ronald Laing, who appeared for his mother, as broken country, not suitable for farming. He stated that

three or four years ago the land- and income-tax was £6 4s., but that under the 1914 valuation they were between £30 and £40, the county rates being about the same in amount. The unimproved value of the property is placed at £7 an acre, the capital value being £8 14s. The adjoining property was stated to be valued at £4 an acre, unimproved value. Mr. Laing stated that this adjoining property had been sold, and that the sale was quoted in the Assessment Court as having been effected at £9 an acre, whereupon the valuation of Mrs. Laing's property was sustained. It appears, however, that this sale included the stock on the land, and the district valuer admitted before us that he did not know that the price included the stock. For this reason, and also because it seems to us that Mrs. Laing's property has been overvalued, particularly as regards the unimproved value, we beg to recommend that a free valuation he made should she so desire.

Masterton Sitting.

Robert Clive Fowler, farmer, Mangamahoe. Acreage, 254 acres 2 roods 24 perches; Section 115, Block XIX, Mangaone Survey District, Mauriceville County. Unimproved value, £6 10s. per acre.

Ephraim Tildesley, sheep-farmer, Mangamahoe. Property of 255 acres.

Samuel Dawson, farmer, Mauriceville. Property of 288 acres. Unimproved value, £7 10s. per acre.

The above three owners protested that the unimproved values of their properties had been overestimated by £2 per acre. They abstained from going before the Assessment Court owing to a misunderstanding that appears to have arisen in conversations with officers of the Department. Partly on this ground, and partly because their evidence, while not satisfying us that their properties had been overestimated, yet raised a doubt on the subject in our minds, we beg to recommend revaluations, should the parties so desire, free of cost to them.

Dunedin Sitting.

James McKechnie, Stuart Street, Dunedin. Property part Section 16, Block XIV, Dunedin, containing 16 perches. Erected thereon are buildings about thirty years old. The property was bought by Mr. McKechnie about four years ago for £2,500. It was part of a larger property, and the then existing valuation of the whole property had to be divided. On this division Mr. McKechnie's part of the property was in 1911 valued as follows: Unimproved value, £1,000; improvements, £2,100; capital value, £3,100. On the evidence given at our sitting, and upon perusal of the departmental reports on this case, which will be found in the appendices to our report, we have the honour to recommend that should Mr. McKechnie apply for a revaluation under section 36 of the Valuation of Land Act, 1908, the valuation be made free of charge to him.

Charles Christie Graham, lessee of pastoral runs in the Hawea County, containing altogether 101,250 acres. These runs stood upon the valuation roll that was in force in 1911 at a capital value of £1,770, but in 1914 were valued at £6,650 (capital value). It will be seen that the capital value of the fee-simple under the 1914 valuation is a little under 1s. 4d. per acre. The increase in the valuation appears to be due to a change in the law made by section 22 of the Rating Amendment Act, 1910. Previously the rateable value of pastoral lands of the Crown held under lease or license in districts where the system of levying local rates on the capital or unimproved value obtained was the sum which, invested at £6 per cent. per annum, would produce a yearly income equal to the rent paid by the tenant. The effect of the said section 22 was to place these pastoral lands on the same footing as ordinary lands, and Mr. Graham's holding had to be valued accordingly. In these circumstances we do not see our way to make any recommendation in his case.

Borough of Mosgiel.—The Mayor of Mosgiel gave evidence that on the occasion of the borough coming from the annual-value system to the unimproved-

value system of levying local rates some three years ago a new valuation was made of the borough, and that there was considerable dissatisfaction in the borough with the Department's values. He stated that the Borough Council itself objected to the valuation list, and that in consequence of this action on its part a number of individual owners abstained from lodging objections. Communications took place between the Council and the Department, with the result that the local officers of the Department agreed to recommend that the borough be revalued in two years' time, and the Council agreed to withdraw its objection. The matter was referred to the Valuer-General about three months before the date of our sitting, but at that time he had decided to undertake no further revaluations owing to the outbreak of the war. The Mayor stated that about two-thirds of the land in the borough was farm land or land used for farming purposes, and complained that there was considerable disparity in the valuations of properties in the borough. In view of the arrangement made three years ago, as above described, we beg to recommend that a revaluation of the whole borough be made in accordance with values that existed before the declaration of war.

Gore Sitting.

Joseph Wright, farmer, of Croydon Siding. Property at Waimumu, of 403 acres; house and stable insured for £300 in the Government office. The whole property is fenced, and is divided into thirteen or fourteen paddocks, entailing some four or five miles of fencing, some of the fences being along road-boundaries; and 165 acres of the property is drained and ploughed. All the property, except some 40 or 50 acres sown in turnips and oats, is in English grass. The Government valuation of 1913 is as follows: Unimproved value, £1,209; improvements, £395. Mr. Wright missed his opportunity to object through being away from home. We recommend a revaluation of this property if Mr. Wright so desires, the valuation to be free of cost to him. The amount allowed for improvements seems exceptionally low.

Alfred Orr, farmer, of Balfour, represented before us by Mr. John Hiram Smith. Property of 1,095 acres. Previous Government valuation (made five years ago): Unimproved value, £4,535; valuation of 1914, £6,576 (unimproved), or about £6 per acre. In this case we also recommend a free revaluation, if desired.

Edendale Sitting.

We have in an earlier part of our report spoken of the condition of land in the County of Southland. At our sitting particulars of some dozen properties were given to us, and we consider generally that the unimproved value of the properties has been fixed too high, and not enough allowed for improvements. We beg to recommend that free revaluations be made of all those properties, if the owners so desire, except in cases where the records show that the owner appeared in the Assessment Court. We may here mention that witnesses who had attended the last Court held for this district spoke in high terms of the patient hearing that was given by it to objectors.

The properties referred to above are the following:—

Mrs. Wilson, 184 acres.

John Morris, 165 acres.

Hugh McColl, sen., and his sons, who occupy between them 694 acres.

Andrew Hall, lessee of 112 acres, education reserve.

Patrick Walsh, lessee of 178 acres.

Daniel Tither, lease in perpetuity of 236 acres.

Hugh Fraser, 291 acres, Seaward Downs.

James Dennis Shepherd, 194 acres, Gorge Road, and lessee of 300 acres, State-forest area.

Donald Macdonald, 1,200 acres, Edendale.

Mokotua Sitting.

The evidence given at Mokotua was much on the lines of that given at Edendale. We beg to recommend free revaluations, if desired, in the following cases :—

James Robertson Munro, 337 acres, unimproved value nearly double that of the 1909 valuation.

George Thomas Coombes, 150 acres. Previous unimproved value £450; under 1914 valuation, £1,140. The witness seems to have abstained from going to the Court through some misunderstanding arising from a conversation with an official. Witnesses at Mokotua also spoke of the patience with which the Assessment Court had heard the cases brought before it.

Invercargill Sitting.

William Jamieson, farmer, of Awarua Green Hills. Lessee of 516 acres of endowment land in the Borough of Invercargill. We recommend a free revaluation if desired. The witness did not receive notice of the sitting of the Assessment Court through its not having been correctly addressed, and accordingly did not appear.

All the above revaluations to be made in accordance with values existing before the declaration of war.

Second Wellington Sitting.

Trustees of Mrs. Donnelly's estate (represented by Mr. Skerrett, K.C.). Mangaohane Block, containing 16,000 acres, Hawke's Bay. The property had been valued by the Department as under : 1907—Capital value, £22,444; unimproved value, £16,244; improvements, £6,200. 1914—Capital value, £46,245; unimproved value, £36,500; improvements, £9,745. Increase—Capital value, £23,800; unimproved value, £20,256; improvements, £3,544. Mr. Skerrett did not object to the valuation of the improvements, but only to that of the unimproved value. A detailed valuation of the property made for the trustees in November last by Mr. Oscar Monrad, farmer and valuer of Palmerston North, was put in. Mr. Monrad made the capital value £30,341. It appeared that Mr. Donnelly desired to appeal against the Government valuation, but omitted to put in an objection, with the result that the valuation was sustained. Mr. Skerrett asked that on any application being made by the trustees for a revaluation under section 36 of the Valuation of Land Act, 1908, the valuation should be made by a Government valuer other than the valuer who made the last Government valuation given above. In making this request he pointed out that section 11 of the Act gives an appeal to the Assessment Court only in cases in which a valuation has been altered. We beg to recommend that the request be granted, but that the revaluation be made as before the war. We also recommend that in all cases where an owner asks for a revaluation at his own cost under section 36, the valuation should be made by a Government valuer other than the valuer who made the original valuation.

We further recommend that the Act be amended so as to give an appeal even though the valuation has not been altered upon a revaluation.

Third Wellington Sitting.

Upper Hutt Cases.—The following witnesses appeared before us : Harry Clifton Gibbons, nurseryman; Philip David Davis, and William Brown, all owning lands in the Upper Hutt Town District. These witnesses said they did not consider the valuations of their properties were excessive, but complained of the high local rates levied by the Town Board. We interpreted their evidence to mean that inasmuch as the amount of local rates may be a factor in the market price of land, their lands were in their opinion overvalued. The Valuer-General said in his evidence that the amount of rates payable in this town

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

of land in this part of the West Coast owing to the continuously changing conditions that affect the coal-mining industry. We have the honour to recommend that the Wareatea Riding be revalued on the basis of the values that existed before the war.

SUMMARY OF RECOMMENDATIONS.

70. The following is a summary of the recommendations we have the honour to make :—

(1.) That the Assessment Court should consist of a permanent President for the whole Dominion, who shall be a member of the legal profession, and of an assessor appointed by the Government, either for the whole Dominion or for each provincial district, and an assessor appointed by the ratepayers of the local governing district the roll of which has been revised, such last-mentioned appointment to be made at a meeting of the ratepayers convened by the Mayor or Chairman of the district. In the event of the ratepayers failing to appoint the assessor, the appointment to fall to the local authority. We further recommend that the President should be a person other than a Stipendiary Magistrate regularly exercising civil or criminal jurisdiction.

(2.) That on the occasion of the revision of a roll at least fourteen days' public notice of the sitting of the Assessment Court be given, and that the notice be inserted at least three times in the local newspaper, and also at least three times in one other newspaper circulating in the district affected. Further, that it be an instruction to the officers of the Valuation Department to endeavour to have the purport of the notice inserted in each of the newspapers in the columns devoted to local news.

(3.) That where an owner objects to a valuation affecting the interests of any other owner, the Valuer-General shall send to the latter owner a copy of the objection, and give him at least seven days' notice of the sitting of the Assessment Court.

(4.) That it be competent for an objector to appear before the Assessment Court by a barrister or solicitor, or by an agent appointed in writing under the hand of the objector, or of a person holding a power of attorney from the objector authorizing him to receive the rents of the objector's real estate, and that such agent be allowed to charge a fee for his services.

(5.) That it be enacted that a refusal by an objector when appearing before the Assessment Court to sell or offer his property to the Government at the Department's valuation shall not be deemed an admission by the objector of the correctness of that valuation.

(6.) That where farming-land has been subdivided into building allotments in advance of the market, and continues to be used for purely farming purposes, it shall be valued on a farm-value basis.

(7.) That where the properties in a given street are mainly used for residential purposes, but a few properties in the street have been purchased or are used for business purposes, the owners of properties in the street which at the time of valuation are used as residences, and for which there is no present demand for business purposes, should not be assessed at a business-site value.

(8.) That where a standard unimproved value of a country district is to be arrived at it be fixed by several district valuers acting together, with the assistance of a local valuer appointed by the ratepayers of the district and paid by the local authority; and that in fixing such standard value by reference to sales of improved farms a liberal allowance be made in respect of the improvements thereon.

(9.) That valuers of town properties should in all cases be competent to value buildings as well as land, or should be associated with an architect or a practical builder.

(10.) That valuers of country districts should have a knowledge of farming and of the cost of improvements, and that, whether as regards country or town

districts, the valuer selected should, where practicable, be one having a good knowledge of the district.

(11.) That so far as can conveniently be done, the valuer, when revising the roll of a country district, should give individual notices to landowners of the approximate dates at which he proposes to visit their properties.

(12.) That section 39 of the Valuation of Land Act, 1908, be amended in the direction of making allowances to lessees in respect of the detrimental value of any restrictions in the lease which prevent the lessee from putting the land to the use to which it is best adapted at the date of valuation, and in respect of any onerous unfulfilled conditions to which the lessee is liable under the lease.

(13.) That section 39 should also be amended in the direction of making an allowance to the lessor in respect of any restrictions contained in the grant under which he holds the land, whether as to selling or leasing, or as to the use to which the land may be put.

(14.) That lessees be given a right to appeal to the Supreme Court on questions of valuation as well as on points of law.

(15.) That section 31 of the Valuation of Land Act, 1908, be amended by providing that an owner who objects to the decision of the Assessment Court shall state the unimproved value at which he values his property and his value of the improvements, and that the Government have the right to purchase the land at the owner's unimproved value, leaving the value of the improvements to be ascertained by arbitration.

(16.) That the owner of several contiguous properties shall have the right, if he so desires, to offer all of them to the Government under section 31 in one offer, notwithstanding that there are several different rateable occupiers of such properties.

(17.) That the Government should from time to time purchase properties offered to it under section 31.

(18.) That the Borough of Otahuhu be revalued in accordance with the values that existed before the declaration of war, and that in making such revaluation land that is used for farming or fruit-growing purposes and that has not actually acquired a residential- or business-site value be valued with reference to the purposes for which it is actually used at the time of valuation, notwithstanding that it may have been subdivided with a view to sale in allotments.

(19.) We have no recommendation to make in regard to the Castlepoint petition, as we consider that the petitioners have not substantiated the matter of such petition.

(20.) That a revaluation be made of the Borough of Mosgiel as before the war, and that revaluations be made in the individual cases mentioned in paragraph 68 of this report as therein specified, if the owners so desire, such last-mentioned revaluations to be free of cost to them.

(21.) That in all cases where an owner applies for a revaluation at his own cost under section 36 of the Valuation of Land Act, 1908, the valuation should be made by a district valuer other than the valuer who made the original valuation.

(22.) That the Act be amended so as to allow an owner to object before the Assessment Court, even though his valuation has not been altered upon a revaluation under section 36.

(23.) That should Mr. W. Walters, of Papakura, apply for a revaluation of his property under section 36, the valuation be made by a district valuer other than the valuer who made the original valuation, and that should the original valuation not be sustained the fee payable for the revaluation be returned to Mr. Walters.

(24.) That the Wareatea Riding of the Buller County be revalued on the basis of the values that existed before the war.

The transcript of the shorthand notes of the evidence taken before us accompanies this report.

We desire to express our sense of the able and courteous manner in which the Valuer-General has assisted us in the course of executing our Commission, and of the very frank way in which he has given us all information we have required from him.

In conclusion, we have the honour to return to Your Excellency the Commission under which we have acted, and the extensions thereof.

Given under our hands and seals, at the City of Wellington, this 6th day of February, 1915.

E. A. CAMPBELL.
T. F. MARTIN.
J. G. RUTHERFORD.

MINUTES OF EVIDENCE.

WELLINGTON, WEDNESDAY, 25TH NOVEMBER, 1914.

LEONARD OWEN HOWARD TRIPP examined.

1. *The Chairman.*] What is your position, Mr. Tripp?—I am a solicitor in Wellington. I am also a ratepayer. I may say that lately my partner, Mr. Skerrett, appeared before the Assessment Court in a number of cases representing the objectors, a large number of whom were leaseholders and a fair proportion freeholders. He was acting for gentlemen who are interested in property practically from Lambton Quay to the Te Aro Railway-station. Before I refer to the evidence produced, I should like to say that the first objection the objectors have to the Act is that they think the constitution of the Court is wrong. The lessees and owners of property think that the objectors should have a representative on the Court. It is impossible to get justice done, we submit, unless you have a representative on the Court. Of course, we do not suggest anything against the personnel of the Court. We know they are honest men; but if a man is appointed by one side, and knows he is appointed by one side, his bias must be in favour of that side. Now, the City Council of Wellington happen to be the owners of a very large portion of the business part of Wellington. Periodically the rents of the properties have to be reassessed, and naturally they are interested in keeping up the value of city property. In fact, before this particular Court Mr. Myers appeared on behalf of the Crown, and the Corporation sent down the City Solicitor to represent them and to help Mr. Myers to keep up the values of the properties. Therefore, what chance have the lessees when both the arbitrators, one representing the Government and the other representing the Corporation, know that there are counsel sent there to keep up the values. To my mind, the Court is un-English. The objectors know that they have no chance before they go there. That is the reason why in the past there have been so few objectors. That has been my experience. We have told people that they have no chance in protesting against the values being increased. The next point is with regard to the valuing of land. We say that if capital has been judiciously expended in the shape of buildings on the land, in order to find the true value of the land you must take into consideration what it would produce, and we want this Commission to alter the Act so that this is taken into consideration. The Department, as I understand it, reads the Act that they have nothing to do with the productivity of the land. In the cases before the Court Mr. Skerrett produced witnesses to show that since 1906 land had declined in value in the business area of Wellington. He got Mr. Harcourt to go round the different places which are let in order to find out what rents were being got for the properties in 1906 and about then, and what rents they are getting to-day. The result was to show that from the other side of Lambton Quay right down to Te Aro Railway-station, since 1906, there has been a considerable drop in the rents. Mr. Skerrett produced nineteen cases—I have the list before me—and, in addition to these cases, it came out in cross-examination of the witnesses that there were many other instances where the rents had declined. As far as I remember, one was the Wellington Investment Company. Mr. Simpson gave evidence, and in the course of cross-examination he said that the rents of his building had declined. That building is immediately opposite Messrs. Witcombe and Tombs's. Another case not in Mr. Skerrett's list was the T. and G. building, opposite the Wairarapa Farmers, on Lambton Quay. The rents there had declined since 1906. The Government witnesses, Mr. Ames and Mr. L. H. B. Wilson, admitted our figures. They mentioned one case on Lambton Quay where rents had gone up, but generally they admitted that rents had declined, and Mr. Ames very frankly said: "I do not take into consideration rents. That has nothing to do with me. All I consider is, what is the selling-value of the land." Another point Mr. Skerrett proved conclusively by Mr. Swan, a leading architect in Wellington, was that since 1906 the cost of building had gone up, I think I am right in saying, from 14 to 40 per cent. It depends on the class of building. He said that in the case of expensive brick buildings the cost had gone up more than in the case of dwelling-houses. Mr. Skerrett said to the Court, "If I prove to you that rents have declined, and if I prove that the cost of building has gone up, and it is admitted by the other side; the value of the land must have gone down, because the real value of the land must depend on what it will produce, provided proper buildings are erected on the land." The Crown then called Mr. Ames and Mr. Wilson, and, I think, Mr. Shepherd. They all took the same line. They said, "We have nothing to do with the rental value of the buildings. We do not dispute your figures at all, but we say the land will sell for more." You have to remember that in Wellington there is such a large area of leaseholds, and that practically there are no sales in the neighbourhood. There are a few pieces of freehold, but they are no guide to the selling-value. There are some firms in Wellington who will not touch the leasehold. One case that is always quoted to us is Dalgety's. In that case they gave £200 a foot for a corner section next to Levin's, and which belonged to the Turnbull Estate. The reason they bought at that price was that they would not touch the leasehold. I happen to know that, because I was solicitor for Dalgety's at the time the transaction was completed. Freehold lands and leasehold lands were submitted to the directors in England, and they would not touch the leasehold. They wanted to get in at a particular place, and so they gave £200 a foot. In the opinion of the gentleman advising us, the value was about £120 a foot. That is what we say would be the fair value to-day from the producing point of view. We contend that if our arguments are correct—and we submit they are unanswerable—that if the rental value of the land has gone down—and it has never

been disputed—and if the cost of building has gone up—and it has never been disputed—the actual value of the land has gone down. What has been the result? The Court held, in spite of our evidence, that the valuations should be sustained. We think that the Court should have reduced the values. I am not quite sure what the percentage was, but I think the increase in the valuations went up to 50 per cent. There is one property I can remember distinctly—that is, Routh's Buildings. That is a corner site opposite Murray, Roberts's. In 1910 the rental being received was £2,533; to-day it is returning £1,649. That is the net rent received. If all the building was let, Mr. Harcourt recommends that the most that could be got is £2,100. That is the total rent that is being asked. And he was getting £2,533 in 1910. I took the case with Mr. Wilson. I asked, "Do you admit that those rents have gone down?" He said, "Yes, I cannot contradict your figures." "You admit," I asked, "that the cost of building has gone up. Do you say that people will give more for land to-day than six years ago?" His reply was, "Yes." "Why," I asked, and he replied, "Because people will pay more." That was all the evidence he had. Of course, our figures were to a certain extent startling to a number of people, because we showed that the value of land in the business area had actually declined. Certain properties have a particular value for some reason or other, perhaps because a certain business has been established for a long time on the site, and it has a special site-value which the owner has made; but if you go to sell a property a few yards from it you find that you would not get anything like the price that the other site commands. If you produce evidence of certain sales, that does not constitute the value of the land. We say, that to get at the true value of the land you must get at the producing-value. The next point is with reference to the leaseholder, and this only applies to lessees. Under the Valuation of Land Act the Valuation Department is compelled to assess the value of leases in an arbitrary way—that is to say, they find out what is their value of the land, and take 5 per cent. on that, and then say to the tenant, "What rent are you paying?" If he is paying less than 5 per cent. they deduct the one from the other, and say he has a goodwill in the land of that amount. I will show that that is unjust. The land is not valued on the producing-value, but the lease is. If a man is leasing land he must base it on the producing-value. When land is leased for sixty-six years the selling-value must not be gone into. The question is, what kind of building can be put up and what will it produce. What has been going on is this: The Government take 5 per cent. of the alleged freehold value and the leaseholder is paying rent on the producing-value, and the Government are taxing the owner on something he does not get. One case mentioned by Mr. Skerrett was that of Mr. Harcourt. Mr. Harcourt is a lessee on Lambton Quay. That was a case which was before the Arbitration Court appointed under the lease. Mr. Macintosh (of Dalgety's), Mr. Hannay, and Mr. Biss were the arbitrators, and Mr. Skerrett was acting for Mr. Harcourt. The duty of the arbitrators was to find out what was the value of the ground-rent of the property for a period of twelve years. We went into figures to show what the value was. Mr. Harcourt occupied the ground-floor, and the firm paid to Mr. Harcourt £600 a year ground-rent. The reason for that was that he took his son into partnership and insisted on his getting £600 a year. We produced evidence to show that that rent was a high rent, but would take it at that. All the rest of the space was let. Then we started to find out what would be the outgoings—repairs, depreciation, and so on. Our figures showed that all Mr. Harcourt should be paying was £3 a foot ground-rent. It might be, of course, that we were charging too much for depreciation, repairs, and maintenance. Our figures showed that the rent should be £3 a foot, and the Corporation claimed £15 a foot. We said we were going on the producing-value. Mr. O'Shea, City Solicitor, called evidence on the selling-value. Mr. Macintosh awarded £5 a foot. The Corporation was not satisfied, and appealed to the Chief Justice to try to upset the award, but His Honour ruled that the Court had no power.

2. The Judge said that if it had been the verdict of a jury it was liable to be upset?—Yes, he said that if it had been a case for a jury the Corporation had made out a strong case. But I need not go into that now. Here you have a business man like Mr. Macintosh, who was Chairman of Directors of the Bank of New Zealand, and is now superintendent of Dalgety's, and he fixes the rental at £5, which we said should be £3, and the Corporation claim £15. That rent of £5 is supposed to be the producing-value for the next twelve years. The Government come along now, and they assess the value at £275 a foot. According to Mr. Macintosh, Harcourt and Co. have no goodwill in the lease because the rental is fixed for twelve years. The Government fix 5 per cent. of £275. They find out that Mr. Harcourt is paying £3 a foot, and they deduct the one from the other, and say, "You have so much goodwill in the land." In this arbitrary way Harcourt and Co. will be paying a large land-tax, yet, according to Mr. Macintosh and according to us, he has no goodwill in the land at all. He is paying the full ground-rent, and if he wanted to sell to-morrow he would find a difficulty in getting any goodwill. Therefore we say the Act should be altered to provide that the lessee shall pay land-tax on the goodwill of the lease. It will then be the duty of the Government to find out what the goodwill is. There is another point in connection with that which is most important, and that is that the Act should be altered so that the valuers have to consider the lease. A lease may be a very burdensome lease. As it is now, a man has to pay land-tax on a burdensome lease, and I can give an instance. Mr. George has a lease on Salamanca Road, from the Hospital Trustees, I think. It is a lease of a fairly large area of land, but he is only allowed to put one building on the land. The land has gone up considerably in value, and it is suitable for several buildings. He applied to his landlords for leave to erect one or two additional buildings on the land. They would not consent, and gave as their reason that they thought Mr. George had got the land too cheap, and said that if he wanted to put up more buildings he must pay more rent. Mr. George said that that was grossly unfair, as he had the lease for

a number of years. According to the Land-tax Department, they have to take 5 per cent. on the freehold value of that land, and say to the lessee that he has that interest in the land. It is not so, because he cannot make use of the land. If you were going to buy that lease you would consider it only from the point of view of accommodating one building. According to the Department, he is credited with an enormous value in the land which he does not possess, and which does not exist. There is just one more point, and it only applies to leaseholders. The Act now provides with regard to freeholders that if the value is too high an owner can, under section 31 of the Valuation of Land Act, 1908, give notice to the Government to take over the land. That is some safeguard. That is exempted in the case of the leaseholder. He has to grin and bear it. If the value is fixed at an unjust price it must be accepted. The leaseholders suggest that in their case it is only fair that they should have an appeal to some one, and they suggest that they should have an appeal to the Supreme Court. There is another point that has just struck me. It is with regard to section 32, I think, of the Valuation of Land Act. Take Skerrett and Wylie's building on Lambton Quay, opposite the Dresden [Bristol] Piano Company. I think the Government valuation was £325 a foot, and the valuation of the building £5,000. Messrs. Skerrett and Wylie said that the unimproved value was not more than £275 per foot. There was a difference of £50. The Assessment Court upheld the Government's valuation of £325 a foot. Mr. Skerrett then gave notice to the Government to either reduce the assessment or take the property over at his valuation. The Government claimed that under section 32, any reduction made was to be made proportionately on the valuation for improvements and the unimproved value. We say that if that is the law, it is grossly unfair. Why should we be again compelled to go to the Assessment Court to assess the value of improvements when they have already been agreed upon by both sides. We accept the £5,000 for improvements, and then because the Government say that they have valued the land too much by £1,000 they claim that under the Act they can take that £1,000 proportionately off the improvements and off the land, and if the owner does not agree he can go back again to the Assessment Court. We say that that is unfair. We are only fighting about the unimproved value, and if the Government do not agree they should take it over at their own value.

3. Does not section 32 apply to the reduction of the assessment by the Court?

The Valuer-General (Mr. F. W. Flanagan): The position we take up is that the Assessment Court fixes the unimproved value as well as that of the improvements, and that the amount of the decrease in the capital value should be proportionate as between the unimproved value and the value of the improvements.

Witness: We admitted the improvements; we were only fighting about the unimproved value.

The Valuer-General: If we did not take up that position it would be possible for some owners to make their unimproved interest almost nil. Especially would that be so in the cities.

Witness: We had agreed about the improvements, and we say it is not fair to send us to the Assessment Court again, and run the chance of improvements being cut down.

4. *The Chairman.*] Did you go back to the Assessment Court?—We have to go back next month.

5. We have before us what the Act of 1912 says, “‘Unimproved value’ of any land means the sum which the owner's estate or interest therein, if unencumbered by any mortgage or other charge thereon, might be expected to realize at the time of valuation if offered for sale on such reasonable terms and conditions as a *bona fide* seller might be expected to impose, and if no improvements (as hereinbefore defined) had been made on the said land.” So that where the valuers say they have to go by the assumed selling-value they are going by the Act?—That is so.

6. How could the question of valuing according to productivity be worked on the basis of the unimproved value?—We say, that to arrive at the unimproved value the only possible way is to find what the land will produce per annum if it has suitable buildings on it. It really comes down to the same as farming land. There is land in a city which is not built upon, and will not be built upon for some time, and which it is difficult to assess the value of. But in regard to land on which there are buildings, we say that if those are proper buildings the Valuation Department should find out what the productivity is.

7. Supposing there are two pieces of land adjacent to each other, and we will assume they are of equal value, but one has a building on it and the other has not: according to the Act the two pieces of land should be valued exactly the same as regards unimproved value, yet according to your view the productivity should be taken into account in the one case and not in the other?—No. In that case we say the Department is entitled to say to the owner of the vacant land, “You should be able to build such-and-such a building on that land and let it, and if you do not make use of the land you must pay the tax.” And the taxation on the two sections should be the same.

8. Then, your point is that it should not be the actual productivity but the possible productivity?—Yes, that is so.

9. What procedure would you suggest for appointing the owners' representatives on the Assessment Court—election, or what?—I really have not thought that out. It might be by the Chamber of Commerce, or some other representative body.

10. *Mr. Campbell.*] A meeting of ratepayers might appoint the assessor?—Yes, something of that sort.

11. You mentioned about a building which your clients valued at £3 a foot, and which Mr. Macintosh, who was an expert and thoroughly competent, valued at a considerable increase: how did you arrive at the value of £3? Had you valuers to value it?—Yes. I have a copy of the letter written to the City Council by Harcourts' about this lease, and in that letter were set out some of Mr. Harcourt's figures.

12. You say it is a simple matter to arrive at the producing-value as compared with the selling-value: that is the groundwork of your statement?—That is so.

13. Then comes the matter of the imaginary buildings. One valuer might say that a suitable building should be one costing £5,000, and another might say that a £10,000 building would pay: how is a valuer to arrive at the producing-value when it depends on the class of building?—In Mr. Harcourt's case we have set out the figures.

14. His figures go to prove his case, but I want the principle?—You must take first of all, is the building suitable; and then, what is the fair value of the building. The Court has to determine if it is a suitable building for the site.

15. You say that your side got a valuation made as to the producing-value of a section at £3 a foot, and another man who you say is prudent, and on whom you have reliance, values it at nearly double. How would the Department arrive at the valuations for this section and for the whole of Wellington on the principle you propose, when there is such a difference between the experts you get and the experts the other side gets?—I think it is much easier to find out the true value that way than by the way we have to-day. Look at the extraordinary difference in values. I know of one case where a man values at £80 a foot and the Department at £150 a foot. Where you have suitable buildings we think you cannot get away from the figures to find the true value. In Mr. Harcourt's case, Mr. Macintosh has no doubt argued that too much has been charged for depreciation, and has put up the value accordingly.

16. *The Chairman.*] Both under the Valuation of Land Act and under the Corporation leaseholds, according to the Court of Appeal, the land has to be valued as if there were no buildings on it?—Yes.

17. Then Mr. Campbell puts it to us, how is one to take into account the productivity? You say there is to be assumed that there is a building, and the Court of Appeal says that even if there is a building it has to be assumed that there is no building on the land?—Yes. The Chief Justice said, "A prudent man would say, 'I will put up such-and-such a building; what will be the outgoings and what will be the income.'"

THOMAS NEAVE, examined.

1. *The Chairman.*] What is your position?—I am a solicitor practising in Wellington. I desire to follow in the footsteps of Mr. Tripp in offering a few observations upon the present state of the law in the matter of these valuations. It is not my intention to make any complaint concerning any specific cases of excessive values as fixed by the Department, and anything I have to say will be directed to a consideration of clauses (d), (e), and (f) of the Commission's order of reference. I appear at short notice in response to an invitation which I received by letter from the Secretary of the Commission this morning, and I do not intend to make any extended or elaborate statement of my views upon this matter, but to indicate as briefly as possible some of the features that have presented themselves to me as counsel for a number of objectors to valuations recently considered by the Assessment Court in this city. I have been associated with Mr. Tripp in this matter to a considerable extent, and my views on the matter coincide with his almost exactly. Clause (d) of the order of reference, the constitution of the Assessment Court, is, I take it, in the forefront of the Commission's considerations. The first observation I have to make upon that matter is that the Court does not possess a judicial character at present. I do not desire in any way to criticize the gentlemen who occupy the position of members of the Court, and every observation I make is directed to the constitution of the Court as fixed by existing conditions, and the criticism I offer is a criticism directed against the existing conditions, and not against the gentlemen who occupy the responsible positions of members of the Court. That I wish to make perfectly clear. I think Mr. Tripp exactly described the Court, when he described it as un-English. I think that is the correct term to apply to the Court as at present constituted. May I direct the attention of the Commission to one or two of the statutes in New Zealand dealing with matters of a kindred nature, where disputes are settled not by an ordinary Court of law but by one of the special Courts set up under various Acts on our statute-book. Take, for instance, the statute which must be known to almost every member of the community—the Industrial Conciliation and Arbitration Act. There is a Court set up under that Act consisting of a permanent President, who is a legal member and holds the status of a Supreme Court Judge. Associated with him are two other members of the Court—one appointed by one party to the dispute and one appointed by the other party to the dispute—that is to say, one is appointed by the employers and one by the workers whose differences are referred to the Court for decision. In a Court of that nature all parties have adequate representation, and no criticism can be levelled at a Court constituted in that manner. Under the Public Works Act there is a Compensation Court set up, to take another example. That Court consists either of a Judge of the Supreme Court or a Magistrate, according to the amount involved in the dispute, and another member appointed by the claimant, and another member appointed to represent the local body, or the Department, or the Government against whom the claim is made. There, again, no criticism can be levelled at the constitution of the Court. Both sides are adequately represented. To take another case. Go to the Workers' Compensation Court, or the Court that deals with claims made by workers who have received injuries in the course of their employment. Perhaps this is duplicating, because it is the same Court as is set up under the Industrial Conciliation and Arbitration Act. But there the employer has the benefit of a judicial member and a member appointed by the general body of employers, and the injured party has the benefit of the judicial member and of the member appointed by the general body of workers. Nothing, so far as my experience has extended, has ever been urged against the composition of any of these Courts. Then take

the case of the Arbitration Act which existed from 1889 or 1890, and which is a general Act for the settlement of disputes out of Court between private individuals. The machinery of that Act provides for the disputes being settled either by a single arbitrator or by two arbitrators, one being appointed by either party to the dispute. So we have any amount of precedent as to what the proper constitution of the Court should be. But when we come to the Valuation of Land Act we find that the procedure is wholly different, and the objector who appears before the Court to attempt to sustain his objection to the value placed by the Department upon his property finds himself confronted by what he deems to be—I am not speaking personally, but as to the manifest attitude of the general body of objectors who appear before the Assessment Court—a hostile Court. Before the cases were commenced the objectors deemed the Court to be hostile, and that is a deplorable condition of affairs, and calls for immediate remedy. It is not that any of the individual objectors had any grievance or any criticism to level at the members of the Court in their personal capacity, but they felt that they had a grievance in that they had not a representative on the Court. One member of the Court is appointed by the Government and one by the local body affected. Now, the interests of the Government and the local body are identical. Both the Government and the local body benefit through a high value being placed on the property to be considered by the Court, and it is from that point of view that, in the opinion of the objector, the present constitution of the Court is unsatisfactory. It is a matter of principle, and I do not think it can be over-emphasized, that the Valuation of Land Act is one of the most important Acts on the statute-book. Its object is to provide a basis of taxation for the general community. There is no doubt but that to a large extent the taxation of the whole community depends upon the Court's finding, and it is of the first importance that a valuation which is going to serve that purpose should, so far as human intelligence and ability go, be as correct a valuation as is possible. It has been urged by Mr. Tripp—and I desire to support it—that one member of the Court should be a representative of the persons interested in the properties. The machinery by which that person is to be elected is, of course, a matter upon which I am not at present in a position even to offer a suggestion, but I take it that the Commission is not charged with the duty of actually devising machinery for the election or appointment of a member, but to merely recommend that such should be done, and to leave it to the Law Officers or the executive officers of the Crown to devise means of bringing such a representative into existence. If I may make a suggestion, it might be a very simple matter to elect a representative of the objectors. All the objections to valuations have to be notified to the Valuation Department within a certain time after the notices of assessment have been given. The body of objectors might be great or small, but a meeting of objectors might be convened and a very simple machinery would suffice for the election of a representative of the objectors. That might be a cheaper and more effective way of putting a representative on the Court than by invoking the elaborate and expensive machinery of a poll of the ratepayers.

2. If the local body is not to be represented on the Assessment Court, what would you say to the local body having the right to appear before the Assessment Court?—I think that one representative might very well be appointed by the Government and by the local body.

3. Jointly?—Yes. So far as my experience goes from attending the Assessment Court, there is no conflict of interest as between the local body and the Crown. When Mr. O'Shea asked leave to appear it was not suggested by him that the city had any interest in conflict with the Department. The city had interests to be protected which Mr. O'Shea thought he could defend, but he did not suggest that there was any conflict of interest between the local body and the Government. If the Valuer-General can point out elements of conflict, it is quite proper that the Court should be so constituted that the local body should have adequate representation.

4. Supposing the Commission did not favour the idea of the Government appointing one assessor and the local body appointing one, but favoured the idea of the Government appointing one assessor and the property-owners appointing one, what do you say as to the right of the local body to appear before the Court?—I think that would be the unanimous response of the property-owners themselves. All that is desired is that there should be a fair, judicial, and proper constitution of the Court, and without representation of the local body there would not be a fair and judicial representation. With regard to section 31 of the Valuation of Land Act, I venture to express the opinion that the relief offered to the property-holder under that section is quite illusory. To show how inadequate the section is, although adapted on the face of it to be the essence of justice, it is necessary that I should explain the system adopted by the Department in making valuations. To do this I will have to take a concrete case, and I do so by referring to the property held by the Wellington Gas Company, in Courtenay Place. The company owns a property in Courtenay Place which consists of a substantial building in which the company has its offices, and the adjoining land is devoted to workshops and other works connected with the business. It is all held by the company as one property, contained within four boundaries, and everything within those boundaries is one contiguous area. There is no subdivision at all. It is a case of one frontage one holding. The Valuation Department have assessed that property in at least two assessments. I make no complaint, nor does the company make any complaint, at this as a method of arriving at the valuation. It probably is of assistance to the valuers to find out the value of the land on which the offices are erected and the value of the land on which may be erected retorts and the other works of the company; but for the purposes of section 31 the division of these assessments is a distinct hardship. The Valuation Department claim that if a person desires to avail himself of section 31 he must offer separately the land included in the artificial divisions of the property created by the valuer.

5. *The Valuer-General.*] Have we done so in the Gas Company's case?—Yes; but upon objection the Department conceded the company's claim and accepted the offer of the property as a whole. The company could not afford to offer the Government part of the land and keep the part that contained the offices.

6. *The Chairman.*] Do you suggest any amendment to meet such cases?—This is more a criticism of the administration of the Act. The Act says a valuation must be made of every separate property. Very well. If I own town acre No. 116, that is my separate property. It is probably enclosed within four streets, and I say the Valuation Department must make a valuation of town acre 116, and if I am not satisfied with the valuation I must offer to them town acre 116. But you will find that the Department has 100 or 200 assessments of that town acre 116, and the Department claims that I must not offer town acre 116 in one lot, but that I must offer it to them in the lots as they have set them out in their valuations.

7. You say the Department conceded the case in the Gas Company's property?—Yes, they allowed the company to offer the whole property. But in other cases they have not allowed that. There is a case that I have now before me—that is, a property held by one person. comprised in a contiguous area, in which there are eighty-one assessments.

8. There may be different occupiers?—Under the Rating Act it is necessary for the purpose of ascertaining who is to pay the local taxes to have separate assessments; but under the Valuation of Land Act that is not the case. My arguments are directed to the illusory nature of the relief afforded by section 31. It must be the essence of justice that if a man is not satisfied with the valuation placed on his land by the Department, that he should offer his land at the price which he thinks will suit him, and if the administration of the Act was what it pretends to be, and if the Act was administered in the way in which the ordinary citizen reads it, it would be perfectly fair and just; but it is not fair that a man should have his property made into several subdivisions and be compelled to offer each subdivision separately when he has had no voice in the making of those subdivisions. Take the case of a property fronting one street: the front half with a building on it is valued and the back portion without any building is valued. It is all one property. The owner is placed in the position, if he is dissatisfied with the valuation, of having to offer the front portion, and retain the back portion, which is of no value without the front. Otherwise he can take no advantage of section 31. Mr. Tripp has made it perfectly clear that section 31 gives no relief to a leaseholder. There is the general observation that in many cases section 31, apart from the complaint of artificial subdivision, has been improperly used. A man has objected to the value placed by the Department on his property, and when asked in cross-examination if he was willing to sell at the Department's value he has answered in the negative, because the property in question constitutes his home; and when a man has lived in one place for a number of years he is unwilling to tear up his roots and shift to other quarters. Now, with regard to clause (f) of the order of reference: "To consider and report upon the methods of the Valuation Department in making valuations, and generally to inquire into and report upon such other matters arising thereout as may come under your notice." There is one matter upon which I desire to offer a few observations in regard to the methods adopted by the Valuation Department. It was given in evidence in some cases in Wellington by at least one valuer that to arrive at the valuation of a particular property recent sales in the vicinity were investigated. It was found that a property nearly adjoining had been sold. We will say that land with a dwellinghouse upon it had been sold for £1,500. The only information in the possession of the Valuation Department is the gross sum of £1,500 for the land and house. The valuer proceeded in this way: He made an examination of the property. He found a dwellinghouse of eight or nine rooms, and he went over the house and put an estimate for valuation purposes on it, and came to the conclusion that the house was worth £500. Having done that, by a simple process of subtraction he found that the unimproved value of the land was £1,000. There is no fault to be found with that provided one could be assured that in every case the valuer is competent to put a value upon the house or buildings. It is submitted that if that method is to be adopted, the Department, in order to arrive at a just and fair valuation, should employ architects, or practical builders, or men with some special knowledge of the cost of building and cost of labour and those incidental matters which go to make up an adequate knowledge of the building trade. I do not say that that should be required in every case, because I readily concede that there are officers in the service of the Department who have this knowledge, and I am very glad to concede that; but I say that in every case it is not so. One of the valuers called by the Department in some of the recent cases stated that he had no practical knowledge of building, and yet he was called as a competent valuer. It was impossible that a just valuation could be arrived at of land which was not vacant land unless the person valuing the improvements had some technical knowledge to bring to the assistance of his judgment.

Mr. M. Myers (representing the Valuation Department): Mr. Neave has stated that a particular valuer who was called by the Department stated before the cross-examination took place that he knew nothing of the value of buildings. I think it is only proper to say that that particular valuer—I see no reason in concealing his name—it was Mr. Longmore—was called by the Department only to give evidence on the unimproved value; he was not called as a witness on the value of buildings.

The Chairman: Was he the man who made the valuation?

Mr. Myers: No. He was only called to give evidence so far as the unimproved value of land was concerned.

Witness: My only object is to emphasize the fact that all valuers are not competent valuers with respect to improvements. In a number of cases in the city where valuations had been made by the Department the valuation placed on improvements by the owner's architect and

that placed on them by the Department have varied from 20 to 70 per cent. The City Valuer, who represents the Government Valuation Department so far as the City of Wellington is concerned, stated in evidence that although he was not a practical builder or had practical knowledge of buildings, yet he had access to special records—namely, the permits required to be procured by builders before they can proceed with a work, and which exhibit the contract price. The City Valuer worked very largely on the figures contained in those permits. But it was pointed out by Mr. Swan, one of the architects who gave evidence, that the permits did not necessarily represent the actual value of the completed building—that in many cases the cost of the work as finished far exceeded the contract price. In certain cases portions of the work contracted for are not gone on with, and there the cost of the completed building would be far less than the permit price. The basis, therefore, on which the district valuer for the City of Wellington worked was not a substantial basis, and in itself constituted a series of error. As the Act requires the unimproved value of the land to be ascertained and also the value of the improvements, if just values are to be furnished, then the valuer who values the improvements should be a person with technical knowledge. The Act says the district valuer shall be competent to make a valuation of land. It does not say “to make a valuation of improvements.”

The Valuer-General: The definition says that land includes improvements.

Witness: The word “land,” as used in the section, I submit with all respect and deference to Mr. Flanagan’s opinion, does not include improvements. When the Act says the valuer shall be a person with a knowledge of land-values I submit, with deference, that Mr. Flanagan’s interpretation of that as meaning a local knowledge of improvements also is not the case, and, further, that a useful alteration of the Act, at any rate, would be to make that clear. I think perhaps that some of the injustice worked by this Act is due to ambiguities in the Act rather than to anything else.

The Valuer-General: Mr. Neave suggests that the Department and the local body worked unanimously with regard to valuations. That is not the case. A case occurred recently where the Department had to fight a local body in Westland to keep the values down. The local body wanted them at a much higher figure than the Department desired them. They exercised their right under the Act, and fought the Department for three days to get the values up. There was another case where the assessor had to resign because the local body with which he was connected insisted on increasing the unimproved value fixed by the Department. There was a similar case at Palmerston North. There are many cases where the Department is in conflict with the local bodies, especially needy boroughs and town districts, where they desire to increase the rateable value. With regard to section 31, the case of the Wellington Gas Company, referred to by Mr. Neave, is not an illustration of the administrative methods of the Department. Notice was sent to the Gas Company, in reply to their application under section 31, to the effect that the company’s property having been assessed in three portions the company would be required to supply the unimproved value for each portion. When it was discovered that the Gas Company was occupying the whole of the site for the one purpose the Department reconsidered its decision, and did not insist on the company furnishing the Department with three sets of unimproved values for the three divisions of the property. The basis of administration of section 31 is this: Section 6 of the Valuation of Land Act, 1908, provides that a district valuation-roll shall be prepared for each district, and shall set forth in respect of each separate property certain particulars. One of the particulars is the name of the occupier of the property. Where we find that a property is separately occupied we insist upon the owner of that property sending in to us an estimate of the unimproved value of each valuation. With regard to Mr. Neave’s suggestion that the valuers are incapable from the sparse information before them of assessing the capital values, this may be pointed out: that the values on the valuation-roll to-day are the result of thirty-five years’ experience, and that in each successive valuation that takes place the values get near their true value. Mr. Neave would suggest that the valuers go on to fresh ground. As a matter of fact, they are merely readjusting values already on the rolls, raising them in some cases, and lowering them in others.

9. *Mr. Campbell* (to witness).] You instanced several Courts where the method of appointment was on a different footing from that of the Assessment Court, and you made out that these Courts were after the fashion of being immaculate. One of those Courts was the Court established under the Industrial Conciliation and Arbitration Act. I have seen very grave objection taken to the Arbitration Court by people who go there for presumed justice and come away declaring just as emphatically as the people of Wellington have done with regard to valuations that they have not got justice, and that the Court is not properly constituted?—My observation was that I had heard no criticism as regards the constitution of the Arbitration Court. That there has been criticism of the personnel is quite a different matter.

EDWARD KEITH KIRKCALDIE examined.

1. *The Chairman.* What is your position?—I am a solicitor, practising in Wellington, and I am appearing on my own behalf. I may state that I received notice of the sitting of the Commission only at 5 o’clock last night, and have not had time to consider any evidence. The points I desire to draw attention to are chiefly with regard to the administration of the Act. In these matters I am entirely in agreement with Mr. Tripp and Mr. Neave. At the last Assessment Court it was more or less agreed that in spite of any evidence that might be brought the valuations would be sustained.

Mr. Myers: A good many were reduced, you know.

Witness: I am speaking of those who went to the Court. I should think it would be possible to devise a stronger representation on behalf of the people who have to pay the rates and taxes

on the properties; and in that respect I certainly think that the objectors should have some voice in the appointment of their own assessor. It was generally accepted by the Court, if evidence of value was given on one side and equal evidence was given on the other, that the refusal to offer the property to the Government under section 31 was tantamount to an admission that the valuations were more or less correct. I desire strongly to suggest that a refusal under section 31 should be no evidence of the fair amount of the valuation. Supposing a lawyer desired to build his office adjoining the Supreme Court, it would not be possible for him to get possession of a small piece of land and erect a building only sufficient for his own office accommodation unless he was in a very large way of business. It would be necessary that he should build considerably more accommodation, for letting purposes. Therefore, if he wants to acquire a site, he must acquire a site which he cannot occupy for his own purposes only. If he offers his property to the Government, he loses a site which is good and sufficient for his own purposes and has to take a site which is not so convenient. There are many instances in which section 31 operates unfairly. There are various reasons, in addition to the one I have indicated, why a refusal to make use of section 31 should not be used as evidence of value. There is an old platitude that land is only worth what one can get out of it. In a city, the only way of getting a value from land is by covering it with buildings, so that the unimproved value of the land cannot be considered apart from the use to which it may be put. Therefore, the land must be considered in relation to what is put upon it. In approaching the question of valuations in a town, I consider it is necessary to consider it in relation to the buildings. Where land has been put to use and improved and a fair revenue is being obtained from the land—assuming the Court is satisfied it is a good use—where actual figures can be produced, they should be the basis of the value of the land. I only use this as an illustration. In the particular case in which I was interested, figures were produced to show that the purchase-price of the land was £102 per foot. The valuation of the land was about £80 per foot, an increase of £35 over the previous Government valuation. Between the periods of valuation there had been no other sales in the street. The land was increased from £55 to £85. Actual figures were produced by ourselves to show that, after going to a very great expense in erecting a valuable building, the building did not earn more than actual interest on the cost of the building, without any interest on the cost of the land at all; and that after five years. In the face of these actual figures the valuation was sustained. The Government produced one witness, who was the City Valuer. I asked him if he had valued the land and the selling-values, and he replied “No.” I asked him did he value the producing-values, and he replied “No.” I then asked him on what ground he based his valuation, and he said, “On my forty years’ experience of land in the city, and what I think it is worth.” On the other side there were our actual figures. When the Magistrate asked me if I would sell to the Government, I replied “No.” My reason was that it was close to the Supreme Court, and suited my business as a lawyer. The land was bought at an unfortunate price, and some day there may be an increase which will recoup the loss. Yet, notwithstanding the fact that there were no sales in the street and there were actual figures of reduction of value, the assessment was sustained.

2. *Mr. Campbell.*] What would you substitute for section 31?—I am a very strong believer in section 31. It is of very great value to both sides. But I think it might be matter for the consideration of the Commission as to whether a section should not be inserted in the Act providing that a refusal to take advantage of section 31 should not be deemed to be evidence against the objector. The mere fact that the objector refuses to sell to the Government should not be deemed to be evidence of unimproved value in an objection to an assessment.

3. Section 31 allows an owner to put a value on his property and to say that the Government must take it?—The objection is that the owner does not want to sell, but he does not want to be taxed and rated at more than a fair value if he did want to sell.

4. You stated the purchasing-price. How long ago was it that the land was purchased?—Five years ago.

5. And the land has not increased there since?—I do not think it has increased there yet.

6. *Mr. Myers.*] You were present, I suppose, for a considerable time at the proceedings before the last Assessment Court?—Yes.

7. Do you know that there was a considerable body of evidence called to show that Mr. Ames’s values in the city at the previous valuation were far too low?—I did not hear that evidence.

The Chairman: Where the property is subdivided is there any objection to separate valuations.

Mr. Myers: Not where they have separate frontages.

Mr. Neave: In one case we were able to defy the Department. There was a right-of-way, and the Department had assessed a strip of freehold in the front separately, and if we had taken the Department at its word and offered not the strip of freehold but the large area at the back the Department would have had to reduce the assessment or take the large area at the back, which was worthless.

The Valuer-General: As Valuer-General, and speaking with a due sense of responsibility, I have no hesitation in saying that section 31 is abused. It is abused by syndicates and people who have no idea of selling their properties, but who take advantage of the Act in order to reduce their values, the result being that in many cases the finances of local bodies are upset. I have had a return taken out showing a summary of the reductions made under section 31. It includes Karori Borough, the Karori Borough portion of the city, Kilbirnie portion of the city, Island Bay portion of the city, Ohoro portion of the city, Onslow portion of the city, Miramar Borough, and Wellington City. The total capital value fixed by the Assessment Court is £605,646; total unimproved value, £438,065; valuation of improvements, £167,581. The notices given to me under section 31, by syndicates and people who knew that the Department was so placed that it could not take the properties, produced this effect under section 31. The

capital value was reduced to £486,844, the unimproved value to £340,143, and improvements to £146,701; a reduction of £118,802 in the capital value, of £97,922 in the unimproved value, and of £20,880 in the value of improvements. That is the effect of section 31. In one borough I can mention, that of Karori Borough, the local body's finances are thoroughly crippled. Karori was the scene of a land-boom. Syndicates took up properties there and subdivided them, and induced the residents to extend the tramway and load themselves with debt, telling the people that they would remain there and bear their part of the burden. What was the result? As soon as the Assessment Court sat every syndicate offered me its land, and I had, willy-nilly, to accept reductions. Section 31 has not worked to the benefit of the people. Further, I say there is no Act in operation in Australasia to-day in which there is a similar section to section 31. Part of the duty of the Commission is to take into account the strengthening of the Assessment Court, and, if that is the case, section 31 should be deleted from the Act. Or this should be done: Allow section 31 to remain, and I do not say it is inequitable. In the case where property is offered to the Department it should be allowed to remain in the Department's hands for three months, to give outside people an opportunity of buying at the owner's valuation. I have a case in my mind where the objector objected to the valuation fixed by the Assessment Court, and he offered the property to me under section 31. I had to take it, but the Government did not want it. A gentleman was in town in search of land, and we sent him down to the solicitor who was acting in the matter of this particular property, and the prospective buyer was informed that the property was not for sale. It had been sold at a higher price than that placed on it by the Government valuation.

GEORGE ROBERT NICOL WRIGHT examined

[A series of letters put in by Mr. Wright were read by the Secretary.]

Mr. Myers: I notice, sir, that the letters raise matters of law. Mr. Wright says that unless an objector is represented before the Court, or appears personally, he is not entitled to take advantage of section 31. Mr. Wright appears to think that that is wrong. Section 16 provides that the onus of proof shall rest on the objector. Then, section 31 provides that "if the owner of any land (other than the owner of a leasehold interest therein) is not satisfied with the value of such land as fixed by the Assessment Court" he may take advantage of that section. If, however, the owner does not appear, and is not represented, his objection is not heard. It is simply struck out, and consequently the valuation stands and no valuation has been fixed by the Assessment Court at all. Then Mr. Wright's letter seems to imply that the Valuation Department is not satisfied with its own valuations, because in cases—

The Chairman: You are going too far. Mr. Wright has the right to state his opinion.

Mr. Myers: I am simply pointing to the statute. It may help Mr. Wright. His letter seems to imply that the Valuation Department is sometimes not satisfied with its own valuations, because it makes new valuations for the purpose of Government loans.

Witness: I do not imply that at all.

Mr. Myers: In any case, that is essential under section 34 subsection (4) of the State Advances Act.

The Chairman: Section 28 of the Valuation of Land Act says that valuations appearing in the valuation roll shall be used for the purposes of the Stamp Duties Act, the Death Duties Act, and for advances by the Post Office, Government Insurance Office, Public Trust Office, Government Advances to Settlers Office, and the Commissioner of Public Debts Sinking Funds Office, but that has been overridden by direct legislation in regard to the Advances to Settlers Office, Public Trust Office, and the Stamp Duties Act, each of which require a separate valuation to be made.

Mr. Myers: Speaking generally, unless something important transpires the valuation on the district valuation roll stands.

Witness: I merely brought this matter under the notice of the Government because I noticed that in the valuers' evidence they said it was not necessary for them for assessment purposes to go through the improvements. They "just took a casual look round"; those are the actual words used. The Act says that the value for improvements for assessment purposes shall be the correct value. In one case Mr. Myers ventured to say that they were not compelled to value the improvements at all.

Mr. Myers: You must have misunderstood me.

Witness: No. I was in Court at the time, and thought it was a most venturesome thing to say. I am sorry that Mr. Neave is not here, for he occupied a considerable time in proving that Mr. Myers was wrong. The valuers proved over and over again that they did not value the improvements as I would value them. They did not go through the buildings, and one valuer said it was not necessary, because he could tell generally from the outside of a building how it was finished off inside, but for the purpose of a mortgage he had to value the building properly and get the true value. That brought me to the point of asking the witness whether it was not possible that he might make two valuations in the same day under the same Act for two different purposes, and they would not necessarily be the same valuation, although the Act said that the valuations were to be the correct valuations. That appeared to me to be an anomaly that should be put a stop to. If you are going to pay on a recorded valuation which any one can use against you, and it is not the true value but only the result of a casual look round, it is not worth the paper it is written on. I do not imply that the Valuation Department was not satisfied with its own valuations. With regard to the section in Nikau Street, Muritai,

the question is merely one of principle, but it illustrates the manner in which an owner's rights can be taken away from him. I have been trying to sell the section for two years, first at £50 and then at £40, and could not get a buyer. No one would look at it. It is on a side street. I did get hold of one man, who was considering it, but he found he could get two sections fronting the main road at a less value than mine, and he bought them. The valuer's valuation was £75, and it has been valued by the local body at £50 up to the present time.

The Valuer-General: They must be the same as ours.

Witness: I do not know anything about that, but the notices sent out to me say £50. I wrote to the Department with regard to the valuation, but although I was communicating with an officer of the Department, and warned him I could not attend the Court, he did not tell me that I should be careful to have an agent or otherwise I would lose my right to take advantage of section 31. I did get to the Court later on, but found that my case had been struck out. I could not see anywhere in the Act, and no one has been able to advise me, that an objector must attend the Court. Although the rules of the Supreme Court are explicit that parties must attend, the Act provides that if an objector objects in the Supreme Court he must attend; but in regard to the Assessment Court there is no provision that the objector must attend. What I understand is that the regulations under the Valuation of Land Act say that the procedure of the Stipendiary Magistrates' Court shall apply so far as may be applicable. To strike out a case because the objector does not attend, when the Act does not say he shall attend, is creating law by regulation, which is *ultra vires*. When I was in the Land Department we had the opinion from the then Crown Solicitor, Mr. Gully, that any law made by regulation was *ultra vires*; that regulations were only made to give effect to words in the Act, and if the Act does not contain anything of such a nature as "the objector must attend," then it cannot be provided by regulation that the objector must attend. The rates on this section only amount to 4s. or 5s. a year, but I have brought it before the notice of the Prime Minister purely as a matter of principle. When I was in Court as an agent, I was amazed not only at the constitution of the Court, but at the manner in which the business was done. It was appalling to me. I have been in the Government service forty years, and I would be ashamed to be associated with a body that conducted its business in such a way. One witness this morning said that the feeling of any one of ordinary intelligence was that the Court was hostile. That is quite correct. I felt it and experienced it. In one case the President would not allow me to examine a witness as to his experience. I doubted if he had the necessary experience, and the President said the matter had been gone into time after time, and it was only wasting time. I got my information by finding out that the man had been eleven years in the Government service and three years in the Valuation Department. I asked him how long he had been a district valuer, and he admitted he was not a district valuer at all, yet he was put on to value Wellington City properties. Mr. Myers at the time was represented by his junior counsel, but in the afternoon Mr. Myers wanted to examine me as to my experience of value, and I fell back on the ruling of the Court, and objected to wasting the time of the Court. I wanted the Court to overrule my objection, so that I could challenge the President with bias. I really felt that he was biased. Mr. Campbell, I think, raised the question of how to get at the unimproved value, if not by sales. The Act says the unimproved value of a property shall be fixed as if it should be sold. You cannot get at it in any other way than by return on investment. When a man buys, he obviously buys for a return on the investment. There is not one case in a thousand where a man buys for any other purpose. Occasionally a man buys an adjoining section for a sentimental purpose. I pointed out to the late Solicitor-General that the system of valuing on adjoining sales appeared to me to be quite wrong in principle. The land is there and its economic value is always there, and it is at least ascertainable by the Court as to how it can be best used, and that should fix the valuation. With regard to the President of the Assessment Court, he admitted in his letter to me that there was no section in the Act compelling the attendance of an objector. I have spoken to many people, and asked them why they did not object. They said, "What is the use: you have to hang about the Court, and do not get any justice; you have to pay heavy expenses, and the game is not worth the candle." That is the general opinion of men of all classes I have consulted. And when you come to consider the case of a poor man or a widow, it beats one to imagine how they can get justice.

1. *The Chairman.*] Do you suggest any amendment of the law in regard to giving evidence?—No; except that it might be laid down that a man might give evidence in writing, without all the elaborate provision of needing to employ an agent or a lawyer and having to hang about day after day. The Court kills itself by its own weight. Do you see what I mean?

Mr. Campbell: No, I do not.

Witness: I was retained by clients to appear in Court, and I was supposed to take my witnesses up. I would go to the Court and find a case going on. I could not find out when my case might be taken. The Court notice said that the case would be taken at a certain hour on a certain day, but it might not be taken for weeks. It should not be necessary for a man to have to be present from the 7th July to the end of July waiting until his case was heard. A solicitor requires a fee for every day he attends at Court, and the expenses one has to go to to get the matter heard kills the benefit that one is seeking for.

2. *Mr. Myers.*] As a rule the cases get through in two days?—This year they took seven days.

3. Yes, but as a rule. This time there were a great many objections, and some cases were keenly contested by the objectors, and in consequence the cases took a longer time?—Mr. Campbell told me he had to appear for six days with his solicitor and witnesses, and he did not know what it was going to cost him. A man should be able to go to a Court like that with a minimum of expense and not a maximum of expense. In my case I was rung up and told the case was coming on in two minutes, and it did not come on for two days.

4. The Court always, as far as possible, meets the convenience of objectors. That was the course they adopted this year. The Court could only sit on certain days. There were a great many objections, and a number were keenly contested, but as far as possible the objectors were told when their cases were likely to come on, but they could not be told with any degree of certainty?—With regard to that, I spoke to the Clerk of the Court at 3 o'clock in the afternoon, and asked if I could get away for an hour. At first he objected, but, after making a calculation of the number of cases the solicitor who was then appearing had, he said he would hold the Court until 4 o'clock. It was two days after that when the case came on.

5. The same thing occurs in the Magistrates' Court?—That is on a different footing. How can a poor landowner afford to lose a day's pay or eight days' pay. He cannot do it. The Court is quite valueless to him, and yet the increase in the rates may be a very serious matter to him, because the margin between his needs and earnings is so slight that even £1 a year may make a great difference to him.

6. The only way to meet it would be to split up the case list, and put a certain number of cases down for a particular day. It might prolong the sittings, but it might be worth consideration whether the convenience to the public would not be such as to warrant the increased expense of keeping the Assessment Court for some days longer?—It seems to me that the Court should be for the convenience of the people.

7. *Mr. Campbell.*] We quite see the difficulty you point out in regard to Wellington recently. One of your grievances is, I believe, that you were forced to attend the Court?—That is so, as the Act now stands.

8. Have you any suggestion to make as to how your case could be heard without your being present or represented?—I do not see why it should not be heard by written evidence. I sat in the Court for several days and heard people come in and say, "I am going to apply under section 31." The Court: "Valuation sustained." Is that hearing evidence? In the little sandhill case at Muritai, if I had said "I will take advantage of section 31," the valuation would have been sustained.

9. How could you expect a Court of equity to take an *ex parte* statement without any evidence to substantiate it. You have lived long enough in the world to know what human nature is. You would have anybody who wishes to get his taxes cut down put in this statement without any evidence?—The Court has its other evidence, and can decide between the two. If an objector likes to rely on his written evidence he must take the risk. My objection is that the Act should either specifically say that the objector must be present, or if he is not present he must rely on his written evidence, against which the Department's evidence can be produced and the Court come to a decision as between the two. The objector then could have no grievance. The Court is not bound to accept the written evidence as absolute proof as against other evidence.

10. *The Chairman.*] You suggest written evidence should be accepted for what it is worth?—Yes. It should not be barred out.

11. You would not have the evidence sworn, because all witnesses are sworn, you know?—If the Court does not choose to take any account of the written evidence well and good, but it should not be barred.

12. What you desire is that if written evidence is before the Court, then the case is open and has been before the Court, and therefore section 31 applies?—That is so.

13. *Mr. Myers.*] The notice always points out that the onus of proof is on the objector?—That is proof of the valuation, not that you have to be in the Court.

CHARLES JAMES STANTON HARCOURT examined.

1. *The Chairman.*] What is your position?—I am a member of the firm of Harcourt and Co., auctioneers and land agents. I was a witness in the recent Assessment Court, and came into contact with a large number of objectors. I merely want to say that the general opinion among them all was that they would not get a reasonable hearing from the Court by reason of its composition. I do not pretend to read the Act or understand it from the legal point of view. I am interested in its application, and come to the point of a person owning a property and having it assessed in different allotments. When objectors desired to take advantage of section 31 they were informed by the Department that they must offer the Government each assessment individually. That has been enlarged upon by Mr. Tripp and Mr. Neave. I will give a concrete example in my possession at the present moment. My father and I are owners of a property originally assessed by the Department in four allotments. I asked that it should be assessed in one. That was refused, and it was assessed in two allotments. The property I now offer to the Government as a whole, but I am asked to offer it under the two assessments of the Department. I cannot do that. The property has a mortgage on it for which we are not liable. The mortgagees refuse to allocate his mortgage. If I desire to be in a position to comply with the Government's demand I must become responsible for the £2,000 first mortgage on the property, and I refuse to make myself liable for the amount. But the Department refuses to take my offer of the property unless I offer it in piecemeal. And I must be but one amongst many others in the same position. In my evidence before the Assessment Court I expressed the opinion that the Government valuations were too high. I can give a few concrete examples of properties I have sold. I sold a property recently at Island Bay for £450 on which the Government valuation was £560. In Taranaki Street a Government valuation of £1,214 sold for £855; at the corner of Taranaki Street and Hankey Street a total Government valuation of £1,350 sold for £950; a property in Cardell Street with a Government valuation of £453 sold for £425; in Rintoul Street a property with a Government valuation of £655 sold for £550. In none of these cases

was there any pressure by a mortgagee or outside influence. There is one other instance. I was a witness as to values in Hobson Street. There was a property there valued by the Government at £1,410, or £29 a foot. It was sold in March, 1913, for £1,300. The purchaser spent a considerable sum of money putting electric light in and other improvements, and sold it again in May of this year, 1914, for £1,300, losing all the improvements and the commission. I am particularly requested by Mr. A. H. Miles, who has had to go to Auckland, to express his views on his valuation in Hobson Street. In a letter Mr. Miles wrote to the Department, he stated he was originally valued at £5,400 under the old valuation. Under the new valuation he was increased to over £6,000. His contention is that the selling-value of the property is not more than £5,000. The improvements are put down by the Department at £2,260. He says they should not be assessed at anything below £3,000, and probably more. He went to the Assessment Court, but the Court did not take his views, and the new assessment of the Government was sustained. But the whole of the increased value is put on the unimproved value, whilst the improvements, I believe, are reduced. That brings me to a matter already touched upon this morning—the Government valuation of improvements. I could go on quoting to you, from my experience as a land agent, case after case where the improvements are put at a ridiculously low figure. A property is sold at a lump sum. The sale is reported to the Department. They assess, in their opinion, the improvements at so-much, and the difference in the price paid is the value of the land, and the values in the locality are made on that assessment. That, to the mind of the objectors, is a most unfair way to arrive at the real assessment of the unimproved value. It is thought amongst objectors that if an objector goes to the Court and gets a reduction that reduction should be carried through the street. For argument's sake, if I go to the Court and get a reduction of £1 10s. a foot on its merits, the whole street should be reduced £1 10s. a foot. We understand it is the desire of the Department to get the rates distributed equitably amongst the owners. I can quote a case where an owner got a reduction, and the adjoining owner, who did not think it worth while to object, is paying more rates than his neighbour for the simple reason that he did not object. Then there is the attitude of the Department in quoting sales to sustain values. The Assessment Court apparently preferred to take old sales in preference to the most recent ones. I can give a very concrete example there. An owner on Thorndon Quay objected. It was pointed out that the property adjoining had been sold for £825. That was the last sale on one side of the street. On the other side the last sale was at £1,320, which included a five-roomed cottage, making the price, including the cottage, £20 a foot. Yet the Court sustained a value of £26 a foot, preferring to take the values shown by sales to the Government and wool-merchants—all buying for specific purposes, and not for the purpose of selling. They bought on the market, but for a specific purpose. It has been suggested that any one appealing under section 31 should give the Government an option for three months to acquire the property. If that suggestion were carried out it would mean that the property would be tied up for three months to be hawked about, and there would be no chance of getting more for it, for if a buyer did come he would have to be told that the Government had the option.

Mr. Myers: They could be allowed to sell in the meantime.

Witness: There is one other thing. The Act provides that the Government valuation shall be the fair selling-value. As far as I can see, the interpretation of that is not what the man ultimately gets for the place, but the maximum price he asks for it. We all ask a good fat price for our property when we want to sell, but it is when the hard cash is put down that the true value is settled. With regard to the procedure of the Court, I would like to say that I was down there many times, and I must say a great deal of time was wasted from the objector's point of view. I know that Mr. Myers did his best to bring the cases on as quickly as possible, but could not some arrangement be made for blocks of objectors to be heard on a certain day. If the Court has to lose a day that cannot be avoided. At the last sittings objectors were down there for four and five days waiting on the Court.

2. *Mr. Myers.*] You are a land commission agent and a valuer?—Yes.

3. You value buildings and you value land?—Yes.

4. You are quite competent to value buildings?—People consider that I am competent.

5. Will you not go so far as to say that you consider yourself competent?—Yes.

6. You have never been a builder or an architect?—Not in the professional sense of earning my living by it.

7. You are in the same position, then, in that respect as some of the valuers who are employed by the Government Valuation Department?—No. I must honestly say I am in a better position, because I have had buildings erected for myself. I have had to pay for them. I have to employ architects, and am constantly in touch in my business with owners and possible buyers of properties.

8. Are not the Government valuers also, by reason of their occupation and employment in the Department, constantly in touch with land and buildings in such a way as to enable them by experience, if by nothing else, to value buildings?—The evidence they gave at the Assessment Court did not prove that.

9. Valuations, after all, are absolutely matters of opinion, are they not?—Yes.

10. Is it not your experience in Wellington that if you are prepared to spend £2,000 on the building of a house the tenders for the work may vary from £2,000 to £4,000?—Speaking generally, that is very likely true.

11. Does it not follow, then, that even builders themselves differ very much in the values of buildings?—It is a mere matter of opinion.

12. Do you not know that the Government valuers, by reason of the provisions under the State Advances Act and other Acts, have to be constantly valuing buildings?—Quite so.

13. And yet you think you have a better experience in the valuing of buildings than they have?—I think I have. I am paid for it, and people take my opinion. May I just qualify what you say. From what I have seen of the method of valuation under review the examination of buildings is not very complete.

14. When you say that, are you speaking of the valuation of buildings for the purpose of this assessment or of the valuation of buildings for mortgage purposes?—For this assessment. We have been told they are the same.

15. Then, apparently you have not much opinion of the valuations of the Government Valuation Department, so far as improvements are concerned, for mortgage purposes?—Anything I say has no personal bearing. In the case of my own property the house was not valued. The valuer asked my wife about the next-door property, but he never went inside my house.

16. You have said that the methods were the same in regard to both kinds of valuation?—I said the methods of the assessment did not give confidence in the values of the valuers.

17. You also said that their system was the same for their valuations for mortgage purposes: did you not mean that?—What I meant was, I understood that the Government valuation was taken for mortgage purposes.

18. You have not much opinion, then, of the Government valuation even for mortgage purposes?—Not from the assessment-books.

19. Can you give any instance where, in regard to a loan of the Government, money has been lent on a mortgage on the Government Valuation Department's valuations?—Their valuations do not come under my notice at all. I have a hazy recollection of a property at Wadestown being sold by the Registrar, but I have no knowledge on the subject. I can give you what occurred at the Assessment Court. A Nelson property was valued for the purpose of assessment, and I understand it was adopted by the Department. The owner of that property required a loan on it, and he came to our firm to borrow, and produced the Government valuation to sustain the mortgage. We had the money granted, subject to a valuation. The proposed mortgagee, it so happened, hit upon the Government valuer to make the valuation for him, and when this valuation for mortgage purposes came back it was considerably less than the previous valuation made by the same man for the Government Department.

20. Would you mind giving me the name of the valuer?—I do not think I am justified in giving the name.

21. I must have the opportunity of verifying those facts?—Am I forced to give this evidence.

The Chairman: I do not think you should be forced, but it is a fair question.

Mr. Myers: Government valuers are not allowed to make valuations outside the Department. I do not in the least question Mr. Harcourt's *bona fides*, but I naturally want to look into the matter to see that it is correct.

22. *The Chairman.*] Was there any period of time between the two valuations?—I do not know, sir.

23. *Mr. Campbell.*] Was the valuation you got on a Government form or simply on a sheet of paper?—I am not sure, sir.

Mr. Myers: The evidence is really of no value unless we have the opportunity of carrying it further and testing its correctness.

Witness: In business, you will understand, one does not want to become an informant.

Mr. Myers: You stated a fact, and I have the greatest possible objection to allow you to go further unless you give us the information to enable the Department to follow the matter up.

Witness: I am prepared to give evidence on oath.

24. *Mr. Myers.*] You refuse to give the name to me?—At present I do.

25. *The Chairman.*] If the name is not disclosed, we cannot treat this as evidence?—I will give the name to you, sir.

The Chairman: It is of no use to us. On the broad ground of evidence, if a witness is unwilling to speak in cross-examination his evidence must go.

Witness: I could not give the valuer's name now, because I do not know it. I never saw the second valuation, but Mr. Kirkcaldie has it. Do you force me, sir, to give the information? I am being examined, and said that in the opinion of many objectors the valuations were too high, and gave a specific instance.

The Chairman: There is no privilege in this case. If the witness is asked a question in cross-examination and declines to answer, his statements do not become evidence, and must be treated as if the statements had not been made.

26. *Mr. Myers* (to witness).] You appeared as agent for and gave evidence on behalf of a large number of objectors at the last sitting of the Assessment Court in Wellington?—Yes.

27. Is it not a fact that at the outset Mr. Skerrett, who appeared for a large number of objectors, you assisting him with evidence, made a suggestion that we should test first of all the general question as to whether the valuations as a whole were too high?—Yes.

28. That suggestion was accepted by counsel for the Valuation Department, was it not?—I believe so.

29. And is it not a fact that a considerable body of evidence was called on both sides on that point?—Yes.

30. Is it not also a fact that both counsel addressed the Court on the same point?—Yes.

31. Is it not a fact that the hearing of that particular point occupied the Court two or three days?—I was ill in bed for some of the time, and do not know how long it took.

32. Is it not a fact that you were called as a witness by Mr. Skerrett?—Yes.

33. Is it not also a fact that you were cross-examined at very considerable length?—By you, yes.

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.

61. Then, if we can show by the officers of the Valuation Department that almost invariably, and with very rare exceptions, the sales that are made in Wellington, both of business sites and residential sites, are in excess of the Government valuation, you will not deny it?—I am leaving business premises out entirely.

62. May the Commission take it that, as far as business sites are concerned, almost entirely sales, when they are made, are made at more than the Government valuations?—I cannot speak on the subject from knowledge of the fact.

63. You are a member of a firm in Wellington which does a large business in the sale of land, are you not?—We earn our living at it, and try to make both ends meet.

64. Not only do you sell, but you keep in touch, do you not, in the course of your business with the sales of business places that are made in Wellington?—Yes.

65. Then do you not know, as a matter of fact, that when sales of business sites are made in Wellington the price is almost invariably higher than the Government valuation?—They have been in the past.

66. *Mr. Campbell.*] Up to the present?—No, not up to the present.

67. *Mr. Myers.*] When did that cease to be the case?—In recent years.

68. How many years?—The last two or three years.

69. Will you, then, please tell me of any single case where a business site has been sold in the City of Wellington in the last two or three years at less than the Government valuation for the time being?—I have been only talking about 1914 valuations. All those sales have been made since 31st March.

70. Then, can you tell me of any business site that has been sold in the City of Wellington since the valuations came into force that have been below the Government valuation?—Only one vacant section has been sold, I understand. That is a section next to the New Occidental Hotel, and was sold for less than the Government valuation.

71. Since the valuation came into force?—I do not know. It was sold at less than the Government valuation, and was sold again at a still lower price.

72. At what price was it sold?—Speaking from recollection, I think in the vicinity of £2,300 or £2,500.

73. Do you know what the Government valuation is?—Approximately the same—a little bit more, I believe. I have not the figures before me, but as far as I know that is the only vacant section that has been sold.

74. Was it sold before the war began, or after?—I think before the war began. The Macarthy Trust had a mortgage on the land. The Public Trustee, I believe, took the property over at the amount of the mortgage, and immediately sold it at a fraction higher at the present valuation to another trust in the office, which is erecting a building for Mrs. Nightingale for a garage.

75. Do you know of any instance of sites with shops on them which have been sold since the new valuations came into operation?—We are coming round again to my objection. I have not touched the centre of Wellington at all.

76. If you decline to give evidence say so?—I decline to give evidence of Lambton Quay areas.

77. *The Chairman.*] Is that because they are business sites?—Mr. Skerrett and Mr. Tripp had this matter in hand. It would not be right for me to give evidence without Mr. Skerrett or Mr. Tripp being present, as the case in Court was their case, and not mine. I was a witness for them. I have no objection to answer the questions, but I consider it is Mr. Skerrett's and Mr. Tripp's case, and not mine.

Mr. Myers. It is a mere question of fact, which is or is not within Mr. Harcourt's knowledge. If they were matters on which Mr. Skerrett or Mr. Tripp was acting here I would not proceed with it. However, I will not press the matter.

78. *Mr. Campbell.*] When valuing land, as you have to do as a salesman of land, no doubt you have occasionally to give your opinion of what the value of land is. Do you value it by what you consider its producing-value or what you consider, with your knowledge of Wellington, it will sell for?—In making a valuation of land I always take into consideration the sales that have taken place in the locality and the rent-producing possibility of the property.

79. First of all, you take the sales in the locality, and what it will sell for?—Not always. I have to judge the sales on their merits. It is my business to know why a sale takes place. An adjoining owner may have bought, or it may have been bought for a specific purpose, and I always take those facts into account.

80. Is it not a fact within your knowledge that builders, when putting in tenders for a contract, or a man valuing a house, take into consideration the circumstances of where the house is situated, and also that he values by the square foot?—Not always.

81. Is it not a fact that a contractor always takes out his quantities to put in his tender?—You mean by the cube of the building?

82. Yes, in the different rooms?—No. The man that will erect a building on a cube estimate will fall in as often as not.

83. How does a builder arrive, then, at an estimate of the building?—He measures up the quantities in the building.

84. Exactly, by cube foot?—No.

85. What, then?—When I built my own house I went into the matter very carefully with the builder, because I thought the price was too high, and the builder produced the exact quantities the house would require—scantling, bricks, sand, and everything. Not in cube, but so-many tons of each.

86. How did he arrive at it?—By measuring it up.

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.

AUCKLAND, 2ND DECEMBER, 1914.

ROBERT SMITH examined.

1. *The Chairman.*] What are you?—I am a farmer, residing at Mount Smart, Onehunga. My principal objection is as to the constitution of the Court that heard my assessment. I think I cannot do better than lay before you the legal opinion of Mr. J. C. Martin on the whole proceedings, and I may be able to substantiate any statements made. I do not think I need detain you long in a matter of this kind. Mr. J. C. Martin, in his opinion, says, “The next question you submitted involves greater difficulty. The Valuation of Land Act provides that a Court is to be constituted consisting of a Stipendiary Magistrate, an assessor appointed by the Governor, and an assessor appointed by the local authority to consider and decide the objections lodged against the valuation. The body thus constituted is called a Court by the Act, it exercises judicial functions after hearing evidence, and its decision is final on the question of whether an objection is to be sustained or the valuation to stand. The members of this tribunal are in no sense arbitrators, and we see no reason why the ordinary principles which apply to Judges or Magistrates are not to apply to members of a Court under the Act. Those principles deter a member from adjudicating in a case where he has or may have a bias which renders him, or may render him, unfit to adjudicate. The Master of the Rolls in England in the Court of Appeal has thus laid down the law in a case where it was sought to prevent an engineer adjudicating under a contract by which his decision was to settle the question that arose. In this case it is said: ‘The doctrine which is applied to Judges—not merely of the superior Courts, but to all Judges—is that not only must they be not biased, but that, even though it be demonstrated that they would not be biased, they ought not to act as Judges in a matter where the circumstances are such that not necessarily reasonable people, but that many people, would suspect them of being biased.’”

2. We notice that objection is made to the constitution of the Court. Does the letter go on to make any suggestions as to how to alter it?—It is simply a plain opinion, and I had hoped it would have been read right through, and then I could follow on with any evidence required.

3. The substance of the concluding paragraph which I have read is that a person was appointed by the local authority to sit on the Assessment Court, and that before the Court sat he went round with the Government valuer when the Government valuer was making his valuations?—That is perfectly correct.

4. On the question of the constitution of the Court, do you suggest any improvement in that constitution?—In the first place, I would simply ask the Commission to recommend that a revaluation of my property take place as it is shown in this—of course, I only take it as a legal opinion—that the assessment has been illegally carried out. I had better explain the appointment of the valuer and the conditions under which he was appointed. On the 15th October, 1912, Mr. F. G. Ewington was appointed by the One-tree Hill Road Board as associate with the Government valuer—I am giving the terms from the minute-book—to value not less than ten properties at a fee of ten guineas. In November, 1912, he was appointed as assessor to sit and practically sustain his own valuations. He did sit on the Assessment Court in the following June. I then objected to him sitting, on the ground I now bring before you. My objection was overruled by the President of the Court. My valuations were sustained throughout, being out of all proportion to the value of the surrounding property. Mr. Ewington stated in the Court that he had been specially instructed to visit my property. I subsequently laid the matter before the Valuer-General, and this is the reply received: “2nd October, 1914.—“SIR,—I have to acknowledge the receipt of your letter of the 20th ultimo alleging that Mr. F. C. Ewington, of Auckland, having been employed by the One-tree Hill Road Board to make check valuations of certain properties for purposes connected with the hearing and determining by the Assessment Court set up under the Valuation of Land Act of objections to values, and remunerated therefor, was subsequently appointed by the One-tree Hill Road Board as their assessor, and sat on the bench in that capacity, and that in consequence thereof unfair means, in your opinion, were used to sustain the Government valuation of land in the One-tree Hill Road District. In reply, I have to advise you that this Department has no voice in the appointment of local authorities’ assessors. Local authorities exercise that authority under Act. While I agree with Mr. J. C. Martin, your legal advisor, in his opinion (copy of which you enclose with your letter) that the function of an assessor is wholly judicial, I do not know anything of the business relationship of Mr. Ewington to the One-tree Hill Road Board, and cannot therefore say whether it would disqualify him as an assessor. Clearly, it is not my function to inquire. No doubt Mr. Martin will advise you that I am right in taking up this position. With regard to your request for your property to be revalued, I have to point out that under section 36 of the Valuation of Land Act you have the right to apply for a special valuation, and on payment of the valuation fee a revaluation will be made. The revaluation is subject to appeal, and the values finally determined cannot be used for taxing or rating purposes until the 1st April, 1915. —I have, &c., F. W. FLANAGAN, Valuer General.—Robert Smith, Esq., Mount Smart Road, Onehunga.” It is practically like going to the devil to correct sin. The Valuer-General’s Department should be brought to book for permitting collusion, as it is clearly pointed out that the appointment of Mr. Newington as an associate of the Government valuer before any valuations were made is clearly collusion.

5. On whose part?—Between the two valuers. They are simply to arrange what they are to do, and one is to sit as assessor and sustain the value. There is something outrageous about it.

6. On the 15th October, 1912, Mr. Ewington was appointed by the Road Board to go round with the Government valuer, and then a month later he is appointed assessor. What the Valuer-General says in his reply is that the Department has no voice as to the assessor to be appointed by the local body?—We understand that the Act makes that very clear. According to Mr. Martin’s opinion, the local body has a perfect right to appoint a valuer, but to appoint him the assessor also to sustain his own valuations is rather an extreme step. It is very hard for one to follow the justice of it.

7. We do not see at present that this affects the Valuation Department at all. It is merely a question of the local body appointing its assessor?—But it has made the valuation illegal. I do not wish to interfere with the general work of the Valuation Department at all. I simply speak as one who under these conditions has no standing. I have read the Acts, and I may say that I have brought this before the local head of the Valuation Department before taking other steps. The valuer came out and told me that if I did not submit my property would be taken over for workers' homes or something else. I told him he had better keep that to himself. He said he could get a man of his own. It is the silly bounce they put on. We do not look for such talk from a valuer. I said, "I think you have no right to say that." I have brought the correspondence with me, which shows the man was insulting. He said the property did not properly belong to me. I brought that under the notice of the Valuer-General, and told him the man had slandered my title.

8. He told you the property was not yours?—Yes. The man is unfit. He does not seem to know what he is doing; he is so contumacious. I may tell you that my previous valuation on one section was £1,000, valued by Mr. Esam.

9. Who was the local valuer who made this statement to you that it was not your property?—Mr. F. F. Mackenzie. It is a 10-acre section that cost me £1,400, and the last valuation was £1,000 capital value.

10. What is the system of taxation in your district?—The unimproved value.

11. You say that the valuation at the previous valuation was £1,000?—Yes, with an exemption of £100 for improvements. That was the 1912-13 valuation. The 1913-14 valuation was £2,600, a price altogether outside what I could obtain for it. Not only that, but only £50 was allowed for improvements.

12. The unimproved value was set down at £2,550?—Yes. I brought a remit before the local branch of the Reform Association, and it was forwarded to Auckland. It was that a Board of valuers should be appointed for the large districts, who would command the valuers and be a Board of appeal. By that means a lot of clashing and objection because of districts within districts differing, because of difference of position to the town and so on, would be saved.

13. Do you mean a Board of valuers to be appointed by the local body?—No, by the Government, to go round the different properties and value them, and so give satisfaction to the public and to the Government.

14. A Board for each district or each province?—For the districts. They should have power to engage assistance for clerical work.

15. Your idea is to get uniformity?—Yes.

16. Coming back to my first question, have you any suggestion to make as to an alteration in the constitution of the Court?—Unfortunately, in Road Boards we have little local matters which influence in one way and another the local assessor. It is fair in one way; but, unfortunately, they can, as in the present case, be worked upon by the Road Board. They have interfered with the functions of the Valuation Department. They have no right to do so, but they have done so.

17. How have they done that?—I did not know of the appointment of Mr. Ewington until I had first been to the Court to make objection. Thinking there was something radically wrong, I searched the minute-book and found the record of the appointments. I then brought it before the Board again, and thought I would have got some satisfaction, but though they dealt with other properties they would not touch anything I brought before them. When the balance-sheet was issued I found that although they had paid Mr. Ewington in July the sum of twelve guineas as valuer, and on the 19th September six guineas as assessor, they had lumped the whole as for an assessor, and made a false entry in the balance-sheet. Mr. Flanagan has not touched upon this, but the whole thing has been explained to him, as also to the Minister in Charge of Valuations.

18. *Mr. Campbell.*] This entry you mention was in the balance-sheet of the local body?—Yes. The way the item appeared showed that they knew they were acting illegally.

The Chairman (after consultation): We think the question you have with the Road Board does not come within the scope of the Commission.

Witness: It is but explanatory.

The Chairman: We prefer you should not go on with the question of what the Road Board has done.

Witness: It will be hard to alter. I simply give that as an explanation.

19. *The Chairman:* Have you any suggestion to make as to the constitution of the Court—whether the assessor should be appointed by the local body or not?—It is a very difficult matter to settle. It might be safely done by the local body, provided the law compelled them to go straight. Evidently it needs something. If the local body can appoint a man as both valuer and assessor, the property-owner might as well stop at home.

20. Did you call any evidence of value at the Assessment Court?—The notice was too short. I thought the meeting was over at 6 o'clock, but it was resumed and continued by candle-light. I had not time even to call my legal adviser. They came back in the evening to continue the cases.

21. You were not there?—Yes, but I had to submit to everything. Six cases were put through in half an hour, my own included.

22. What do you mean by having to "submit to everything"? Did you raise no objections?—Yes; but they sustained everything, and my objection was so much waste words.

23. Did you have any witnesses?—I had, but I understood that the Court was over for the day, and they went away. Instead of that, the Court came back and went on with the business.

24. Did you apply for a fresh valuation in accordance with the Valuer-General's suggestion?—No. Why should I pay for a fresh valuation when the first was illegal. I was going to ask the Commission to recommend that a fresh valuation should be made.

25. The gist of what you ask is that a fresh valuation should be made on the ground that the local body's valuer had been employed at a fee by the local body to go round with the Government valuer and he also acted as assessor?—That is so.

26. *Mr. Flanagan* (Valuer-General). Do you hold the Valuation Department responsible for the appointment of the local body's assessor?—If it was within their knowledge, certainly. If the Valuation Department were aware of it they were responsible, and the more responsible because they should be a protection to the public.

27. Do you still hold the same opinion when I tell you that the Valuation Department has no cognisance of the local body's nominees?—The local head of the Department was present in the Court when I objected on those grounds, and there can be no excuse on the ground of ignorance.

28. Did you submit the objection you have raised here to the Assessment Court?—Yes.

29. What was the decision of the Court?—My objection was overruled.

30. With regard to the fixing of values, you said that the valuer for the district made certain representations to you when you made an objection to him that your values were too high. What am I to understand that the valuer suggested?—Just simply what I said.

31. Was it that he proposed a compromise?—No.

32. What was it then?—The statement was that he would get a friend to take the property over.

33. Who made that?—Mr. F. F. Mackenzie.

34. Did you repeat that statement in the Assessment Court?—No.

35. What date was that: while the valuation was being conducted, or between the time of the notices being sent out and the Court sitting?—Between the time of the notices being sent out and the Court sitting. The second valuation had not been made then.

36. I want you to be very careful about this, because if such a statement was made by a valuer he renders himself liable to dismissal?—I think it would be for the good of the public if that were so.

37. I am not asking your opinion on that. Did you repeat to the Assessment Court what you have to-day told the Commissioners?—I did.

38. Quite as fully?—Quite clearly.

39. And the decision of the Court was unanimously against you?—No, I do not think it was unanimous. It was put as the ruling of the President.

40. Was the Court divided in its verdict?—In what matter?

41. As to whether the statements you made were worthy of credence or not?—There was no notice taken of it.

42. The Court unanimously decided, after hearing your evidence, to sustain the valuation?—Yes; the whole of the valuations were sustained.

43. The Court gave you a very patient hearing?—A very curt hearing.

44. You made certain statements during the hearing for which you were called to order—statements with regard to the conduct of Mr. Mackenzie?—I stated he had used slanderous statements with regard to the title of my property.

45. And that matter was discussed in Court?—Not discussed in Court.

46. Referred to in Court?—No, it was the President. The assessors sat there as dummies.

47. The position is that statements were made in the Court, and the Court unanimously decided that the valuations of the Department were fair. You had a difference with the valuer with regard to the valuation of your property. Is it not a fact that you were of opinion that your property should have been valued on an agricultural basis?—I did not discuss the matter with him.

48. I think it comes to that?—I cannot help your opinion. I am speaking the truth.

49. You surely know the arguments you used as to why the valuations were too high?—You are suggesting something that never happened.

50. In your discussion with the valuer, did you not maintain that your value was too high?—I referred him to the previous valuation. I told him there was no room for discussion, and he will tell you so if he speaks the truth.

51. But did you not discuss the matter with the valuer?—There was no room for discussion.

The Valuer-General: The witness does not desire to answer questions; I will not question further.

52. *The Chairman* (to witness).] The Valuer-General asked you about the suggestion that the Government would take over your property. The Valuer-General asked you when that statement was made by Mr. Mackenzie to you, and I understood your answer to be that it was between the time you received your notice of valuation and the sitting of the Court?—No, it was before the time of the valuation. It was just before he made this reduction—when he took it off one and put it on to the other. It was on the occasion of his visit that he made that statement.

53. How long was it before the sitting of the Court. A matter of months or weeks?—Within a month, perhaps within a fortnight. I could not say without referring to the paper. This man Ewington was present at the time.

54. *Mr. Campbell*.] Was Ewington within hearing?—I should think so. If he has ordinary hearing, I certainly think he would be.

55. *Mr. Rutherford*.] Was Mr. Ewington with Mr. Mackenzie when Mr. Mackenzie made the offer about the Government taking up the land for workmen's homes?—No, that was on another occasion; but when he made the statement that the property did not belong to me, Ewington was by.

56. *Mr. Campbell*.] But no one was present when he said that if you did not like the valuation the Government would take it over?—No.

57. *The Chairman*.] That was the time I was asking you about. Was that statement about the Government taking over the land made between the time you received your valuation and the time of the sitting of the Court?—That was on the occasion of his first visit. He came to the district three or four times.

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.

3. In your experience, have you ever known that the assessor appointed by the local body acts really in the interests of the objectors, in trying to keep down the values?—Never. The interest of the assessor is to keep the values as high as possible.

4. Have you had experience of different Assessment Courts?—Yes, I have had twenty years' experience.

5. It may have been all in one Court?—I may say that for the last few years I have always advised people very strongly never to appear at the Court.

6. You say that the local bodies' assessor never shows a bias in favour of the objector. It is material to know in how many districts you have appeared?—At different times I have had experience of all the Courts in the Auckland District. Of course, every time a district is valued we get useless objections.

7. *Mr. Rutherford.*] In your experience, do you find that in many cases properties sold are forced up through exchanges?—They very often take the highest recorded sale by searching the titles in the Deeds Office, without taking into consideration the surrounding circumstances. The terms are sometimes ridiculous, and sometimes the properties sold are the subject of exchange, and the highest recorded sale is no criterion of selling on a cash basis.

8. *Mr. Campbell.*] You stated that a poor man could not afford to bring witnesses and evidence to the Assessment Court to substantiate his idea of value; how would you conclude it was possible for a Court to decide the case?—I do not know whether I might go so far as to point this out: that if the objector gives evidence himself, by all means let the Government put a man in the box to give evidence against him, but do not let them put half a dozen. It seems to reduce the business to a farce to have one witness on one side and half a dozen on the other.

9. Do you not think it is as absurd to have only one on each side?—No.

10. As an assessor, do you think you could decide when two men give opposite opinions?—If both are giving honest evidence. If one says, "I honestly think the valuation is too high because of so-and-so," and the Government state that it is a fair valuation because of certain things, the Court could draw its conclusions.

11. Did you ever know in the Magistrate's Court or the Supreme Court where the Judge or any one else could decide without evidence?—No. I say, let the objector give evidence and let the valuer give evidence.

12. Do you not see that at the present time the Government valuation by law stands unless it is proved to be wrong?—Yes.

13. Then you must bring evidence to prove it is wrong?—If that is so, then the objector must bring more evidence than the Government is able to produce in order to carry the day.

14. Not necessarily?—It appears to me that that would be so if more witnesses are required on one side than the other in order that the Court may come to a sane conclusion.

15. I do not suggest that. It is the strength of the evidence given?—Is not the Government valuer able to give stronger evidence than a private objector?

16. That does not assist the Court. How is the Court to decide on a question unless sufficient and strong expert evidence is brought before that Court to show that the valuation as made by the Government is wrong?—They cannot decide without evidence, that is quite clear; and it might be held that one witness on each side is not enough. In such a case let there be two witnesses on each side.

17. It is not a question of number; it is a question of the strength of the evidence that is brought?—Unfortunately, that has not been my experience.

18. Do you not think that a meeting of ratepayers convened for the purpose would be an easier method of appointing the ratepayers' assessor than that each objector should send in the name of his neighbour, or of some one else?—I think the objector is primarily interested, and they would be the only ones to attend the meeting.

19. That would merely show that the others had no cause of complaint?—It might be done that way.

20. Why is it to the interest of the assessors appointed by the Government and by the local body to keep values up?—One represents the local body, who wants everything kept up to the uttermost farthing to keep up the rates.

21. And do you think that the Government send men there with the intention of keeping up the valuations?—Whether the Government appoint them for that purpose or not, the fact remains that the assessors invariably do their best to keep the values up.

22. *The Chairman.*] Do you bear in mind that the valuations are made for other purposes as well as taxes and rates—mortgage purposes, death duties, stamp duties, and so on?—Yes. It seems to me it is always to the interest of the Government to keep the value of property up. I do not say it should be otherwise.

23. *Mr. Campbell.*] Even in cases where the Government are lending their own money?—When the Government are lending their own money, my experience is that they send out and have it valued separately. You ask for money on their own valuation, and they say, "Wait on, we will have another look at it."

24. When the valuation has just been recently made?—My experience is that the Government will never admit their own valuation without revision for mortgage purposes.

25. Even when made recently?—Even when made the day before yesterday.

26. *The Valuer-General.*]—You have had an extended experience of the Valuation Department in Auckland, both as regards the clerical branch and also the field branch?—Yes.

27. You know the valuers personally, I suppose?—Yes.

28. You have had occasion to discuss values with them?—Yes.

29. In cases of revision and on other occasions?—Yes.

30. Have you found the valuers disposed to fight for high values?—I must say, to be quite honest about it, that I regard Mr. Mackenzie as the man in Auckland who has the best knowledge of local values. He is a clever man, and I find him essentially fair. I must also admit that he fights well for his own Department; but it is only proper he should do so, and he is only doing his duty when he keeps values as high as he reasonably can. I have always assumed that that is his business. I have had many a tussle with him, and always found him a hard row to hoe.

31. You always found him a reasonable man?—Yes.

32. With regard to the method of valuation, you said that the procedure of the Department is to depend solely on sales effected?—Not solely, but very largely. They very often quote the highest sale. It is a very common thing for them to say that So-and-so's property sold for so much.

33. I suppose they would quote the highest sale in cases where a conference took place, and the objector had one valuation and the valuer had another. Have you known that in fixing values they take the highest sales?—I do not say invariably, but very often they do.

34. Do you know that the practice of the Department is to take sales extending over a period of years, and strike an average?—I know they do that sometimes, but unfortunately there are many cases where property has sold well two or three years ago, and that is one of my points. They are not particular as to the moment of the highest sale they take out, even if two or three years ago. As a general rule, however, I find that they will generally quote the highest sale, whether it was made quite recently or two or three years ago.

35. That is quite a different thing from taking it as a basis for assessing value?—That is so.

36. Are you aware that valuations now are lower than they were when land has been sold?—I have many instances where the Government valuation is less than the sale price.

37. Have you instances where the Department has regarded exchanges as factors in fixing the values of land?—Not after it was pointed out to them. I know of cases where they have searched the title and found the consideration expressed, but when the surrounding circumstances were known it could not be described as a genuine sale; and when that has been pointed out to the Department they have decided reasonably.

38. It is not necessary for it to be pointed out. Here is my instruction to valuers: "To arrive at the ordinary selling-value in a district, all the sales that have taken place in that district of a recent date are tabulated, and it is not as a rule a difficult matter to ascertain from the prices actually realized—covering an extended period—what is the ordinary selling-value, and whether the tendency is to increase or diminish. The prices involved in exchange of properties are to be entirely ignored?"—Those are confidential instructions.

39. No, they are not. They are in the hands of every Government valuer. You made a statement to the effect that on representations being made to the Department with regard to leases the value on the roll could be altered?—You must be mistaken. What I said in regard to the valuation of leases was that the Government method of valuing leases was according to the Act, and that in some cases it worked out unfairly to the tenant, where the lease had almost expired.

40. It is the English system applied to New Zealand, with the addition of the 5 per cent. If we were to decrease the value to the lessee it would have to be put on to the lessor?—Or else be dropped altogether. That is what I should do.

41. You made a statement that when a valuation was required for the purpose of loans we made a special valuation. For what purpose do you think we made a special valuation?—Presumably to make quite sure it is absolutely correct. I do not blame you.

42. But your inference is that in making the special valuation for mortgage purposes we exercise more care, and therefore the valuation is probably less than a valuation for taxing purposes?—I made no inference; I stated a fact.

43. The inference arises from the statement of the fact, and the inference on an intelligent audience would be that if two valuations are made there is something peculiar to the owner in that?—Is it not a fact that there is an Act which provides that under certain circumstances the Government may take a man's land for public works or for settlement at the Government's valuation. I understand that under that Act a man, to protect himself, might have his valuation raised.

44. That is a section of the Land Laws Amendment Act, and has nothing to do with this matter of land valuation at all.

45. *Mr. Campbell.*] Is it your experience that, as a rule, properties sell at under or over the valuations made?—I think they generally sell round about the Government valuation, and, if you were to take the general experience, properties sell for more than the Government valuation.

46. Therefore, on the whole, the Government valuation would be very close to the selling-value?—Exactly.

ANDREW GRAHAM examined.

1. *The Chairman.*] What are you?—I am a resident of Birkenhead. I simply desire to say that what has fallen from Mr. Vaile has been very largely my experience. I can endorse every word he has said. There does seem to be some need for a friend in Court for the poor objectors. I would not say that the Bench is hostile, but inexperienced persons going to the Assessment Court, and not familiar with the forms of the Court, are at a great disadvantage. The assessor is there, and, of course, he is there to sustain his own assessment. In many cases he has had an altercation with the objector, and is hostile. Whether the Court is altogether hostile or not it is not for me to say; but the objector feels that with no one to speak for him he is in a hostile atmosphere. Unless he is prepared to say "That is the price I will sell at" he has absolutely no chance at all. That is how it was in my case. I have

made a little home in Birkenhead, and the assessment was raised from £1,000 to £1,768, which I considered was excessive. I did not want to break up my home and sell, even at that price. I had made my home there, and had made it what I wanted. I could not go into Court and say, "You must reduce my valuation." My valuation was £1,150, and I am prepared to say that that is a fair value to-day. I did the best I could in Court, not being experienced in these matters. I cannot say I was unfairly treated. The Court was held in a very hurried manner. I had come over early, and waited the whole day. My case was taken at night, when every one wanted to get away as quickly as possible. Under conditions like that I could not go into details. I got a reduction of £150, but as it was not on the unimproved value, but on the improvements, it did not benefit me.

2. *Mr. Campbell.*] Was it not divided at all?—No. After a little further correspondence with the Department, they sent a valuer to view the property, and after the Assessment Court I received a further reduction of £195, which was divided between the unimproved and the improved value. At any rate, the total reduction was £345, and considering, as Mr. Vaile has stated, the total reductions only amounted to £2,000, I consider I did very well. But that is neither here nor there. I think a Board would be more likely to be a fair tribunal before which objectors should be called. How the Board should be constituted I am not competent to say; but I do think that in each district there should be in Court a person who is thoroughly conversant with the whole district and knows the value of every property, or should know it. I do not think he should be connected with the local body, because, as has been stated, they want to keep the values up. Nor do I think he should be connected with the Government, for the same reason. But there should be some one who can state a fair value. It is quite true that the valuers quote the highest sales, and it is very easy to omit loans. I can give an instance where a property next to me was supposed to be sold for £4 or £5 a foot, but they forgot to mention that the property adjoining was sold at auction, not so many months before, for £2 2s. 6d. a foot.

3. Was it on a back street?—It might be called a back street. It is a street running down to the water.

4. *The Chairman.*] Do you suggest how the valuers should sit as an Assessment Court?—They would take the place of the Assessment Court.

5. *Mr. Rutherford.*] What is the frontage of your section?—Roughly, it has a frontage of 2 chains by 7 chains deep.

6. *The Valuer-General.*] Is this property you refer to occupied by yourself as one holding?—No. That was one fight I had with the Department. It was valued in three different sections, because there were three houses on it. Ultimately my point was conceded, and it was put as it originally had been—in one holding. I am living on the property myself. The valuer said it was worth £2,000, and I said I would give him £50 if he could find a purchaser.

7. With regard to the sale to which you refer bringing £2 2s. 6d. per foot, do you know the reason why the property was sold by auction?—No.

8. It might have been a forced sale?—It might have been, of course. I would like to mention one other fact I brought under the notice of the valuer. The valuation of my property works out at about £500 per acre. In a little district like ours, the public offices are supposed to be where the business is done. Mine is a residential site, and has no prospective value as a business site, but a man has a section immediately opposite the post-office and police-station which is valued at £115 per acre, as against my residential site value of £500 per acre.

9. Is that counting the buildings?—No; it is the unimproved value I am referring to.

WILLIAM BISHOP examined.

1. *The Chairman.*] What is your position?—I am a settler of Titirangi, in the Waitemata County. I would like to ask if this is the only day the Commission is going to sit in Auckland. About twenty of us came down to the Assessment Court to object. I was in town yesterday, and only heard about the sitting of the Commission then. Had we known of it before, about twenty of us would have come down. My 1911-12 valuation was £825, and the next valuation was £2,795. It is broken land—sheep-country—comprising 237 acres. I appeared before the Assessment Court, but could not get any reduction at all. I think £2,000 in one jump was too severe.

2. *Mr. Campbell.*] Would it sell for that?—I was talking to a member of the Waitemata County Council, who has lived in the district all his life, and he admitted it would not sell for that. They have reduced the rates because they considered some of the settlers were overvalued.

3. Is the property just the same as it was before?—It is in a worse state than it was before. It is part cleared and part bush, and some of the cleared land has gone back to tea-tree.

4. I see that in 1911-12 your unimproved value was £550 and in 1914-15 the unimproved value is £2,370?—Yes. We did not anticipate that the value would be sustained or we would have got a valuer to make a valuation. As it was, we only had our own evidence in support of our views.

5. Did the Government valuer give any reason for this large increase?—He gave as a reason in the Court that the land was not very far away from where the City Council had put a motor drive round the hill, and he thought that had increased the value. One or two holdings there had been cut up into 5-acre sections and sold at a fairly good rate for summer resorts. I do not consider that land held for the purpose of farming sheep and cattle should be valued the same as land cut up into 5 and 3 acres, and so on. The valuer said the time had come now when I could cut it up. I pointed out that the land was very broken, and in some cases there would not be room to build a house without going into steep gullies. I dare say I could cut up 20 acres out of the lot. The rest is very broken.

6. You have been valued on the adaptability of the land and not on its use?—Yes. The place would run more stock than I have on it if it was cleared up. It means that we must do something with it, for we could not keep it at this valuation. It is unfair that people who use their land for sheep farms should be valued on the basis of summer resorts.

7. Did you offer the land to the Government?—I offered half to the Government. I said I wanted a place to live in. They said they did not want it at the time. A good many more would have come down, but they did not know anything about the Commission sitting.

8. *The Chairman.*] I suppose their cases are much like yours—that their land is valued for a different purpose from that for which it is used?—That is so. One man cut up 100 acres into sections, and in ten years he had sold about five.

9. Your case is a very representative case, and any number of witnesses would not carry it much further. Has the county reduced rates all round?—Yes. The rates on my property come to £23—that is, to the Government and the local body. The Government tax is £9 12s. 1d.—1d. in the pound; and, I think, £13 or £14 to the Waitemata County Council for rates.

10. *Mr. Campbell.*] The 100 acres that the man you referred to cut up, was it cut into 5-acre sections?—Some were 3 acres and some were 4 acres. One of those sold was a 5-acre section.

11. *Mr. Rutherford.*] How much standing bush have you?—About half of it is in standing bush. The valuer said that if it had all been under standing bush he would have valued it at more, because people would come out to the ranges more and more.

12. Has all the kauri been cut out?—Oh, yes.

13. How much is in grass?—50 to 75 acres.

14. What stock do you carry?—Six cattle, two horses, and about fifty sheep. It is just the gullies that have been cleaned out. The hills are left.

15. *The Valuer-General.*] Do you know when the revision of values of Titirangi took place previous to the one we are considering?—I do not know any date.

16. It was in 1909, five years ago?—I asked at the county office this morning, and the girl said it was three years ago.

17. Your case is an instance of where the land is undergoing a transition stage. It is only about ten miles from the city, and the Department looks at the matter very differently now from what it did before. It is a hard case for you, of course, but we must value on a fair selling-value, and Auckland people are favouring that locality for summer residences?—There is only part of my land I could sell. My land is sloping down to the west. People who go there for residence sites want a view, and would not buy sections that forced them to build in a gully.

18. Did you know when you were at the Assessment Court that if an owner is dissatisfied with the valuation fixed by the Court he has a right, within fourteen days, to offer the property to the Government at his own valuation, and the Government must either take it over at that valuation or reduce their valuation to it?—No, I did not.

EDWARD CHARLES FALWASSER examined.

1. *The Chairman.*] What is your position?—I am a land agent and licensed Native interpreter, Queen Street, Auckland. The matter I wish to bring before the Commission is a property in Greymouth, in the South Island. I visited Wellington a few days ago on behalf of several of the Native owners of this property. It is the Greymouth Township (Mawhero Native Reserve). I interviewed the Public Trustee, with a view to borrowing money, or formulating some scheme of borrowing money, on this property on behalf of the Natives. They are all fairly well-educated people, and feel that they could do better if they converted the property into cash and went into farming, or something of that sort. The property is under twenty-one years' renewable lease. Some little time back the old leases expired. The properties were valued by the Valuation Department, and put up by auction with an upset price. In the event of the lessees objecting to pay the upset price the matter of rents is adjusted by arbitration. The valuer appointed by the Valuation Department is a tenant in the township, and a big one, I understand. The tenants refused to pay the price, and the matter was referred to arbitration. I understand there is a regulation that in the event of such a thing happening, the Public Trust Office appoints one arbitrator, the tenants one, and I am not just quite sure how the other is appointed. The Public Trust Office can appoint their original valuer as arbitrator, so that there are two representatives of the people who are in occupation of the properties. The price that they assessed is in some cases 2½ per cent., and I think the average runs at 3½ per cent., on the original valuation of the Valuation Department. You are aware that the intention is always that 5 per cent. on the interest of the Natives, or lower as the case may be, should be paid. Although it is only a matter of 1½ per cent., it is a very big matter to the Natives. The Native interest in the Greymouth Township—the minimum, I think—is something like £320,000. I intended to bring the matter before Parliament, with a view to getting for the Natives the right to dispose of their interests, but it was too late in the session for anything to be done. In the matter of the valuation where so much is involved, more particularly in Native townships, the officer representing the Valuation Department should not be selected from the district. The man who was appointed local valuer is, I understand, Mr. Adams, an auctioneer holding a very big interest in the township. This gentleman, again, is appointed by the Public Trust Office as an arbitrator. He therefore holds a dual position, and the tenants have two representatives on the arbitration body. Of course, it is not the work of the Valuation Department; but that is the fact. It is only to be expected that the local valuer will do his best to keep his own rent down. The only other matter I wish to bring before you is the reversionary interest of the Natives in assessing the value of improvements in leases. It is only since the Act of 1909 that we could do anything in the way of purchasing Native lands. Previous to that, it was only dealt with

by way of lease. I take up a lease for twenty-one years, and I build a house costing £200, knowing full well that at the end of the term the land reverts to the Natives; and I put up a house that will stand for that time, using white-pine. After three or four years I decide to buy the land, and the Native gets considerably more than the lessee from the house as his reversionary interest. I have had no end of trouble. We ask for a valuation, and we find that the reversionary interest of the Native is far more than it should be because of the value of the improvements. I have discussed it here in the office, and they are prepared to admit that the position is hardly fair. I had a case a little while back where the buildings were valued at £40 and the Natives' interest in those buildings amounted to £30, and the lessee got £10 consideration in his improvements. Certainly the term was very short, having about nine years to run, on a twenty-one years' lease. However, the buildings were put there by the lessee, and were valued at £40, and the lessee was allowed £10 consideration.

2. He had no clause for improvements in the lease?—No.

3. I understand, with regard to these Native leases, you are really following on the same lines another witness has taken up. You say that the rental should be fixed at $3\frac{1}{2}$ per cent. on the freehold value, but under the Valuation of Land Act 5 per cent. on the freehold value is put as being what the leasehold interest ought to be worth?—What I wanted to convey is that that was what was being paid on the leases now— $3\frac{1}{2}$ per cent. on the valuation as assessed by the Valuation Department.

4. You mentioned 5 per cent. Were you referring also to the way in which these interests were valued under the Valuation of Land Act—you mentioned $1\frac{1}{2}$ per cent. difference?—I mentioned that they were losing $1\frac{1}{2}$ per cent. on their interest, as fixed by the Valuation Department.

5. And paying rates and taxes on it, too?—Yes, the rental tax. I put it to the Public Trustee: "Are you prepared to buy the land?" He said, "No; the tendency is to buy land for settlement purposes, but not to buy townships." I said, "I realize you would not buy if you desired to," and he said "Why?" I replied, "Because you would only get $3\frac{1}{2}$ per cent. for the next twenty-one years."

6. Would you make it of general application that the valuer should not be a local man?—I was speaking with special reference to Native reserves and townships.

7. Did your remark apply generally to the Assessment Court under the Valuation of Land Act—that where the Valuation Department appoints a valuer he should not be a valuer in the district?—I would not like to go quite so far as that. I was only intending to touch on Native matters.

8. *The Valuer-General.* Are you speaking out of your own personal knowledge when you state that the valuer to whom you refer is the Government valuer?—I can only repeat what the Public Trustee told me himself.

9. Would you be surprised to know that there is no such valuer in the Department as a man named Adams?—I might have made a mistake in the name, but I was under the impression from what was told me by the Public Trust Office that the man who valued this property was an auctioneer in the town.

10. Would you be surprised to learn that the Government Valuation Department has nothing whatever to do with this valuation?—I would not be surprised at anything so far as that is concerned. I can only repeat what I have been advised by the Public Trust Office.

11. The Public Trustee appoints his own valuers and assessors where Native lands are vested in him. It is quite true, in cases like Greymouth and Hokitika, he can get an advisory valuer from us, but eventually, before the rents are fixed, the Public Trustee appoints three assessors, and none of them are my officers. There is no law that compels the Public Trustee to take our valuations?—That is simply an opinion I received from the Public Trustee himself. But I remember he distinctly told me they were paying 5 per cent., and until he called an officer in he did not know that the Greymouth lessees were not paying 5 per cent.

JOHN RYAN examined.

1. *The Chairman.* Do you wish to make a statement to the Commission?—Yes. I reside in Upper Vincent Street, Auckland. I come to protest against my valuation in the city, and also to protest against the valuation placed on my property at Okupu, Great Barrier Island. It was valued at £300, and all of a sudden it was put up to £1,320. I do not know the cause of that rise. I think they want to hunt the people off the island. There is very little money-making down there, and the country is very rough.

2. For how many years was the valuation £300?—I have been paying on £300 all the time, up to this year. I have a house in Grey Street, off Brighton Road, Parnell, which is insured in the State Fire Office for £300, and Mr. Flanagan will only value it at £200. The unimproved value here about five years ago was £55 per section, and now it is £100. I have been writing to the man who receives the property-tax, and eventually he wrote to me that the valuation of the Valuer-General is final, and there is no redress for me. That was three years ago, so I did not see there was much good in trying to get a reduction.

3. Did you appear at the Assessment Court to combat the valuation?—No. I took it that there was no use in my appearing on account of the word I had received from the Receiver of Land Revenue, that the valuation of the Valuer-General was final.

4. *Mr. Campbell.* Have you got that paper?—No.

5. *The Chairman.* How many acres have you at the Barrier?—663 acres 3 roods 25 perches. They did not give me the number of the lots, but lumped the whole thing together. I think it would be a good thing to keep the tax until the particulars are supplied.

6. What do you mean by not giving you the number of the lots?—I did not buy the land in one piece, but got it in a number of lots. I sent the papers down to the Barrier,

7. *Mr. Campbell.*] They value the whole farm because they could not tell where the different sections are on the farm?—They have a right to give the numbers of the lots on which taxes are being levied.

8. It was valued at less than 10s. an acre for a long time, and the jump has all been in one year?—That is so.

9. *The Chairman.*] How long was it between the last valuation and this one you are complaining about?—There was no valuation at all since the first valuation.

10. *Mr. Campbell.*] How long have you had the land?—Forty-six years.

11. *The Chairman.*] Did you know you had the right to fix your own valuation, and say to the Government, "You have either to buy the property at that valuation or reduce your own valuation to it?"—No.

12. *The Valuer-General.*] You got your notice from the Valuation Department?—Yes.

13. Do you know how many years elapsed between the previous valuation and this one?—No.

14. It was eighteen years. The Great Barrier was formed into a county recently, and the Department made a valuation of the place. Are you prepared to sell the property at the Government valuation?—Yes. I will sell it to you now at it.

15. You can apply for a revaluation under section 36, and if you pay the fee for it I will have another valuation made, and send you notice, and give you an opportunity to contest that valuation. I will go to the trouble of setting up an Assessment Court, and if it does not sustain your value you can send in your value to the Department, and if the valuation is not then reduced to your estimate the Government must buy the property at your figure. Will you accept that offer?—What is the good of accepting, to give you the chance to still greater tax my land.

CHARLES RHODES examined.

1. *The Chairman.*] What is your position?—I am a resident of Ellerslie. I am here with respect to a property at Hunua which I hold on behalf of my wife, but I find it is probably not within your province. We have held the property for thirty-odd years, and yet to-day we have no road by which we can get a cart in. The Government valuation of the property is £7 per acre for 330 acres, and there is no road. The road that was laid down in the original survey is absolutely impracticable. The Road Board acknowledges that.

2. Is the valuation of £7 an acre the unimproved value, without buildings?—Yes.

3. What did your valuation stand at previously per acre?—I did not remember exactly what it was.

4. Do you remember when the last valuation was made?—Three or four years ago, I think.

5. Is there a considerable increase between the two valuations?—Yes. It went from £500 to £1,500 unimproved value.

6. It has gone up £1,000?—Yes.

7. Did you object at the Assessment Court?—No, because I did not get notice in time to attend. It is not the value I am objecting to, but the fact that we have no road to get to the property. If we had a road we would not object to the valuation.

8. As the Valuation Department do not make roads, you mean that they value you too high considering that you have not got a road?—Yes.

9. *Mr. Campbell.*] Without a road your land would not sell for what they have put on it?—Exactly. It is absolutely inaccessible to a horse and dray. I have to pack or sledge everything down a hill on another man's property to get to it.

10. Cannot you get by river?—No, the river is not navigable, although the property has a river frontage of about a mile and a quarter. I have offered to do all sorts of things to the Road Board. The surveyed road is impracticable. It is more than 1 in 1 in some parts.

11. *Mr. Rutherford.*] You have owned the property for a considerable number of years, and you have always had to use this same track over private property?—Yes. There is property adjoining me in the same position.

EDWARD MORGAN examined.

1. *The Chairman.*] You are an officer of the Valuation Department, I understand?—Yes. I am a district valuer.

2. *The Valuer-General.*]—You valued this property of Mr. Rhodes's, at Hunua. I suppose you took the fact of it having an impracticable road to it into consideration when making the valuation?—Certainly.

3. What is the nature of the property?—Section 18 contains 88 acres: capital value, £365; unimproved value, £260; improvements, £105. The improvements consist of 60 acres cleared, fenced, and grassed. That applies to the property at the lower end. Then there is 240 acres: capital value, £2,260; unimproved, £1,260; improvements, £1,000.

4. What is the average unimproved value of the whole area?—Under £5 an acre.

5. You regard that as a fair value?—Taking the property as a whole.

6. With the disability of having an impracticable road?—Yes.

7. You know the property and its characteristics?—Yes, I was all over it.

8. Did Mr. Rhodes object?—No.

9. Was the district valuation roll deposited in the district the statutory time to enable the objectors to see the values on their properties?—So far as I know, it was. That is a matter, of course, that is done from the office. There were, I think, only three objectors from the district altogether.

10. And no Court was necessary?—The Court was called, but no one appeared. I think there was only one name on the sheet.

11. Was Mr. Rhodes one of the three?—Mr. Rhodes did not object.

12. *Mr. Rhodes*: I did not know of any sitting, and had no notice of it from the Court.

13. *The Chairman* (to witness).] How does an objector know when an Assessment Court is sitting?—The objector himself is usually notified. He gets notice of his valuation to start with, and then the objection is referred to the district valuer, or to whoever has made the valuation, and he reviews the matter again. If it can be seen that any reduction can be fairly made this reduction is offered, and, if it is accepted, it is written off; but in the event of there being no acceptance, the objector is notified that the matter has been referred to the valuer, who cannot see his way to make any reduction, and it is referred to the Court.

14. Does the notice give him the date and place of the sitting of the Assessment Court?—If it is fixed at that time; if not, he is notified when it is.

15. He gets individual notice?—As a general rule.

The Valuer-General: There is nothing in the Act which compels the Department to notify the objector of the sitting of the Assessment Court, but I think the advertisement appears in the papers circulating in the district.

EWEN WILLIAM ALISON examined.

1. *The Chairman*.] What is your position, Mr. Alison?—I am general manager of several companies. In tendering evidence before this Commission I do so as an owner interested chiefly in suburban lands. I contend that the system under which lands are valued by the Valuation Department is wrong. My reasons for contending so are these: Firstly, the capital value placed by many valuers, but not all, upon a large proportion of properties is excessive, the valuation often being based not upon the actual selling-value of a property, but upon a problematical realization under most favourable selling-conditions—that is, the capital value of properties is often assessed upon the extreme amount which a property might realize in the most favourable market, and, if sold, on terms most favourable to a purchaser. Many Government valuers seem to be imbued with the idea that their duty is to assess the capital of property on inflated values, and in apportioning the capital value, unimproved value, and valuation of improvements depreciate the value of improvements and place an excessive value upon the unimproved value. Landowners are placed at a serious disadvantage in appealing against overvaluations by the Department, the most serious being the constitution of the Assessment Court, which is composed of one member appointed by the Valuation Department, one by the local body interested, and a Stipendiary Magistrate, who presides. The inclination of members representing the Department and the local body is naturally in the direction of supporting the valuers, who strongly advocate the upholding of their valuations. The average owner who appeals is not as capable of supporting his objection as the Government valuer is in opposing, and is invariably placed at a disadvantage before the Assessment Court. Many persons fail to appeal against excessive valuation of properties because they feel unequal to, or are unable to, attend the Assessment Court, and the cost of engaging a solicitor or qualified agent to represent them would possibly be greater than the extra taxation consequent upon the overvaluation. Then, a common point raised by valuers in support of their valuations is to ask an owner whether he would sell at the valuer's valuation. In many instances the reply is "No," as the owner does not wish to sell his property. It is his home and is not for sale. He is therefore not prepared to sell at the valuer's price, although excessive. There are others who offer no objection to a high valuation. They consider it to be to their advantage, as it enables them to more advantageously dispose of their properties or obtain loans or advances upon the same. I desire to call the attention of the Commission to the fact that the term "unimproved value" as applied generally to the assessment of properties is a misnomer, as the valuers value the land not upon its unimproved value, but upon its assumed selling-value, and, as far as Auckland is concerned, the unimproved value of properties is almost invariably raised in successive valuations. The points I have enumerated are those which I submit for the consideration of the Commission.

2. With regard to the definition of unimproved value under the Act of 1912, that is in effect the selling-value is it not?—Yes, but my experience is that the valuers do not make a sufficient or reasonable allowance for the improvements made either upon the land or upon the buildings, or upon improvements such as grassing, fencing, &c.

3. With regard to the constitution of the Court, you say that many do not appeal at all because they feel unequal to the task or cannot afford the expense of professional assistance. Have you any suggestion to make as to how the Court should be constituted, or do you not approve of the Court being constituted of two assessors and a Magistrate?—I think the Court is wrongly constituted, because there are two members of the Court who are representing those to whose interest it is to maintain a high valuation. If the Court was constituted of a Stipendiary Magistrate and two qualified disinterested persons of good reputation their decisions would, at any rate, be unbiased.

4. *Mr. Campbell*.] Who is to appoint them?—Well, not the Valuation Department. The appointment, I take it, should be made by the Government.

5. That is the case now?—No; the way members are appointed now is that one is appointed by the Valuation Department and one by the local body.

6. One is appointed by the Government?—He is really the nominee of the Valuation Department.

7. *The Chairman*.] The Act says "one appointed by the Governor in Council"?—That is so. At any rate, the Assessment Court should consist of members who would act and deal with appeals judicially, impartially, and disinterestedly.

8. The constitution of the Assessment Court is one of the specific subjects we are to inquire into, and whether we can suggest any alteration. We have had a similar complaint to yours made in Wellington, and also here this morning. Of course, we should like to have any suggestion from witnesses as to the way in which they think the Assessment Court can be improved as to its constitution?—I am sorry I am unaware that this important question has been specifically referred to the Commission, otherwise I would have come specially prepared on the subject.

9. *Mr. Campbell.*] On what footing would you propose the objectors should come to the Court? You say that at present an objector is at a disadvantage as compared with the Department?—Yes.

10. We do not want to have it all destruction. We want the assistance of witnesses to give us some idea of how it could be improved. In what way could the objector be put in a better position?—These are difficult questions to offer a sound opinion upon, and I have not given to them that consideration which would enable me to answer that question advisedly.

11. Would it not be possible here, for instance, as I have often seen done in Courts, that objectors get witnesses to go to Court with them—the same witnesses for perhaps a dozen objectors—men on whose word on valuations would carry some weight with the Court? Would it not be possible for any batch of objectors to get those witnesses?—I suppose it would, but the average objector does not interfere with other people's business. He is unaware possibly that his neighbour is objecting.

12. I know that when he goes into the Magistrate's Court he does not go in lone-handed as he does into the Assessment Court. Is that not so?—Yes, that is so. I think the majority go into the Assessment Court lone-handed, and with the intention of supporting their own objection as far as they can.

13. They do not go into the Magistrate's Court without taking as much and as strong evidence as they can to support their case. Is that not so?—Yes, that is so.

14. In what way would you expect the Assessment Court to arrive at a just decision in a case if they only have your single statement. They know you are an interested party in getting a reduction. The Court may be as anxious as possible to get a true statement. How are they to get that evidence?—I do not contend that for a moment. What I contend is that the representatives of the Valuation Department, being gentlemen of education and experience, and used to appearing before a Court, and having full knowledge of all matters connected with valuations, confront an appellant with points and questions which he is not informed upon, and are thereby enabled to support their case much more strongly than the average objector.

15. I suppose you know that an objector or a number of objectors can employ either a legal gentleman or, which is far better, a practical farmer to go to the Court and plead his case?—I understand they have that right.

16. *The Chairman.*] I think Mr. Campbell's suggestion is that if a considerable number of objectors were to employ the same agent there would only be a *pro rata* part of the fee to be paid by each. We know that an objector is not going to pay a guinea fee to get 4s. 2d. struck off his rates?—It would be a very great advantage if objectors could agree upon some capable person to represent them, and pay his expenses between them. My experience with regard to the Assessment Court is that each one goes with the intention of appealing against the assessment of his own property. He has not had information from others that they are objecting, and does not know until he goes into the Court. He puts his case as well as he can, and in many instances I have known them not to put their objections at all because they felt they would be overridden by the officers of the Department putting forward contentions which they were not in a position to stand up against, but which they knew, if properly taken, could not be maintained.

17. Men have spoken of the case of parties who have difficulty in obtaining legal and other assistance. There is already a law to that effect in the case of poor persons in another branch of the Courts. Would this suggestion help any at all: that the Government should appoint some capable person to be the representative in the Court of the objectors?—That, to a certain extent, might meet the point raised, because it would just be one capable man paid a fee to represent all: still I doubt if any one person could satisfactorily represent the whole of the objectors.

18. *Mr. Campbell.*] That man would be under exactly the same disability that you complain of. He would be appointed by the Government, and therefore would not plead these people's cases as he should because he is appointed by the Government. You must get something from the people themselves before you will satisfy them?—I take it that the Chairman is not suggesting that the right of objection should be taken away from the persons who are appealing, but that should they desire to have some one to represent them in Court a capable man would be there to represent them.

19. *The Chairman.*] It would be quite open to them to conduct their own case or engage the appointed man as agent?—That was what I thought your suggestion was. The main objection is the desire on the part of the majority of valuers to overvalue in the first instance, and underestimate the value of improvements in the second.

20. *Mr. Campbell.*] But, on the whole, not to overvalue. It is more in the division, you mean?—No, in a great many instances they overvalue. Their capital value is excessive, and in the apportionment of the unimproved portion of the capital value they do not make a sufficient allowance for the improvements.

21. Have you known many properties actually sold at less than the Government valuation?—I have known of a number.

22. Would you not say that there was a very much larger percentage sold over the valuation than under it?—Yes, I think that would be so.

23. And some of them very much over the valuation?—That has been the experience in later years, during which there has been an increase in the values of land from time to time.

24. *The Valuer-General.*] I presume from your remarks they are directed more to the values of suburban land?—Yes, my experience is more in respect to the valuations of suburban land.

25. About the suburbs of Auckland?—Yes.

26. You stated that the values assigned by the Valuation Department are not the actual values: how would you arrive at the actual values?—I would arrive at the valuation for taxation purposes as being that which the property would sell for if it were being disposed of.

27. Why for taxation purposes?—Because a person may not want to sell his property, and therefore it cannot be offered for sale by reason of the fact that the owner does not want to dispose of it.

28. What you want to have is a system of taxation that will protect the owner from a valuation on other than what he would think is a fair value for his property?—No. There should be a fair and equitable capital valuation of the property and a fair adjustment of what is termed the “unimproved value” and the value of improvements.

29. The Chairman directed your attention to the definition of “unimproved value”—viz., the amount a property would bring in the market if offered for sale on such terms and conditions as a *bona fide* seller would require. The practice of the Department is not to take as evidence in each particular case the price realized for a property adjoining?—But it is. That is one of the strong objections to the system of valuation at the present time—that because one section in a locality or an estate brings, say, £4 per foot the whole of the contiguous sections shall be valued at the same ratio.

30. Will you be surprised to learn that in the valuation of Takapuna, with which I suppose you are valued, I gave instructions—and they were, I suppose, carried out—to underestimate sales by 25 per cent.?—Such instructions were not carried out, then, for many properties and sections were overvalued. There was one subdivision regarding which I think I am within the mark in saying there were fifty objections. When the objections were being heard the Assessment Court upheld a number of them, whereupon Mr. McGowan, the head of the Lands Department at Auckland, stated that if the owner was willing to sell at the price which he had placed in his objection, and so offered it to the Government within fourteen days after the Assessment Court was held, the Government had to reduce the valuation to the amount asked by the objector.

31. That does not answer my statement. I stated that instructions had been given to keep down values 25 per cent. That 25 per cent. was knocked off before notice was sent out to the owners?—Those were your instructions, perhaps, but they were certainly not carried out.

32. How do you know?—By the experience, and I have just given you some.

33. Neither you nor any one else knew the valuations at the time this was done?—I do not say you did not give that instruction, but, if you did, it was not carried out.

34. *The Chairman.*] When the original values went into the Department they were reduced in the Department by 25 per cent. before the notices went out, and therefore the owners would not know what they were originally valued at?—No, perhaps not. All the owner knows is the assessment that is put on his property by the Department.

35. *The Valuer-General.*] When the Assessment Court sat and sustained the valuations it was quite right of Mr. McGowan to say that the owners had the right to offer their properties to the Government at their own valuation. Owners took advantage of it, and that being so, what injury is done to them by the valuation?—When they objected they were not aware there was such a provision in the law. That is one point. It is an easy matter for the representative of the Valuation Department to know what the law is in every particular, but each individual person does not know, and it came as a surprise to all in the Court to know that there was that right. The reason I quoted the facts I have mentioned is because of the statement made by the Valuer-General that instructions were given that 25 per cent. was to be knocked off the actual value of the land, when in reality the owner was prepared to sell at fully 25 per cent. less than the values which were placed upon the land. In one instance an allotment was valued at £300 which was for sale at £200.

36. That may be an individual case. One swallow does not make a summer?—There were fifty objections, and in every one there was more or less 25 per cent. reduction on the valuer's valuation.

37. *Mr. Campbell.*] By the Court?—No. By reason of Mr. McGowan's statement with regard to the provision in the Act that dissatisfied objectors could offer the property to the Government at their own valuation.

38. Did they follow it up?—Yes.

39. What happened?—The reduction was made. The owner went further, and said he would be very glad to realize 10 per cent. less than the value to which it had been reduced.

40. *The Valuer-General.*] Those are individual cases. There were fifty objectors you say?—I am within the mark in saying fifty.

41. Do you know how many assessments there were in the Borough of Takapuna?—I do not know. Let me be clearly understood. I have referred to one estate only.

42. There were 2,487 assessments in the borough, and the number of objectors is generally an index as to the satisfactory nature or otherwise of the valuation. The general system of the Valuation Department is not to make a valuation, send out the notice, and if it is objected to to send it at once to the Court. I suppose you know that when objections come in they are sent to a conference with the valuers?—That has not been my experience.

43. Were you an objector?—Yes.

44. Did the case go to the Court?—Yes.

45. Was your objection upheld?—A large number of my objections were upheld.

46. Those that were not upheld, did you contest the case still further to get the valuation lowered?—These were some of the steps that were taken to which I have referred.

47. I mean after the Assessment Court gave its decision?—Yes; those I have mentioned as calling upon the Government under section 31.

48. And you had your valuations reduced accordingly?—Yes.

49. There were others in the same position, with the result that the uniformity of the valuation was destroyed, and therefore unequal rating foisted on the borough?—You make that assertion. I cannot say that it is so, but I can say that there was not one of the sections that was objected to that the objection raised was not a reasonable and justifiable one, and that the valuation put in by the objector was in excess of that which the sections could be sold at. If, therefore, the uniformity of the general valuation was destroyed it goes to show that the general valuation was excessive.

50. Because in your particular case, in your opinion, your property was overvalued?—Yes.

51. There were several hundred objectors whose objections were not allowed, and who did not take advantage of section 31, and whose property remained at the amount fixed by the Assessment Court. In the case of Takapuna and other boroughs it happens that advantage is being taken of section 31, and the values have been reduced below what the Assessment Court and the Department considered were fair values?—The reason being that Mr. McGowan made the provisions of section 31 known to those objectors who were in the Court, and they took advantage of it. Up to that time they were unaware there was such a provision in the Act.

52. As a matter of fact, it was not the duty of the Valuation Department to have informed the people what the Act was. If Mr. McGowan had not done it, what blame would have lain on the Department for not having informed the people?—I am not saying anything about that. The objection I raise is that the lands were overvalued.

53. In the opinion of the particular owners?—Not necessarily an opinion. When an owner is valued at a price beyond that which he is prepared to sell the land for, it is an overvaluation.

54. That was not the opinion of the Assessment Court?—The Court reduced section after section until Mr. McGowan made the statement to which I referred. I then said I would not further take up the time of the Court, but would take advantage of the provision in the Act.

55. Why did you take advantage of section 31?—Because of the overvaluation of the sections.

56. You allege they were overvalued?—Not allege; I say they were.

57. They went to the Assessment Court, and the Assessment Court said they were not overvalued?—No. I have just said the Assessment Court reduced the valuations one after another until Mr. McGowan made his statement with regard to the position of a dissatisfied objector under section 31.

58. What I have to deal with is bare facts. I am giving facts when I say that the Assessment Court sustained certain valuations, otherwise you could not have taken advantage of section 31. Is not that so?—They had reduced a number of them, and then Mr. McGowan made his statement, upon which I intimated that the owners would take advantage of clause 31. The Court then sustained the whole of the remainder of the values, we objected, and the Department made the reductions.

59. Quite so. That shows the injustice done to a number of people. Certain reductions are made, and in spite of that, certain owners take advantage of section 31?—You are quite wrong in making that assertion. I claim your protection, Mr. Chairman. Mr. Flanagan is endeavouring to misrepresent the position.

60. *The Chairman.*] I understand with regard to objectors with respect to this particular estate, that reductions were made by the Assessment Court in the case of a number of those objectors. Then this information about the right to offer to the Government was given to the objectors, and thereupon they did not go on with their cases at all, but decided they would offer their places to the Government, and so did not seek to get further reductions through the Assessment Court?—That is so. The objectors were agreeable that the Department's valuations should be sustained, and relied upon the provisions of the Act.

61. It is open to this suggestion: that they thought they would get a bigger reduction by making the Government either take their properties or agree to their own assessment in values?—I must say I have always found Mr. McGowan, both in Court and out of it, an exceptionally fair man in dealing with objections, and if the valuers were as fair as he is there would not be the outcry and objection that is made.

62. *The Valuer-General.*] How many reductions were made by the Court?—I cannot say. I am placing before the Commission matters that I was not aware would arise. I have not a copy of the objections here, but I make the statement that there were about fifty objections—there may have been a few more or less—from one estate.

63. There were eighty-nine objections referred to the Court out of 164 lodged. That left seventy-five cases where the objectors had settled with the valuer and so obviated going to the Court. Why I raise this question is that persons come in and say that the valuations have been excessive, and there is no evidence that that is the case?—I take exception to such a statement. The statement I am making is absolutely correct. You maintain there has been no overvaluation on the part of the valuers. Is it not perfectly clear there is overvaluation where an owner has, say, fifty sections, and they are valued by the Department at £4 a foot, and he is willing to sell at £3 a foot and he cannot sell, and insists on the Government either buying at £3 a foot or reducing the valuation to that value?

64. To whom were they willing to sell?—To any one.

65. Not merely to the Government?—No, to any one. In addition, they were willing to take 10 per cent. below the price at which sections were offered to the Government.

66. Was any evidence given in the Assessment Court of that?—Yes. There was a Stipendiary Magistrate presiding—a capable gentleman—and he put the question—

67. Were these sections in an auctioneer's or land agent's hands at £3 a foot?—The owners are their own agents, and the sections are still for sale at the objector's valuations.

68. It is frequently found that in cases where section 31 has been availed of, and I have had to reduce the value, within a few days the property is sold for more than our original valuation?—And sometimes at less than your valuation, to put it fairly.

69. The Valuation Department does not pretend to be a Department that makes every valuation correct, but what it does pretend to do is to take every possible care in making valuations not to over-value but to be on the low side. One reason for that is that the Government itself lends money on the valuations of the Valuation Department. We have instances in the Dominion where owners have fought the Department in the Court and succeeded in getting their valuations reduced, and in a short time the same people have applied for a loan, and have increased their valuations to far beyond our valuation?—That is quite possible, but I am not going into the question of what human nature does. I am only going into the question of overvaluation by the Valuation Department. There is no sentiment in what I have introduced, and I do not see why you are bringing it in.

70. You charge the Department with overvaluation?—I did, and gave proof.

71. You gave no proof?—I did. I have given convincing proof, but I will give further proof. In the Borough of Devonport there is a property owned by the Takapuna Jockey Club, which was recently revalued by the Department—the valuation being excessive. The club appealed, and I appeared on behalf of the Jockey Club's objection. Lengthy evidence was taken on both sides, and finally the Court reduced the valuation by over £3,000. I take it, you will admit that was a fairly large amount to have any valuation reduced by.

72. Who reduced the valuation?—The Court.

73. The question between the Jockey Club and the Department was that the Jockey Club took up the position that it was a sports-ground?—The club did not do any such thing. You are making a statement which is not correct.

The Chairman : Were there any restrictions on the power of selling or leasing?

The Valuer-General : No. In the case of recreation-grounds the Department is always upset by owners and trustees, on the ground that not being used for residential or business purposes, but being for sports purposes, it should not be valued the same as land for those other purposes.

Witness : That contention was never raised in this case. The only contention raised was that the valuation of the land was excessive, and that the proportion of improvements to the capital value was excessive.

74. *The Valuer-General* (to witness).] I am speaking of the contention raised between the club and the Department before the matter went to the Court at all?—The contention was never raised either before the case was heard or when the case was heard. You must be thinking of a contention raised by some other club.

75. I am not thinking of any other case?—Then I defy you to bring one person, or any evidence of any kind, to substantiate your statement.

The Chairman : We are not here to substantiate statements you or Mr. Flanagan make. We have your evidence, and we have what Mr. Flanagan says.

The Valuer-General : I am dealing with the facts of the case. The Takapuna valuation notices were sent out. Objections were received and conferences took place. Certain cases went to the Assessment Court, and evidence was taken. The Assessment Court upheld the valuation of the Department in most cases. In some cases they reduced. The general impression conveyed by that is that there having been 2,487 assessments and only 267 objections lodged, and only eighty-nine were submitted to the Court, the facts show that the valuation must have been a fair one.

The Chairman : We take that with this qualification : We are not so much concerned with the matter of the Court as it is, but with the view of inquiring into the Court with the possibility of suggesting some further legislation on the subject. We have been told by some witnesses that people dissatisfied do not take the trouble to object, so we have to take these figures in the light of evidence given in that direction.

Witness : I would like to call your attention to this fact. Mr. Flanagan, the Valuer-General, representing the Valuation Department here. I am giving my evidence and making my statements as clear as I can. I have to battle the question out before you with the Valuer-General, who makes assertions he cannot uphold. I want to call the attention of the Commission to the position that a person who appeals is placed in when he comes before the Court, of having gentlemen put up against him, as Mr. Flanagan is up against me now. I can take care of myself, but what about the ordinary objector who appeals. That is exactly the point I want to raise. They are absolutely overridden when they come before the Assessment Court.

The Valuer-General : I am not up against you at all.

Witness : You are trying to be, but I can protect myself.

The Chairman : The Valuer-General is representing the Department in Wellington. There is not any feeling in the matter, or there ought not to be. I do not think there is.

Witness : There should not be any feeling, but I do not think that the Valuer-General should say that my statements are not correct. When I make a definite statement I know it is a fact.

The Valuer-General : As head of the Department, when charges are made that the Department makes overvalues I must deny them, because I know differently. Mr. Alison also said that the Department minimized the value of improvements.

Witness : I contend that, speaking generally, an insufficient allowance is made for improvements.

The Valuer-General : I know there is a misconception as to what constitute improvements. It has been stated to the Department that all the money spent on land since the taking-up of the land should be counted as improvements. In the first place, the valuer has to value the improvements on the land that are not exhausted, and also he has to get the value of the improvements only in so far as they are a factor in arriving at the capital value. It would be quite different if the system of taxation was on the annual value; but it is on the unimproved value, and the law provides that the improved value shall be independently obtained. That being the case the valuer fixes the unimproved value, and the improved value must be the difference between that

and the selling-value. People spend money on improvements that are not necessary. We have to consider their adaptability. We have had to discount improvements, because if we did not do so the value of the improvements as assessed by the owner, deducted from the capital value, would reduce the unimproved value to a minimum, and sometimes leave nothing at all. A man is not entitled to claim the whole of the improvements placed on his property.

Witness : I would just like to say, with respect to the statement made by the Valuer-General, that in taking exception to the adjustment by the Department as between the unimproved value and the improvements, I am not taking exception on the grounds he has put forward. The objection I take is this : We will assume a property to be fairly valued at £1,000 ; of that sum the improvements have cost the owner £800, and the land £200. When the property is being valued the capital value is assessed at £1,000, which valuation the owner accepts. But the Department values the land at £300 and the improvements at £700, or the land at £350 and the improvements at £650. In my experience they invariably underestimate the value of the improvements.

The Valuer-General : That is a misconception.

Witness : No, it is not. I will give an illustration, and I hope when I do so Mr. Flanagan will not say the illustration is valueless. I have a property at Ellerslie. The very least the improvements on the property can be valued at is £1,200. The Department valued the improvements at, I think, £500, but after a very great deal—to use a common phrase—of “barracking,” they increased the improved value to £750, and reduced the unimproved value by the difference, leaving the capital value the same. I have since sold portion of the property on which the major portion of the improvements were, and the person who purchased valued the improvements upon that one piece at £950.

76. *The Valuer-General* (to witness).] Who was the person ?—Mr.— [name given to the Commission].

77. Even supposing he did, is his value more correct than the values of the Government valuer ? He may have had some motive in it ?—The Valuer-General always raises some point. He has a duty to perform to support the Department, but he has no right before a Commission like this to attempt to set aside all statements given in evidence.

The Chairman : He cannot set it aside.

Witness : But you see, sir, how points are followed up by the Valuer-General.

The Chairman : I do not see there is any objection to what he said. You said the buyer valued the improvements at £950, and the Valuer-General asked if that gentleman was in a better position to give a value than the Department. Your answer, of course, should be that the buyer put his money on his valuation.

78. *The Valuer-General* (to witness).] I find the property to which you refer is a property of 23 acres. The capital was first of all £5,000, reduced to £4,600. That was before the Assessment Court. The unimproved value was £4,300 originally, reduced to £3,900, but there is nothing to show that any sale has been made of that property or any part of it. There is no transfer in the office ?—The sale was made about six months ago.

The Valuer-General : We would record that by our Department as no sale having been made.

Witness : The facts remain as I have stated them.

ARTHUR WILLIAM CUMMING examined.

1. *The Chairman*.] What is your position ?—I am in charge of the Grammar School endowment property, but I am not officially accredited by the Board to appear before you, and I therefore really appear before you as a private citizen. I wish to refer to clause (f) of the order of reference, and would remark that in dealing with the valuations, we have always had consideration paid to our objections by the officers of the Department. The system of valuation, to my mind, is not correct. I hold a piece of ground on which I build a house, and subsequently a man sees the house there and purchases the adjoining land at a higher price than I paid for mine. Immediately the valuer comes along and puts up my land. There is something wrong about that. The land is of no more value to me than it was in the first place, nor is it saleable. Take another instance : A man takes a particular fancy to a piece of land, and calls on the owner, who perhaps has more land than he requires at the time, and, though he does not want particularly to sell, he is agreeable to sell at a price, and asks a fancy figure which the other man is able and willing to pay. The valuer comes along and raises the land adjoining, perhaps not to that figure, but *pro rata*. The other land has not increased in value, and the man on the other side of the seller might find a great deal of difficulty in finding a purchaser at the value which has been placed on his property. I also think that more latitude should be given to valuers with regard to the producing properties of the land. I speak this from a case of personal experience. Adjoining a certain section, land was sold for £40 a foot. This particular section of 50 ft. frontage had a house on it, and previous to the £40-a-foot sale was rated by the City Council at £60. To my surprise, it was brought up to £120. On inquiring I found that a special valuation had been made on the basis of the Government valuation which empowers them to charge, I believe, up to 5 per cent. I could not understand why it should be £60 one year and £120 (reduced to £100) the next, and that was the explanation. Although the land was there, and the house was there just the same, and the number of people had not increased, and the house was empty for a considerable time when I was offering it at £1 5s. a week. At present I am getting £1 7s. 6d. a week, and we are rated at £100. It seems to me there is something wrong about that. I am not finding fault with the Department, but the principle which permits that. Then, with regard to the leasehold, I am given to understand that the Department's valuers must value a piece of land as it is, whether it is leasehold or freehold. There is something wrong about that. They value the ground on the saleable value of it. Freehold land has a marketable value, but endow-

ment land cannot be sold. Land on one side may be sold at £50 a foot, but you may offer £100 a foot for the endowment land and you cannot get it. Why should it be valued at £50 a foot when it cannot be sold. There should be some reduction made in the valuation in the case of endowment land.

2. With regard to the system of valuation, are you able to compare in any way the sales which actually take place with the Government valuations of the same properties?—Yes.

3. Do you consider the sales are under or over the Government valuations?—As the Government valuations are usually based on the saleable value, they must be fairly near.

4. That is the principle of the statute as it is now. What was the depth of the property you referred to as being sold at £40 a foot, with a 50 ft. frontage?—I suppose, 100 ft. or 110 ft.

5. The valuation you gave would be the Auckland City valuation. Under the annual value system the local body gets its own valuation made, which is the rental value, but there is a clause, which is sometimes appealed to, that the rental value is not to be less than 5 per cent. of the freehold value, and that is the 5 per cent. I take it you refer to?—Yes.

6. With regard to the endowment lands, you said they could not be sold. Do you mean there is no legal power to sell?—Yes.

The Chairman : That is a question which I think we shall have to consider. The Supreme Court has held that where there is no power to sell that has to be taken into consideration in making a valuation. (To the Valuer-General, after reading section 39 of the Valuation of Land Act, 1908) : Would you value this endowment land in fee-simple, as if there was power to sell?

Mr. Flanagan : Yes.

The Chairman : That is how I read the statute. Yet, in the Hutt Park case it was decided that where an ordinary freehold was being valued you must take into consideration the fact that there is no power of selling or leasing, and reduce the valuation accordingly. If the property is leased no allowance is to be made for the fact that it cannot be sold, yet if the property is not leased that has to be taken into consideration. That is an anomaly, and Mr. Cumming wishes us to take it into consideration.

ERNEST HAWKINS LITTLE examined.

1. *The Chairman*.] What is your position?—I am manager of Arthur Tooman and Co. (Limited), of Auckland, auctioneers. I desire to read the following letters written by me to the Minister of Lands : “ 19th November, 1914. —The Hon. Minister of Lands, Wellington.—DEAR SIR,—I purchased a piece of Native land of 106 acres from some Natives, through one Mr. W. S. Wilkinson, of Auckland, some little time ago, subject to it going through the Native Land Court. The valuation then, dated 1912, was £1 per acre. It has since been valued, presumably for Court purposes, at £168, equal to £1 11s. 6d. per acre, which is out of all proportion to the value. The section adjoining (147 acres) I also purchased only six months previously at a Government valuation of £1 per acre, and considered the 106 acres next to it was worth even less on account of it being so poor. Of course, there are no improvements, merely third-class and gum land; and no water on either sections. Nothing has happened to increase the value of the second section (which, by the way, has not come before the Court yet), and I would certainly not have negotiated for this second lot if I had any idea of an increased value being placed upon it, as it will cost when I fence and improve it more than much better land could be bought already improved and fit to carry stock. It is certainly not worth more than £1 when one has to start and improve it on account of the very poor quality. I am anxious to increase the area for my boys, and there are about 240 acres still adjoining which I would take up for them if the valuation was not excessive, and not more than 15s. per acre. The sections are situated in Otioro and Te Topuni A No. 1, 147 acres (completed), Government valuation £1; and 106 acres adjoining Part A No. 2, assessed at 15s. In conclusion, I have, I think, a very reasonable and good cause for objection, which I trust you will consider.—Yours faithfully, E. H. LITTLE.” And here is another : “ 23rd November, 1914.—The Hon. the Minister of Lands, Wellington.—DEAR SIR,—Referring to my letter of the 19th instant, I made a mistake in quoting the 1912 valuation at £1 per acre. I find the valuation was approximately 15s. per acre. The increase has been 16s. 6d. per acre.—Yours faithfully, E. H. LITTLE.” I cannot see for the life of me what has put the value up. The lot that has not yet gone through the Court was valued at 15s. an acre in 1912, about the time I purchased the adjoining block of 147 acres.

2. What valuation district are they in? The block is in the Otamatea Survey District. It is an exorbitant price. I presume this latest valuation was made for Native Land Court purposes.

3. *Mr. Campbell*.] This assessment of £1 11s. 6d. per acre is what you will have to pay for the land?—Yes.

4. *Mr. Rutherford*.] Is it gum land?—More or less.

5. That valuation would not be done by the Government Valuation Department, would it?—I presume it was. Certainly it is a surprise to me, and if it goes through I shall have to pay it; but I will not be inclined to purchase any other portion of the block, which I probably would do if the valuation was moderate.

6. *Mr. Campbell*.] You are not compelled to buy it?—I do not know how I stand in connection with it. I have paid deposits on it, and as soon as it goes through I am supposed to find the cash for it. When I negotiated for it the value was 15s. per acre, and I concluded it would go through at about that. I do not know that I would have objected at £1. There was no alteration in the value of the 147 acres I first purchased.

The Chairman (to the Valuer-General) : Does this happen to come under your notice?

The Valuer-General : They all come under my notice. Under the Native-land laws the Courts require to be furnished by the Valuer-General with a valuation of any land proposed to be dealt with by the Court either for freehold or leasehold purposes. In consequence of that law, valuations are

made by the Department from time to time in the North Island, and it very frequently happens that the value of the land as arranged between the proposed purchaser or lessee is much lower than the actual value of the land. It is no doubt quite correct that many cases occur where land is bought or leased from the Maori at one-half its value, or one-half its rental. In such cases, I understand, the President of the Court, as soon as he gets the Government valuation, refuses to confirm the transaction until such time as the Government valuation is agreed to. These valuations are in a different category to revaluations made under revision. The Valuer-General, when he makes his valuation, sends it in, and there is no appeal from it. But it is known to the authorities that I never refuse to send the value back to the valuer for reconsideration if sufficient grounds are furnished me by the objectors. I do not consider it a sufficient ground that an agreement has been made between the lessee and the Native owner to lease at a certain price. In cases where the objector points out that there is defective access, or that the quality of the land is not such as it is pretended to be, I send the valuation back, and if a mistake has been made the valuer corrects it; but corrections are only made where mistakes of that kind occur. I do not know what the facts of Mr. Little's case are, but his best plan is to communicate with the Chairman of the Maori Land Board and tell him what he has stated to the Commission. If he does that the Chairman of the Board will probably communicate with me.

Witness: I conscientiously believe that this 106 acres should have a Government valuation of 15s. on it.

7. *The Valuer-General* (to witness).] Do you know the land?—Yes.

8. Are you a judge of land? Have you practical experience of it?—I have had.

The Chairman: Mr. Little is not comparing the Government valuation with what the Natives are asking for the land, but he is comparing it with the Government valuation on an adjoining section.

The Valuer-General: Very often they agree to take the valuation on the roll, which may be three years old; but when they ask for a fresh valuation I have to supply it.

Witness: The land is white cold land. It is gum land, and there is no doubt it is overvalued.

OTAHUHU, 3RD DECEMBER, 1914.

FREDERICK LIPPIATT examined.

1. *The Chairman.*] What is your position?—I am a resident of the Borough of Otahuhu, and am engaged in fruitgrowing.

2. *Mr. R. McVeagh* (representing the Otahuhu objectors).] You have given some consideration to the constitution of the Assessment Court, and have formed some views as to what, in your judgment, will be an improvement of the present system. Will you communicate your views on the constitution of the Court to the Commission?—The people whose property is being valued feel that they are not represented on the Court. They feel that the Court is all on one side. The local body appoints one assessor and the Valuation Department the other to sit with the Magistrate of the district. It is in the interest of both assessors, I take it, to keep up the values, and the people who come before the Court with their objections feel that they are not properly represented, and that it is a one-sided Court.

3. Would you suggest an improvement on that?—To my mind, the fairest way would be for the Department to appoint one assessor and for the people of the district to appoint the other, but not the local authority.

4. Do you mean the people of the whole district, or the objectors?—So long as the person is representative of the district that is to be valued.

5. Some provision would have to be made for the payment of the assessor's charges; what would you say with regard to that?—That would only be a minor consideration.

6. It might be a matter of consideration as to who is his paymaster?—He should be paid by the Government.

7. *Mr. Campbell.*] If the Government paid the assessor it would give dissatisfaction, because if paid by the Government you say it is to their interest to keep the rates up?—Not if selected by the ratepayers. He would feel that he was not under any obligation to the people he represented other than to represent their wishes.

8. How would you propose the representative should be elected?—I have not given that thought. Perhaps the local body should appoint him.

9. That is the present system, which you object to?—I have not given that thought.

10. *The Valuer-General.*] Were you an objector in connection with these valuations?—No. I did not go to the Court, because I got what I thought the Court would be likely to give me.

11. Your case was fixed up between yourself and the district valuer?—Yes.

JOHN BRADY examined.

1. *The Chairman.*] What is your position?—I am a small farmer, and have been residing in Otahuhu all my life. I am a member of the Otahuhu Borough Council.

2. *Mr. McVeagh.*] Have you considered the question of the constitution of the Assessment Court?—Yes.

3. Do you consider that the constitution at present is a proper or suitable one?—I think it could be improved on. I think the people most concerned—the landowners—are not represented on the Court. The Magistrate has two assessors with him, one appointed by the Government and one by the local body, and there is a tendency, to my mind, to sustain values, and it is to their interest to do so.

I think the landowners—the ratepayers—are the interested parties. Those who have to pay the taxes should have representation on the Court. I think the Legislature should consider that matter, and appoint a representative selected by the landowners. If sufficient notice was given when the valuation was to be made, and the Court sat shortly afterwards, the landowners would have an opportunity of appointing a man with local knowledge to accompany the valuer round, and the same man should sit on the Assessment Court to represent the landowners. I think it is only fair that the objectors should be represented by a local man with local knowledge.

4. Have you considered the fact that when an objection is lodged the valuation of the Department is assumed to be correct and the objector has to prove it to be incorrect? Have you considered whether that is desirable?—The objector is generally a little man, and he is putting his knowledge against experts whose duty it is probably to sustain values placed on the land. Without a lawyer he feels he has no chance, and may as well stop away.

5. Has it been your experience that some have stopped away for that reason?—Yes. They felt it was no use coming without a lawyer, and that meant expense, and so have stayed away.

6. Do you think it proper that the Court should assume that the valuation of the Department is correct in the first instance?—I think if we had the representation we should have, with a local man accompanying the valuer and with a seat on the Assessment Court, we would have an opportunity of getting what we call justice.

7. *The Chairman.*] Your idea is that if the local man appointed by the landowners went round with the Government valuer this local man would in that way represent the landowner?—He would point out probably reasons why the land should be assessed at a reasonable value. The Government valuers go on fancy values, while the local man knows the purpose for which the land is used, and that it is productive according to the values.

8. You said that unless a landowner had a solicitor and goes to the Court with him he has not, in your opinion, much chance. Is not this at the back of your mind: that if this local man went round with the valuer it might not be necessary for the landowner to go to the Court?—I think he would still have to go, but he would feel that he had a friend at Court.

9. Do you think the local man would be quite an unbiased and independent member of the Court if he had been going round with the Government valuer?—I think he would. He is a landowner in the place himself, and understands the productive values of the land, and has good reason to see that an equitable value is put on the lands in the district in which he is a resident and taxpayer. We would feel more confidence in the constitution of the Court if we had such a representative.

10. There are two points involved in your suggestion—one is that the landowner should have a representative sitting on the Assessment Court, and the other is that this representative should also have gone round with the Government valuer. I was putting to you whether you thought it compatible with his office of assessor that he should have previously been going round with the Government valuer, or whether it would be better to have a man appointed by the landowners who has not gone round?—I think it would be compatible. He would have visited the localities perhaps within twelve months and seen the improvements, and would have a better knowledge for assisting the valuer, and I do not think it would affect the course of justice that he should sit on the bench.

11. The assessor appointed by the Valuation Department would not have had that advantage of going round with the valuer, but takes his seat on the bench as an independent member. You would think it would be compatible?—I do.

12. *Mr. Campbell.*] If appointed by the Government they are naturally biased, and keep up the values?—I would not say they were biased.

13. You say they are interested in keeping up the values?—That is the impression that is abroad.

14. If one is appointed by the ratepayers, would not the same thing obtain as to him with regard to the valuations made by the Government? Would he not be biased in favour of the ratepayers?—I think we could trust him not to be biased. The Magistrate is there and the other assessor, and he would be probably overruled if he was unreasonable.

15. *Mr. Rutherford.*] Do you think it is to the interest of the assessor appointed by the local body to keep up the valuation for the people who appoint him?—You have been a member of a local body yourself, and you know they are always short of money and like to see values sustained. We appoint a man outside the district altogether. Last year we had Mr. Ewington, and he had no knowledge at all of local conditions or land-values. A man like that is most unfitted to be an assessor in this district.

16. *The Chairman.*] Mr. Ewington was appointed by the Borough Council, was he not?—Yes.

WALTER BIRCH LLOYD examined.

1. *The Chairman.*] What is your position?—I am a resident of Otahuhu, and carry on a merchant's and land-agency business.

2. *Mr. McVeagh.*] Have you been a resident here for many years?—About forty years.

3. Have you considered the constitution of the Assessment Court for the purpose of hearing objections to valuations?—Yes, and the impression the Court has given to me is evidently the impression every one else has—that they do not get a fair deal, because they feel the Court is there, appointed by the local body and the Government, to back up the Valuation Department. Many people say to me, "What a terrible valuation has been given us." I say, "Are you going to object?" and they say, "What is the use; we do not get a fair deal when we go to the Court, and we do not consider there is any good in going."

4. Have you considered any remedy for that, and what would be its nature?—Yes. It is a very big question, but it seems to me it would be a fairer thing if the ratepayers of the district had a representative sitting on the bench.

5. Would you suggest how he should be appointed?—We have thought of one or two ways of doing so. Some have suggested there should be a meeting of objectors, and that that meeting should elect a man. The other suggestion was that a meeting of ratepayers, not necessarily objectors, should suggest a man.

6. Which do you favour?—I think the fairest way would be selection by the greatest number: that would be by the ratepayers.

7. Have you considered whether the provision of the law that the valuation of the Department is deemed to be correct and the burden of proving otherwise thrown on the objector is a proper one?—I consider it is most unfair. I do not see that any one side should be deemed to be correct until the thing is finished.

Mr. McVeagh (to the Commission): I do not think I need elaborate that any further. Every objector here would give similar views. I now propose to deal with the question of excessive valuations. There is a good deal of feeling in this borough in regard to that. I may say there was a valuation made of the borough in the early part of this year. It was rendered necessary, no doubt, by the carrying of the poll for rating on unimproved value. In consequence of that valuation there were objections and feeling amongst a large section of the community became very pronounced, and a petition was circulated and sent to the House. I propose to call evidence regarding some typical cases. I appreciate that the Commission is not set up for the purpose of revising valuations, but with the object of seeing whether the objections were well founded.

WALTER BIRCH LLOYD re-examined.

1. *Mr. McVeagh.*] You have given consideration with respect to the valuations made under the Valuation of Land Act in this borough?—Yes.

2. Perhaps, in the first instance, we might have a general description of the character of the borough?—The business centre is grouped along the Main South Road, between the junction of the Panmure Road and the Railway-station Road to what is known as the Nixon Monument.

3. Outside of that, take the outlying portions of the borough: how would you describe it—agricultural, rural, pastoral, or what?—Some of the land is used for dairy-farming and some for fruit-growing. Near the station there are also nursery gardens.

4. There are golf-links in the borough?—Yes.

5. The favourite residential area is near the golf-links?—Yes. There has been a good deal of building going on in the neighbourhood of the golf-links, principally, I think, on account of its nearness to the railway-station.

6. A new station was built there recently, was there not?—Yes. It has caused a very big increase in the traffic on the railway-line.

7. Do you know whether or not there has been any dissatisfaction in regard to the valuation in this district recently?—There has been a great deal of dissatisfaction.

8. I think that came to a head in consequence of the carrying of the poll on rating on unimproved value at the beginning of the year?—That is so.

9. *The Chairman.*] What was the system before?—The borough has only been established about two years. Prior to that they were rated on the county system—on the capital value.

10. *Mr. McVeagh.*] What is the effect of the excessive valuation?—It comes very hard on the people with 5 acres to 25 acres situate a distance from the railway-station, who are using the land for agricultural purposes.

11. Would you mind referring to some cases which, in your opinion, are fairly typical of excessive valuation?—I refer first to the case of C. Hayward, who is about as far as any one from the railway-station—about a mile and a half. It must be classed as suburban property. Three years ago, I understand, it was valued at £55 per acre. There are 25 acres in the section, and at the last valuation it was valued at £102 per acre. The land is being used for grazing cows and growing tomatoes and small fruits.

12. Do you know of anything to justify such an increase in valuation in that period?—I do not.

13. What, in your opinion, is a fair value for that property of Hayward's?—I have put it down at £80 an acre.

Mr. McVeagh (to the Commission): Mr. Hayward, who is unable to be present, has left the following letter, addressed to Mr. Gray, who was actively concerned in formulating the petition: "I am sorry that I will not be able to be present to-morrow, as I have to leave for Paeroa to-night on urgent business. I should like to have had an opportunity to explain to the Commission why I consider the unimproved value on my property too high. Although I have spent over £100 on improvements since the valuation was made, I am prepared to take £3,000 for the property. Mr. McKenzie's valuation was £3,375 capital value, £108 per acre unimproved value. This property was valued by Mr. Morgan in 1911 at £55 per acre. Nothing has taken place in the district to justify a rise of nearly 100 per cent. in three years.—Yours truly, C. E. HAYWARD."

Witness: I think Hayward got the capital value reduced to £3,225—unimproved, £2,550; and improvements £675.

14. Do you know of any land in the borough of a similar character that has shown such an increase in the valuation?—Mrs. Jane Brady's is almost a similar case. It is at the extreme end of the road, and consists of 17½ acres. Three years ago it was valued at £870 unimproved value, and at the last valuation it was put down at £1,500.

15. For what purpose is that land used?—As a dairy farm.

16. Is that a suitable use for it?—It is not remarkably good land. It takes 2 acres to graze a cow, with a little bit of hand-feeding in the winter-time.

17. What is the property fairly worth per acre?—We looked over it yesterday, and for the purpose for which it is used we considered that £60 an acre was quite high enough.

18. What is the Government valuation?—Roughly, £82 an acre.

19. Do you think if it had been sold on the market on fair and reasonable terms when the valuation was made it would have reasonably brought more than £60 an acre?—No; I think not—that is, for any purpose for which it might be used. It is away at the end of a lonely road, a bit over a mile and a half from the station.

20. It is not in a residential locality, is it?—No. It is bounded by a mud flat when the tide is out. It is not a very desirable property. We have also Mr. Philip Dawson's property, nearer the centre of the district, at the corner of Hutton and High Streets. The total area is 4 acres 1 rood 38 perches, and it has a 2-acre frontage to a road. I know that property well. I understand the present valuation is £900, unimproved value. The back allotment is rather broken and poorish land.

21. What is your opinion of a fair and reasonable value of that property supposing the buyer and seller were acting reasonably?—To my mind, the unimproved value of the 2 acres, which have a road frontage, is £250 an acre, or £500, and £60 an acre for the broken land at the back: a total of £650 for the lot.

22. As against £900 put on by the Valuation Department?—Yes; as against the value appearing on the rate-books.

23. I think you said that the 2 acres at the back appeared in the Department's books valued at £300?—I do not know that it appears in the books in that way, but Mr. Dawson told me that that was the way they arrived at it. The back portion, practically $2\frac{1}{2}$ acres, is rented to a neighbour at £10 a year. The rates come to £3 15s., leaving £6 5s. to pay interest on £300.

24. What is the tenant using it for?—Grazing cows, I think.

25. What is the next property you have to remark about?—That of Mr. Thomas Shepherd. That is a property of 5 acres and 27 perches, nearer the station, on the Wamsley Road. The unimproved value just over three years ago, according to the Government valuation, was £1,350, and the unimproved value at the last valuation was £2,425, an increase of a little over £1,075. Mr. Shepherd has gone to the trouble of putting in a road, and has sold a few sections, and because he has sold a few sections the valuers assume it is all worth the same, although the owner has not been able to sell it.

26. Is there a demand for that kind of property in the neighbourhood?—It is very limited. There have been no sales for some considerable time.

27. What is the land used for?—At present, for running horses and cows. It is three-quarters of a mile from the centre of the town. We have compared the valuation with that of Mr. W. E. Lippiatt, a neighbour on the eastern side. He has 10 acres of land, and his unimproved value is £2,000, whereas Mr. Shepherd, for half the quantity of land, is valued at £2,425.

28. *The Chairman.*] Has Mr. Lippiatt cut up any of his?—No.

29. *Mr. McVeagh.*] Is it equally adaptable for cutting up as Mr. Shepherd's?—I think so. It is a trifle deeper, if anything.

30. *Mr. Campbell.*] Is it further away from the railway-station?—They adjoin each other.

31. Can you suggest any reason for the disparity of the valuation of two adjoining sections?—No; it is most unfair. The only reason I can see is that Mr. Shepherd has been able to sell a few sections, and the Valuation Department has deemed that the remainder of the land is of the value of that sold. Mr. Lippiatt has not sold any, and is deemed not to have the same value.

32. We have it that Mr. Shepherd's property is valued at £485 per acre. What is it really worth, in your opinion?—I consider £350 is a fair valuation. I might also mention Mrs. Wingate's property adjoining, at the corner of Station Road and the road on which Mr. Shepherd and Mr. Lippiatt live. Her previous valuation was £1,200, and it is now £2,200, and the area, according to the assessment, is 3 acres 2 roods 24 perches.

33. *The Chairman.*] How many houses are there on it?—One dwelling. It is not on the market in sections. It is just the home where the Wingate's have lived for twenty or thirty years.

34. *Mr. McVeagh.*] Do you know of anything in the circumstances of the property, or of the district itself, to justify such an increase in the valuation as from £1,200 to £2,200 in three years?—I do not.

35. What is your opinion as to the true value of Mrs. Wingate's property?—I think it is worth just about as much as Mr. Shepherd's. It is not very deep, and runs into a triangle at the back. About £350 an acre would be a fair value. There is one thing in regard to Mr. Shepherd's property. A seven-roomed house in which he lives is valued at £300, whereas he has a shed on the section adjoining which is valued at £200. It seems a ridiculous comparison.

36. He has not got sufficient credit for improvements, and accordingly has to pay more in taxes?—I do not know that it affects his property very much, but it is rather a peculiar thing, I think.

37. Did you inspect Mr. H. J. Mitchell's property?—Yes. He has 2 acres at the corner of Avenue Road and Church Street. In 1911 the unimproved value for one acre was £230 and for the other £240. In 1914 the £230 acre was valued at £430 and the £240 piece was valued at £375, an increase in the two acres of £335.

38. Is there anything at all connected with the property or the district to justify the increase that has been made in the unimproved value?—I do not think so. One or two houses have been built near him, but they are only small cottages. I estimate the value of the property at £250 an acre—£500 as against £805.

39. Did you examine the property of Mr. James Murphy?—Yes. That is rather a central piece of land between Station Road and Avenue Road. It has three frontages, and alongside it is a section owned by Mr. Shepherd. Mr. Shepherd has two pieces of land there, and each has a different valuation. We do not know why. Mr. Murphy's total area is 4 acres 2 roods 12 perches, valued at

£2,700 unimproved value, which is practically £600 an acre. Mr. Murphy uses the ground to grow potatoes on. Mr. Shepherd's land alongside is valued at £440 and £475 an acre. I do not know why there should be any difference in the valuation. The only difference between Shepherd's and Murphy's land is that Murphy has an additional frontage.

40. *The Chairman.*] Is there no extra road frontage in Shepherd's two acres?—No.

41. *Mr. McVeagh.*] What would be a fair value for Murphy's place?—It is one of the best areas in Otahuhu, and I consider he should be valued at £450 per acre as against his valuation of nearly £600. Mr. Murphy was increased in three years nearly £1,000.

42. Did you examine the properties of Mr. F. Lippiatt and Mr. James Thoms?—Yes. Mr. Lippiatt has a property of 12 acres down towards Mr. Hayward's. He has a frontage of 671 ft. His unimproved value at the beginning of the year was £1,570. The neighbour at the back, Mr. James Thoms, has 5 acres of land with a frontage of 679 ft., and he was valued at £650. Mr. Lippiatt was reduced £50 and Mr. Thoms £75, making Lippiatt £1,520 and Thoms £575. We see no reason why Mr. Lippiatt's land, which is the larger area, should be valued at a less price per acre.

43. You made a personal inspection of these properties we have mentioned?—Yes.

44. That covers the cases you wish to submit to the Commission?—Yes.

45. *The Chairman.*] With regard to your last observation, you say that the smaller block of land has the larger frontage by a few feet: is there any other difference?—Mr. Lippiatt's is broken, and it has a gully through it which he has done a great deal to in the way of levelling and draining. In its original state it was not nearly so nice a piece of land as Mr. Thom's.

46. Supposing there are two blocks of land of equal value, except that one block is considerably larger than the other: have you any views as to whether both should be valued the same or one more than the other?—In my opinion, the smaller area should be valued at a higher value than the larger block. There is a more limited demand for larger blocks than for smaller blocks.

47. It is easier to dispose of?—Yes.

48. If the smaller block had to be cut up under the Public Works Act there would be a larger proportion taken off in roads than in the case of the larger block?—That depends on the frontage. It is not necessary that more should be taken off one than off another for roading.

49. More in proportion would be taken off an acre than off a larger section?—You will not find many acres that cannot be subdivided without roading.

50. You said the smaller block should be valued higher because it is easier to dispose of?—Yes.

51. *Mr. Campbell.*] When was the last valuation made?—This year, 1914.

52. And the former?—In 1911, three years previously.

53. *The Valuer-General.*] You are engaged in the business of a land agent?—Yes.

54. In order to arrive at the value of a property, what course would you pursue?—It greatly depends on the property itself, whether it is farming land or residential sites.

55. If you were called on to make a valuation of lands in Otahuhu you would consider the purpose for which the land is used?—Yes; or the purpose for which it is adapted.

56. If you were called on to value a property used for growing potatoes, would you value it on the basis of growing potatoes?—Not if it was more adapted for shops and dwellings.

57. Supposing this property which is used for growing potatoes has come into use as suburban property, you would fix its value as suburban property?—I should fix its value by supply and demand.

58. Admitting supply and demand, how would you fix its value per foot?—Simply by supply and demand.

59. Supposing a property is used for agricultural purposes and has a utility for suburban purposes—it is worth, say, £20 an acre for agricultural purposes—what guide would you take as to its value as suburban land?—I should go on the nearest that people would be likely to buy it at, and what amount of interest they could pay for it.

60. Would you not have to take the price realized for such property?—To a certain extent, but I do not think you are right in valuing land not sold as if it were sold. Supposing a man had 100 acres, and some one came along and bought 3 acres and paid £200 an acre; I do not think because of that that the whole land is to be valued at that price.

61. Supposing forty sections are cut up and twenty sold at a certain price per foot, and there is a demand for the rest, would you not consider the remaining sections equal in value to those that had been sold?—If there was a brisk demand for the rest, yes.

62. It is admitted there has been a brisk demand for homes in Otahuhu?—There has been, but it has fallen off lately.

63. There was a demand when the valuation was made in 1911–12?—Yes; but there was very little when the last valuation was made.

The Valuer-General: The valuation was made in December previous to the 31st March, 1914.

The Chairman: When was the poll carried?

Mr. McVeagh: In the early part of this year. It is in force now.

The Chairman: A special valuation was made then.

The Valuer-General: Not in this case. The valuation was made in December, 1913, and the poll was taken before the Assessment Court sat. No special valuation is made in the case of a change in the system of rating unless it is asked for.

The Chairman: The Government valuation was made when, approximately?

The Valuer-General: I can only give it officially that it came into force in March, 1914. It was started in September, 1913, and was practically finished by the end of December, and the time between the finishing of the valuation and the sitting of the Court was taken up in issuing notices, &c.

64. *The Valuer-General* (to witness).] You being a land agent will have a knowledge of the sales effected in the borough since the valuation was made?—Yes.

65. Do you know of many sales that have been effected since the 31st March, 1914?—I do not think I can remember any.

66. Have no sales taken place in this borough since that date?—There have been one or two exchanges, but I do not know of any *bona fide* straight-out sales.

67. What do you mean by *bona fide* sales?—A man sometimes exchanges a farm for another property—

68. Leaving out exchanges altogether, you do not know of any sales that have taken place in the borough?—I think I know of one, but I am not quite sure whether it is within that period or not. That was a piece of land Mr. F. Lippiatt bought.

69. Go back to December, 1913, perhaps you can recollect some sales that have taken place between that date and now?—The sale of Mr. Sturge's property is the only one I can think of at the moment.

70. I suppose you know the definition of "value" under the Government Valuation of Land Act?—I cannot say that I do.

71. You know what the Government valuer is called upon to do when sent out to make a valuation, and how he must arrive at his values?—No.

72. I presume that, not knowing that, the dissatisfaction which you refer to as being in existence with regard to valuations will be directed more to the system of valuation than to the officers who made it?—I do not think it is a personal matter at all.

The Valuer-General (after reading the definition of "unimproved value" in the Valuation of Land Act, 1912): The guide of the Government valuer is sales, not what the man is using his property for. A man might be using his property for forest purposes, but the average valuer is guided by sales.

Mr. McVeagh: That is not the definition.

The Valuer-General: If it is not the definition or meaning of it, there is no other manner by which the valuer can arrive at his valuation.

Witness: You consider it reasonable to assume if a man has 20 acres and sells a quarter acre at £100 that the remainder is worth £400 an acre.

The Valuer-General: No, you cannot point out a case where the residue is equally valued with the portion sold?

Witness: I think Mr. Shepherd's is very near to it.

73. *The Valuer-General* (to witness).] You made reference to the properties of Dawson, Shepherd, Mrs. Wingate, Mitchell, Murphy, and Thoms; did they object to their valuations?—Mrs. Wingate is a very old lady, and I do not think she objected, and I do not know about Mitchell. All the rest objected.

74. You did not know, I suppose, that Mr. Shepherd's was reduced by agreement?—No, I did not.

75. Or that Mr. Mitchell's was reduced by agreement?—No.

76. Or that Mr. Murphy's was reduced in Court by consent, and that Thoms's was reduced by agreement?—I know that Thoms's was reduced by £75.

77. You said there was no demand for these lands for suburban residences?—Not in these cases, being some distance from the station.

78. But generally speaking?—The demand is very poor, and has been for the last twelve months.

79. That covers a period anterior to the time of the valuation?—Yes.

80. Do you say the competition for suburban sites was less keen in 1913 than it is to-day?—I say it has fallen off in the last twelve months.

81. That includes the period when the last valuation was made?—I do not say that the valuations have stopped the demand, but I say the valuations are in many cases excessive.

82. That is from your point of view?—It is a very difficult matter to realize these valuations.

83. You know that valuations at best are hypothetical?—Yes, I acknowledge that. It is a very difficult thing to arrive at.

84. One man may hold one opinion with regard to a block of land and another man hold a different opinion, but you would not say that that other man was wrong?—No, I would say it was a matter of opinion. A good many people told me that the valuer says: "I will be in a certain place on a certain day to listen to objections," and the people who have objected have had reductions made, and they have often told me, "Oh, yes, Mr. Mackenzie said if I did not go to the Court he would reduce me"—making a sort of bargain.

85. Do you know that of your own personal knowledge: was it told to you by Mr. Mackenzie?—It was told me by the owner of the land.

86. Not by the valuer?—That is so.

87. Then it is hearsay?—I do not know about that; it may be.

88. *Mr. McVeagh*.] Who was the owner?—I do not know that I could recollect his name, but some person present may know, no doubt.

89. *The Valuer-General*.] What time did the dissatisfaction with the valuation in Otahuhu arise?—It was brought to their mind probably when the rating on unimproved value was introduced.

90. The inference is that if no change had taken place in the system of taxation there would have been no dissatisfaction?—I think there would, because they would have had to pay more; but it hit fewer people. It hit the large man rather than the owner of a quarter-acre section.

91. Is it your experience of Otahuhu that the change in the system of rating accentuated the dissatisfaction with the values?—Yes, I think so. I do not say amongst the majority, but amongst those who own more than an acre of land.

92. You are of opinion there would have been dissatisfaction supposing the system of rating had not been changed?—Yes.

93. How does dissatisfaction generally express itself?—By ratepayers' meetings, and so on.

94. They are not the first direct means taken of expressing dissatisfaction. Were any ratepayers' meetings called?—Yes.

95. Before the rating-on-unimproved-value system was brought into operation was a meeting called to express dissatisfaction?—I do not know of any.

96. Do you not think, taking a reasonable view of the matter, that the number of objections received to a revision is an index of the dissatisfaction or otherwise of the revaluation?—I think so.

97. Do you know how many assessments there were in the Borough of Otahuhu?—No.

98. You do not know that there were 930?—No.

99. Do you know how many objections there were lodged out of that 930?—No.

100. There were eighty-eight, which represents 10 per cent. of the total assessments. Nor, I suppose, do you know that out of that eighty-eight, fifty-three were settled by mutual agreement, leaving only thirty-five to be settled by the Court?—Probably that is so.

101. There could not have been much dissatisfaction, knowing that they had the Assessment Court to take their objections to, and they did not do so?—A great many people are frightened to go to the Assessment Court.

102. Have you any knowledge of the practice of the landowner who puts a greater value on his land for loan purposes than for taxation purposes?—It sounds very much like human nature.

103. Yes, but have you any knowledge of such a case?—No.

104. *Mr. McVeagh.*] When did you observe the demand for land begin to fall off here?—I think within the last twelve months it has been slackening very considerably. About twelve months ago it began to fall off.

105. *The Chairman.*] Can you suggest any reason for the falling-off about twelve months ago?—The principal reason I can give is the supply of money from the Government and other sources for building purposes.

106. How did it operate?—In a difficulty in getting loans. If people see a fair prospect of being able to borrow money at a reasonable rate, instead of paying rent, they are inclined to go out a distance.

107. In regard to the definition of "unimproved value" in the Act, I understood you to say that you would take into consideration the prospect of realizing in a reasonable time. Is that your idea of how land should be valued?—Yes.

108. You would not go merely by the use to which the land is put at the time of the valuation?—Not in towns.

109. But you would have consideration for the fact that the land might, in a reasonable time, be used for better purposes?—That is the land valuer's view, and I think it is a reasonable one.

ROBERT MCCALLUM examined.

1. *The Chairman.*] What is your position?—I am a land agent, carrying on business in Otahuhu, where I have been for three years.

2. *Mr. McVeagh.*] I think you have some knowledge of the dissatisfaction in regard to the recent valuations made by the Government Valuation Department?—Yes.

3. Is it widespread?—It is general.

4. You made a valuation of these properties to which Mr. Lloyd has referred, and you have heard Mr. Lloyd's evidence; do you endorse it, or do you wish to qualify it, or add to it?—There is nothing I could add to Mr. Lloyd's statement regarding these properties. We went round together, and I agree with what Mr. Lloyd said.

5. In making these valuations, did you proceed upon the principle of determining what would be a fair price for the seller to ask on reasonable terms?—Yes.

6. You heard, I suppose, a suggestion made that there was property used for growing potatoes, and that to value it upon that basis would not be fair; do you coincide with that?—Yes.

7. How would you proceed in that case to ascertain the value?—The property is situated almost in the heart of the town. No sales have taken place near it, so we could not judge by that. Considering all things, I consider £450 per acre a very fair price.

8. Have you observed whether the demand for property in Otahuhu has fluctuated at all?—There has been practically no business done in the last twelve months in Otahuhu Borough lands.

9. *Mr. Campbell.*] Has the war affected the demand for property here?—I do not think so.

10. How long is it since you and Mr. Lloyd made your valuation?—It was only yesterday.

11. *The Valuer-General.*] Seeing that no sales have taken place, to your knowledge, in the last twelve months, what had you to guide you in your estimates as to how much to discount the value of the land?—Just my experience in Otahuhu.

12. It resolves itself into a matter of opinion?—Yes.

13. You stated that no business had been done in the last twelve months; that is an admission that business was pretty brisk previous to twelve months ago?—It was not. It was better than now, but there is nothing doing now.

14. The petition challenging the Government valuations relates to a period anterior to twelve months ago?—Yes.

15. The valuation to which the petition refers is the valuation taking effect from the 31st March, 1914, which, of course, would be based on transactions previous to that time?—I go back to December, and say there was no activity then. Even before that there was very little.

16. *Mr. McVeagh.*] When did the dissatisfaction commence?—When they knew the valuations on their land.

17. *The Valuer-General.*] If the dissatisfaction commenced directly the valuations were increased, how was it that there were only 10 per cent. of objectors?—Half of the objectors have not come forward. I am bound to say that most of them would come forward and object now, but a great many were frightened to come forward.

JOHN BRADY re-examined.

1. *Mr. McVeagh.*] You are a member of the Otahuhu Borough Council?—Yes.
2. What have you to say regarding any dissatisfaction with reference to the valuation roll, and when did it arise?—There seems to be general dissatisfaction throughout the whole borough. It is not confined to individuals, it is very widespread; and people who object feel that it is useless to go to the Assessment Court for redress.
3. When did the objections arise?—When the valuations appeared.
4. You attach no importance to the circumstances that objections were not formally lodged against the assessment?—No. The people decided to have an indignation meeting, but finally it was decided to refer the matter straight to the Government by petition.
5. Did you have anything to do with that petition?—I signed it.
6. Can you express an opinion as to whether there has been any decline in the demand for land in Otahuhu?—There certainly has been.
7. When did that decline commence?—For the past three years. There is really no money available to purchase land in the borough. You probably could deal with sections by taking £10 down and getting the balance in three years, and calling it a sale.
8. *The Chairman.*] Do you know when the poll was taken on rating on unimproved value?—I think it was in March, 1914, and it came into operation on the 1st April.
9. And you say there was dissatisfaction with the valuation before the poll was taken?—Certainly.
10. Was any meeting of ratepayers held?—Not what would be called a public meeting. The Ratepayers' Association took it up on behalf of the ratepayers and landowners in the district. They decided to hold an indignation meeting, but after consideration they determined on petitioning the Government.
11. Could you say in what month it was decided to hold an indignation meeting?—It was very soon after the valuations appeared.
12. Before or after the poll?—I think it was after the poll.
13. *Mr. Campbell.*] The effect of rating on unimproved values was greater on the larger properties than on the smaller areas in the business part?—Certainly. It hit the man with 5 to 20 acres very hard indeed.
14. Did the owners of the smaller areas object as much to the excessive value as the petition tries to show the owners of bigger areas do?—I think, equally. There was just as much agitation in regard to the smaller areas as with the larger. They think they are excessive all round, and have been for the last two years. Some of them feel that they would sell out if possible, but you cannot get rid of land in the district. There is enough land cut up in Otahuhu and the immediate neighbourhood to suit the people for the next fifty years, and there are no buyers for it. Sections in the Hokonui Block with an unimproved value of £140 were offered at £110. It costs £40 a chain to road. Sections have been offered by auction three times recently. Hokonui is one of the best places in the borough.
15. *The Valuer-General.*] There was some feeling shown, was there not, in regard to the change from rating on capital value to rating on unimproved value?—Naturally.
16. It ran pretty high?—I would not say that, but people with 5 acres and over felt that the burden of taxation would be put on them.
17. The people with 5-acre blocks were the principal objectors to the change in the system?—The thing was sort of sprung on them, and it will be reversed two years hence.
18. The feeling increased when the new rates were issued?—That had something to do with it, but not all. There has been a considerable amount of money borrowed for this borough for water and drainage, and the rates would have been very heavy in any case without rating on unimproved value.
19. The change in the system of rating had something to do with the increased dissatisfaction in regard to the valuation?—I suppose you can say it would.
20. Do your remarks with regard to land being unsaleable apply to the last twelve months particularly?—The war has nothing to do with it. There has been stagnation in land-sales for the last two years. There has been no demand.
21. *Mr. Campbell.*] Was it overdone?—Yes; too much land was cut up.

ALEXANDER GRAY examined.

1. *The Chairman.*] What is your position?—I am a retired farmer, residing in Otahuhu.
2. *Mr. McVeagh.*] You took a pretty active part in promoting the petition to the House, did you not?—Yes.
3. Can you say in what degree there is dissatisfaction?—The whole borough is considerably dissatisfied.
4. Had you any difficulty in getting signatures to the petition?—None at all.
5. Had you any refusals?—Yes, a few in the vicinity of the railway-station refused to sign. That was the only place they were satisfied.
6. Putting it generally, in your opinion, are the valuations fair?—They are excessive and unreasonable.
7. Do objectors feel that they can go to the Court with any confidence?—No. They feel more like a criminal when they get into the witness-box, and in some cases they are treated like one, too.
8. They are reluctant to go to the Court?—Yes. A number told me they were willing to appear, but had a great objection to it.
9. Are you aware whether the valuer came out here before the Court sat to meet objectors?—Yes; Mr. Morgan and Mr. Mackenzie were both here.

10. Do you know anything of the methods that were adopted?—Mr. Mackenzie told me that if I did not agree to his valuation he would put my land to the value I paid for it. I appeared at the Court and got no redress. I considered my unimproved value was too high and the improved value too low.

11. What was the date when you started to promote the petition?—I would not take my oath on it, but I think it was the last week in April or the beginning of May.

12. Can you say whether the dissatisfaction existed before the rating-poll was taken or after?—Before, by a good deal. The poll accentuated it.

13. There are a number of gentlemen in Court now; can you indicate how many of them object to their valuations as excessive?—Some have gone away from the Court, but there are a dozen here now who object.

14. *The Valuer-General.*] You were an objector?—Yes, and appeared at the Court.

15. The unimproved value of your property is valued by the Department at £750?—Yes.

16. What price did you pay for the property?—I paid £100 more. I paid £200 more than the place was worth. It was the place I was looking for, and I paid a fancy price.

17. Did you confine the signatories to the petition to persons whose names appeared on the valuation roll as owners or occupiers?—I confined it to *bona fide* ratepayers, so far as I knew. Those who owned the property or had an interest in it.

18. They should be on the valuation roll, then?—Yes. I asked them if they were the owners of the properties and paid the rates, and they said “Yes.”

19. Did you take steps to verify the statements?—I had a roll with me. I did not verify every one.

20. Am I to take it that the petitioners are owners or occupiers with their names on the valuation roll?—Unless the people told me falsehoods, they are.

21. Will you guarantee it?—They told me falsehoods, otherwise.

22. Are you aware there are some signatories who are not owners or occupiers?—I would be surprised.

23. Well, there are twenty-three?—It is very unfair to me and to the Department.

24. Are you also aware there are duplications on the petition?—I never discovered it, and I was the man who got all the signatures.

25. You would be surprised to learn there are ten duplications?—Yes, and I do not know how there can be.

26. Have you not put on some wives as well as husbands?—Oh, there may be some.

27. Is not that duplication?—I understood they owned separate properties.

28. You do not guarantee that all the names on the petition are those of owners or occupiers?—I understood they were.

29. You did not verify it; you took their word for it?—I did not assume they were liars.

Mr. Campbell: How many of the names on the petition are not ratepayers?

The Valuer-General: There are twenty-seven names on the petition which are not on the rate-roll, and there are ten instances where wives and husbands have signed where the name of only one of the parties is on the roll. The total number of petitioners is 237 out of 930 assessments, which in most cases represent only one individual.

Witness: The petition was sufficiently strong, even though there were a few mistakes made.

JAMES MURPHY examined.

1. *The Chairman.*] What is your position?—I am a property-owner residing in Otahuhu.

2. *Mr. McVeagh.*] You object to the assessment made against you for this year?—Yes.

3. Did you wait on the departmental officers when they came out here to see about the objections?—Yes. The valuer would not make any reduction. He told me I had better go to the Court.

4. You went to the Court and got your valuation reduced there?—Yes, by £50.

5. There was no reduction offered to you before the Court sat?—No.

6. Are you satisfied with your reduction?—No, I am not.

7. Is there much or little dissatisfaction about these valuations?—It is very general.

GODFREY FRANCIS DRUCE examined.

1. *The Chairman.*] What is your position?—I am Chairman of the Manurewa Road Board, residing at Manurewa. I have been chairman of the road district for six years.

2. *Mr. McVeagh.*] You have had occasion to consider the valuations of the Government Valuation of Land Department in so far as they apply to your road district, and you have come to certain conclusions in regard to these valuations?—Yes.

3. Manurewa is a farming district?—A farming district pure and simple, with the exception of a few sections close to the railway-station.

4. What are your views with regard to the methods of the Valuation Department in valuing the district generally?—They are anything but what they should be. I might give some personal details. The valuer came to my property and had a friendly conversation with me, and next afternoon before the Court he stated that he had asked me if my place was worth £50 an acre, and I said “Yes.” I did not say “Yes” in the ordinary sense of the word. The answer I gave him was: “Yes, if you think so, and if I am not satisfied I have got my remedy.” That is not the same as saying the place is worth £50 an acre. I think it is very improper for a valuation officer to come in and ask an owner if he is satisfied with his valuation in this way, and then wait and bring it up in the Court afterwards.

5. On what basis were the valuations made in your district?—So far as my own valuation went there are several: That was one. Another was that I was asked whether a place a mile or two miles from me had been cut up. I replied that such was the case, and that no sections had been sold. Not a bid was received. There was an attempt to base my property on a section value pure and simple, and my property was a farm. The Magistrate ruled that out, and would not listen to it.

6. Does this experience apply to others than your own case?—There is great dissatisfaction all round. I admit that a great number of objectors did not come to the Court. They came to me as Chairman of the local body, and said they were dissatisfied, but could not see that they would get any satisfaction by coming to the Court, as it would be a waste of time.

7. Their objections were on the ground of excessive valuation?—Yes.

8. Could you make any suggestion to the Commission as to any improvement that could be made in the constitution of the Assessment Court?—Yes. I have spoken to several well-known men in the district, and they are inclined to think that my suggestion, with some modification, might improve matters. I think there should be somebody appointed by the local body or the ratepayers to represent the owners when these valuations are made.

9. The local bodies appoint an assessor now?—Yes, but he only appears in the Court, and has no local knowledge whatever.

10. You attach importance to the assessor having local knowledge?—Yes.

11. And that he should be appointed by the taxpayers of the district?—Yes. Further than that, I think the Magistrate sitting on the bench more or less directing the assessors is not exactly what it should be. I think the assessors may be somewhat influenced by the Magistrate. I think there should be three assessors, one to act more as umpire; and that the Magistrate should be only in the Court to advise in points of law, and not as to valuations. A Magistrate who is not acquainted with the district cannot have any knowledge of the values of land in the district. It would be out of the question to expect him to. I may say that my valuation was based on a certain road that was supposed to be made, and in Court the officer of the Department said the valuation should be increased because of that road. It was unjust that my valuation should be increased because of the possibility of a road being made. It is not made to this day, and may not be made for a long time.

12. *The Chairman.*] Why do local bodies appoint a man without local knowledge as assessor?—It is very hard to get one. They will not act. It is very difficult to get a good man to act.

13. Do you think there would be any difficulty in getting an assessor appointed to represent the property-owners in the way you suggest?—I think if it was brought in as a general rule there would be no trouble. There is another thing in regard to my valuation I would like to point out. It was a centre section, and was in its natural state covered with gorse and blackberries, and a large portion was swamp. The unimproved value was fixed at £54 an acre. The section to the north-east was valued at £40, and on the south-east side there was a 30 acre section, more or less flat and undulating, which was valued at £43 an acre. The valuation of these three properties all in a row do not compare favourably at all. This land is used for farming and for no other purpose whatever, and for years to come it will be impossible to use it for any other purpose. After I objected the valuation was reduced to £50 an acre. It takes 4 acres to keep a cow eight months of the year. That is £216 worth of land, which at 5 per cent. is £10 16s. I have to get out of the land. On top of that I have to pay rates and taxes, bringing it up to close on £12 before I get a penny for myself. It takes a good animal to give you £10 in a year. That goes to show that for farming purposes I have an excessive unimproved value.

14. *Mr. Campbell.*] What extent of land have you?—A shade under 50 acres. If this sort of valuation is going on it simply means that the *bona fide* settler is going to be hunted out of the country, because he cannot make a living.

15. What value would you put on it?—About £35 an acre. At the valuation four years ago it was valued at about £21 5s. The whole increase in the valuation in the Manurewa district, as supplied to me yesterday by the Board's clerk, was about 120 per cent. I think, undoubtedly, that since the last valuation there has been an inclination in the Manurewa district to place all farming-land at something like a sectional value. I heard people in the Papakura hills talking about their lands being valued on the basis of building sites. It is absurd.

16. I suppose you know you can get redress by offering your land to the Government?—This was told to me yesterday by a man who knew it to be an actual fact, and the parties can be brought to prove it. When they objected, the land valuer said, "What will you take for this?" and an amount was named. The valuer said, "All right, I will take it"; but the man has not heard a word about it since. I do not consider that proper. The same valuer went in one case to a land agent in town and represented himself to be a buyer of land, and found out what a party had his land in this agent's hands for sale for. I do not consider that right. I do not think the Government land valuer has any right to go to a land-agent and inquire into the business of a private individual.

17. *The Chairman.*] Of course, you do not know this from your own knowledge. It is hearsay?—I know it is a fact, and it was stated to me that the man could be produced. I merely bring it forward as showing the methods adopted by the Department's officers. It is not quite fair and right—not what I would call a square deal.

18. *Mr. Rutherford.*] How far are you from the Main South Road?—About a mile.

RONALD LAING examined.

1. *The Chairman.*] What is your position?—I am a farmer, and appear on behalf of my mother, Mrs. J. R. Laing, widow, of Titirangi. Titirangi is the riding of the Waitemata County in which our property is. This particular piece of property of Mrs. Laing's lies about three to three miles and a half on the other side of the Titirangi Range—on the Manukau side, further down the harbour. It is very

rough and broken country, and not at all suitable for farming. We are among the few out there who do make a living off our place. We run sheep. Before this last valuation we were paying £6 4s. land-tax. Now we have to pay between £30 and £40. I have not brought my papers with me, because I did not know anything about the sitting here until I was on the road. We complain particularly about the very large increase in the unimproved value. We do not make any objection to the valuation on improvements. I do not think that the unimproved value of any land over there has been increased to the same extent that we have. The capital value of the adjoining section is £4, whereas the unimproved value on Mrs. Laing's section is put down at £7. There are about the same value of improvements on each. Another piece of land on the opposite side of a creek, belonging to the McLachlan Estate, had a capital value of £3 objected to. All this country up there a few years ago was not worth more than 10s. an acre.

2. When was the valuation on which you pay taxation of £6 4s. made?—About three or four years ago.

3. And the present valuation is that of 1914?—Yes, made about six months ago.

4. What is the acreage?—747 acres, from which Mrs. Laing is trying to make a living, but being a widow it makes it hard for her to do so. Besides the land-tax of between £30 and £40, the county rates run to about £30 or £40 also. We have never done anything to a good portion of this land, because we consider it unprofitable to improve. It is scrub land, and very barren. On what we have improved we have a hard job to run one sheep to the acre. Mrs. Laing has no power to sell or dispossess herself of the land, on account of having only a life interest in it. It makes the tax a hard one, and reduces her income very much. I think Mr. Morgan valued the section nearer town than ours at £4. That land adjoins the Exhibition Drive for two miles. It should have a higher value on account of being on the drive.

5. You know the property, I suppose: what do you think it is worth, unimproved value, now?—I think if it was put up to auction the capital value and all of the 774 acres would not bring more than £6 an acre.

6. What is the value of improvements?—About half and half, I should think. There are people there who have not been able to make anything out of their land, and have given pieces to the Auckland City to add to the park. There are a few pieces that have been sold at the top of Titirangi at high prices.

7. Have you formed any opinion as to the value per acre unimproved?—About £3 per acre.

8. What are the nature of the improvements?—Clearing, and fencing, and the house.

9. Is it a large house?—The house is about forty years old, and has been added to. Not much value could be put on it. The property has very little road frontage. We have a road going into it, but it is a by-road, and very muddy in winter-time, and we are not likely to get money spent on it by reason of it being a by-road. If the valuer came in the summer-time he would think it a good road, but if he came in the winter-time and got his horse in the mud he would know the difference. There was a lot of objection from that district made in the Assessment Court in Auckland, but they got no hearing whatever. Mr. Cochrane, riding member of the county, gave a very good account of the valuations, but still we got no reductions.

10. Who did he appear for?—He appeared for himself.

11. Did he get any reduction?—No, although I think he should have got a reduction. There was only one man who got even a little reduction, and that was in the Waikumete.

12. *The Valuer-General.* Are you working this land yourself?—Yes; I have been on it all my life.

13. Is it all improved?—We have got the parts suitable quite cleared. The other is too steep and the soil is of a poor nature, and we do not think the return would be anything.

14. You wish the Commission to understand that the land is not worth improving?—That is so—the part not improved.

15. What is the area of the not-improved part?—About 350 acres.

16. Roughly, about one-half?—Yes.

17. Do you say the value of your improvements is about one-half of your capital value?—About that.

18. You estimate the unimproved value at £3 per acre?—Yes.

19. How do you arrive at that valuation?—I consider that that is a fair valuation, considering the district right through. There is a section on the other side valued at £3 which the owner objected to. That is a section alongside the Brooklyn School. He considered £1 15s. about the value.

20. You attended the Assessment Court, I presume?—Yes.

21. Did you state to the Assessment Court the opinions you have expressed now?—They gave me very little hearing. I got up to give them a statement about the place, and they asked me a few questions and then said the valuation was sustained. Mr. Morgan got up to question me, and got on to the capital value, and the Magistrate said that was enough. A place had been sold for £9 an acre, stock and all, and, when Mr. Morgan said that, the Magistrate said the valuation was not too high.

22. Did they prevent you giving a description of your place?—They did not give me any time to do so. As soon as the statement was made about the piece of land being sold at £9 per acre they said that was all they wanted.

23. Did you make any protest about that?—No, but I thought it was very unfair.

24. *The Chairman.* Is that the same property that you mentioned to us as valued at £4 per acre?—Yes; I think the owner sold the whole lot, stock and all, at £9 per acre. He had spent money on the whole of it. It has been down in grass only about three years and was looking at its best. That bush country runs out in ten years. Our land, if it had not been touched at all, would be worth more than it is now. The grass dies out, and there is continual expense in cutting the scrub.

25. Is that the reason why you have left some of it in its original state?—Yes. It costs too much to clear and keep clear afterwards. Another thing is that it is too rough to plough.

26. You consider that your assessment was fixed by the Assessment Court in relation, to a considerable extent, to this sale of £9 per acre, stock and all?—Yes. We lie about two miles from the drive.

27. Do you know what the proportion of unimproved value was?—I think it was about £1, but I do not think it was any more.

28. What is the unimproved value of Mrs. Laing's property?—£7.

29. And the value of the improvements per acre?—The capital valuation is £8 14s.

FREDERICK RICHARD FIELD examined.

1. *The Chairman.*] What is your position?—At present I am working a small farm in the borough. I was for many years an engineer and clerk of various local bodies. In these capacities I had much to do with valuations and rating. I have acted as valuer on many occasions for private individuals and for local bodies. I have been an objector on several occasions in the Assessment Court. I have also acted for many objectors and for local bodies, and have sat as an assessor or arbitrator to settle objections referred to the Assessment Court. My experience of the Assessment Court is that, although some objectors have no sound reason for objecting, still there are many who have, and it is the usual thing for such objectors to be treated with hostility at the Court. Indeed, I have found that the majority of objectors will refrain from seeking redress through the Court. Upon one occasion in particular, I remember the presiding Magistrate treated the objectors as though they had come there to answer charges against them. It seems to me that many objectors are urged to go not because the individual valuations are considered too high, but that they are out of proportion. A real ground for complaint very often is that there is disparity between the valuations. Some valuations are too low, and no one likes to complain of it. I myself have asked that my neighbour's valuation should be raised, but I never knew any one else do it. It seems to me quite clear that the complaints you are investigating have their root not so much in the methods of the Valuation Department as in the law itself. It encourages a dishonest system of rating which defines terms in a way that is open to a wide range of interpretation, and which expects valuation officers to do impossibilities. If I might say it, my experience is that the fairest system of values, the most easily worked and arrived at, and the least open to question, is the rental or annual value. As to valuations in Otahuhu, I am a comparatively new arrival, and the cases that have come under my notice are few. I find, however, that in some cases the capital value is too high, but, to my mind, the average of them is not far from the mark. I do, however, find very great fault with what is set down as the unimproved values, and it is in the case of them that it seems clear to me that the valuer is asked to deal with things that are invisible. Speaking of excessive capital values, I had a property offered to me yesterday for £1,500, the value set upon it by the Government valuer, and I am sure I could buy it for less than that amount. The name of the owner I ought not perhaps make public, but I do not mind giving it to the Commission or to the Valuer-General. Coming to instances that have come under my notice, I would refer to one property that has already been mentioned—Mr. Gray's (Section 36). Another case I would mention is my own (Sections 35 and 37), and also Sections 33 and 34. Mr. Gray's valuation, together with the adjoining section (37), which is the larger one, was set down between three and four years ago at £470 for the unimproved value. Later on, Mr. Gray's present holding (Section 36), which is less than half of the area previously held, is set down with an unimproved value of £410, and now it has risen to £750. I cannot believe that the unimproved value has risen some three or four fold within the period of four or five years. I was here when Mr. Gray gave evidence, and I believe he failed to mention that since he took this land three or four years ago, amongst the numerous improvements he has put upon it was the draining, when some thousands of drainpipes were used. The property is this much improved, but the valuer does not know that these drainpipes are buried in the ground. In my own case the capital value is set down at £1,750 and the unimproved value at £1,500. If I accept that unimproved value as correct, and I began to count up the improvement that has been put upon the land, I find that, to begin with, the land must have been cleared probably of manuka, fern, and tutu, and probably light bush. I do not know what it was, neither does the valuer, but undoubtedly there was a considerable amount spent in that way. Then it had to be ploughed; the rock had to be dug out of it; it had to be manured, and fenced, and planted, and buildings were erected upon it; and when I come to add up what seems to me to be a fair thing to allow for these improvements, which have gone on gradually for a period of many years, accepting the Government's unimproved value, I bring the capital value up to nearly £2,500. But I recently took the property on what was virtually the occupation-with-right-of-purchase tenure, to buy it out practically whenever I liked, at £2,000. I am satisfied the cash value was somewhere about £1,750 or £1,800, and the capital value therefore I do not complain of. In the same way, I am satisfied that in Otahuhu, where the land has been used for many years past for market gardens and nurserymen's businesses, the land has been improved by thousands of pounds in a way that no valuer at the present time can see. My own opinion about my own place is that the capital value of £1,750 is just about right. I would not complain if it were £1,800, but I think it is better to put it a little under rather than over; but taking that as correct, and taking the improvements, I must cut down the unimproved value to £1,250, or even less than that. The £250 allowed me for improvements by the Government valuer I could easily make up with other improvements apart from buildings; but on the property there are four buildings insured for the aggregate sum of £300. I admit at once I would not ask an insurance company to insure them for £300. If I put their value at £300, I think it is quite sufficient.

2. In spite of that, you can make up the improvements by drainage, fencing, &c., without the buildings at all?—Yes.

3. You make the improvements, then, about £550?—Yes, but I have not tried to make them all up. What I want to emphasize is that no man living knows what the land was originally. No one knows what it cost to clear it and how much rock was taken out of it. No one knows how much manure was put into it. The whole thing seems to me to be guesswork, and the valuer is assessing a thing he cannot see. Mrs. Boyes's section (34) is assessed at a capital value of £1,000, and I do not consider it too high. The unimproved value is put down at £750. That is the value upon which rates are levied, and I say that £750 is absurdly high. It leaves £250 for improvements. I believe I am right in saying that £250 could easily be made up by improvements on the land itself, because it has been trenched to a depth of something like 3 ft. It has been manured with many hundreds of loads of manure, and it has been improved to such an extent that during the last winter it actually carried two cows to the acre, with very little help out of the garden at the house. On the property, apart from fences and hedges, which are worth something considerable, there is a house which is insured for £200, and certainly is worth more than that, and a large shed which is certainly worth £50, as well as various other things. So it seems to me that £250 for improvements is really absurd. Section 33, on the opposite side of the road, belongs to Mr. Arthurs, who also has another section of 5 acres. The capital value appears at £720 and the improvements at £20, leaving an unimproved value of £700. I have not the least hesitation in saying that the fencing alone covers more than the £20. The clearing of the ground in the first instance would run into more than £20; the improvement it has had with manure comes to over £20, and the improvement it has had with cultivation comes to over £20. Probably the taking of rock out of it ran into over £20, and there are buildings on it. The residence is a poor one, certainly, but there is a family living in it, and there are one or two sheds besides. Yet the whole value of improvements is put down at £20. The point I want to emphasize strongly is that the trouble seems to be with the unimproved value, not so much with the capital value, and that the unimproved values are things that the ordinary valuer can simply guess at, and nothing more.

4. *Mr. Campbell*: You said that the fairest way of taxation would be on the rental value. How would you work out the rental value?—Probably most properties in Otahuhu, as well as elsewhere, are rented, and the annual rental is easily ascertained.

5. We are considering the general question, not particularly with respect to Otahuhu. You know that not more than 10 per cent. of the country is rented?—The annual value is taken as the basis of taxation in some boroughs. It seems to me that the rental value is more easily ascertained than the other.

6. Without having the value of the land, how would you arrive at the rental value?—The valuer simply estimates what the property is worth for the year, instead of estimating what it is worth in the market for sale.

7. *Mr. McVeagh*.] In Miss Rivers's and Mrs. Boyes's cases, were objections made?—I do not know.

EDWARD MORGAN examined.

1. *The Valuer-General*.] What is your official position?—I am district valuer under the Valuation Department. I value the suburbs of the City of Auckland. I am familiar with the values of Otahuhu more than with the values of the nearer suburbs.

2. You are familiar with the unimproved values fixed?—Yes.

3. Do you consider them fair?—Yes.

4. What system do you follow in fixing the unimproved value of a district you are called upon to revise? Do you accept sale values?—Not as an absolute basis. The sale is only taken on its merits. We make inquiries about sales to find out if they are an exchange, as many high sales are. We do not take notice of exchanges. We quote them sometimes unconsciously, but any record we have—be it sale or exchange—if it seems to us to be excessively high, we make due inquiries to discover various things. A man not knowing a district, and not stopping to make inquiries, might give a price in excess of the standard value of land in the district. It would be manifestly unfair to take a sale of that kind as the standard of the value of the rest of the land.

5. One of the instructions to valuers is that there shall be uniformity of unimproved value?—That is so.

6. In other words, when land has equal position and equally advantageous characteristics there is to be equal value?—Yes. Of course, in this particular case I did not happen to be the valuer who valued this district for this last assessment; but the valuer conferred with me with reference to some of the larger properties. I valued the district in 1911, with Mr. Mackenzie's assistance. I took the responsibility of it. This year Mr. Mackenzie took the responsibility of the work, but we consulted with regard to some of the larger properties round about, particularly where they had more of a farming value.

7. What was his reason for consulting with you?—In the first place, it is my district, and he was doing it to relieve me because I had so much work elsewhere; and, knowing that I knew the district well, he naturally consulted me to get my opinion regarding the larger properties, particularly having regard to my knowledge of farming. There are places in this district which, although all have a suburban value, are not suitable to cut up into small building lots; and consequently we had to take the using value partly into consideration, and it was to make himself quite safe in putting his values on these properties that he consulted me. To ensure having a fair and equitable valuation was his reason for consulting me.

8. Have you a list of sales that have taken place in Otahuhu?—Yes; I have the list to date. We do not necessarily take a single sale as a basis, but, as the law provides that land shall be valued according to how it will sell, we naturally must get all the available data which there is in reference to sales, for the purpose of finding out the public estimate of land in a particular locality, and we keep

a record. There are many sales which we do not know of except by hearsay, because they are not registered—they are made under agreement. I have the recorded sales since the 31st March, 1913. There may be some included in which the bargain was made prior to that, and there is one noted 1910. All the rest are, as far as I know, sales recorded in the Deeds Office, the registration of which took effect after the 31st March, 1913. They were really the data upon which we had to go in estimating the value of land in Otahuhu from the saleable point of view.

9. Will you read out the list, omitting the names?—They are taken in rotation on the roll. In some cases it is the value of the lot. Some of these are records of sales of allotments of land on which buildings have since been added, and, of course, the present valuation will be the valuation plus the buildings. I am giving the sale value of the lot and our value of the lot. There are some sixty-three altogether, of which twelve were not available at the time the valuation was made. As far as the registration goes, they show that they are sales that have taken place since the 31st March, 1913, but of course the bargain may have been made before that in some of these cases: Roll value, £560; value realized, £600; £735 and £850; £950 and £1,050; £150 and £200; £8 40s. a foot, and £12 10s. a foot; £200 and £280; £475 and £500; £440 and £520; £490 and £650; £1,100 and £1,250; £1,765 and £2,000; £250 and £300; £375 and £425; £875 and £700; £200 and £300; £889 and £905; £750 and £1,000 refused; £120 and £170; £200 and £247; £1,600 and £1,800; £410 and £550; £85 and £115; £85 and £115; £240 and £265; £230 and £250; £115 and £135; £115 and £135; £680 and 800; £100 and £125; £1,725 and £2,350; £70 per acre for 40 acres, and £116 per acre; £650 and £775; £480 and £500; £1,260 and £1,375; £850 and £1,000; £460 and £550; £725 and £850; £620 and £750; £345 and £450; £190 and £220; £750 and £1,000; £880 and £1,000; £720 and £825; £150 and £190; £600 and £700; £880 and £950; £115 and £150; £490 and £500.

10. The sales you are going to give now are sales that have taken place since the 31st March, 1914?—Yes. On the 27th May, 1914, an allotment was sold for £120; roll value, £95; on 10th June, £1,500; roll value, £1,475; 23rd July, £1,600; roll value, £1,450; 9th July, £600; roll value, £500; 1st July, £145; roll value, £100; 5th August, £320; roll value, £230; 27th August £655; roll value, £375; 29th August, £800; roll value, £400; 22nd May, £950; roll value, £620; 20th November (this is an advice from the head office), £360; roll value, £300.

11. *The Chairman.*] On what principle do you go in increasing your own figures where there has been a building erected since the time of the valuation and before the sale? You mentioned a case of £400 roll value and £800 sale. Was that for the land only, or had there been a building erected upon it?—That case was somewhat instructive. There was a Court case about it recently, and it came out in evidence.

Mr. McVeagh: It was a case of misrepresentation, heard before Mr. Justice Cooper a few days ago.

Witness: I mention it to show the difficulties valuers have to contend with in reference to valuations. In this particular case, a man sold a property for £800 under a misrepresentation, and the purchaser took action against him for damages. In the course of the case for the defence McGouchran was called: he was the owner of land which was valued by the Department recently, and was called to give evidence as to the value of this property; he stated he had sold it by way of exchange for £700, but would not have taken more had it been a cash sale; he thought that people purchasing at £750 were paying too much.

12. *Mr. McVeagh.*] That view was not accepted by the jury?—The Government valuation of his property was £440, and he had it reduced by £40; and he had signed the petition protesting against the gross overvaluing of Otahuhu Borough.

13. *The Chairman.*] There was another, £360 sold for £600?—I am not acquainted with the details of that. It may have been an exchange. I only read these things as handed to us as *bona fide*. It sometimes happens that exchanges creep in and are treated as sales.

14. This is not a case of a building being put up?—No.

15. *The Valuer-General.*] Have you ever had from the Valuer-General at any time an instruction or suggestion to increase values?—No. We have had advice that the Government have no desire to force up the value of land. Our instructions as regards value, of course, are contained in the Valuation of Land Act. It has been intimated to us that there is no desire on the part of the Government or the Department to have excessive values.

16. That has been done on more than one occasion?—Yes.

17. Has it been done since I became Valuer-General?—Yes.

18. Your basis of procedure is the Valuation of Land Act?—That is so.

19. You have also had issued to you a memorandum explanatory of the Valuation of Land Act and its amendments?—Yes.

20. You have read in that document the observations and recommendations to valuers in proceeding with their work?—Yes.

21. You have read the following paragraph: "Valuers are enjoined not to strain after high values, nor accept isolated 'boom' prices, nor values involved in exchanges of land as a standard of value, but to determine the value neither above nor below the fair selling-value in view of the many and diverse purposes for which the values are used"?—Yes.

22. You have also had it impressed on you that our values are used for the purpose of land-tax and rating. This paragraph appears: "Land-tax is levied on the unimproved value, and so also are the local rates in districts where the rating-on-unimproved-value system is in force. It is therefore particularly necessary that uniformity of unimproved values should be studied by the valuer, otherwise one owner would be taxed and rated unfairly in comparison with his neighbour"?—That is so.

23. Have you had any case of the fact of a district being heavily rated affecting the selling-value of land?—Yes.

24. In making your valuations you have never expressed any desire to push objectors into the Court if it can possibly be avoided?—No.

25. Have you received any instructions from me with regard to meeting objectors between the time objections are received and the sitting of the Court?—We have always done what we could to meet objectors. When objections are lodged, they are handed to the valuer for perusal. There are many cases in which he has previously carefully gone into the matter and discussed it in detail with the owner. It is not always possible to do that when going round. Sometimes the owner is not at home, and at other times the owner will not discuss the matter with the valuer, saying that the question of the valuation is the valuer's business. As far as I possibly can, however, I meet the owner and discuss with him what is a fair valuation. It is not always possible to arrive at what that valuation should be. I have had numerous instances where an owner has agreed with me that his property was worth a certain sum, which of course I made a note of, but when going through the field-books I have found that to put that owner down at that sum would be to put him unfairly high as compared with others. I have always made it a strong point to try to have the unimproved value, particularly, but all values, fairly adjusted as between one and the other; and I endeavour to get fairly well acquainted with a district before I fix a value at all, and, after doing that, I proceed to fix what seems to be a fair unimproved value. This may appear to be difficult, but to any one who has spent a great part of his life on land, and knows all the works that are gone through, he can form a very good idea as to what the condition of that land was in its state of nature. There always are some properties very akin to unimproved, and others where it is not difficult to put a fair estimate on what they are worth; and after doing that I usually increase my estimate so as to be on the safe side and put it beyond any risk of mistake. Doing that in a few cases you can make a standard, and work from that up and down according to the quality of the land, distance from the railway or wharf or centres, aspect of the land, and its general characteristics. It very often happens, in my experience, that having fixed this unimproved value and then putting on what seems to be a fair and reasonable value for improvements, that the two together do not come to anything like the value that properties are selling at. In such cases I have come to the conclusion that the buyers of the properties have been paying above the then market value—that is to say, they have been paying for the improvements a good deal more than their intrinsic worth—a good deal more than we could value them at for the purposes of lending money. But they are willing to give more than the improvements are worth, because they are going in to the farm to use them. In other cases they pay more than the improvements are worth through ignorance of what the improvements have cost. Consequently, I have frequent cases in which my capital value is very much less than what the properties are selling at. This is where the unfairness comes in in reference to objectors. An objector makes out an estimate of his improvements at a certain figure. He wants to take the capital value, which is arrived at by so-much an acre for unimproved value, and my estimate of the improvements, and from that he wants to subtract an exaggerated estimate of the improvements, and call what is left the unimproved value. If the Court allows that, the tendency is to upset the fairness of the unimproved values right through the district. Mr. Laing mentioned a sale by a man named Hope at £9 per acre, which he stated included the stock. I did not know that. The owner interviewed me after the sale, but he did not say anything about the stock. But some other blocks of this property were sold without stock for £10 an acre. The unimproved value of this property was somewhere about £4 an acre. The improvements seemed to be in the neighbourhood of £2 10s. an acre, and I think my capital value was about £6 10s. an acre. I may say the improvements on the property came to somewhere in the neighbourhood of £1,300. The man lodged an objection and supplied a list of the improvements, making them come to £2,000. He argued that if his improvements were worth £2,000 I had set down his unimproved value at £700 more than it should have been. When he came to discuss the matter with me he had really effected a sale and was not so keen about it. I pointed out to him that if my estimate of the unimproved value was taken and his estimate of the improvements added to it, the total was a long way short of the price at which he had sold the land. I also pointed out to him that he had put in the full original cost of these improvements, and, as Mr. Laing's evidence shows, the grassing is not permanent. I give this instance as typical of many of the difficulties that we have in reference to objectors.

26. Is not the test of the value of improvements the price by which they increase the selling-value of the land?—That is so.

27. Do you know the case Mr. Druce mentioned?—Yes. Mr. Druce was one of the very few who lodged an objection in that district. Some of the land in the Manurewa district had been sold as suburban areas, and I discounted the sales very much. It was owing to this, I suppose, there were very few objectors, because an owner, as a rule, cannot object to a valuation that is less than he gave for his land.

28. Mr. Druce referred to a road to his property?—When I discussed the matter of a fair valuation with Mr. Druce he said he left it entirely to me. I understood from Mr. Druce that he had a road leading to a new railway-station that had been put in, and the land was valued on the assumption that that road was there. At the Court Mr. Druce said that this road was not a road, and he repeated it to-day. I happened to be in that district early yesterday morning, and went over this very road, and there was a man working with a team of horses and a scoop on it. It is fenced on both sides, and is a full chain wide. I do not know whether the man is doing the work for his own pleasure, or whether some philanthropist is doing it to present it to the people; but there is the road. If it is not a road, it would be illegal for a local body to spend money on it. The road is there and I travelled over part of it. When Mr. Druce made this statement in Court I agreed to a reduction in value. Mr. Druce has also mentioned about the difference in value of two parts of the land. The land there is patchy,

Part of Mr. Druce's land is bordered by a stream. It has a nice elevation, slopes to the north-east, and is well watered. It is better average quality than the higher land, and that made Mr. Druce's land more valuable than some of the adjoining land. Mr. Laing had a fair hearing at the Court, occupying a considerable time, and the Court treated him with all patience, and gave him every latitude. Mr. Laing told you about land on the opposite side of the creek which was valued at £3 an acre, but he did not say anything about land on the opposite side of another creek which was valued at £20 an acre. This £3-per-acre land is very much further away, and is much poorer land. I do not hold that the land valuer is infallible, nor do I despise any man's opinion if I think it is worth having. I often discuss land-values with people generally, and in Court I could have produced evidence of those who knew the property and considered my valuation very reasonable.

29. *The Chairman.*] We have had something said about pastoral lands gradually becoming suburban land. There has been the case of an owner cutting up his property into allotments and selling half of them. It has been suggested that if a few allotments could be sold that puts a section price on the whole of the remainder of the property, and also on the adjoining property. What do you say to that, so far as your experience in valuing goes?—There are many considerations. Usually when a property is cut up into allotments it is roaded, and the roading requirements in a borough are fairly expensive. When a piece of land has access to a made road and footpath, as an allotment it is naturally more valuable from a selling point of view than an adjoining piece of land that has not got those advantages. The value of a piece of land in the neighbourhood of a cutting-up district to buy in a lump depends entirely on whether there is a demand for land for that purpose. Generally, too many sections are cut up. Often the land is cut up into too small sections. That applies to some of these places in Otahuhu, and towards the Manurewa Station.

30. What about the roading?—It is only recently that there has been any provision for adding the cost of that roading to the improvements of the land. We suggested that Mr. Alison, who gave evidence in Auckland with regard to Takapuna, was entitled to have something allowed him on account of roading the block.

31. *Mr. Campbell.*] And the price of the land also that had gone into the road?—No, the land that went into the roads was dedicated to the Crown.

32. A man cuts a farm up and puts streets through at enormous cost, and gives the land also to enhance the value of the other land; do you allow for all that is done on the road and for the land that is given for the road?—I have not had very much experience of that, but I understand the principle is that we value the land at what it would sell in a lump with these roads in it and the value given by the roading; instead of being put down to the unimproved value, a reasonable amount is put down as an improvement.

33. The cost of giving the land and making the roads?—Not necessarily all the cost—what is a fair cost.

34. *The Chairman.*] Do you give first of all the value of the unimproved value of the land, apart altogether from the improvements?—As applied to a general valuation, yes.

35. In these cut-up cases, it would appear as if you first valued the land away from the improvements and then superadded the benefits the land has had from the roads, and that makes up the capital value?—That varies from ordinary farming land, and does not come into the category of ordinary improvements existing on the land. If you value at £25 per acre and then proceed to value the improvements there is always a danger. It is working from the wrong end. It is better to value the land, and then build up the improvements.

36. Improvements done off the land itself, such as roading and draining, are now included as an improvement. Do these improvements operate in this way, that they tend to reduce the unimproved value?—Not necessarily.

37. Do they at all?—They do in certain cases, but to a very small degree. It would only be in a case where a considerable expenditure had been entered into to improve a road, and that would have to be classed as an added improvement, and to that extent it would decrease the unimproved value. Taking places generally, there are not many instances of it.

38. Are these new improvements added to the improved value, and so swell the capital value, and not taken off the unimproved value?—To my mind, there was an anomaly in the old Act. In the first place, we were called on to value land as if there were no improvements on it—that is to say, unimproved—and, secondly, we had to value the improvements by the amount which they increased the selling-value of the land, but not exceeding their cost. If you took these two together, you would not have sufficient to make up the value at which the land was selling. A man has 100 acres, worth £30 an acre. From inquiries, he is satisfied it is worth £16 per acre unimproved. He puts down £16 per acre as the unimproved value. When he comes to sum up his improvements he cannot consistently value them at more than £10 per acre. That makes up £26 per acre. If he is anxious to value at £30 per acre there was a danger under the old system, in starting with a capital value of £30, to value the improvements at £10 and call the £20 difference the unimproved value. Under the present law, where there is a deficiency of that sort we can call it "added improvements," and that is really an advantage.

39. *Mr. Campbell.*] You made the statement that if a property was cut up and roaded you would increase the value?—As against a property not roaded, and always assuming the roads were an improvement. There are cases where land has been roaded and not sold, and it has had to revert back into a farm. In such a case the roads, instead of being an improvement, have been a hindrance.

40. In a borough such as this, where the demand for land is not great, you would not value it for more than grazing or farming purposes?—You cannot say that this land jumps from purely building lots to farms. Such a place as Otahuhu is occupied by a number of people who have retired. They do not want to live in the city, but want to be in the neighbourhood of a borough, where there are the conveniences of civilization. They buy a few acres to make a home, and they are willing to give more than the land is actually worth from what might be called the purely farming point of view,

41. I can understand isolated cases?—There are quite a number of properties occupied in that way in Otahuhu.

The Valuer-General : The question was asked whether, in the case of land that is subdivided, the owner is made any allowance for the land given for the roads. He is not. The law is that the road is first of all dedicated before the land can be put up for sale. It is then regarded as Crown property, and no allowance is made for it to the owner.

The Chairman : Do you not first get the unimproved value of the land, as if it were prairie land, and then add the value of the improvements to make up the capital value?

The Valuer-General : That is so, but this you must counterbalance again by raising the value given to the land by the road being there.

42. *Mr. McVeagh*.] How long have you been valuing for the Valuation Department?—It is about eleven years since I started temporarily; permanently about eight years.

43. What is your district?—I take in Manakau, Franklin, Waitemata, and Rodney Counties.

44. Most of your work is in the country districts?—The Otahuhu Borough, Takapuna Borough, and New Lynn is where I come in in the townships.

45. Takapuna and Otahuhu are recent boroughs?—Yes.

46. Before you joined the Department were you a valuer?—I had done casual valuations. I was a farmer.

47. You have given us a list showing the sales in Otahuhu from the 31st March, 1913, up to date. How many transactions did you find for the year ending 31st March, 1914, in this borough?—Fifty-one.

48. And there have been twelve since?—Yes.

49. Showing there is a big falling off in transactions?—We have not got to the end of the year yet.

50. Taking it on your own basis?—There is a marked falling-off since the war.

51. Will your figures show when the ratio falls off?—I do not think they will. I simply give that as my own knowledge.

52. Have you them month by month?—No.

53. Is it not a fact that in Otahuhu and neighbourhood there were large areas subdivided for the purposes of sale?—Yes.

54. The market was really glutted?—It depends on the size of the sections. That was the case with regard to quarter-acre sections.

55. There was a glut in the market, and that was the reason why sales tapered off?—I will not admit there was a glut, except for very small sections.

56. Is it not a fact that from Penrose right up to Papakura large areas were cut up?—Yes; there was a big demand near the station for 2-acre to 6-acre lots before the war.

57. And that demand fell off long before the war?—No; there were a considerable number of sales going on right up after March.

58. When did Mr. Mackenzie start this valuation of Otahuhu?—In September of last year.

59. When did he complete it?—I think somewhere in November.

60. The poll for rating on unimproved value was not mooted at that time?—I could not say.

61. I put it to you that the proposal did not take shape until this year?—I do not know whether they had discussed it or not.

62. Mr. Mackenzie's work is confined chiefly to the city and suburbs of Auckland?—Practically the whole of his work is there.

63. Is this the first time he has come out of the city and suburbs for the purpose of making valuations, with the exception of the occasion when he assisted you with Otahuhu three years ago?—No.

64. When did he first come out to make a general valuation of a district? He valued Pukekohe Town District at the last valuation—I think the upper part. The year before that he valued Helensville.

65. His experience is confined almost entirely to the city and suburbs of Auckland?—That is so.

66. When he consulted you with regard to certain of the Otahuhu valuations, were you on the land with him?—We went over the properties we consulted about.

67. How many were there?—I could not say offhand.

68. No idea at all?—I suppose there were about ten. I think we consulted with regard to more than that. We went over the golf club's land and over the land beyond the golf-links.

69. You find a striking difference in values in the neighbourhood of the golf club?—There are big increases there.

70. That is a favourite residential area, and there has been a lot of building there?—That is so.

71. There is nothing like that advance or progress in any other part of the borough?—Not the same amount of building on small areas. There is always more building going on where the land is cut up into small areas.

72. It was generally with regard to these that you were consulted by Mr. Mackenzie?—No; we went over another property, Mrs. Langdon's.

73. Have you any approximate idea?—I could not tell you, unless I went into the matter and conned them over.

74. You cannot give an approximate estimate?—No.

75. What was the increase in the unimproved valuation of this borough for 1914 as compared with the previous valuation?—I could not tell you.

76. You have no idea?—No idea at all.

77. Some reference was made to sales. I understand that when matters come before the Assessment Court it is the practice for officers of the Department to rely very considerably upon sales. Is that not the case?—We quote sales, naturally.

78. And rely upon them considerably. Mr. Laing has referred to a case: may I take that as typical of the general evidence led by the departmental officers?—If there are sales about we always quote them.

79. You are aware that sales are frequently made, and the moneys paid are not to be regarded as the true value of the land?—I admitted that before.

80. Persons are willing to pay more than the real value of the land?—That is so.

81. What method is adopted to allow for circumstances of that kind?—My own practice is to closely examine into the conditions of the sale, and form an estimate based on whether it is a reasonable value from the using point of view, if in a farming district, and the selling-value as applied to the land in that district.

82. Do you consult the buyer or the seller in your examination of the conditions affecting the sale?—Not necessarily one or the other. Usually, if I go on a property which has changed hands, I may have a talk with the purchaser and discuss the matter with him.

83. I want to know what particular form your examination takes?—If the sale is actually high, I very often ascertain whether it is a real sale or not.

84. How do you determine whether it is unduly high?—From my general knowledge of the saleable value of property in the district.

85. It comes back to your own ideas, does it not. You rely on your judgment?—Yes; a man must rely on his judgment.

86. What method do you adopt in ascertaining the value of improvements on a property. Do you call upon the owner?—Yes, very frequently.

87. Not in all cases?—Sometimes they are not at home, and sometimes they refuse to give any information. Of course, we have power to compel it, but we do not use that power.

88. With regard to a building, you first of all ascertain the age?—I am more concerned about its condition than its age.

89. Age is an important factor. How do you determine that?—Not necessarily an important factor. I determine the value by the condition more than by the age.

90. You disregard age?—Not entirely. The age is generally indicated in the condition. One building ten years old may be better than another which is just built.

91. Do you examine the buildings?—It depends a good deal on what proportion to the whole value the buildings bear. If they bear a considerable portion of the whole value, one would necessarily pay more attention than where the buildings formed a very small proportion.

92. You get very few buildings in a borough worth less than £200. Are you guided by the age of the building there?—By the general condition of the building.

93. Do you enter the buildings?—Very frequently. I go to the door and make inquiries as to whether the building is all finished.

94. Is it a universal practice to inquire at the door?—Yes. I get all the information I can.

95. From whom do you get the information, supposing the owner is away. His wife may be at home. What do you do in that case?—I would state my business to the lady who answers the door.

96. Supposing you want information regarding drainage below the soil?—That is generally apparent.

97. I do not know that it is, unless you go over the whole property. There may be an underground drain?—There may be.

98. You would be at sea?—Sometimes I inquire, sometimes I do not. As far as boroughs and building sections are concerned, it is not determined by the value of the improvements at all. It is determined by comparison. Always, in places like Otahuhu, there are sufficient vacant sections which have been sold. We know what the demand is.

99. Do you not determine what the improvements are?—They are a secondary thing. We arrive at the unimproved value first.

100. Then you arrive at the improvements?—Yes, and they are put on top of that. If there is a drain omitted, no one takes exception. If a house is put up by contract, I ask the contract price. I may be told £450. If I ask if that is a fair value, the owner will say, "You are not going to tax me to my full value."

101. Your usual working-hours in boroughs are from 9 a.m. to 5 p.m., and we know perfectly well that within those hours property-owners are not at home?—As applied to purely residential sites usually the actual owner is not at home; but very often the wife knows all about it. Sometimes we have already valued the building.

102. What is the general method of valuing buildings?—I take the cubic measurement.

103. At how much a cube?—It varies according to the style of the building. It may be anything from 6d. to 8½d. That is taking the cube excluding the roof.

104. What is the standard?—It would vary between those figures.

105. On what basis does it vary?—On the same basis as occurs in the case of horses. A man sets one price on one horse and another price on another horse, but just what the difference is cannot be stated in words. A man fixes a rate at so-much per foot, but the principle cannot be explained.

106. Is it not a fact that many of the properties mentioned by you as having been sold between here and right on to Papakura were sold under terms providing for the payment of the purchase-money by instalments extending over a period of years?—That is so.

107. Can you say how many of the transactions on the list you put in fall within that category?—No.

108. A number of them may?—With the exception of two, which were from lawyer's books, the latter part consisted of registered sales.

109. How do you determine they were not under agreement?—By the information that came through to us.

110. The conveyance comes to the Deeds Office, and they advise you. How can you determine from that that the transaction may not have originated in an agreement two or three years previously?—Of course, it might.

111. There were a large number of properties between here and Papakura sold under those terms?—Yes.

112. *The Valuer-General.*] My experience as Valuer-General is—and it is in consequence of repeated communications with the local bodies during the last two years—that the people who are concerned in land transactions, or the solicitors, do notify the local body. We get them from both sources; but up to the time I took office there was a dilatoriness in the matter. It is almost a practical impossibility for the valuer to go right through every house in the community, but in the notices sent out to the owner or the occupier he is notified of the value the Department places on his improvements. The object of the notice is to give him the opportunity of asking the Department what is the reason of such a small valuation for improvements, if he thinks it is too small. That is the object of the notice. If the objector takes the ground that his home is valued at too small a sum, the objection is sent to the valuer, and he values that place specifically. So that, in applying the Act, all care is taken in seeing that owners are allowed a fair amount for improvements. As the district valuer points out, it is not absolutely necessary that the valuer should go round every building, because the first thing is to get the unimproved value and the next thing is to fix the capital value, and practically the value of the improvements is limited to the difference between the unimproved value and the capital value.

Mr. Campbell: If a revision is made and the value of the improvements is increased, that increase would simply go on to the capital value?

The Valuer-General: That is so.

Mr. Campbell: So that in such a case a man would be really asking to have his capital value increased?

113. *The Valuer-General.*] Yes. (To witness): Do the valuers get ample time to make their valuations?—As far as my own experience goes, if I had only worked between nine and five I certainly could not have got through the amount of work I had to get through. There has been a great increase in values in Auckland, which has entailed a large amount of revision.

114. Do you get ample time to go thoroughly through and over the properties?—I always make a point of getting thoroughly familiar with the property.

115. I am not putting it to you individually. Do valuers get plenty of time to make valuations?—I can only reiterate that if we were to confine our work to the usual hours we could not get through the work we have to get through. Of course we have the privilege of sending work to local valuers, which we have to endorse. That applies to country centres. Some valuers avail themselves of that more than others do.

The Valuer-General: All the instructions to valuers are issued through me, and I never bind a valuer to have his valuation completed within a certain time. In fact, owing to the time taken in carrying on valuations, the average time taken to value a new district at present is six months.

116. *Mr. Rutherford.*] There has been a great deal of dissatisfaction as to the value of improvements being too low?—We can only speak of our own district and our own knowledge. I think the greatest dissatisfaction is owing to a misconception of the term “unimproved value.” People think because their improvements are valued low, their unimproved value is high. They only want to get their improvements made higher in order to get their unimproved value less. Unfortunately, we have had Courts which took the capital value as the basis, and if they made any reduction it was from the unimproved value.

117. Is it not a rule to add to the capital value and not to the unimproved value?—That is so now.

118. *Mr. Campbell.*] You start with the capital value?—Yes.

119. And deduct from that capital value the amount you value the improvements at?—We take a few typical cases, but, in arriving at the improved value, my system is always to take my own value of the improvements.

120. It depends on the official who values whether the improvements are too low or the unimproved value too high, and upon that you work?—That is so. That is the system I adopt. Different valuers have different systems.

RONALD LAING re-examined.

Witness: Mr. Morgan compared Mrs. McLachlan's land with ours as being of less value. It is close to the school, and, although poor land, the principal part can be ploughed if cleared. It is practically unimproved, without fences of any kind. Our land cannot be ploughed. We have some of a better quality which has been sown for forty years, but we cannot renew it because we cannot plough it.

1. *The Valuer-General.*] What about the other creek frontage?—There are some small pieces of land which have been sold there. I do not know about the price. Mr. Morgan mentioned a section as being sold at £20 an acre, but it would be a quarter-acre or an acre lot.

2. I understood Mr. Morgan to say you had a creek frontage?—We have a harbour frontage, but at low tide it is very shallow. As regards Mr. Morgan's valuation of our property, there are some sections he was never on. He valued our place of 700 acres off of one paddock. The bigger part of the run he was never on. The paddock he was on was a highly improved one, and we would be

very glad if all the paddocks were the same. He walked over that land two or three times, and from that made a valuation of the whole property, which is very hard on us. The piece of land valued at £20 an acre is not very far from us, over the creek, but to go by road is four miles longer. You could not really compare it with land nearer to Onehunga.

EDWARD MORGAN re-examined.

The Valuer-General.] You have heard what Mr. Laing says with regard to your method of inspection of his property: is what he says correct?—No. This is the second occasion on which I valued the property. I valued it a few years ago, and I was all over it then. Even so, I went a good deal more thoroughly over it on this occasion than Mr. Laing gives me credit for.

MASTERTON, 7TH DECEMBER, 1914.

JAMES FRANCIS HECKLER examined.

1. *The Chairman.*] What is your position?—I am a farmer, residing at Mangamahoe. My property is Section 113, Block XIV, Mangaone Survey District.

2. There has been correspondence with the Valuation Department, Mr. Heckler, with regard to your property and its valuation, and the substance of that correspondence we have before us?—My contention is that the property is overvalued considerably at £16 an acre for land which will only carry a sheep and a half to the acre. It is ridiculous, and better land is valued at £2 an acre less. I also object to the method of valuation. The district valuer has not inspected any property in the district, as far as I know. An irresponsible person goes round and makes a valuation, and agrees with you on certain figures, and later on when you get your notice you learn that those figures are altered. You are told one thing when the valuer is with you at your house and another thing when you get your figures from the Department. Then there is always the Department coming round afterwards to square you, which has been done very greatly in this case. Several neighbours have been told that I was the only objector in the district, when, as a matter of fact, it will be seen there were forty-four objectors. Another thing that I object to is that after my objection is sent in, and before it came before the Court, a man—not the district valuer—representing the Department came out without notifying me at all, and goes over the place and interviews my man to get the desired information. I have never refused information to the Department's officers which they were entitled to.

3. *Mr. Campbell.*] Were you at home?—I was at home, and saw the man go over the hill. I was leaving by the train the same morning, but I should have been notified of the intention of the officer to make the visit. If you had the time at your disposal I would like you to run through the district and inspect it. If you did so you would see that my grievance is a just one. I am prepared to take the Government valuation for it to-day from the Department. As practical men you will know country that carries a sheep and a half to the acre, after being well paddocked, is not worth £16 10s. an acre.

4. *The Chairman.*] You speak of offering your property to the Government?—I have offered it.

5. At what valuation?—At the present valuation. I would be very pleased to accept it from the Government.

6. The provision under the Act in regard to that is that an objector puts his valuation on the property and the Government must either reduce the valuation to that amount or take it over at that price?—Surely that is wrong, when this value is maintained by the valuers and I have to pay taxation on it.

7. That is one of the matters we are asked to inquire into, whether section 31 affords an owner who is dissatisfied with the decision of the Assessment Court an equitable alternative. We should like to hear any reasons you suggest why the law is wrong?—When these values are set up and maintained by the Valuation Department they should be the standard values.

8. And the Government be compelled to take them?—Yes, otherwise what redress does it give me for an overvaluation.

9. Might that not operate in this way: that the Government might be asked to take over the whole of the lands in the country?—There would be no danger if reasonable valuations are made.

10. *Mr. Campbell.*] How much more is this valuation than you consider the selling-value?—£2 10s. an acre at least.

11. Practically the value to-day is £14 per acre?—At the very outside. It is the homestead block, and in spite of its carrying-capacity I put some additional value on it. A fair value is £12 an acre.

12. You are not prepared to ask the Government to take it over at £14 an acre?—Hardly, when they put this value on it.

13. I am speaking of the Act?—That is so. Of course, a man does not like to be turned out of his homestead, but in this case of a ridiculous value being placed on the land in comparison with other values in the district I would be prepared to go off.

14. Are you dissatisfied with the amount for improvements, or is it the unimproved value?—I am not satisfied at all with the unimproved value. It is that which I complain of. It was £11-15s. an-acre land when I took it up from the Government some years ago.

15. Was it under bush?—Yes.

16. Have you any witnesses to affirm your statements?—There are two or three neighbours here who have their own grievances, and who know my place. I have given the matter of valuation a lot of thought, and consider there should be an alteration in the manner of appointing the assessors of the Assessment Court. I do not think it is fair that the assessor should be appointed by the local body. I would suggest that the county should appoint an assessor and that the objectors in the district should also appoint an assessor.

17. That would be three assessors on the Court in addition to the Magistrate?—Yes. I think it is only fair to the objector that he should be represented by an assessor on the Bench independent of the County Council.

18. That is a new suggestion. We have had it suggested in other parts that the objectors should appoint the assessor instead of the local body. You suggest that the objectors should appoint one and the local body appoint one?—Yes. I have given the question a great deal of thought, and I consider that the fairest way of dealing with it. Then, I think that the onus of proof should be on the Valuation Department. At present we are asked to assess our own values and send them in, and these figures are used against us. Onus of proof is on the Department under the Sheep Act, and I do not see why it should not apply under the Valuation of Land Act.

19. *Mr. Rutherford.*] Are you satisfied with the valuation put on your improvements?—To a certain extent I am. Of course, it is a very much improved place for a small area.

20. *The Valuer-General.*] I suppose you received your notice stating the proposed values of the Department?—After I was told one tale by the valuer and another from the office.

21. Your reply to the Department's valuation notice puts down your capital value at £4,160, and the unimproved value at £1,004, and the value of the improvements at £3,156. Your estimate of the capital value differs only about £19 as compared with the estimate of the Department?—I might explain that in making up my improvements I had to cut down. There are £500 in buildings and lime-kiln I could have assessed. I left those somewhat low, and having only one form I could not revise them again.

22. Your method of arriving at the unimproved value is to deduct the value of the improvements from the capital value, and the remainder is the unimproved value: that is not the method under the Act?—I know.

23. This assessment went before the Assessment Court, and the Court reduced the unimproved value from £1,942 to £1,560, and increased the value for improvements from £2,224 to £2,660, and the capital value was fixed at £4,160, so you see you practically approved of the capital value fixed by the Department?—I never did.

24. Are not these your figures?—Yes, but when a man comes to your place and agrees with you as regards your value of improvements and you put them down in your book, and you are subsequently making out your paper, would you go past them? The valuer agreed in my house to these items of improvements, and I could not cut them down to anything else.

25. I am not dealing with that. I am dealing with the evidence put before the Assessment Court?—Am I allowed to tell you how it is arrived at.

26. I do not care how you break it up. You arrive at it by increasing the value of improvements and decreasing the unimproved value?—I did not increase them.

27. What happened between the valuer and you is not concerned in this case, because it is the official notification from me which is before the Court?—I make out my improvements to you, and I could not conscientiously go below what I had agreed to with the valuer.

28. You brought your case before the Assessment Court?—I did.

29. Did you bring any evidence to sustain the position you took up?—No. Unfortunately the chief party I was relying on got a telegram of the death of his brother, and had to go south, and so I was debarred from calling evidence.

30. You did not call any evidence?—I called two neighbours.

31. The decision of the Court was given after an investigation of the case?—There was not much investigation.

32. Was the decision of the Assessment Court unanimous?—How do I know.

33. Were there any questions asked by the assessors on the Bench?—I could not say.

34. When did you offer you land to the Government?—In my letter.

35. That is not the way to offer land to the Government?—How do you do it? Verbally, if you do not have writing?

36. Do you not know the provisions of the Valuation of Land Act?—I have the Act. I have been a valuer for the Government under the Department.

37. How long were you doing values for the Department?—One year as district valuer and five years as a casual valuer.

38. You were a district valuer and did not understand the methods of the Act?—It has been amended.

39. Do you not know that there is provision in the Valuation of Land Act enabling an owner to send notice to the Valuer-General that he requires the value of his property to be reduced to his own estimate of it, and if it is not reduced to that estimate he must take over the land at that figure?—I was conversant with that section. I took it that my letter would be passed on to the proper authorities.

40. When you were aware of the provisions of the Act why did you not invoke the aid of section 31?—I invoked the aid of the Act.

41. You asked the Government to take over the land at the Government's valuation?—I thought that was the law.

42. When you were an officer of the Department did you make it a practice to deduct the improvements from the capital value to arrive at the unimproved value?—It depended on the locality and what was a reasonable unimproved value for the user.

43. Was that carrying out the provisions of the Act?—I think so.

44. What is the definition of "unimproved value" under the Act?—Fair unimproved value in its original state.

45. What do you mean by original state?—Only one meaning can be put to it.

46. If bush land is bought at £1 an acre, and ten years afterwards has to be valued, how would you value the unimproved value?—I would value the land at its carrying-capacity.

47. Do you not take into consideration any other factor?—I take into consideration many factors.

48. Do you take into consideration the matter of road and railway facilities and the expenditure of public money?—Yes.

49. According to your answers you have not been valuing upon that basis at all?—I have. You misunderstood me when I said I deducted the unimproved value from the capital value. One of your notices some years ago said that the improvements were not to exceed the capital value.

50. That is absurd, for in such a case there would be no unimproved value at all?—It is an absurdity, and no practical valuer would make a valuation on those lines.

51. There are really more improvements on your section than are necessary for the land?—For that particular section, yes.

52. You expect the improvements to be cut down to the requirements of that portion of the land, do you not?—I am working it in conjunction with other areas.

53. This area is valued by itself?—Yes.

54. On these 251 acres you have all these improvements?—Yes.

55. And your estimate of the value of the improvements is £3,156?—Yes.

56. They were reduced to £2,260?—I have already explained that the valuer and myself agreed in my house as to the value of the improvements, and I could not very well make an alteration in them.

57. How did the reduction to £2,260 by the Assessment Court come about?—How do I know. I was not told how it came about.

58. Did not any communication take place between you and the district valuer?—Not as to how these were cut down. He came with his henchman to my house, but he did not go into the question of the improvements on this section.

59. On what evidence, then, did the Assessment Court reduce it?—I do not know. I was not told how they were reduced. The two assessors are here.

60. *The Chairman.*] Are the properties with which you work the homestead block adjoining?—Two of them are over the railway-line, and the third section is up the road, about half a mile distant.

61. *Mr. Campbell.*] Freehold?—Yes, except one, which is educational lease.

ROBERT CLIVE FOWLER examined.

1. *The Chairman.*] What is your position?—I am a farmer residing at Mangamahoe, occupying Section 115, Block XIV, Mangaone Survey District, in the Mauriceville County. My main objection is as to my unimproved value, which I consider too high.

2. Do you object to the capital value?—No.

3. Only the division between the capital value and the improvements?—Yes. I consider I am valued at £2 an acre higher than is fair.

4. What did the Court assess the unimproved at?—About £6 10s.

5. Did you appear as an objector before the Court?—No. I saw the valuer before the Court sat, and withdrew the objection. He said most of my neighbours had withdrawn their objections, and in any case the reduction would only be a few pounds. I said that, as my neighbours were doing that, to proceed would not be worth the bother.

6. What acreage has your property?—254 acres 2 roods 24 perches.

7. Was any alteration in the value made by agreement between you and the valuer?—No.

8. We have it that you were dissatisfied with the unimproved value, yet you did not appear?—No.

9. Just because you thought there would only be a difference made of a few pounds on which rates and taxes are levied?—Yes, and also that the valuer informed me that the others had withdrawn, and it was no use my turning up by myself.

10. Did he say they had withdrawn, or that he expected them to withdraw?—He excepted Mr. Heckler. A portion of my land cost £7 an acre to get it properly improved, and £6 10s. is too high an unimproved value for a sheep and a half per acre of land. There is a property a few miles lower down the road which is recognized as the best property in the Forty-mile Bush, and I believe it is valued at a few shillings less than mine.

11. Have you anything to say with regard to Mr. Heckler's property?—I think it is worth about the same as my property. In fact, according to site, mine would be a little more valuable, because it is a corner section. I consider Mr. Heckler's valuation at £16 10s. too high. I should like to know how they get at the unimproved value.

12. *Mr. Campbell.*] You must take it that the place stands alone, and is valued by itself?—It is not fair; it is illogical.

13. *The Chairman.*] Improvements made on the adjoining properties and in the district generally tend to add to the selling-value of your land?—That is so; but if you take my section as unimproved you should take the whole district as unimproved also.

14. It is what that particular piece of land will sell for if it had no improvements on it?—You are taking one section, and that does not put a true value on it.

15. We are not here to discuss the Act, but to hear suggestions?—I am giving my suggestion. You should take the district as a whole, and not a single section. If all the other sections were improved and this section unimproved, of course the position would be different.

16. *The Valuer-General.*] When you speak of the carrying-capacity, I presume that is your estimate of the carrying-capacity of that piece of land?—Of the district generally.

17. The district generally will not do when you are dealing with a specific piece of land. When you speak of a sheep and a half to the acre I presume that is your estimate from the stock you are carrying?—Yes.

18. You put down nearly £8 per acre for improvements: do you not see that as you go on improving the capital value must go up. You cannot go on improving and expect to take the additional improvements off the unimproved value?—I am not doing so, but I simply say that the unimproved value is too great. It should be reduced by £2.

19. Why?—Because if one-sheep country is worth £10 per acre, by the time I have that place improved it has quite cost me £7, therefore taking £7 from the £10 that leaves £3, allowing £1 10s. for being nearer the railway.

20. Provided that a sheep and a half to the acre is its carrying-capacity. That has not been proved?—Surely I know as much about the carrying-capacity of my section as the valuer.

21. Not necessarily. There are men working sheep and agricultural farms who are not getting out of the land half what is in it?—You have to prove I am not getting out of the land what is in it.

22. No. It is for you to bring evidence that the land is only sheep-and-a-half land?—I have neighbours here. The whole land is of the same value.

23. If a district is well served with public works, railways, &c., you will admit there is a value attached to the land apart altogether from the value put there by the owner. That is part of the unimproved value?—Yes.

24. If this land had no railways, roads, or telephones, what would be the value of the land to-day?—That is my point. I say you should take the whole district as unimproved, and not one particular section.

25. *Mr. Campbell.*] How many sheep does your place carry during the winter?—450. If I carry cattle I carry a few sheep less.

26. That is with cattle and horses?—Yes. That is mixed sheep, and there are one or two horses and a few milking cattle.

27. Twenty cattle?—That is the average number.

EPHRAIM TILDESLEY examined.

1. *The Chairman.*] What is your position?—I am a sheep-farmer at Mangamahoe. According to what I have heard, I have very little to tell you. I was valued too high, according to the position and the roughness of the section I own.

2. Do you object to the capital or the unimproved value?—Unimproved.

3. How much too high do you consider it?—About £2 per acre. I have 255 acres. It is all hills. As soon as I leave the road I have to start climbing hills.

4. *Mr. Campbell.*] There is no flat land?—There are 12 or 13 acres where the house is, on the side of the road, and I have to climb over a mountain to get to another piece of 20 acres. The section is 109 chains back, and I have to climb a mountain to get to it. I have to pack everything over.

5. How many sheep did you carry through last winter?—Two sheep to the acre.

6. That would be about five hundred sheep?—Yes.

7. And cattle?—I have to carry a few cattle to eat the rough feed down. I suppose I carry twenty small cattle, four milking-cows, and a horse or two.

8. *The Chairman.*] Do you know Mr. Heckler's place?—Yes.

9. *Mr. Campbell.*] How does your property compare with Mr. Heckler's?—Mr. Heckler has a kind of corner section. It is very rough, but he has got 30-odd acres of flat where he has built.

10. Would you consider his place more valuable than yours?—Every man always thinks he has got the best section himself.

11. *Mr. Heckler.*] How would you compare the capital value of my section with the capital value of Mahoe?—I consider Mahoe is worth £5 to £6 an acre more than our land.

12. And it is assessed at £2 an acre less?—Yes.

SAMUEL DAWSON examined.

1. *The Chairman.*] What is your position?—I am a farmer, residing at Mauriceville. My unimproved value is far too high, by reason of the roughness of the ground in the front. From the time I leave the road till I get to the back of the farm I have either to carry the stuff myself or pack it out with horses. I do not think there is 2 acres of flat land on the farm. The only flat ground is where the house and the sheep-yards are. At the very least I have to climb 40 chains before I get to the top.

2. *Mr. Campbell.*] When you get to the summit, what then?—There is a little bit of flat land on the top, and then you go straight down and up another hill.

3. *The Chairman.*] What were you valued at?—The capital value is £4,069 on 288 acres. It works out about £14 12s. an acre.

4. What is your unimproved value?—£2,160. Mr. Tildesley's, Mr. Heckler's, and mine are about the worst, but Mr. Tildesley's and I have the worst frontage, because it is so narrow and we have to pack everything up. I can only bring cattle down in one particular part. All the rest is precipice.

5. You did not object at the Assessment Court?—I objected, but withdrew my objection because I was told I would get nothing, and it was not worth my trouble going forward with it. I was not satisfied, although I withdrew my objection.

6. What was your idea of the unimproved value per acre?—It is £2 too high at the very least. I did not object to the capital value.

7. *Mr. Campbell.*] You do not think it would sell at the price the valuer put on it?—I do not think so for a moment. A man going along the road would not look at my place at all. It has a house on it, but it has no frontage and no flat.

8. *The Valuer-General.*] Do you agree that Mr. Heckler's section is better than yours?—No. They are about the same so far as the land is concerned, but Mr. Heckler's is a corner section.

9. Is it a better one?—I do not think it is a better one than mine. The only advantage about it is that it is a corner section and has a little more flat.

10. Mr. Heckler values his at £4 an acre?—I cannot help that.

11. *Mr. Campbell.*] Mr. Heckler has 30 acres of flat?—I do not think so.

12. He has some flat?—Yes. He has a little flat about the house, but I do not know how much.

13. *The Chairman.*] You are asking for a new valuation?—We ask that an outside valuer should go over our holdings—the holdings of those who have given evidence this morning. We are aware that the assessment is on the selling-value, but we maintain that the selling-value is the carrying-capacity of a place.

DONALD JOHN CAMERON examined.

1. *The Valuer-General.*] What are you, Mr. Cameron?—I am a farmer, residing at Masterton.

2. You have made valuations for the Government Land Purchase Board, the Valuation Department, and for private lending institutions?—Yes.

3. You are practically engaged in the work of valuing now?—Yes.

4. You have a pretty general knowledge of land-values in the Wairarapa district?—Yes.

5. You acted as assessor for the Mauriceville County?—Yes.

6. I presume the Court gave all consideration to the objections of objectors?—Yes.

7. And only where the values were considered fair were they approved by you?—That is so.

8. Have you an extended knowledge of the Valuation of Land Act?—Yes.

9. Do you understand the methods of arriving at the unimproved value and the value of improvements?—Oh, yes. I would like to say I was an assessor in the Court that heard Mr. Heckler's objection. The Court consisted of the Magistrate and another fellow-settler, and every facility was given to Mr. Heckler to place his case before the Court, and we carefully listened to all he had to state or any evidence he brought forward. I may state that the property is one of 200-odd acres, and that he works in conjunction with it another 1,800 acres. It necessarily follows that he must have on that section a tremendous amount of improvements in order to work the 2,000 acres. That is the whole trouble. The land is worth the money, but the improvements are expensive, and it takes far more improvements to work 2,000 acres than to work a section of 200 acres. With regard to the cases of the other complainants, I may say that this is limestone country. The frontage is steep certainly, but the back country is excellent land. You cannot get better. As practical men you know that in limestone country there is very often a cliff, but the land is all right.

10. *The Chairman.*] What evidence did the objectors give?—In most cases they simply came without any evidence, and said they objected to the valuation—that the unimproved value was too high and the improved not enough.

11. All the cases have gone against the objectors because the onus of proof lies on the objector, and they brought no evidence?—As a Court we listened not only to the objector, but were guided to a certain extent by the evidence of the Government valuers.

12. Would a case necessarily go against an objector because he did not call evidence in support of his objection?—No. You see, as a rule we have a local knowledge of the whole district, in addition to that of the evidence which is placed before us.

13. Was there any case where a reduction was made where no party had been called as a witness by the objector?—I think in Mr. Heckler's own case there was a reduction made in the amount for improvements. He called two witnesses, but I have known cases where we have reduced because we believed the man had a fair case, although he had not brought additional evidence.

14. *Mr. Campbell.*] In cases where you are not well acquainted you have to go by the evidence?—True, and from the manner in which the witness gives his evidence you judge the reliability of that evidence.

15. Would it not assist a man if he brought reliable evidence before the Court?—Yes. There is nothing to prevent him, and he does do it.

16. You have sat as an assessor on the Court for some time. Have you seen any bias one way or the other shown by assessors sitting on the Court, either by those appointed by the Government or by the local body?—Generally speaking, you will find the assessor appointed by the local body will act practically on behalf of the objector. He tries to bring out all the points he can in the objector's behalf.

17. You do not think that because he is appointed by the local authority he is appointed to keep up the valuation?—I do not. In every case in which I have sat as an assessor it has been the other way about. He immediately becomes the partisan of the objector. I think the system is a good one.

18. *The Chairman.*] Is the assessor for the local body, as far as your knowledge goes, usually selected from the district that has been valued, or from some other district?—From the district itself mainly. I think the system is a good one, because if you have an assessor watching closely the interests of one side, and the other watching the interests of the other, and a Magistrate there as umpire, you get a fair decision. But if you have three assessors and one umpire you would get a very unfair decision.

19. We have heard that both assessors try to keep up the valuations?—I have found the opposite the case.

20. Is there any difficulty in getting a man who is in business as a valuer and also as a land agent to sit as assessor for the local body? Would his interest in keeping up the price for the sale of land weigh against his interest to assist the objectors in trying to reduce their values?—I think it might in the city, but not in the country.

21. *Mr. Campbell.*] It has been suggested in several places that it would be better if the settlers or objectors could appoint their own assessor?—I think that would be utterly wrong, because that assessor would be out immediately to rook the valuations for all he was worth.

22. You do not think that would be an advisable alteration?—I do not.

23. Really, if he was a partisan he would make a partisan of the other assessor?—Yes.

24. *The Valuer-General.*] In your opinion, did Mr. Heckler get fair treatment at the recent Assessment Court in Mauriceville County?—Yes; he had more latitude than perhaps he deserved.

TINUI, 8TH DECEMBER, 1914.

HERBERT HENRY SHERWELL RYDER examined.

1. *The Chairman.*] What is your position?—I am a farmer, residing at Langdale, in the Castlepoint County. Our petition sums the whole thing up. The petition originated in what happened in the County Council. When we received the demand from the Valuer-General for the amount due on the valuation, instead of paying that amount, the Council held over the payment and appointed a committee from among themselves to go into the values and examine them. The committee did so and reported to the Council at a subsequent meeting, and this is the gist of the finding: "That the committee find it impossible to discover any principle or basis upon which the valuer proceeds in making out his figures." Most of us are practical farmers, and we think it is a proper thing for the valuer that he should justify his values—to explain how he arrives at these values.

2. I do not quite understand that. You are the petitioners, and are in the position of plaintiffs who have got their case to make out. When was the previous valuation which is referred to in the petition?—1907.

3. The Valuation Department is represented by Mr. Flanagan, the Valuer-General, and he will no doubt have something to say when he has heard what the nature of the objection is. So far as the petition goes, you show close on 80 per cent. increase on the 1907 valuation in the South Riding, and an average of about 32 per cent. in the other ridings, and you suggest there is no reason why the South Riding should increase so greatly in value?—That is so, and we want to know why it has taken place.

4. What do you say in regard to the nature of the land?—We say the increase should be on the same basis right through. In the West Riding there are estates carrying practically two sheep to the acre, and fattening all the surplus stock they produce every year, and also fattening the bullocks off the hilly country. This land is valued at £6 8s. capital value. Compare that with other properties situated in the South Riding. There is one property of 3,000-odd acres that I know that carries a fraction over one sheep to the acre, and it is valued at £6 17s. 6d. an acre, and none of these sheep, except a few fat lambs fattened on the flats, can be fattened. All have to be sold. We cannot understand that at all. Even in the South Riding there is one property of over 3,000 acres set down in the sheep return as carrying over two sheep to the acre which is valued at £6 4s. There is a discrepancy in the one riding between two properties.

5. They are valued pretty close, but one carries a fraction over one sheep and the other over two sheep?—Yes. They are only a few miles distant, and it costs practically the same from each to place the stock on the market. Coming to the West Riding, perhaps the valuer does not realize that the producers can place their wool on the market at practically the same price as, say, in the South Riding. I have roughly stated the case so far as we have gone, and I think it is only fair that the valuer should be given an opportunity to justify his values.

6. Do you consider that the North, East, and West Ridings are undervalued?—I am not going to say that. I am not a land-valuer, nor am I here to value the land.

7. We notice that your petition merely complains of disparity. It does not say whether you consider you are valued too high or too low. The burden of rates falls on the South Riding?—That is so.

8. Though you are not a valuer, you have been speaking of the value of the land?—I am not an expert valuer. I am a working farmer, and perhaps know as much, if not more, about its value than the Government valuer. I am not making any comment about the values, but want to know how the expert valuer arrives at his figures.

The Chairman (to the Valuer-General): Will you be calling the valuer?

The Valuer-General: Yes, but not specifically to defend his values.

Witness: We are not objecting to the values in the South Riding, but the position is that if the ratepayers and landowners in the other ridings are too lightly valued it hurts us just as much as if we were too highly valued. That is the position we take up.

ALBERT JOHN SPEEDY examined.

1. *The Chairman.*] What is your position?—I am a farmer, residing at Awatea. Mr. Ryder has mentioned my property, the one of 3,200 acres, valued at £6 17s. 6d. per acre. I am situated in the South Riding, and, although I carried 1·18 of stock on the average for several years, I did not fatten any wethers, but sold them as two-tooth stores, and all my cattle I sell as stores. I do not fatten any cows at all, except an occasional one, which the butcher takes. The country is not good enough to fatten. I want to compare my property with the one mentioned as carrying two sheep to the acre and fattening all the spare stock. That property is valued at £6 8s. The facilities for getting the stock away are about the same. The facilities for getting the stock away from the South Riding in the summer-time have not been improved since the previous valuation, whilst in the West Riding they have been considerably improved. Mr. Ryder also mentioned Dr. Andrew's property, in the South Riding, about the same size as my own—3,500 acres. The facilities for getting his stuff away are very similar to mine, except that he has a few miles further to go. The creek he has to cross is always negotiable in the summer-time with a wagon. There is no bridge across it, but it is their wish that that is so. I do not see why my property, carrying 1·18 of stock, should be valued at £6 17s. 6d., and this other property, carrying 2·2 of stock, should be valued at only £6 4s. The other property I have compared mine with is the Annedale property, in the West Riding, valued at £6 8s. per acre.

2. *The Valuer-General.*] You are referring to the capital value?—Yes.

3. Do you know if the Annedale property is worked as one property or as three?—As far as I know, it is worked as one.

4. But it is valued as three, is it not?—That is so.

5. In valuing it as three the valuer has to take into consideration each property valued. I understand there is no road access to the back portion of the property?—It may be unformed.

6. Do you know the Annedale unimproved values—for instance, the area of 5,366 acres?—£22,805.

7. And the 6,869 acres?—£30,910.

8. And the 3,445 acres?—£11,627.

9. Have you any fault to find with those values?—We did not come here to find fault with the valuer in any particular thing. We just want an adjustment between our values and the values of the other ridings generally. The unimproved value has jumped up in the case of 6,000-odd acres from £23,000 to £30,000.

10. What percentage of increase is that?—I have not worked it out.

11. You have done it in one riding, why not in this?—We took Annedale as a whole.

12. Have you any fault to find with the value put down for this 6,896 acres?—I have fault to find with the general increase of Annedale as a whole.

13. I am not putting it as a whole. It has been valued as three properties?—If it is wrong as a whole it must be wrong individually.

14. Have you any objection to make to the valuation of this 6,896 acres?—I certainly think it is too low altogether.

15. Why?—My own property, for instance, has jumped up from a capital value of £4 per acre.

16. The petition deals with the unimproved value?—My unimproved value is now higher than the capital value was in the first instance, and if Annedale had been jumped up in the same way both the capital and the unimproved value would be much higher than is shown in the valuation.

17. How is Annedale fenced?—It is well fenced.

18. Is each property fenced?—I cannot say that each property is fenced separately. It is worked as one station.

19. On which portion of the property are the buildings?—I could not say.

20. By what route is the access to Mrs. Hoare's 3,445 acres?—I could not state. I do not know which property belongs to the different individuals.

21. Did you know it was only a pack-track?—I did not.

22. And with regard to Mrs. Reed's 5,366 acres?—I do not know. All I know is that they could have had roads made if they had applied.

23. How far is Mrs. Vernon Reed's property back from the formed road?—I have just said I do not know which is her property, so I do not know how far it is from the road. We are taking Annedale as a whole, as it is worked as a station.

24. It is valued on your roll in three parts: why do you take it as one station?—Because it is worked as one station. I am not a Councillor, you know.

25. Why do you take exception?—Because it is valued too low.

26. It is valued in three portions, and has not the valuer to take into consideration the roading and access to each in fixing the unimproved value?—Yes, I should think so—to the separate properties.

27. If Annedale was cut up, would you not require to take into consideration the roading over the whole of it?—If thrown open for settlement the roads would be formed before it was cut up, I should think.

28. If one property has access to the main road, is it not of more value than a property which is twelve miles off the road?—Yes. Is this the first time the valuation has been made on that basis, or has it been like that for forty years?

29. These properties were on the roll, I presume, in 1907. It has been the habit to value Annedale as three properties?—As you say, the valuer has to take into consideration the fact that there is not good roading, but that has been the case for the last forty years, and yet that property has not been jumped up in the same proportion as the rest of the county.

30. You have not taken out the percentages of increase in the various properties constituting what is known as Annedale, and therefore do not know them?—That is so.

31. How can there be a comparison between them, then, and the South Riding?—Because the values have not jumped up.

32. We want evidence of that?—We have it here.

33. I presume you are expressing your opinion?—I am backed up by evidence in the office.

34. Did you go into the question of the increase in values in the East Riding and in the North Riding?—I have not myself, but the Council has; and I think the figures are here to show the increase in each riding.

The Chairman (to the Valuer-General): Does your Department question these percentage increases that are given?

The Valuer-General: No. I have something to say about it later on.

35. *The Valuer-General* (to witness).] Are you satisfied with your valuation?—I have made no statement about it being too high, but we bear an undue portion of the rates by reason of the other portions of the county not having gone up. Also, the produce coming from these other ridings has to come through our riding, and it is a big item.

36. Do you consider that if there is a certain percentage of increase in one riding it should be carried out in all the ridings?—Provided all have been improved alike, and in this case I think they have.

37. You take the previous valuation as being the correct one?—It is more correct than the one we have now.

38. On what evidence do you make that statement?—Because we have not had trouble of this nature.

39. That is your own personal opinion?—Yes.

Mr. Ryder (to the Commission): I have here the valuations of Annedale, old and new, and it is not difficult to get at the percentages of increase. On the 6,869 acres the old unimproved value was £23,859; new, £30,910: 3,445 acres—old valuation, £7,422; new, £11,627: 5,366 acres—old valuation, £15,998; new valuation, £22,805.

DONALD BENNETT examined.

1. *The Chairman*.] What is your position?—I am a farmer, residing at Whareama. All my property is in the South Riding. I have no objection to make to the valuation, but, of course, when I found out what the valuations were in the other ridings I was a bit disappointed, and thought mine was about £3 an acre too high. When the valuer came round he was going to value my interest in the property, which is leasehold, at £10 an acre. After conversation, he agreed to cut it down to £8. The country down that way is not as good as that which Mr. Ryder has mentioned, on some of which, if I had it, I could carry three sheep to the acre. My previous capital value was £2,685, and now it is £4,496. The area is 373 acres. The unimproved value was previously £1,320, now it is £3,089. The capital value increased by £1,784, which I think is rather stiff, considering the valuation placed on some of the other properties more favoured than mine in every way. Another objection I would make is that the valuer, so far as I am aware, never went over my property. I think the valuer should go over the whole of the property. If he does not, he might as well stop in the county office in Masterton and make his value there. My property is valued at £12 15s. an acre, and, as Mr. Ryder says, Annedale is valued at £6, and it is a much better property. I think the valuation is not very just.

2. *The Valuer-General*.] Are you certain that your unimproved value in 1907 was £1,320?—Yes, I just got it out of the rate-book.

3. Was it not £1,708?—It is my mistake in taking it from the book. It was £1,780.

JAMES LENNIE examined.

1. *The Chairman*.] What is your position?—I am a farmer, residing at Whareama. I want to give my experience of the valuer in connection with the last valuation. At the Langdale sports a gentleman came to me and introduced himself as the valuer. In the course of conversation I asked him what experience he had as a valuer, and he said he was Clerk of the Akitio County. I asked him how he had valued my place, and he said he was passing up the road, and came to the conclusion that if I was selling out I would want about £8 an acre goodwill, and he was going to put it down at £8 an acre. I said that if he did there was going to be a row. He said he thought I would want about £8 an acre, and off that the improvements would come. We talked about the sports and one thing and another, and that is all I have seen of the valuer since. So far as I know he was at my door the previous evening when I was out, and my wife told him I would be at the sports. I thought from the conversation that he was coming out to value the place, but I have not seen him since. I was on the Council, and objected to that man being paid, because I understood I was not the only one in the same position. The valuations put on me are: 1902, unimproved value, £3 per acre; in 1907, £4 an acre; and in 1913, £8 an acre—an increase of 100 per cent. There was no possible cause why the unimproved value of this place should rise 100 per cent. in five years. My improvements are valued at £485, and the valuer has never seen them. My valuation of them is £775.

2. Did you agree with the valuer that £8 an acre was a proper value for your property?—I only said, "Well, if you put on £8 there will be a row," but I thought it was only a conversation we were having, and did not understand the place was being valued.

3. Do you consider it is overvalued?—I would not say it is overvalued, but the improvements are certainly undervalued. The total value on my place is high, but I do not think it is out of reason.

4. *Mr. Campbell.*] What acreage have you?—185 acres.

5. What do you use the place for?—Sheep.

6. How many do you keep on it?—Four hundred.

7. And cattle also, I suppose?—Yes, ten or twelve cows and five or six horses.

8. You are valued now at £8?—It is leasehold, you understand. The land is valued at £12 capital value; unimproved value, £6 10s.

9. As a lessee I did not think a distinction would be made between the capital and the unimproved value in assessing your leasehold interest. It would be the difference between the amount you actually pay and 5 per cent. on the capital value of the freehold. It would guide us more to know what the freehold was got at, because the leasehold interest is valued in an arbitrary way in comparison with the freehold interest?—The freehold is valued, roughly, at £12 an acre capital value, but the unimproved value is £7. The capital value of the fee-simple is a little more than £11.

10. Do you object to that valuation as being excessive?—The valuer only credits me with £485 for improvements, but if he deducted £775 for improvements I would have less land-tax to pay.

11. Is there any other matter you wish to bring before us?—I was on the committee of the Council that went over the valuations, and our investigations left me with the impression that the big landowner was let off cheaply and the small man had to pay. The South Riding has the most small holdings.

12. What would you call a large holding in acres?—Anything over 3,000.

13. We have already had two cases of over 3,000 acres referred to in the South Riding. Is Mr. Speedy's place valued high or low?—It is high in proportion to Dr. Andrews's, considering the quality of the land.

14. You mean that, taking the ridings generally, there are more large landowners in the North, East, and West Ridings than there are in the South?—Yes. One of the reasons given for the abnormal rise in the South Riding was the road facilities as compared with the other ridings. As a matter of fact, the Council has spent over £3,000 in the last few years in providing better road facilities for the East, North, and West Ridings. They have a harbour now and all the facilities for shipping, which they had not previous to the last five or six years.

15. Who gave the reason that it was because your road facilities are better?—I think the Valuer-General gave it.

16. Is it the Annedale people you refer to as having a port?—Yes.

17. What is the cost of shipping wool from their port as compared to railing to Wellington?—The charge for general goods from Wellington to Masterton is £1 18s. a ton, and the charge for the same goods to Castlepoint by water is £1 2s. 6d.

18. It is cheaper for goods to be shipped from Wellington to Castlepoint and carted out here than to be railed to Masterton and carted out here?—That is so.

HERBERT HENRY SHERWELL RYDER re-examined.

Witness: Mr. Souness, the local valuer, visited my house and spent the night with me. He put on certain values. We had an argument about it, and he reduced those values to a certain amount. I still protested, but Mr. Souness was a hard nail, and would not climb down at all. As a final inducement I asked him if he would inspect the property. I went so far as to offer Mr. Souness a horse and saddle and go over the property with him, but he absolutely declined. He had a look at the land round about the homestead. The section is a long narrow one, and runs back into the hills, and has a lot of poor country on it. I wanted the valuer to go and see that poor country, and not only the nice ground around the homestead. I think that should be done before a fair valuation can be arrived at. Mr. Souness assured me that the percentage of increase over the whole county would be practically the same. It was for that reason I did not enter any protest after the valuation came in. I am not for a moment stating that my valuation is too high, although I offered Mr. Souness a cheque for £50 if he would bring along a buyer at the price he first put upon it. However, that was a joke between him and myself. I do not see how any valuer, I do not care how competent he is, can value any property unless he goes over the property and inspects it. Especially is that so in the case of a man like Mr. Souness, who is not well acquainted with this district and knows very little about it. He may have been over the roads, but he knows little or nothing about the land in the district. If he valued the back properties on Annedale and other places in the same way as he valued mine I can quite understand the values fixed.

1. *The Chairman.*] Did Mr. Souness value any of the other ridings?—He valued the whole of the county.

2. Do you consider that your valuation as assessed by Mr. Souness is the full selling-value?—Yes. I think it is as much as it would bring in the market to-day. It is not the value I would take for it. It is my home, and I could not afford to sell it. If forced into the market to-day it would not bring a penny more than has been placed upon it.

3. How do you mean "forced"?—If anything happened to me and it was put on the market on the ordinary terms, I do not think it would bring a penny-piece more. But I could not afford to sell at the price.

ALBERT JOHN SPEEDY re-examined.

Witness: When Mr. Souness came to my place to value the property I asked him if he had gone over the property, and he said "No." I asked him if he intended to go over it, and he said he had come from the Black Hill Road. A person going that way sees the best part of the property. Without further inspection he valued the place at that.

HAROLD BENNETT examined.

1. *The Chairman.*] What is your position?—I am a sheep-farmer at Tinui, in the South Riding of Castlepoint County. I am not making any objection to my valuation, as it is the fair selling-value of the property to-day. It is quite as much as it would bring if put on the market. What I take exception to is the low value of other properties in other ridings, and some in the South Riding too. Properties that carry two sheep to the acre are valued down as low as £6 8s. and £6 4s. an acre. My property only carries about a sheep and three-quarters. The capital value at the previous assessment was £3,864, and by the last assessment it is £5,025—a jump of over £2 an acre. My area is 534 acres, and I am valued at practically £10 an acre, against other properties carrying two sheep to the acre, valued at a little over £6. The land-valuer never inspected the property. I admit he came to the house, but any one knows that the most highly improved spots are generally around the homestead. Where the land is poor he did not go.

2. Your grievance is not on account of your own valuation, but you are drawing the inference, I understand, that because he did not visit your property he did not visit the properties in the other ridings?—That is so.

3. *Mr. Campbell.*] But he made a correct valuation of your property?—The valuation is correct enough there, but it is not in the other ridings, and therefore the burden is put upon the few of us in our riding.

The Chairman: I understood on reading your petition that your riding was valued too much. It occurs to me, are there any representatives of the other riding here to say anything on this subject?

Mr. Ryder: I do not know. This has been known in the district, and it is their own fault if they are not here. We only represent the petitioners.

4. *The Valuer-General* (to witness).] Would you mind mentioning some of these properties carrying two sheep to the acre which are valued at less than yours?—Dr. Andrews's for one, in the South Riding. I believe Annedale comes very close to it, but I would not swear it. It should be, if it is not.

5. Although you accuse the valuer of not being over your property he made a fair valuation?—Yes, a fair selling-valuation.

6. Assuming for the present that the valuer was not on your property, but made a fair valuation, would not the inference be that he would make a fair valuation of the other properties too?—The valuations have proved that he has not.

7. Who has proved that?—His figures.

8. There is no proof that the values are wrong?—They must be when they are below what they should be.

DONALD JOHN CAMERON examined.

1. *The Chairman.*] What is your position?—I am a farmer, residing at Masterton.

2. *The Valuer-General.*] Are you a practical farmer?—Yes, I have been farming all my life.

3. Are you intimately associated with all business related to land and stock?—Yes.

4. Is it true you have made valuations of land for several years?—Yes.

5. For the Government Land Purchase Board, the Valuation of Land Department, and other lending institutions?—Yes.

6. Is it also true that you have been Chairman of the Masterton County Council?—Yes.

7. And have been a Government assessor for a number of years under the Valuation of Land Act?—Yes.

8. Have you ever known or heard of a case where a section of ratepayers in a riding of a county, while quite satisfied with the unimproved value put on their own land, yet, by reason of the bare fact that their valuations show an average increase, have urged that the valuations of the remaining portions of the county should be varied and a readjustment made?—No.

9. Do you consider that disparity of average increase in the valuation of a county is an evidence of unfair valuation?—No.

10. Would it be necessary to inspect the properties of a county before coming to a decision as to whether the values were fair or not?—Yes.

11. Would you require to examine each property?—Yes, otherwise you would not know what you were doing.

12. Have you a knowledge of the different classes of land in the Castlepoint County?—I have travelled over it and made valuations in it.

13. On many occasions?—On several occasions.

14. Is it not a fact that there is a considerable area of very poor land in the county?—Yes.

15. Is it not also a fact that the North, East, and West Ridings contain by far the highest portion of poor land?—Yes.

16. Is it not also a fact that this poor land has increased in value very slightly in recent years, and portions not at all?—The good land has increased in value in a greater ratio than the poor land.

17. If you were making a revision of the county, would you raise the valuation of the poor land in the same percentage as you would the good land?—Unless there was something to warrant it, I would not. You could not put a 5-per-cent. advance on land unconditionally.

18. If you found it necessary under altered conditions to raise the value of good land 100 per cent., would you consider it necessary to raise the value of the poor land by the same percentage?—No.

19. Is it not a fact that very poor land is not as much sought after to-day as it was ten or fifteen years ago?—That is so. People want good properties if they can get them to-day. They shy off inferior properties.

20. Have you ever known an instance where the increases that have taken place in regard to poor land barely cover the cost of the improvements on it?—Yes. Poor land in some cases does not appreciate. For instance, the Land Purchase Board bought a piece of land eight miles from Masterton, and have practically given the same price for it that the late owner gave about ten years ago.

21. Do you know of any such properties in the Castlepoint County?—There are some such properties in the North Riding.

22. What price did Buick's land bring?—Very much the same as he gave for it.

23. In what riding in the Castlepoint County is Buick's land and the Loan and Mercantile property situated?—The North Riding.

24. Do you know of any properties in the South Riding which could be bought at the same price to-day as was given for them eighteen years ago?—No; they have gone up very much.

25. Would it be safe to say that the South Riding contains the cream of the land in the county?—I think so.

26. Is it a fact that the South Riding is the only part of the county that has a good outlet?—It has the finest road outlet, and the finest schools, and all the rest.

27. Has it a mail-service too?—Yes, and a delivery of goods from the Masterton storekeepers as far as the Langdale Settlement.

28. How is the North Riding off for formed roads?—Very badly off—that is, within its own boundaries.

29. How would you describe the class of land in the North Riding?—Generally as hilly country and scrub. There are patches of good land, but the bulk of it is poor.

30. Would you expect much increase in value as between 1907 and 1913?—No; it does not appreciate like the better class of country.

31. What defects has it got?—It has bad access for one thing, and it is hilly country. It is costly to get roads into it, too.

32. Is the land in the East Riding of a somewhat similar character to that of the North Riding?—There is some better land in the East Riding.

33. Is there a great proportion of poor land?—There is a big proportion of poor land.

34. Would you describe the West Riding as containing a portion of good grazing-land served by only one road?—That is right.

35. How many miles further from the railway is the West Riding than the South Riding?—I should say twelve to fifteen miles, the extreme end of it.

36. Are you aware of the values assigned to the lands in the recent valuation?—I have seen them.

37. Taking into consideration the general character of the country, its road access and general conveniences, do you consider the unimproved values are generally uniform?—Yes. I went into facts. I took the sheep returns of the South Riding and the unimproved value of the riding, and I took the sheep grazing in the remainder of the county and the unimproved value of that, and worked it out. The carrying-capacity of the South Riding is little better than a sheep and a half to the acre. If you go further and work out the absolute value you will find that the unimproved value as fixed runs out at £3 3s. 6d. per sheep in the South Riding and about £3 1s. in the balance of the county.

38. That is, estimating it on the carrying-capacity as given in the stock returns?—Yes.

39. *Mr. Ryder.*] Have you ever been over the Annedale property?—No.

40. Have you inspected it?—I have not been all over it.

41. Have you valued it?—No.

42. Have you inspected the properties in the other ridings?—I have been on some of them.

43. Do you know where the boundaries are in the various ridings?—Generally speaking, I could pick them out. I do not pose as an expert who knows all the properties.

44. Do you know where the boundaries of the Annedale Estate are, and what riding the whole of the estate is in?—In the West Riding, I take it.

45. Do you know where the boundary of the North Riding is?—Yes, from Whakatake. I have taken the South Riding as one portion and the others as a whole, and not individualized them in position. I am not conversant with the boundaries of the individual ridings.

46. You have given an estimate of the carrying-capacity of the South Riding as compared with that of the other ridings, and you say it works out fairly well. I want to know if you know the boundaries of the various ridings. The West Riding is worth double the other two ridings, and it is necessary you should be able to cut out the West Riding before making a fair comparison of the carrying-capacity of the West Riding?—I understand from the prayer of the petitioners that the valuation of the balance of the county is not uniform with the valuation placed on the South Riding, and therefore, in going into the question in order to give evidence here, I did not individualize any properties, but took the whole of the remainder of the county which the petitioners were objecting to; and that is the line I prepared myself on for evidence.

47. *The Chairman.*] You did give evidence as to some property—the Loan and Mercantile's. Do you know that that is in the North Riding?—Yes.

48. You said that the North Riding has bad roads: do you know where the riding is?—I do not know the boundaries, but I know where it is.

49. You spoke of some tea-tree land in the East Riding. Mr. Ryder's questions are, of course, pertinent to this. Although you have lumped the rest of the county together for the one purpose of working out the sheep per acre, yet you have given evidence of particular properties in particular ridings. Therefore, Mr. Ryder's question is material?—I know that this better land is in the East Riding, but I do not know where the outside boundaries of the riding are.

50. *Mr. Ryder.*] You are a practical farmer. What is the value of land up here in the South Riding that will carry a sheep to the acre?—That is a very nice question. One man may run two sheep to the acre, while another might run little better than a sheep.

51. Supposing you are owning land in the South Riding, and that land will carry a sheep to the acre, how much is that land worth per acre?—There is always a minimum you would give, but there is a maximum too.

52. I am referring to the South Riding?—You have here to-day men with sheep-and-three-quarter land which is valued at £12.

53. I want your evidence?—It is worth £12 in his case.

54. I want your expert knowledge of what one-sheep-to-the-acre land is worth up here in the South Riding?—There are various qualities of land in the South Riding. Some of it would be worth £3 a sheep.

55. How do you work that out?—I am not going to work it out. That is what I would give. I would give £9 an acre in some other parts of the South Riding.

56. Where?—Some of the rich flats.

57. Do you know Dr. Andrews's country?—I do not know it individually.

58. It is on the Whareama River flats. Do you say it is worth £9 per acre, and carry one sheep?—That would be the case. It must be improved and up to date.

59. One sheep to the acre?—One ewe to the acre. I am basing everything on one ewe to the acre.

60. *The Chairman.*] Can you base it one one sheep of any kind?—No.

Mr. Ryder: When we say one sheep to the acre we do not individualize as ewe, or hogget, or wether. When we speak of sheep or sheep-and-a-half country we infer a mixed class of sheep.

Witness: This country grows scrub and mixed native grasses. One wants to see the country before valuing it as sheep-to-the-acre land. Where the land is poor and has native grasses the sheep coming from it are not worth so much, nor do you get so much for the wool as is the case with sheep coming off English grass, even though in each case it is only sheep-to-the-acre land.

61. *The Chairman.*] You say you cannot fix the value of land merely by the number of sheep it carries?—That is so.

62. *Mr. Ryder.*] But you are here to give evidence as an expert of the value of land in this district. I have asked you the question, and you have not stated very definitely yet. You say the rich flats are worth £9 an acre for every sheep they carry; if two sheep, £18. You know the Annedale property—it is carrying a sheep to the acre—what is land there worth?—I have not seen the property except to ride through it, and I cannot give an opinion on its value. I have said before that there may be land here worth £3 per sheep and there may be land worth £9 per sheep. I cannot be tied down to anything else.

Mr. Ryder: The witness admits he does not know the property sufficiently well to give a value for it. The evidence is of no use to us or to anybody, because he admits he knows nothing about the values in this county. I am not going to ask him any more questions. He admits he knows nothing about it.

Witness: There is land here you could value up to £9 an acre, but one wants to see the land and the quality of the land. There is no man here who can tell you the value of land per acre by just being told the number of sheep on the land. I have enough experience to know that.

63. *The Chairman.*] You have given evidence to Mr. Flanagan comparing the South Riding with the rest of the county on the carrying-capacity of sheep. The South Riding, with a sheep and a half to the acre, worked out at £3 3s. 6d. per sheep, and the remainder of the county, at one sheep to the acre, worked out at £3 1s. Do you qualify that in any way?—No. I took that as actual fact. I took it from the Government sheep returns and from the Government valuation of the two classes of land. It is not my opinion; it is just a matter of figures.

64. Would not the same difficulty occur here—that the wool might be better, and so on? Would not that difficulty apply in using these figures as a test?—Hardly, because where more closely settled they may stock harder. There are conditions surrounding the position. Any practical man knows that small holdings may stock harder than big holdings, and it is difficult to arrive at a fair estimate of the thing. I took the sheep from the sheep returns and the figures from the Valuation Department. The only thing one would infer from those figures is that the south has not been valued as highly as it might be.

65. I am not a practical man, and know nothing about these things. Is not this done on the basis of the sheep-carrying capacity?—Yes, on the whole country side.

66. If I understand aright you said to Mr. Ryder that the mere sheep-carrying capacity could not be taken as an infallible test?—That is so. One would require to see the whole country for himself.

67. We cannot take this as a fair test?—It must be a fair average test.

68. You mean that as between two properties one might be one sheep and the other three sheep, but taking the whole of the county and one riding as against the others it might work out as a general average?—That is so.

69. *Mr. Campbell.*] If you allowed £3 per acre for mixed sheep, what would you allow for two sheep?—It would be increased, but not necessarily to £6—perhaps to £7 or £8.

WILLIAM JAMES WELCH examined.

1. *The Valuer-General.*] What is your position?—I am a sheep-farmer, residing at Masterton.

2. Have you made valuations of land?—Yes.

3. For the Government?—For the Government and for private individuals and lending institutions. I was one of those who made the valuations of Tawaka and other large properties.

4. Have you a knowledge of the land-prices in Castlepoint County?—Generally, but not individually. Originally it was part of the county I represented. I was Chairman of the county at the time this riding was constituted into a separate county.

5. Are you Chairman of the county now?—Yes, of the Masterton County Council, and have been so for seven or eight years.

6. Have you made valuations in the Castlepoint County?—Yes.

7. Recently?—Eighteen months ago.

8. In connection with your duties as Chairman of a county you have become familiar with the provisions of the Counties Act?—With some of them. It takes a long time to become familiar with the lot.

9. In dividing a county into ridings, do you think it possible to lay off the boundaries so as to include lands of equal area, value, and population?—I would not like to try it.

10. Would it be possible?—No. That is in country like this. It might be done in country like the Canterbury Plains, where they have small counties, but in country like we are dealing with in the North Island it would not be possible.

11. Assuming it was possible to do it and the county was valued five years afterwards, would you expect the unimproved value of the ridings to increase or decrease, as the case might be, by equal percentages?—I would not.

12. Would you judge the correctness or otherwise of a revaluation by the result of the percentages of increase or decrease on that valuation?—No.

13. A valuation was made of the Masterton County a little over two years ago: do you recollect the results of the aggregate increases in the unimproved values of the ridings?—Very well. Opaki went up 22 per cent. That riding, I would like to explain, takes in a good portion of Masterton, and includes the suburb of Landsdowne. Rangitumu went up 49 per cent., Tewiti 34 per cent., Wainuioru 38 per cent., and Alfredtown 66 per cent.

14. Would that suggest to you that the valuation was a faulty one?—No, rather the reverse, knowing the country as I do.

15. Do you regard disparities in the average increase of percentage valuation as evidence that the valuation is faulty?—No.

16. Have not ridings the right to strike a special rate of their own in the county?—Yes. That is the object of ridings, and that was one of the main objects that the counties fought for—to get country representation, so that the counties could be divided up into small ridings, and so allow the districts to strike rates according to their own requirements.

17. *Mr. Campbell.*] Each riding can put its own rate on?—So long as it is equal to the general rate. A separate rate carries a Government subsidy.

18. One of the reasons mentioned in the petition is that, because of the disparity, the burden of the county rates is largely transferred to the ratepayers in the South Riding?—It lies entirely with the Councillors for the South Riding to remedy that.

19. Did you say you had a knowledge of the land in the Castlepoint County?—Generally, but not individually.

20. Have you had sufficient experience in land and land-valuing to enable you to form, going through a district, a tolerably good impression as to its carrying-capacity?—Yes. If a property is quoted to me in Masterton or any part of this county I could say whether it was worth my while to go and look at it.

21. *The Valuer-General.*] Is it not a fact that there is a considerable amount of poor land in Castlepoint County?—Yes.

22. And that the greater percentage of that poor land is in ridings other than the South Riding?—Yes.

23. If you were employed to value the county, would you raise the poor land at the same percentage as you would raise the good land?—No; there is nothing to warrant one in doing it. Poor land will turn dog on you at any time, whilst good land will stand by you. There is always a market for good land, and anything put on it will come out well. In the case of poor land that is not so, and therefore the demand for poor land is nothing like proportionate to the demand for good land.

24. Is it not a fact that the value of good land will improve to a greater extent than that of poor land?—Up to 100 per cent. more.

25. If you found it necessary to raise the unimproved value of the good land by 100 per cent. to 150 per cent., would you consider it necessary to raise the inferior land by the same percentage?—No.

26. Is it your experience that there are as many inquiries after poor properties as there are after land that is of first-class quality?—There is nothing like the inquiry in the one case that there is in the other.

27. Could any of the properties in the South Riding of Castlepoint County be bought to-day for the same price as they were being sold at eight years ago?—I should think not.

28. Do you know of any sales that have taken place recently of lands in the South Riding of Castlepoint County?—Yes. Grove's and French's, but I do not know what price they brought.

29. Was that sale before or after the revision of the county?—It is about three years since French came out here, and the last valuation was made about two years ago.

30. Did you know the old value of Mr. French's property?—No.
31. You do not know the sale price?—I have forgotten. He told me about it, and I told him I thought he had a good thing.
32. You did not know it was 111 per cent. more than the roll-value?—No.
33. You know the values generally assigned to the properties in the South Riding of Castlepoint County?—Yes.
34. What do you think of them?—I think, if anything, the South Riding comes best out of it.
35. Do you think the South Riding is undervalued?—If anything, it is.
36. *The Chairman.*] You say it is the fault of the Councillors of the riding if they do not get the riding rate to their taste?—My contention is that you strike a rate to suit your own requirements, and therefore if the South Riding can do with a half-penny or the three-farthings rate it does not matter to them what the valuation of the other ridings is.
37. Will the Act allow Councillors to have whatever rate they like?—They are bound to spend the riding rates in the riding. What I have said does not apply where there is a main road going through the county.
38. *Mr. Ryder.*] You know that in this county we have declared a certain road to be a main road?—I did not know of it.
39. As Chairman of the Masterton County, how would you say a road declared to be a main road would be maintained?—Out of the general rates of the whole county.
40. What other expenditure comes out of the general rate?—Office expenses, engineering, hospital and charitable aid, cost of preparing the rolls, &c. But all the rates on the riding must be spent within the riding.
41. What do you mean by that?—Maintenance and new works.
42. Where have you made valuations in this county?—At Castlepoint.
43. I want the properties. If you give the price I will pick the properties?—I do not think it is right that I should give the information. Castlepoint was valued for the Government, and is different.
44. You decline to answer the question?—Yes.
- The Chairman.* Then, of course, we cannot take any notice of his evidence that he has made valuations at Castlepoint. Evidence not subject to cross-examination is not evidence at all.
45. *Mr. Ryder.*] Do you think you could value a property without inspecting it?—No, not to do justice to the estate. A general idea could be given.
46. Could a Government valuer give a valuation without inspecting the property?—No.
47. If hilly country in this district produces fat lambs, would you consider it good or indifferent country, or what?—It depends on how the land is stocked.
48. Can you fatten lambs on native grass?—Yes, I have seen good lambs come off native-grass country.
49. Would you consider that you could produce fat lambs off native-grass country?—Not generally: certain seasons you could.
50. How do you consider it for fattening bullocks?—Not profitable.
51. Were you at the big cattle-sale in Masterton a few months ago?—No.
52. You perhaps read in the papers that some of a mob of fat cattle that came off a certain estate in this riding brought £14 per head?—I saw the report; they were four years old.
53. They were three years old. Would you consider it good hill country to produce that?—Yes, if they were fat.
54. The steers out of the same mob brought £11. Did you see that?—No.
55. You consider hilly country that produced fat lambs good country in this district?—Yes.
56. And country that produces fat bullocks off the hills you consider good country?—Yes.
57. You know the ridings of the district?—Fairly well.
58. Do you know the road to Castlepoint?—Yes. Although I have been over the other main roads, I cannot say that I know them. It is twenty years ago since I first went out by the Castlepoint Road.
59. What was the road like then?—Fairly bad in some places.
60. What was it like ten years ago?—Slightly improved.
61. What was it like seven years ago?—I was not over it seven years ago. I was over it eighteen months ago, and it cost me a new set of tires.
62. Was that on account of the metal?—It was on account of the Castlepoint metal.
63. Do you know the Whakatoke?—Yes.
64. How many years ago was the road made down there?—We had to go that way the first time; the second time we took the road instead of the creek.
65. The whole of the road from Tinui to Castlepoint is good?—To-day it is good for a country road.
66. And has been so for many years?—Yes. The county roads are very decent, but the trouble is that you practically only have two roads.
67. You are aware that practically all the properties abut on the one road?—That is so.
68. And there is no necessity for other roads?—Not as the land is held to-day, in blocks. The properties can be worked with the roads as at present.
69. Do you consider that the settlers holding the land as they do to-day have not sufficient roads?—For the properties in their present state I should say the roads were sufficient. They can get their stock away, and in the summer months their produce.
70. What would you say was the difference in the cost of shipping a bale of wool at Wellington from the East Riding and from the South Riding?—I should say there would be very little.
71. Do you not think that wool could be shipped to Wellington just as cheaply from the West Riding as from the South?—I should say not. The cartage over the Whakatane Hill has to be considered.

72. What do you think I can get my wool carted to Castlepoint at, per bale?—Say, 4s. per bale.

73. That is near enough—3s. 9d. How far is the Manawa property from Tinui?—Eight miles.

74. And my place is about seven miles from Tinui. Is it not fair to assume that they can carry their wool for 4s. a bale to Castlepoint?—Yes.

75. How much would it cost Maunsell to take his wool to the coast?—It would not be carried proportionately cheaper. There could be only one trip per day, the same as from your place or Manawa. I should say about 3s. a bale.

76. And from this place or Manawa—say, forty miles—to Masterton?—About 5s. 6d. a bale.

77. And from Masterton to Wellington?—5s. It would run into about 10s. 6d. per bale from the farm to Wellington.

78. So that you think wool can be sent as cheaply to Wellington from the East and West Ridings as from the South Riding?—I do not know what the charge for storage at Castlepoint is.

79. The charge is 5s. for shipping and storage. There is no storage charge. Add that to the charges at this end?—Then there is very little difference.

80. By the coast is the cheaper?—Yes, a little.

81. Do you know how far it is from Maunsell's to Langdale?—About ten miles.

82. It is seven miles. How much longer do you say that distance would make on the drive to Masterton?—Two days, taking a man starting from Langdale and another from Maunsell's. Every day's travelling makes a difference.

83. Are you aware that fat stock are driven from here to the rest-place, at the bottom of Black Hill, in the first day?—I am not aware of the different stages.

84. Are you aware that when the drafters pick up a lot of fat sheep they always bring them to one point, which takes a day, and that point is Black Hill?—I was not aware of it, but I think it could be done.

85. With regard to this two days' extra driving, do you say it takes two days to drive a mob of sheep seven miles, or less than seven miles, to Black Hill?—I said it would take two days longer to drive to Masterton.

86. Are you aware that our sheep from the South Riding travel more than three miles and a half to get to the same point as Mr. Maunsell's sheep get to?—It depends on which road you take them. If you took them down the Mangapapa it would be easier.

87. Do you know the distance from my gate to the Junction Hotel, whichever way you go?—I do not suppose it would make much difference.

88. You are not aware that some of the sheep that get to this point from Langdale travel further than Maunsell's do to get to that point?—Perhaps they would. You are picking out one isolated property.

89. I do so purposely. You still maintain that it takes two days longer to get to Masterton?—I do, because you must put them in the paddock after mustering them, and, taking that into consideration, it must take two days longer from the North or the West Riding than from Langdale. Buyers allow a 4 lb. wastage from Langdale.

90. I want you to take it that we start from Maunsell's?—If you start the sheep fresh off the paddock from Maunsell's there would only be the difference in time it would take to drive them, but that is not a fair way to put it, because all the lambs are not bred at Maunsell's gate. Starting fresh from Maunsell's and from your place there would be no difference.

91. How long would it take to drive sheep from Annedale to the foot of Black Hill—ten miles?—I always look on ten miles as a decent drive for fat sheep in one day.

92. That is one day's drive to the market longer than for stock from the South Riding?—Yes.

93. That is to say, that wool is marketed cheaper from the East and the West Ridings than from the South Riding, and fat sheep from these ridings only take a day longer to get to the market than sheep from the South Riding. It has been stated that the cream of the county lies in the South Riding?—Speaking generally, it does.

94. Do you know the South Riding well?—I have been pretty well round it.

95. Have you been on any of the properties?—Yes.

96. Have you been on any of the properties in the West Riding?—Yes, on Manawa and Annedale.

97. Are you aware that there is only one property in the South Riding that can in any way compare with country in the West Riding?—I dare say that if you take out one or two of these properties the carrying-capacity would be quite as good as, if not better, in the West Riding than it is in the south.

98. Where is all this bad country in the West Riding?—There is some very hard country adjoining the North Riding, as I remember it. I am rather at a loss to know where the boundaries are.

99. I am quite sure you are, or you would not make that statement. Can you mention any particularly hard property in the West Riding?—I could not name it. I could perhaps point one out to you, but I could not say whose property it is.

100. Do you know Mrs. Andrews's Ica Estate?—I was on it some years ago; I do not know it very well.

101. Are you aware that there are about 2,000 acres that will hardly carry a sheep to 10 acres?—I am aware that it has some very poor country.

102. Are you aware that 5,000 acres carry 4,000 sheep?—I was not aware of it.

103. You are not aware of the bad country there is in the West Riding?—No. I only state what I know from actual truth.

104. *The Chairman.*] Can you tell the ridings by reason of the sales that have come under your notice?—They do not always give the riding.

105. *Mr. Ryder.*] Are you aware of this fact, that the small settlers in the South Riding have been spending large sums of money in improving their properties?—They would be very foolish if they did not.

106. Are you aware that some of the bigger properties in the other ridings have been allowed to go to wreck and ruin because of no money being spent on them?—No.

107. Has the Castlepoint property been improved?—It is a property that will not stand improving. You can cut the scrub down, and that is about all.

108. That does not apply to the Langdale property?—No. You have ridges on which scrub may come.

109. Would you believe that scrub was a constant source of worry to other properties in Langdale?—No.

110. Not if you saw it with your own eyes?—No. There may be patches, but there is no considerable extent of it.

111. Would you believe that there are sections of considerable extent that have to be continually burned to keep down the scrub—two-thirds of the section, and big sections, too?—I would like to see them before I believed it.

112. You would believe it if you saw it?—Yes.

113. You say that the Castlepoint country is not capable of being improved?—Not like Langdale.

114. *Mr. Campbell.*] Would you take it as any guide to value that a riding carries a certain number of sheep?—You might get one riding with double the acreage of the other one, and the comparison would not be fair. The smaller riding that carried the same number of sheep would be the better of the two.

115. Would it be a guide or no guide?—It would be a guide.

116. *The Valuer-General.*] Reference was made to the distance of Annedale from the market, and the object of the question was to show that it was not dearer to ship from there than from other parts of the county: in driving fat lambs from Annedale would you not allow for wastage?—Certainly. That would also have to be done in the matter of driving from Langdale, but not in the same proportion.

117. What is the proportion from Annedale?—Buyers tell me they allow 4 lb. per head.

118. That would mean 1s. per head?—More, at present.

119. That would be a minimum of £1 per acre, at 5 per cent.?—That is so.

120. *Mr. Ryder.*] Is the wastage on wethers as big as on lambs?—No.

121. Or ewes?—No. The wastage on older sheep is not so great as on lambs.

WILLIAM SOUNESS examined.

1. *The Chairman.*] What is your position?—I am a farmer and land-valuer, residing at Pongaroa.

2. *The Valuer-General.*] How long have you been valuing land?—It is thirty-five years since I first did any.

3. How long have you been valuing for the Government?—Twelve years.

4. In what parts of the Dominion have you been valuing?—I valued Akitio County for the Government, but I made valuations in Southland before I came up here.

5. Were you employed to make valuations for the Government in the Castlepoint County?—Yes; I made the 1912 valuation, the last revision.

6. How long did it take?—I started about the beginning of October, 1912, and finished with the work all through in April, 1913.

7. Did you examine the properties in the county?—I examined every property.

8. You are quite sure?—Yes.

9. In estimating the unimproved value of the land in the county, are you guided solely by the alleged carrying-capacity?—No. I take into consideration the position, means of access, the quality of the land, and the nature of the land. The value has to be altered according to the kind of land being valued. The unimproved value cannot be fixed by any definite rule.

10. In the definition of "unimproved value" in the Valuation of Land Act is the price of the land based on the carrying-capacity?—I never read it that way.

11. What is the definition?—The sale price, or what it would require for a man to make a living off.

12. Are you guided at all by sales?—As a guide it helps to fix the value of the land. It shows that a man can make a living off it at the price, or he would not give it.

13. Do you assume that the price given indicates the carrying-capacity?—It might, but position might make a difference. A man might want his children to go to school, and give more for a block of land on that account. I have known of cases like that.

14. Have you read the memorial which states that the percentage of increase in the Castlepoint County was 79 per cent.?—Yes.

15. Does that not mean that every property in the country has been increased by 79 per cent.?—No. That was the average increase.

16. Do you know of properties in the South Riding where the increase was not 40 per cent.?—Yes. I have here a schedule showing, with regard to each of the four ridings in the Castlepoint County—(1) the area, (2) the unimproved value assessed in 1907, (3) the unimproved value assessed in 1912, (4) the percentage of increase, (5) the total unimproved value for each riding

according to the valuations of 1907 and 1912, (6) the average value per acre, and (7) the capital values and sale prices of properties which have been sold:—

SOUTH RIDING.

Area.			Unimproved Value.		Increase.	Area.			Unimproved Value.		Increase.
			1907.	1912.					1907.	1912.	
A.	R.	P.	£	£	Per Cent.	A.	R.	P.	£	£	Per Cent.
3,353	0	0	10,000	15,088	50	339	0	0	1,204	1,525	26
739	1	0	1,848	2,956	60	58	2	0	230	464	100
3,558	0	0	7,000	16,011	128	534	0	24	2,262	3,070	36
2,931	2	0	5,620	12,456	149	417	0	0	1,560	1,876	19
4,943	2	0	6,363	13,066	107	4	0	0	50	50	Nil.
19	0	0	57	100	75	50	0	0	200	250	25
323	0	0	969	1,454	50	12	0	0	46	72	56
335	0	0	1,182	1,590	34	108	2	0	594	680	14
5	0	0	25	50	100	22	0	20	143	227	58
93	3	0	534	800	49	19	0	0	57	100	75
1	2	0	15	15	Nil.	323	0	0	969	1,454	50
185	1	0	743	1,295	74	5	0	0	25	50	100
373	3	0	1,708	3,087	80	93	3	0	534	800	49
74	0	0	444	647	45	1	2	0	15	15	Nil.
986	2	0	3,450	6,162	78	185	1	0	743	1,295	74
85	2	0	510	744	45	373	3	0	1,708	3,087	80
216	1	0	825	1,080	30	74	0	0	444	647	45
13	3	8	50	93	86	986	2	0	3,450	6,162	78
13	3	8	50	93	86	85	2	0	510	744	45
836	0	0	2,508	5,016	100	216	1	0	825	1,080	30
832	0	0	2,288	3,744	63	673	0	0	2,019	3,701	83
673	0	0	2,019	3,701	83	439	0	0	1,208	1,975	63
439	0	0	1,208	1,975	63	250	0	0	750	1,375	83
250	0	0	750	1,375	83	505	0	0	1,160	2,146	85
505	0	0	1,160	2,146	85	3,504	3	22	13,410	25,240	88
582	0	0	2,036	3,637	78	1,927	3	35	6,720	11,562	72
1,085	0	0	3,760	7,595	100	56	0	0	196	448	128
3,504	3	22	13,410	25,240	88	2,991	0	0	7,764	13,164	69
27	3	17	81	140	75	628	2	24	1,933	3,770	95
1,927	3	35	6,720	11,562	72	557	2	32	1,915	3,346	74
56	0	0	196	448	128	672	2	0	2,016	3,360	62
2,991	0	0	7,764	13,164	69	43	3	0	287	387	62
31,961	0	10	85,293	156,530	...	339	0	0	1,204	1,525	26
147	0	0	294	460	56	58	2	0	230	464	100
628	2	24	1,933	3,770	95	534	0	24	2,262	3,070	36
557	2	32	1,915	3,346	74	417	0	0	1,560	1,876	19
672	2	0	2,016	3,360	62	4	0	0	50	50	Nil.
43	0	0	287	387	62	50	0	0	200	250	25
230	0	0	840	1,195	42	5	1	3	50	50	Nil.

Sales in South Riding before Revision.

Area.			Unimproved Value.		Increase.	New Value.
			1907.	1912.		
A.	R.	P.	£	£	Per Cent.	£
836	0	0	1,259	4,598	265	4,902
673	0	0	1,020	4,206	312·3	3,233
832	0	0	1,772	3,744	111·3	3,790
250	0	0	782	2,050	155·7	1,659
1,927	0	0	10,016	15,800	57·7	15,368
339	0	0	1,864	2,033	9	2,895
534	0	24	3,864	4,561	18	5,025
85	2	0	587	1,100	87	882

Sale after Revision.

Area, 1,242 acres 1 rood 16 perches; sale price, £13,662; increase, 10·8 per cent.

EAST RIDING.

Area.			Unimproved Value.		Increase.	Area.			Unimproved Value.		Increase.
			1907.	1912.					1907.	1912.	
A.	R.	P.	£	£	Per Cent.	A.	R.	P.	£	£	Per Cent.
1,971	1	24	2,120	2,464	16	25	3	11	230	257	11
18	0	0	18	27	50	50	0	0	250	250	Nil.
487	0	0	1,974	2,101	11	52	0	16	140	260	85
1,237	1	35	2,200	3,712	68·7	68	0	0	30	34	13
52	0	32	210	262	25	83	0	0	415	370	12
31	0	0	40	46	15	28	0	48	60	112	86
715	0	0	1,202	1,072	12*	20	0	0	100	120	20
381	1	0	762	1,047	37	2,943	1	22	8,498	15,451	81·7
84	0	0	164	168	3	1,856	0	0	7,795	9,744	25
196	0	0	294	392	33	1,046	0	0	4,303	5,361	22
21	0	0	50	63	26	5,209	3	30	14,197	19,538	37
32	0	0	85	144	70	22	2	0	220	237	8
235	3	0	940	1,060	12·7	939	3	0	3,110	3,421	10
150	0	0	157	305	94	16,535	1	3	29,720	41,338	39
1,148	0	0	1,237	1,672	34	2,661	0	0	6,652	10,644	60
3,000	2	16	3,228	3,375	4	61	2	0	313	399	27½

* Reduced.

Sale before Revision.

Area, 381 acres 1 rood; unimproved value, £1,152; sale price, £1,504; increase, 30·5 per cent.; new value, £1,836.

Sale since Revision.

Area, 3,130 acre.; sale price, £20,384; new value, £15,977.

NORTH RIDING.

Area.			Unimproved Value.		Increase.	Area.			Unimproved Value.		Increase.
			1907.	1912.					1907.	1912.	
A.	R.	P.	£	£	Per Cent.	A.	R.	P.	£	£	Per Cent.
6,382	1	26	6,413	9,573	50	33	0	16	90	123	36
922	0	0	1,000	1,613	61	56	1	33	154	233	51
115	0	0	300	315	5	2,430	1	0	2,443	3,645	50
115	0	0	300	315	5	4,985	0	0	9,548	13,081	37
12,972	0	0	20,033	25,944	29	3,583	3	23	7,166	7,148	£18*
113	3	25	342	385	12						

* Reduced.

Sales since Revision.

Area.			Unimproved Value.	Sale Price.
A.	R.	P.	£	£
6,479	2	8	12,978	14,805
3,583	3	23	10,853	11,334
12,972	0	0	40,451	40,451

WEST RIDING.

Area.			Unimproved Value.		Increase.	Area.			Unimproved Value.		Increase.
			1907.	1912.					1907.	1912.	
A.	R.	P.	£	£	Per Cent.	A.	R.	P.	£	£	Per Cent.
6,461	0	0	5,129	6,461	25	1,015	0	0	4,297	5,200	21
508	0	0	125	254	100	1	1	16	6	20	233
191	0	0	47	95	100	636	3	4	1,900	3,185	67
20	0	0	30	40	33	804	1	38	3,330	3,840	9
200	0	0	500	550	10	634	0	0	1,900	2,853	50
5,366	2	0	15,998	22,805	42	3	0	38	20	15	*
6,869	0	0	23,878	30,910	29	1,046	2	36	3,130	3,925	25
3,445	0	15	7,413	11,627	57	1,402	0	0	2,600	4,206	61
9,423	1	13	24,825	30,394	22	799	0	11	1,450	3,300	127
2,849	3	24	8,476	11,737	38	3,039	3	39	9,495	16,720	76
79	0	22	29	120	313	6	2	27	70	70	Nil.
970	2	0	4,202	5,092	21	1,673	3	0	4,166	4,230	25
1,254	3	11	3,388	4,702	38	211	0	0	422	660	56
368	0	0	1,565	1,932	23	96	0	17	2,038	2,200	9

* Reduced.

Sales before Revision.

Area.			Unimproved Value.		Sale Price.
			1907.	1912.	
A.	R.	P.	£	£	£
709	3	27	3,424	5,762	6,550
3,839	0	0	17,480	27,680	34,000
2,244	0	0	8,943	11,245	11,732

17. *Mr. Ryder.*] Were you through this district before you became valuer for it?—No.

18. You did not know the district at all?—No.

19. In basing your values you go entirely on your information with regard to sales?—No, I do not. I said I took the position, conveniences, the class of land, and everything into consideration.

20. Do you agree with Mr. Welch that there is no difference between the two ridings as regards transport of produce and stock?—I say there is a difference between the two ridings. It takes two days to muster lambs on Annedale, but if you have a small place of 1,000 acres you can muster them the previous night or in the morning and send them right away. On Annedale or Maunsell's you might be two days mustering before the lambs are got to the yard.

21. You do not agree with Mr. Welch?—I say that the mustering of the stock on the farm must be taken into consideration as well as the time taken up in driving on the road.

22. What is the date of the valuation of the Annedale property?—I was three times over Annedale. I have not got the dates here.

23. On what date did you value Maunsell's property?—I was twice over that property on different dates. I was over the whole place from one end to the other.

24. You stated that you inspected the properties that you valued. Do you mean by that that you inspected the property?—I might go to a place one day and arrange with the owner, and on my way to another place I will have a look at that property from another point of view. Take Mr. Speedy's property, for instance. I saw that place from four different points. When I agreed with him as to a value I told him I had to go to a certain place, and would have a look at the back end of his place, and if I thought I should have to alter the valuation I would come and tell him. I was satisfied with my valuation, and did not come back.

25. Coming back to my own property: you stayed at my house for a night, and I offered you a horse?—I do not say whether you did or not, but you asked me to go out and see the back of the property, and I said I had seen the back already from Taylor's.

26. It is an utter impossibility to see the back of my place from Taylor's. You can see up the gullies, but you cannot inspect the property?—You can tell what kind of property it is.

27. Did you inspect Mr. French's property?—I was on the front of it, by the house, and went and had a look up the gully, and saw the back of it from there.

28. How far did you go from the house?—I cannot say now.

29. Did you see the back of the property?—I supposed that the fence on the top of the hill was the boundary.

30. Did you go to the top of the hill?—No.

31. Do you know that there is a considerable portion of the property behind the hill?—I was on the property behind the first hill.

32. It is an impossibility to inspect my property from Taylor's, and it is an impossibility to inspect Mr. French's property from the points that you mention. Now I come to Mr. Speedy's property. Did you inspect that?—I saw part of it from the Black Hill. I went up the road and saw the lie of the country from there, and then I was over on D. Speedy's, and got on to the boundary, and I was on the boundary again at the back of Cameron's.

33. And you call that inspecting Speedy's?—You can tell the class of country. If a man has a thousand acres you surely do not expect the valuer to ride over every acre of it.

34. Can you tell the state of a man's fences and the sward of grass the country is carrying at a distance of three miles?—I was not half a mile away.

35. You were two miles away from some of mine when you inspected it?—No. I may have been two miles away from the far side of it.

Mr. Ryder: I am not going to ask Mr. Souness any more questions, because it is utterly useless. His inspection, as far as my place is concerned, has not taken place. He saw the good part of it; that is all.

36. *The Valuer-General* (to witness).] When you talk about inspecting a property do you mean that you walk over every inch of the property?—No. I would not have been done now if I had had to go over every bit of the Castlepoint County. You have to look at the general condition of it, and that is all you can do. If I was valuing for a loan I might give a little longer time, but I could not have done Mr. Ryder's even in two days.

37. How long have you been familiar with the work of inspecting private lands?—I have been doing it steadily for twelve years.

38. Did you ever hear of a valuer walking over the whole of a property of 3,000 acres?—Never.

39. When you talk of inspecting a property you mean that you have seen it from different aspects?—That is all I can do.

40. How long would it take to value Castlepoint County if you had to walk over every yard of it?—It would not be done yet, even if I was only supposed to go over every acre.

41. You say you arranged with Mr. Ryder as to his value?—That is so. We had a little bit of "barrack."

42. Did you discuss the improvements?—Yes.

43. The length of fencing?—Yes, and I told him where there was a fence, and he told me it was a new one.

44. And you took his word?—Yes.

WILLIAM HERBERT FRENCH examined.

1. *The Chairman.*] What is your position?—I am a farmer, residing at Mangakapapa.

2. *Mr. Ryder.*] Did Mr. Souness arrange the value with you before or after he made his inspection?—We had rather a dispute over it. Mr. Souness told me that he already had the particulars of my property—as to the value of fencing, and so forth—and I asked him what they were. He said there were so many acres of bush felled and in grass, and so many hundred chains of fencing. It was quite foreign to me.

3. Has this bush been felled that you speak of?—It is still standing.

4. Do you mean that Mr. Souness told you that bush had been burned and put down in grass when the bush was still standing?—Yes.

5. Did he make an inspection of the property?—Not more than is around the house, so far as I am aware.

WILLIAM SOUNESS re-examined.

1. *The Valuer-General.*] You have heard the statement just made by Mr. French. Can you explain it?—The particulars I gave Mr. French were the particulars from the 1907 valuation. I did not say how much bush had been felled. I showed from the valuation how much had been felled before and how much was in grass. That came out at 802 acres in grass, and out of that there were 702 acres belonging to the Crown and 100 acres belonging to the tenant. I gave him those particulars from the book, and that is what we discussed. I did not know what he had felled, but I wanted to find out, for that was the only means by which I could arrive at what he had done himself.

2. Before a valuation takes place you are supplied, are you not, with a field-book of the last valuation, showing the full details of improvements. You have that and show it to the settlers, and if there are additions to the improvements they are supplied after consultation?—Yes. That is how we get the fresh work in.

ALBERT JOHN SPEEDY re-examined.

1. *Mr. Ryder.*] You have heard the evidence. Did Mr. Souness inspect your property?—He visited my house and stated his business, and I asked him if he was going to ride over the property and inspect it. He said he had seen it from the Black Hill Road. I said I did not think that was sufficient, but he said he thought it was, as he had the previous valuation as a basis. On that he sat down and made out a valuation, which, I may say, is reasonable enough. It is not too high from a seller's point of view, but it is very high compared with some other valuations in the county. Mr. Souness has said he viewed the property from four points, but three of them must have been after he made his valuation. He could see three miles across my property from one place where he was. I think there are valuers here to-day who know

just as much as Mr. Souness, and they will admit that a man cannot inspect a property—fences and grasses—at three miles distance, or even one mile. No one expects a valuer to go inch by inch, or acre by acre, or even 20 acres by 20 acres, over a property, but it is surely reasonable that he should be expected to ride across the paddocks.

2. *The Chairman.*] Did Mr. Souness ask you if any difference had taken place in the property between the two valuations?—He asked me my improvements, and I told him what I had put on. I have no complaint to make regarding the allowance he made for them.

3. In order to ascertain the unimproved value, do you consider it necessary to have ridden through the property in the way you suggest?—Yes.

4. Why?—He cannot arrive at the true unimproved value without inspecting the property and seeing the quality of the soil and the prospects of improving it.

5. Would the soil be likely to be altered since the previous valuation in 1907?—In some cases it has been, because hundreds of acres were under scrub in 1907, and the valuer could not tell whether good grass had spread over it or whether the land was capable of carrying grass without going over it, and he did not do so.

6. *Mr. Ryder.*] Your property consists of two or three classes of land?—That is so.

7. Therefore it is absolutely necessary for a man to inspect a property of that kind to arrive at the unimproved value?—Yes.

8. *The Valuer-General.*] What is your idea of the true value of land?—It is rather hard to define the true value. To get the true value from the producer's point of view over the whole county is a uniform value. It is not necessarily the true value from the seller's point of view. No valuer can get that without going all over all the properties.

9. Am I to conclude that your definition of the true value is the producing-value?—You cannot get much nearer it than that.

DUNEDIN, 17TH DECEMBER, 1914.

JAMES McKECHNIE examined.

1. *The Chairman.*] What is your position?—I reside at 43 Stuart Street, Dunedin. I appear on behalf of my wife to complain about the valuation placed on our property, part Section 16, Block XIV, Dunedin, 16 perches; £3,100 capital value, £1,000 unimproved value, and £2,100 improvements. I paid altogether £2,500 for the property. The valuation for the land, I consider, is about double what it is worth just now; £500 would be a good price for it to bring in the market if there were no buildings on it. Properties on each side of me have been sold lately, one for £400 and the other for a little over £300, with small buildings of but little value on them. My property went abegging at the price I gave for it, and when put up to auction only £1,800 was bid for it.

2. What do you say the capital value is just now?—I consider it is worth just the £2,500 I gave for it. I paid enough for it. The building on the land is thirty years old, and I suppose is worth about £2,000.

3. Your valuation of the improvements is very close to the Government valuation?—Yes, but the unimproved value is a long way out. I do not know that the whole place would bring £2,500 in the market now.

4. How long ago is it that you paid £2,500 for it?—A little over four years ago.

5. *Mr. Campbell.*] Have you had this property for sale at all?—No.

6. I suppose you know you can offer it to the Government at your valuation?—I am quite agreeable to sell it for £2,500. I asked for a revaluation, but was told I could not get it unless I paid the expenses.

7. *The Valuer-General.*] Is this the Government valuation you are speaking of or the valuation furnished by the Dunedin City Council?—It is the Government valuation. There has been no revaluation by the Government since I acquired the property.

8. *The Chairman.*] Did you object at the Assessment Court?—No. The Assessment Court, to my knowledge, has not sat since I bought my property.

The Valuer-General. There has been no valuation by the Government of the City of Dunedin for over eight years.

9. *Mr. Campbell.*] Has property in the City of Dunedin increased in value, or has it remained stationary or decreased, in the last four or five years?—Within the city proper I think it is about stationary, but I could not say with regard to the suburbs. This property of mine is in the heart of the city. I dare say it is about stationary.

CHARLES CHRISTIE GRAHAM examined.

1. *The Chairman.*] What is your position?—I am a Stipendiary Magistrate of the Dominion of New Zealand. I beg respectfully to call your attention to what I have reason to consider the excessive valuation put on the three pastoral runs in the Hawea County held in the name of myself and two daughters. The notice of revaluation made at the beginning of the year was unfortunately overlooked by me owing to my absence from home when it was sent to me, and I did not become aware of it until the receipt of a notice to pay the county rates based on the new valuation, when I found that, though the rates had been reduced by $\frac{1}{4}$ d. in the pound, my

rates were charged at £28 2s. 6d., as against £9 15s. 1d. for the previous year—about three times as much. I called at once on the Valuation Office in Dunedin to protest, but was told that they could do nothing, as I had failed to protest in due time. I produce a schedule showing the increases made in the separate runs, from which you will see that the valuation of Run 335B has been increased no less than eight times, Run 433 nearly four times, and Run 95A and 99A nearly doubled. The highest number of sheep I have attempted to winter on the whole of the runs since I took them over four years ago has been from 6,200 to 6,300. For two years we commenced the winter with that number on the books, and each year we were about 1,500 short at shearing. Last year there were 5,300 on the books, and I only sheared 4,900—the smallest loss we have yet sustained. In the last three years the runs have not paid interest on the capital, and there has been no reserve for losses. I would also point out that to enable me to carry the before-mentioned number of sheep it has been necessary to go to considerable expense in growing winter feed, which, of course, goes to make a severe inroad on the profits. On Runs 335B and 433 the losses for two consecutive years were 25 per cent. of the sheep. On Run 95A and 99A considerable losses have occurred among the cattle, and very little of the run is at present used for sheep, as only a very small portion of it is adapted for sheep, the greater part of it being of an extremely rugged nature.

Schedule of Valuations, 1911 and 1914.

—	Area.	Capital Value.	Unimproved Value.		Improvements.	
			Owner.	Lessee.	Owner.	Lessee.
Run 335B—	Acres.	£	£	£	£	£
1911	27,050	415	..	..	..	249
1914	27,050	3,100	2,470	230	..	..
Run 433—						
1911	24,600	603	..	..	..	..
1914	24,600	2,230	1,640	590	..	..
Runs 95A, 99A—						
1911	49,600	752	..	..	..	..
1914	49,600	1,320	1,085	165	..	70

I am not prepared to say what in my own opinion is the capital value of the above runs, but I cannot see what grounds there can possibly be for the excessive increase as indicated above. My books are open for the inspection of the Commission should they have any doubts as to the correctness of the foregoing statements, and I can also submit for your consideration the statement I have made to Government for income-tax purposes, showing that the results of last year's working showed a debit balance of £31.

2. *Mr. Campbell.*] These are Government runs, I presume?—Yes.

3. High country?—Yes, and very rough. They are on the east side of Lake Hawea, and run up the Hunter Valley to the glacier.

4. *Mr. Rutherford.*] How many acres are there in the three runs?—101,000 acres altogether.

5. And carries five or six thousand sheep?—6,200 at present.

6. It carries cattle and horses also?—I had a hundred head of cattle, but had to get rid of them. I have to keep about twenty horses for ploughing for winter feed.

7. *The Valuer-General.*] What county are these runs in?—Vincent County.

8. Do you know the cause of your increase in rates?—I presume there was an actual decrease, because they were reduced by $\frac{1}{4}$ d. in the pound.

9. Formerly the rateable value was the capital value capitalized at 6 per cent. on the rent. In 1910 the law was altered and a revaluation of the runs made. Not having asked for a revaluation in time, the values cannot be altered now before the 1st April, 1915. You are not prepared to say what the unimproved value of these runs is?—Except by an expert it would be most difficult to say, because the great portion of the country is composed of bare rugged mountains. You can judge that from the fact that there are only 6,000 sheep on 101,000 acres.

The Chairman: In the absence of any evidence as to what you consider this land is worth, it is quite possible this increase in rates is not due to any wrong done by the valuation, but to the alteration that the Legislature in its wisdom has thought fit to make in the Act. However, we will take what you have said into consideration.

ALFRED FLEMING QUELCH examined.

1. *The Chairman.*] What is your position?—I am Mayor of the Borough of Mosgiel. About three years ago the Mosgiel Borough came under the rating-on-unimproved-value system, which necessitated a revaluation of the borough. The valuation that took place then has caused a lot of concern to many of the ratepayers, chiefly, I take it, owing to the want of uniformity and consistency in the values. I was not a member of the Council when that took place. When the people were apprised of their valuations a number of them objected in the ordinary way. The officials of the Valuation Department came to terms with the objectors, and, I believe, with the exception of one man, everything worked satisfactorily. There was no Assessment Court

on that account. The Borough Council objected to the whole of the valuations. On account of the borough objecting a number of individuals thought it was not necessary to object in the ordinary way. As a result of a conference between the officers of the Valuation Department and representatives of the borough an understanding was arrived at by which the valuations were to stand over for two years, and the Council and the people were under the impression that an adjustment or a revision of the values would be made within the two years from that date. That revision should have taken place about a year ago. The result is that those who did not object on their own account are very much dissatisfied. What is really necessary is that a revision of the valuation of Mosgiel should take place as soon as possible, so as to bring people into uniformity. The great point is that a person with a similar section to another does not bear a relative value, and I respectfully request you to consider the matter with a view to getting a revision of values of the borough, if possible. I appreciate the difficulties a valuer has in a borough like Mosgiel. It is a difficult place to value. It is a long strung-out town, and then a great portion of the borough is composed of farms. The valuer is misled on many occasions by people who buy at fancy prices. A business man will buy a section in a particular locality because he wants it for his business, and very often an inflated value for that area is in consequence brought about. A great improvement could be effected if the Department had the assistance in the different districts of competent people with local knowledge. I am quite satisfied with regard to Mosgiel that if local knowledge had been possessed by the valuer the actual values would have been more nearly arrived at.

2. What system of rating was in force in Mosgiel prior to adopting rating on unimproved value?—The annual value.

3. You complain of a disparity of values: do you mean that the Government valuations were originally different, or that the disparity arises through compromises having been made with the individual ratepayers who objected?—Mosgiel as a town had not been valued for many years until this valuation took place three years ago. Apart from the variations caused by the objectors, the valuations were inconsistent. When a person objected and a compromise was arrived at, the result was that the neighbour who did not object, and perhaps had a section which was not so good, was more highly valued than the other. That was because of the adjustment, of course.

4. What you particularly ask is that this revision of Mosgiel, which you think was understood to be agreed to three years ago, should now take place?—Yes. The Council are distinctly of the opinion that that was the understanding. It was publicly stated from the Council table that a revaluation would take place within two years, and it has not been done.

5. You are asking this on behalf of the Borough Council, and in a sense the Borough Council represents the ratepayers, because the ratepayers did not object because the Council objected to the whole valuation?—That is so. I think that one of the things that induced the Council to agree that a revision should not take place for two years was because they were anxious to get their rate notices out for that particular year. The rate notices that year did not come out till October.

6. Why was the Council willing that the assessment should stand over for still another year. That would not be affected by the rate notices going out?—As far as I can make out, it was purely a matter of compromise.

7. *Mr. Campbell.*] What is the size of the borough?—900 acres.

8. What is the population?—Between fifteen and sixteen hundred.

9. It is a straggling borough?—Yes, it is a difficult borough. Two-thirds, roughly speaking, of the area would be farms or land used for farming purposes.

10. Is there any rural-value area under the assessment?—Put on by the Department.

11. Is that right or wrong?—The general impression is that the farming area is rather low. The valuation of the large areas is on the low side.

12. Rated low as a farm?—Rated low as to its capital value.

13. Is it valued low as farming land?—Yes.

14. *The Valuer-General.*] Did the Borough Council press their objection to the valuation?—The matter was arranged between representatives of the Council and the Department.

15. Are you aware that the Council withdrew the objection to the valuations?—No.

16. Well, they did so?—My Council inform me otherwise.

17. Are you speaking with direct personal knowledge with respect to what you have stated about inconsistency in the valuations?—From my own knowledge.

18. Inconsistency of what?—The relative values of the properties.

19. Did the objections come from the property-owners themselves, or were they supplied with data by experts to show that they existed?—The inconsistency was obvious to the Council. I think the property-owners knew of the inconsistency themselves without any expert advice.

20. The valuation rating roll was on exhibition in Mosgiel for some time?—That is so.

21. And the ratepayers had access to it, and I presume they availed themselves of the opportunity?—I suppose so.

22. In spite of that the valuer was enabled to arrange with all the objectors, and so obviate the necessity of holding a Court. Does not that prove that the valuer generally made a valuation that was accepted by the Mosgiel ratepapers?—That is the inference so far as those particular people are concerned, but those who did not object because the Council was objecting are still in their same position, and are rated on a different valuation basis from the others who objected.

23. The Borough Council withdrew their objection when they had ascertained that the valuer had fixed up with certain owners?—I would not say that. Mr. Clothier can tell you.

24. With regard to the promise to revise the valuation, was it a specific understanding accepted by the Council?—The Council say it was so. I have to take it as told to me.

25. I am informed that no such power was given, but that a recommendation would be made to the Valuer-General to have the valuation revised. The matter was referred to me in the last three months, and I refused it, as I am refusing to revalue all lands since the European war. But for that the revaluation would have been commenced. But no promise came from me?—The then Mayor, Mr. Inglis, informed his Council that a revision or a revaluation would be made within two years.

26. It never came from me. Do you not think that the introduction of the system of rating on unimproved value caused many of the inconsistencies—that the owners of large properties having to pay heavier rates would naturally object to these valuations, and charge the Department with inconsistencies. Do you not think that the change in the system of rating had a great deal to do with the discontent?—I have no doubt it had.

27. *Mr. Campbell.*] Is land in your borough readily saleable?—It is slow. It is certainly on the increase, but very slowly. The sales are steady, but not numerous.

Mrs. KATE ROSSBOTHAM examined.

1. *The Chairman.*] What is your position?—I am a resident in Woodhaugh, Dunedin. I am objecting to the valuation in respect to three houses on twelve sections in the Borough of St. Kilda. Each house has a section of land, and the unoccupied sections are let as a paddock. The valuation is double what it was before rating on unimproved value was introduced in the borough. About two years ago the valuation was increased from £900 to £1,835. I was unfortunately away from Dunedin at the time, and so was not able to object. If you would make Dunedin boom as you have made Auckland and Wellington I would not mind paying the rates. I have been over fifty-one years in New Zealand, and have given nearly the whole of my life to this country. I was twenty years old when I came here, and have put all my earnings into a little property, and find that I have put it into the earth. You cannot get blood from a turnip. I reared my boys to the building trade, but they would not stay in Dunedin. I kept this property thinking my boys would help me when they became men, but they would not. Dunedin has gone down; I do not know why. Property is not going up in Dunedin, and I cannot understand why in two years my valuation should be increased from £900 to £1,835. Until the province is irrigated and the harbour improved the value of property in Dunedin will not go up.

2. *Mr. Campbell.*] If this property was put in the market to-morrow would it sell for the money?—I dare say it would, but I am not prepared to sell, because I wish my sons to come back.

3. *The Valuer-General.*] Is your grievance not more against the local body than against the Government?—I could not say. The local body has acted on your valuation.

RICHARD McKEAGG examined.

1. *The Chairman.*] What is your position?—I am a resident of Mosgiel. About three years ago, when rating on unimproved value was carried in Mosgiel, I lodged an objection against my valuation, which I thought was excessive. Six years ago I bought a property of $2\frac{3}{4}$ acres, for which I gave £443. The Government valuation was £450, on which I paid rates. When the revaluation was made I was put down at £850 capital value. I lodged an objection, and put down my value of the property at £700, £350 for the improvements and £350 for the land. Mr. Clothier, district valuer, said he would take the place at my valuation, but when I asked him when he was going to take possession he said the Government could not take the whole of the country in that way. He made a reduction on the improvements, but put it on to the land.

2. We see from your papers that on the 13th September, 1912, your amended valuation was as follows: Capital value, £470 for part of the property and £230 for the remainder, making £700; and the unimproved value was £330 for one property and £45 for the other, making £375; and improvements, £140 on one section and £185 on the other, making £325: making up the capital value of £700?—Yes. I objected, and asked Mr. Clothier when there would be a sitting of the Court. I got no satisfaction, and went to Wellington and saw the Valuer-General, and left him my papers. He said he would write to the valuer and ask him what he based his calculations on. On the 11th May, 1914, I received the following letter through Messrs. Webb and Allan, solicitors, Dunedin: "Referring to your letter of the 30th March last, on the subject of a protest by Mr. Richard McKeagg against the action of the officer in charge of this Department at Dunedin in apportioning between the unimproved value and value of improvements a reduction of £125 made in the capital value of his property situated at West Mosgiel, I have now to advise you that Mr. McKeagg has interviewed me and stated his case, and I have decided that an Assessment Court should be set up to determine the matter in dispute between Mr. McKeagg and this Department. I have instructed the officer in charge, Dunedin, to set down Mr. McKeagg's case for hearing at one of the Assessment Courts which will be sitting in Dunedin at an early date, and to advise you in due course of the date of the sitting of the Court.—I have, &c., F. W. FLANAGAN, Valuer-General." We never got a sitting of the Court, and the thing was held up for nearly eighteen months. On the 15th August, 1914, I wrote as follows to the Valuer-General: "It is now nearly four months since I saw you about that valuation of mine, and it is just two years since I lodged my objection, and I have not got any satisfaction yet. You told me you would order a sitting of the Court, and I took it for granted I would get it before this. There has been a sitting of the Court in Dunedin for Maori Hill, and I thought Mr. Clothier would have brought on my hearing at that Court. I called on Mr. Clothier last Friday, and asked him when the Court was going to sit to hear my objection, and he said there would be no sitting of the Court. I asked him if he did not get word from you, and he said, 'Yes,' but he would please himself when the Court sat. I said, 'Surely you will not ignore the word you got from Mr. Flanagan.' He said, 'I will suit myself, and am not going to have a Court to suit either you

or Mr. Flanagan. The Court had been sitting in Dunedin last week, so that was why I called in to see Mr. Clothier. Would you be kind enough to let me know what you intend to do, as there are two years' rates due now, and I want the thing finished up. If they sue for the rates I am bound to defend myself, in which case I think I have sufficient proof.—I remain, &c., RICHARD McKEAGG." I also saw Mr. Clothier on the 14th August. On the 12th November, 1914, I received the following letter from the Valuer-General: "With reference to your letter of the 15th August last, relative to apportionment of reduced capital value between unimproved value and value of improvements, and to previous correspondence on the same subject, I have now to advise you that as the only Assessment Court set up in Dunedin in the present year was for the purpose of hearing objections to the revaluation of Maori Hill Borough, and as in the opinion of the Stipendiary Magistrate it was not competent for this Court to hear your case, the only alternative is to set up an Assessment Court for Mosgiel Borough and refer the question in dispute to that Court. I would suggest, however, in order to obviate the expense which would be incurred in setting up a Court for Mosgiel, that the matter be held over until I visit Dunedin in the course of a month or so, when I will see you personally, if you are agreeable, and no doubt a satisfactory compromise will be made between us. I have an objection to forcing objectors into Assessment Courts if such can be avoided.—I have, &c., F. W. FLANAGAN, Valuer-General." I have been fighting for the last three years to get the thing adjusted, and that is all the recompense I have got. In fact, the last time I went to see Mr. Clothier I could not have been treated worse if I had come from the Cannibal Islands. I was very greatly dissatisfied.

3. You do not dispute the total value of £700, but you object to the £120 being taken off the buildings alone?—Yes.

4. Your real trouble is that you could not get a sitting of the Assessment Court?—Yes.

5. Your case was the only one to come before the Assessment Court?—There were hundreds of them. Nearly everybody in the township objected, but the valuer came round and subsequently gave them their own valuations.

6. As they were satisfied they would have withdrawn their objections?—I should think they would. One man got £450 off, another £350, another £200.

7. Your case was the only one that could have come before the Assessment Court if one had been set up?—There would have been a good many more, I have no doubt.

8. *Mr. Campbell.*] What have you put on to the land?—I spent £70 or £80 in moving the house on to the section. In the last three years I have done nothing to the place because I was disgusted with the valuation they put on. I was determined to make them take the land. I am not the worst in Mosgiel. There are hundreds in a worse position, because they never objected and are paying the penalty.

9. *The Valuer-General.*] Our difference is with regard to the apportionment of the reduction?—Yes.

10. Section 32 of the Act provides that the reduction must be proportionate as between the improved and the unimproved value, and it is to that that you specifically object?—Yes.

The Valuer-General: I certainly did make you a promise that your matter would be brought before an Assessment Court, and thought it could have been taken by the Maori Hill Court, but the Magistrate ruled that he had no jurisdiction to take assessments other than those of the Maori Hill Borough. However, I am in Dunedin now, and am quite willing to meet you and come to a compromise if possible.

Witness: If the matter had been settled by the Magistrate I would have been quite satisfied. I was quite prepared to stand by the decision of the Magistrate, whatever it was.

WILLIAM LINDSAY CRAIG examined

1. *The Chairman.*] What is your position?—I am a farmer and a valuer. I commenced valuing for the Department in Mr. Sperry's time, 32½ years ago. Since then I have valued all over Canterbury and Southland. I am a practical farmer, and have owned a farm for forty-five years in Shag Valley, so that I have a practical knowledge of land. I think that the Valuation Department does not hold the confidence of the community in the way it should, on account of one or two things. In the first place, the valuations of a district are not made up to date. For instance, the land on Taieri Plain, which is the best we have about here, has not been valued for seven years. It is first-class land, and has doubled in value since it was valued. That is very unfair to districts that have been revised and had their valuations brought up to date. Some of the men appointed to make valuations do not gain the confidence of the public. Some years ago a clerk out of the office was appointed to value Dunedin and suburbs, and he had no experience of land or buildings. I do not think that was a proper class of man to appoint as a valuer. Then when he died a man was sent down from Wellington to value Dunedin properties. So far as I know, he had no knowledge of land and buildings. He valued the Maori Hill district, in which I reside, and, as far as I know, he visited very few of the properties. He did not visit my property there, and on making inquiries from my neighbours I found that they had not been visited by the valuer either. How can a man value property without inspecting it? I know, of course, that under the Act he is supposed to visit and inspect each property. I have never been able to attain that expertness that I was able to value a property by simply walking along a road. In my case I had added to my improvements to the extent of £112 during three years, and they reduced my improvements by £130. The notice I got gave my unimproved value at £500 and my improvements at £550. The improvements are new, and have cost me £800. I objected that the value placed on the land was much too high and that on improvements too low, and eventually it was adjusted; but I think it is a very slipshod way to make a valuation. One property up there which was valued, unimproved, at £1,000

was reduced to £650. If the first valuation had been anything like near the thing they could not have made a reduction like that. I impress on the Commission that the man entrusted with making valuations should be a man of some experience, and if an inexperienced man is put on to value an experienced man should go with him for a time and check over the valuations and see that they are something like correct. Another course adopted by the Department is that sometimes the valuation of a district is let by contract. I think that is very unsatisfactory. A man who has a contract for the valuation of a district takes the course of least resistance, and gets through the work as quickly as possible.

2. *Mr. Campbell.*] Do the Government let valuing-work by contract?—I do not know whether it is done to any large extent now, but it is done.

3. *The Valuer-General.*] How long were you valuing for the Government?—From 1882 until about five years ago.

4. Were you in one district all the time?—No. First I was in Waihemo, then in Waikouaiti. Then I had large portions of Maniototo and the whole of Peninsula, the whole of Taieri and large portions of Bruce, portion of the Molyneux Riding, and part of Vincent. Generally, I have been all over Otago. Besides that, whilst in the Department I valued such estates as Wai-kakahi, Barnego, and Elderslie for the Land Purchase Board.

5. Your experience has been confined to the Province of Otago principally?—Yes, while in the Department; but during the last five years I have been valuing Canterbury and Southland very largely as well.

6. Do you allege that the Maori Hill valuer never inspected the properties at all?—He did not inspect mine, and from inquiries I know he did not inspect others.

7. Did he come to terms with you?—I saw him in his office. I said, "How can we discuss it when you never inspected the property."

8. But you came to an agreement in regard to improvements?—We came to an adjustment in his office, and I think the valuation of Maori Hill was largely done by adjustment in the office.

9. Did he have his field-book showing all the details?—No.

10. What did he work on, then?—On the figures I gave him. He simply put a lump sum in his book.

11. Do you mean to say he did not have the details of each matter?—No. I did not see it.

12. Do you allege he did not have it?—The book I saw simply had two items—a vinery and a stable. It was not a stable.

13. In estimating the cost of the improvements he underestimated the cost of the vinery?—Yes.

14. He must have seen the vinery, and if he saw the vinery he must have seen the property?—It might have been in the previous valuer's book. Of course, the vinery could be seen from the road.

15. Do you think it would be possible to revalue the whole of Otago in one season?—No, but I think it would be possible to do it oftener than once in seven years—that is, the good land.

16. What do you mean by contract work in regard to valuing?—Letting out the valuation of a district at so-much.

17. On what terms is a contract of that nature let?—You give so-much for doing a county.

18. Do you know the system in operation now?—Not within the last five years, of course.

19. The system you are referring to is not in operation to-day. A local man is employed and paid a certain sum of money, but the district valuer must endorse that work. So that such a thing as independent contract work is not in operation to-day. Then, with regard to inexperienced men, no man is employed to do rural work who has not had farming experience?—I am glad to hear it. A case came under my notice where a man had bought a property in Southland at £20 an acre, and when he got his valuation notice from the Government it was £5 an acre.

20. Will you give me the name of that case?—I can get it for you. I did not ask the name from the man who told me.

GORE, 17TH DECEMBER, 1914.

JOSEPH WRIGHT examined.

1. *The Chairman.*] What is your position?—I am a farmer and a resident of Croydon Siding. I have a property at Wainumu, which I do not consider is properly valued. It comprises 403 acres, and a house and stable insured for £300 in the Government office. The valuation for improvements allowed me is £395. The whole property is fenced, and the land broken up, and 165 acres are drained and ploughed, and it is all in English grass, with the exception of 40 or 50 acres in turnips and oats.

2. Do you give us your estimate of what the improvements are worth?—I did not think of that. I thought the Commission would do so.

3. Do you object to the unimproved value?—Yes.

4. And to the capital value?—I think it is a bit stiff. I bought the 403 acres at £3 5s. an acre, and last year's capital valuation was £1,604, unimproved value £1,209, and improvements £395. I have had the property six or seven years.

5. Did you object?—I wrote to the office, and there was a misunderstanding, and I missed the opportunity of appearing at the Court through not having got the notice.

6. *Mr. Campbell.*] Has the property risen in value in the last seven years?—I do not think my property is as salable to-day as it was then. In the meantime the value might have gone up a little, but at the present the conditions are too depressed.

7. *The Valuer-General.*] Did you inform the local office that you were dissatisfied with your valuation for improvements?—I called at the Invercargill office and saw the officer there.

8. Did you know you could apply for a revaluation?—I was going to do so.

9. *The Chairman.*] Do you say that the unimproved value is too high?—The land was originally bought for £1 10s. an acre, and I do not think it is worth any more now. I paid £3 5s., with improvements, and that is about what it is worth now with improvements.

10. How long ago is it that it was bought at £1 10s. an acre?—That was when it was bought from the New Zealand and Australian Land Company, twenty-five or thirty years ago.

11. *The Valuer-General.*] The unimproved value is not the original value?—The valuer told me he was not going to put the value up, and I let him go ahead. I have five miles of fencing, which cost 14s. to 15s. a chain. The land is divided into fourteen paddocks with six-wire fences. Some of the fences have seven wires. The land is, of course, lined as well as drained.

JOHN HIRAM SMITH examined.

1. *The Chairman.*] What is your position?—I am manager of J. G. Ward (Limited), Gore. I am appearing for Alfred Orr, a farmer of Balfour, who was unable to wait for the sitting of the Commission. He left with me his demands for rates for 1913-14 and 1914-15. In the one year the valuation has gone up £1 10s. an acre. There are 1,095 acres altogether, and no improvements in the meantime have been put on the land. The previous unimproved valuation was £4,535, and the last valuation was: unimproved £6,576, an increase of £2,041 on 1,095 acres, equal to an increase of £1 10s. an acre. No improvements have been put on the land, and the value of the land has not increased during the twelve months. The owner would like to know why there has been an increase in his unimproved valuation.

2. I suppose your client did not think he was overvalued before?—He has always been valued higher than his neighbours, because he is a good farmer and puts a good surface on his land, and his unimproved value goes up on that account. He is taxed for his energy, and that is what he objects to. The natural state of the surrounding farms must be the same, but he is taxed because of the intensity of his cultivation. He is on a by-road, which is a clay road.

3. Was he too lightly valued before?—He was valued the same as his neighbours.

4. *The Valuer-General.*] What evidence have you that the valuation has gone up in one year?—The evidence of the rate notices.

5. What period has elapsed between this last valuation and the previous one?—Three years.

6. No; five years. Does your client object to the valuation for improvements on his property?—The valuation for improvements is too low. Improvements such as land-draining cannot be seen by a valuer who casually looks at the property.

7. How do you know that he only casually looks at the land?—I presume he did the same then as on other occasions.

8. Did this owner appeal to the Assessment Court?—Yes, but he was too late; he missed the fourteen days in which to send in his objection.

9. If the property was tile-drained it would be in the valuer's field-book?—One would assume so, anyway.

10. *The Chairman.*] In your experience do landowners know of the privilege conferred on them under section 31 of the Valuation of Land Act?—No.

11. *Mr. Campbell.*] Do you think landowners would object if taxes were shifted on to the improved value instead of being on the unimproved value?—I do not think you could satisfy them any way. I can give the experience of another property. Land-speculators came along and bought a property across the road, cut it up and roaded it and made footpaths, intending to sell it for closer settlement. They were unable to unload it. Still, the land-valuer put the valuation up £1,600 on this property because of that sale to speculators.

12. Do you know what they bought at?—No.

13. *The Chairman.*] Do you attribute the rise in your property to the fact that this property was roaded and subdivided?—No, but it was bought by a syndicate of land-speculators, who would only sell at boom prices. I did not object to the valuation, because I thought I might get a fancy price for my own land later on. Mr. Smaill informs me that the whole property has been disposed of in separate allotments. That is the syndicate's property.

14. *Mr. Campbell.*] Have you any suggestion to make as to any improvement in the system of rating?—Rating has to be obtained by some means, but I should say that the proper system would be on the earning-power of a property—that is, a farm—and to arrive at the earning-power of a farm would mean considerable trouble and expense. I would suggest that the land should be grouped into three classes, and the earning-power of each class obtained over a period of three or five years. In that work the valuer would have to be assisted by a farmer. The difficulty, of course, in such a system is the number of systems of farming.

15. Have you any suggestions to offer as to the improvement of the Assessment Court?—None.

16. In your opinion, does the Court do its best?—Yes. I think the only grievance farmers have is in regard to sales in the various districts and their effect on the valuations. If cash had to be paid down the prices would not be so high. The prices credited are owing to the manner in which the sales are made.

17. *The Chairman.*] Have you had any experience of the Assessment Court?—No.

18. With regard to exchanges, are there any complaints that the Government valuers insist upon fancy prices after it has been pointed out to them that a sale has been an exchange?—I could not say. Some of the settlers here had to take 40 acres of high land and 50 acres of flat, with rough feed only fit for cattle. To bring that land into cultivation it has had to be drained, and in five years they have converted land which was not worth £1 an acre in its original state

into land worth £20 an acre. The land-valuer comes along, and he sees it in a splendid state of cultivation, and places its then value on it, but he has lost sight of all that has been done to it in the five years.

19. It is always open to the landowner to call on the Government to take the land over or reduce to the farmer's valuation?—I do not think the farmer bothers. He growls, but he does not bother.

20. *Mr. Campbell.*] They growl and pay?—That is my experience.

ARCHIBALD ALEXANDER MACGIBBON examined.

1. *The Chairman.*] What is your position?—I am manager of the National Mortgage and Agency Company. I came here on behalf of the Chamber of Commerce, but I must confess the matter has taken on a different aspect. We expected it would take a personal turn in regard to one's own ideas of land. Each owner believes his value is too high. It is not that the gross value is too high, but the universal complaint is that the valuation for improvements is not sufficient. It has come under my notice several times that it is becoming the rule with farmers in this district not to go to the Assessment Court. They say there is no use in their going, because they are not listened to. A man states his case and he is at the mercy of the Department, which is in a more favoured position. The assessors are in a favoured position too. They represent the local body and the Government, and pose as experts, and rarely reduce any values. Their interest is to keep up the valuations.

2. Do you think they adopt the evidence of the Government valuer, or go on their own experience?—I think in many cases they give their own views, and take the evidence of the Department in preference to that of the farmer. Land in this country is sold on terms—very rarely for cash. A man pays down a small sum, and leaves the rest on deposit, and what the land is returning is not a fair estimate of what the farm is returning to the farmer. Five years ago I bought a property, and subsequently sold it for the same price as I had paid, yet the Government valuation was doubled. I appealed, but got no redress. I think the Magistrate should be the sole assessor in the matter, and he should judge on the evidence. The farmer should bring documentary evidence of his earnings in the year, and on that the value of the farm should be based.

3. The Act contemplates the sale price as the basis, but I gather from you that when a man buys on terms he pays more than the cash price in addition to what he pays in interest?—That is so. If you could choose an Assessment Court where men would get redress there might be satisfaction given. Do away with the assessors, and the trouble, I think, would be ended.

4. It has been suggested that the property-owners should appoint the assessor instead of the local body: how does that strike you?—I do not think it would make much difference. I prefer that the Magistrate alone should decide on the evidence.

5. He would not pose as an expert?—No.

6. We have been told that it does not pay an objector to pay two guineas in bringing evidence and fighting his case in order to get 4s. 2d. reduction on his rates?—In the country one farmer would assist another and give evidence.

7. They do not do it?—What is the use; their evidence is not listened to.

8. Why do they not come to the Court?—Because they are not listened to.

9. Not if a farmer came with evidence?—I am sure if they thought they would be listened to by the Court the farmers would come and object—not to the capital value, but to the value placed on their improvements.

10. If a farmer did not object to the total capital value, but as to the amount put down for his improvements, his neighbours would be as competent to give evidence as an expert?—That is so, but the Court will not alter the unimproved value, and the objector only gets his capital value increased.

11. What is the rating in the county?—On the unimproved value.

12. *Mr. Rutherford.*] Do you think the assessor for the local body tries to keep the assessment up?—Yes; he seems to think it is his duty.

13. Do you notice that at the Assessment Court objectors bring their cases forward in a slipshod way without any evidence or books to show their position?—They would not have books anyway. It is rarely that a farmer keeps books.

14. Have not the assessors to go by the evidence that comes before them?—A settler is not able to conduct a case in face of a district valuer who has the Department behind him. I have heard them call evidence. I have known a drainage matter brought up, and the Court has said, "You have had the worth of that drainage, and cannot make use of it now."

15. Would it not be better to appoint the assessor by a meeting of ratepayers rather than by the local body?—I think if the Department was fairer in making the valuation there would be no complaint. The people do not object to their capital value, but to the apportionment of the unimproved value. Not 5 per cent. of the farmers of this district believe they have got sufficient recompense for their improvements.

16. *Mr. Campbell.*] You had a few cases in the Court yourself?—Yes.

17. Did you bring evidence?—I brought the evidence I had.

18. If you went into the Magistrates' Court would you think it sufficient only to have your own evidence?—Not unless I had documentary proof.

19. You think the Assessment Court would be better if composed of the Magistrate by himself?—Yes.

20. How is the Magistrate to judge if no evidence is brought before him?—If the farmer thought he would be listened to he would bring evidence all right.

21. *The Chairman.*] Under the Act the onus is put on the objector. He has to prove in the first instance that the valuation is wrong. Have you any remark or suggestion to make in regard to that?—I think it is a reasonable enough position.

22. The objector should make out a *prima facie* case?—Yes, I think so.

WILLIAM FRANCIS INDER examined.

1. *The Chairman.*] What is your position?—I am solicitor to the Gore Borough Council. I find that no private lender will accept the valuation under the Valuation of Land Act. I do not know the reason. That means that we have to keep up a Valuation Department, and when you want to borrow money on private lands your client will say that the money is available if the valuation is satisfactory. Then, the constitution of the Assessment Court is an anomaly. You have three men, one of whom knows nothing about land but has a judicial mind, and two of whom have as their object the keeping of the values up to the highest point; and people look not to the amount of their rates but to the amount per pound, especially where rating is on the unimproved value. Two members of the Court are supposed to be experts, but from the very nature of their appointments they cannot have a judicial mind. It would be a different matter if the Court was composed of one assessor appointed by the Government and one appointed by the objectors. The Court should be composed of three Magistrates appointed in the same manner as in licensing disputes. I agree with Mr. Macgibbon that it is useless to object to the assessments, but where I go into a matter myself I generally find when I get into communication with the district valuer if I can show him anything clear it is generally conceded. Speaking generally, however, I should say that during my sixteen years' experience in Gore in fully 95 per cent. of the cases the Government valuation has been sustained, although in many cases I considered them ridiculous. In this town we have a little reserve held under a tenancy giving the right to resume at any time on three months' notice without compensation for buildings, and if the buildings are not removed within thirty days of the expiration of the notice they become absolutely forfeited to the Crown, and we take the Government valuation of £90 per foot. You will see the futility of unimproved value in a tenure like that.

2. Was £90 per foot supposed to be 5 per cent. on the capital value?—No; it was based on sales, according to the valuer, on the opposite side of the street.

The Valuer-General: The case was one of an occupier under the Rating Act and responsible to the local body for the rates.

EDENDALE, 18TH DECEMBER, 1914.

DON STALKER examined.

1. *The Chairman.*] What is your position?—I am a farmer, of Seaward Downs.

2. *Mr. G. J. Anderson, M.P.*] You have something to say with regard to the unimproved value and the inadequate amount allowed for improvements?—When the Valuation of Land Act came into law values in this neighbourhood were low, and the farmers generally were bankrupt and did not care to inquire where it would work out ultimately. The country was rated on the capital value, and we were told it would be to our favour in the matter of rates. About ten years ago the rates began to rise. Ten years ago my unimproved value was £5 10s. A few years after that it got up to £11, and I thought it would never go higher. To my surprise at the last valuation it went up to about £18, and I thought I would have to fight it. The valuer put down his capital value at £22, allowing me £1,300 for improvements. He told me if I was not satisfied with that the Government would take it. By that he led me to understand that if I was not satisfied with the valuation there would be no difficulty in selling. I was also interested in a trust estate, and had to object to the valuation, and finally went to Court. I got it reduced, and had £700 added to the improvements and £1 taken off the capital value, which I did not want. As a matter of fact, when we went to the Court the Department took £1 an acre off the capital value. The whole thing, to my mind, is that the valuers do not take time into consideration. If my farm is worth £11 an acre unimproved, and the county rate is 2d. and the land-tax 1d. I am loaded with 14s. an acre, and it would take me years before I got any return. The valuers give no concession for the time one has to work to make the land productive. We claim for nothing but fencing, grassing, and a little lime. If you divide the capital value by 2 it will give a proper unimproved value. There is a farm of 204 acres beside the Seaward Downs School which has been under a trust for a number of years. Our rental for eleven years was £65, and during the eleven years there were three tenants. For years the tax was £7 10s. Two years ago the rentals ran out, and we advertised in the *Otago Daily Times*, the *Otago Witness*, the *Southland Times*, and the *Lakes papers*, and we had tenders from Seadiff to Waianawa. The highest offer was 9s. an acre, but, unfortunately, the man who was in possession had bad health, and he offered us 11s. But if you take it at 9s., which is certainly a good value for it, that is only the unimproved value. But they allowed £350 for improvements. It was poor land to start with, and has been limed. We claimed £700 for improvements and, strange to say, we got £350 off, but it was off the capital value and not taken from the unimproved. Another case I have been asked to mention is that of Mrs. Wilson. She took up 184 acres fourteen years ago at £2 an acre, and the unimproved value now is £1,820, and the improvements are valued at £155. There is a bit of a cottage and a shearing-shed on it, and I do not know how much fencing. Two-thirds of the land is swamp. The owners do not know how much money has been spent on the land. Our trouble is that we suffered under

the burden too long, and evidently the Department thought we were satisfied. When this value was put on I thought we ought all to stand together and fight the matter, but, unfortunately, a number were afraid that if they fought the Government would take their land away from them, and having families they could not afford to go out of their farms. This country has been made by the sweat of the people. Time has made it, and the improvements can never be valued; but if you were to divide the capital value by two that would be somewhere near it in many cases; in other cases it would be nowhere near it.

3. What time was there between the £11 and £18 valuations?—I could not say exactly, nor do I know how many years I was at £11.

4. *The Valuer-General.*] Five years. You brought your case before the Assessment Court?—Yes.

5. Did the Assessment Court reduce it?—No. It gave me £700 more for improvements.

6. They increased your improvements?—Yes, by something like £700.

7. That was after evidence on the point had been taken?—Yes; and before it went to the Court the Valuation Department took £1 an acre off the capital value, which, as a matter of fact, we were not fighting, but we were advised by our lawyer that we should have to fight the matter.

8. I do not know that we fight the capital or the unimproved value, but the system of the Department is not to force a settler into the Court if it can be avoided, and as a result of that the valuer sees the objectors. Did the valuer not see you?—Certainly not. Not only that, he never replied to my letter. Our lawyer advised us to interview the Department and not go to Court. We went twice or, I think, three times, but got no satisfaction. They asked if our land was flooded, and when I said “No,” they said it could not be discussed, and the Court would have to decide it. Whenever the first case started the Department brought every one into Court. This last Assessment Court left the impression on my mind that the Bench was trying to do its best as between man and man. It is the only time I have known it to happen.

9. *Mr. Campbell.*] Have you any suggestion to make as to an improvement in the Court for the betterment of the proceedings?—I cannot make a suggestion. My personal opinion is that farmers are not taxed on their wealth, but on a sentimental value. We do not get half our improvements.

10. *The Chairman.*] How long have you been rated on the unimproved value?—Between thirteen and fourteen years. In Waibopa we are much higher valued than on this side of the river.

11. *Mr. Campbell.*] What is your unimproved value?—£8,400 on 500 acres. That is the value as finally fixed by the Court; £5,555 was the previous valuation.

12. I suppose your land would fetch what it is valued at?—I told Mr. Smaill he could take the land at his own valuation, and he said he would let me know in a week; but he never did.

13. *The Chairman.*] If you are not satisfied with the Assessment Court's valuation you can offer your land at your valuation to the Government, and the Government has either to take it at your price or reduce the valuation to it?—That is so, but it is only another way the Government has of beating us down. They fight to keep our values up, and then we have to offer at less than their price. The valuers maintain that when the improvements are finished they go into the pockets of the farmers. We maintain that can never be so in Southland, where you have to continually keep the improvements on the land, and if you do not the land will go back. That is always the tendency of Southland.

14. How long does your grass last?—It will last a long time now, because we have made the land. There is land here now worth £20 and £30 an acre that a few years ago would not have grown anything. It is lime and manure that has done it. Time is not taken into account by the valuers.

15. *Mr. Anderson.*] Does the valuer go on to your farm and examine your improvements and what you have done to it?—The last time the valuer was on the farm he went down the middle of it.

16. What you mean by “time” is that the work on the land up to the present has gone on improving the land, and unless it has been improved, drained, limed, manured, and worked it would never have been as good to-day, and that the valuer does not take that into consideration nor the time that you have been out of money. That is what you mean by “time” when you speak of it?—Yes.

JOHN MORRIS examined.

1. *The Chairman.*] What is your position?—I am a farmer, residing at Edendale. I am a neighbour of Mr. Stalker, and own 165 acres. I have seven children, of whom the eldest is twelve and the youngest three years. My place is valued at £28-odd an acre capital value. The valuation I am allowed for improvements is nothing in comparison with what I have spent on the place. I got £700-odd. Mr. Smaill valued my place, and bumped me up properly. I was going to object, but I was given to understand that the Government would take the farm, and I was not in a position to leave the place. I have limed and manured the land, and even if I got £30 an acre for it I could not afford to leave it. But if my family were able to work for themselves I would go out to-morrow rather than go on paying the rates. I am paying £14 land-tax and £24 13s. for the county, and I consider it is wrong. I have no objection in any way to the capital value, but I have to the amount for improvements. I have buildings, wind-mills, concrete water-troughs, and good fencing, and I get £700 for the lot! It is not a third of what I have put on the place.

2. What is your unimproved value?—£3,340; capital value, £4,105; £765 for improvements. Another thing is that I get no exemption, which I got when I was valued at less,

3. *Mr. Anderson.*] Do you object to the capital value on your section?—No. My objection is that they have not allowed enough for improvements.

4. They have valued you too highly on the unimproved value?—Yes.

5. Did the valuer go all over the section before the value was made?—I saw him in the yard, and that is all I saw of him. If he went over the place it was in my absence.

6. Did he ask for any information as to what you had spent on the place?—No.

7. *Mr. Rutherford.*] Have there been any farms in the district sold recently?—Not adjacent to me. There was one sold at £22 or £23.

HUGH MCCOLL, sen., examined.

1. *The Chairman.*] What is your position?—I am a farmer, of Seaward Downs. I own 247 acres, but represent practically 694 acres taken up in one block fourteen years ago. It was a block of swamp, and had no buildings on it; simply a ring fence. It was composed of Maori heads, rushes, and flax. Myself and a young family started on it, and we reclaimed that swamp from a quagmire to the splendid farm it is now. Since then I have cut the block into five farms, and retained 247 acres for myself and the younger members of the family. I have given the other members of the family the land at first-cost price, and I put in a statement of what my family consider they have put on the land in the way of improvements from the start. The unimproved value of Southland is built up at the expense of the permanent improvements. We do not think that our capital value of £18 to £20 an acre is too high, but the amount that we are allowed for improvements is far too low. I leased the place for seven years at 5s. an acre, with the right of purchase at £6 10s. an acre. At the end of seven years I could not afford to purchase, and got a year's extension, and at the end of the year I was able to purchase on condition that I got a rebate of £1 an acre. The owners did so, and therefore I bought the place at practically £5 an acre. You will be surprised to know that on that 247 acres I pay £19 county rates. When the rating on unimproved value came in our rates went down slightly, but they have increased very much since then. As a whole the farmers do not object to the capital value, but they do object to the assessment of the unimproved value.

2. *Mr. Campbell.*] What is your unimproved value?—Capital value, £4,011; unimproved value, £2,656. £1,355 is my interest according to the Government valuation; £2,514 10s. according to my valuation of the permanent improvements on the place.

3. *Mr. Anderson.*] Have any valuers come on to your place and consulted with you about the improvements before the valuation was made?—Yes, I must give the valuers credit for that. We did not get to understand matters as we do now. Mr. Smaill said he would find buyers for the places if we objected to the values.

ANDREW HALL examined.

1. *The Chairman.*] What is your position?—I am a farmer, at Edendale, occupying 112 acres. My capital value is £3,327; unimproved value, £1,832; lessee's interest in the unimproved value, £643, and in improvements, £803; owner's interest in improvements, £49. I hold an education lease on Edendale Plain. It is a twenty-one years' lease, with eleven years still to run. The question of improvements is a burning one, and there are one or two points in regard to it that have not been brought out. It seems to me that there is something wrong when a lessee has to pay tax on the goodwill of a lease. On this plain there is no natural shelter and no natural water in the shape of creeks. One has to go in strongly for planting either in the way of live fences or trees, and with our climate the question of metalling, and roading, and gateways is a very heavy item, which I do not think valuers take into consideration at all. We must have a gravel track to our door, must gravel extensively round the buildings and in all gateways and around the troughs, which means a considerable outlay. Then there is the question of shelter-belts. Take the case of one going into a bare paddock as I did. Supposing we plant 1,000 fir-trees. The cost of the trees is not very great, but they have to be planted and protected. What is the cost of that in comparison with the value of those trees twenty-one years hence, when my lease expires. After being on the place for ten years I am beginning to get a little advantage from the trees which I planted when I went in, but at the end of twenty-one years those trees will be in full value. That is a case where the value of the improvement greatly exceeds the cost of the improvement, and it is a point that is overlooked very often. The same might apply to liming. There is a certain cost in liming land, but the value of it is quite a different matter. £1 spent in liming is really worth £3 to the man who does it, especially in Edendale. I do not know whether Mr. Smaill examined my place minutely, but I met him coming out of the gate, and he asked me if I had limed the farm. He might have known from the appearance of the pasture. I do not think we get anything like the value of our improvements. We get what they cost us, and not the value they give to the land. What is apparently called the goodwill or lessee's interest is a diminishing quantity, and works out to nothing at the end of the lease.

PATRICK WALSH examined.

1. *The Chairman.*] What is your position?—I am a farmer at Edendale. I hold a lease 178 acres; capital value, £4,094; unimproved value, £3,094.

2. Do you complain of the capital value?—Both of the capital value and the unimproved value. I consider they are very high. The capital value is £3 an acre too much. I am a neighbour of Mr. Hall, and we started out together. My unimproved value has increased from £9 to £15 an acre in five years, according to Mr. Smaill's valuation. I have limed the whole

of the 178 acres with a couple of tons per acre, and they allow me £1,000—£96 owner's interest. Assuming there are 100 acres of grass at £4 an acre there now it absorbs the whole of the Government valuation. Lime costs 15s. a ton on the truck. We also sow 45 lb. to 52 lb. of grass-seed to the acre, and cannot grass under £1 an acre.

3. How many years of the lease are unexpired?—Ten or eleven. The lessee's unimproved value is greater than the lessee's improved value. Mr. Smaill asked me about the goodwill, and I considered there was no goodwill in an educational lease.

4. *Mr. Campbell.*] Do you get value for improvements?—If they get an incoming tenant we do. If they do not, then they simply charge our rent against the improvements.

DANIEL TITHER examined.

1. *The Chairman.*] What is your position?—I am a farmer at Edendale. I hold a lease in perpetuity of 236 acres. I do not object to the capital value of £4,961, but the £941 at which the improvements are assessed would not pay me for the improvements I have put on by a few. There were 83 acres of swamp. I ploughed, and drained, and broke up 63 acres, and that swamp could not be broken up under £4 an acre; 20 acres of the swamp is still untouched, and the valuer put that in at £4 an acre. When I took up the land ten years ago the capital value was £1,700. I did not go in with much money, but I brought in over £800. After two years I ran short, and wanted to raise money from the Advances to Settlers Office, but all the valuation I could get was £300. How is it that the unimproved value now runs up to £4,000? About eighteen months ago I was offered £4,000 for the goodwill and the implements and stock. I would be quite satisfied if I was allowed more for the improvements. My improvements are: House, £400; cow-byre, £100; stable, £103; two windmills, £80; trough, £17; fence, £200; ditches, £100; implement-shed, £30; coal-shed and washhouse, £20; total, £1,050. Then there is the cost of liming, £500; breaking up of swamp, £189; grassing 216 acres, £300, and hut, £20: making a grand total of £2,059 spent in improvements. The first year all I took off the place was £164.

2. *Mr. Campbell.*] Is your land all level?—Yes.

HUGH FRASER examined.

1. *The Chairman.*] What is your position?—I am a farmer, of Seaward Downs, where I have 291 acres of freehold. My objection is about the same as that of Mr. Stalker and Mr. McColl. I have to pay £30 all but a few shillings in road rates. I came to Southland six years ago. I did not understand the country, and I am sorry I did come. My unimproved value was £8 an acre, now it is £15. My capital value is £5,075, and my unimproved value £4,081.

2. You are allowed £994 for improvements. What do you claim?—At the time the valuer was there I considered my improvements on the land and buildings should be £1,300 at the very least.

JAMES DENNIS SHEPHERD examined.

1. *The Chairman.*] What is your position?—I am a settler on Gorge Road, where I have 194 acres freehold, Oteramika Hundred, and also a leasehold of 300 acres of State-forest area. My rent is £1, and my rates £5 for 34 chains of an impassable track to get on to what is an impassable road when I get there. That is apart from the rates on the land. I was agreeable to an advance of 50 per cent. on my previous valuation, but I was not prepared for an advance of 250 per cent., or rather better, which I got. 4,500 acres have been cut up since Mr. Anderson went to Parliament, and we cannot get access to our property. The land was sold at £1 7s. to £1 10s. an acre, and I do not see why I should be rated at greater than the land is selling at. The freehold I quite agree to, in the interests of carrying on the work of the county.

2. *The Valuer-General.*] On what terms do you hold your occupation license?—The Commissioner can cancel the lease in twenty-four hours.

The Valuer-General: All you are entitled to pay rates on is your interest in your license. It must have got wrongly on to the county books. Only your interest should have got on, and not the full value.

DONALD MACDONALD examined.

1. *The Chairman.*] What is your position?—I am a farmer at Edendale, where I have 1,200 acres. I desire to emphasize what previous witnesses have said about the unimproved value. We have started on a wrong system, and not enough has been allowed for improvements in the beginning. If a fair thing was allowed for improvements there would be no trouble whatever.

MOKOTUA, 18TH DECEMBER, 1914.

JAMES McNAUGHTON examined.

1. *The Chairman.*] What is your position?—I am secretary to the Farmers' Union, and reside at Waituna. A big percentage of the farmers here thought the recent assessment of the land was too high; in fact, most thought it was ridiculous. In my own case I went to the Assessment Court and got my valuation greatly reduced. I have 204 acres. It was bought fourteen years ago, when they found it almost impossible to get £1 an acre for it. One section I hold cost 15s. an acre, the other £1. At the last valuation I was assessed at about £7 unimproved value. That was before I objected. When we went into that place we could not buy

decent ewes under £1 8s., so that there has not been a material advance in the price of stock to justify the upward tendency of the valuation of land. The increased price of labour to-day makes land cost about double to work it, and the increased price of implements makes it almost impossible to get implements. It was a very wet section and required a lot of draining, and the trouble was to get an outfall. I have no outfall now. Seven chains on my neighbour's boundary is practically the worst, because I cannot get it dry. I objected to my valuation, and got a big reduction, and am very well satisfied with the reduction. I think it has gone up 5s. an acre in the five years. A man does not object to that, but when it comes to 5s. to 10s. a year, that is too much. I am pushed right to the corner now, and a little more will push me right over. The unimproved value has gone up at far too high a rate, considering the increase in the value of produce. Last year oats cost us within a penny a bushel of what we got for them. The cost to us was 1s. 6d. a bushel, and we were offered 1s. 7d. in Invercargill. The rural population twenty years ago was in the lead; now the towns claim it. The country population is drifting into the towns, who are dependent on the backbone of the country. It is almost impossible for a young man in the country to start now.

2. What was your reduction?—I was valued at about £7 an acre, and got it reduced to £4 5s. I am not quite sure whether the reduction was from £7 or £6, but even from £6 it is a big reduction.

3. Did you have any trouble before the Assessment Court?—I had not; others had.

4. Did you bring witnesses?—Yes; I brought farmers, who are the real experts.

5. *Mr. Anderson.*] When the valuers came to value your property did they go on your section?—They came, but they refused to go over it.

6. Did they consult with you about what were the improvements and what were not?—They did, but I will give you an idea of how a man is placed. I asked the valuer to go to the house, where I had everything worked out on paper, but they would not come in. They absolutely refused to go over my father's place. It was afterwards reduced from £5 to about £2.

7. *The Chairman.*] Why would they not go over it?—I think they would have been drowned.

8. When you asked them to go to the house, did you propose to show them your books and what it had cost you for improvements?—Yes. I proposed to show them exactly what the improvements had cost me. This was the second time they came round. In the first place, they offered me a 15s.-an-acre reduction, which I refused.

9. Was the valuation made in 1908 or 1912?—It was under the 1908 Act.

JAMES CLAY examined.

1. *The Chairman.*] What is your position?—I am a farmer, of Mokotua. I own 173 acres freehold, which I bought eighteen years ago at £1 7s. 6d. per acre. The owners were so glad to get rid of it that they did not chase me for the interest when it was overdue. When I bought, the Government valuation was £1 an acre; then it was £2; and it gradually rose and rose until at the last valuation it got up to £8. I appealed to the Assessment Court. The Magistrate listened to me very patiently, and treated me as a father treats a son. He said I had put up a good fight. I asked him if he wanted witnesses, and he said "No," and reduced me from £8 to £6. The cry to-day is that the farmers are making a great pile, but I can show you that they are doing no such thing. I am farming, and have a full complement of machinery; I have a lad who works my horses, and I work myself. My young man is worth £1 a week, but I do not pay that. If I did he would have more money at the end of the year than I have, except that I would have the work done on the farm. Every penny I have earned I have put into the farm. Fully three-quarters of the value of my farm I have put in myself. A disc harrow which fourteen years ago I could buy for £13 to-day costs me £18; and all the other machinery has gone up in price, and everything on the farm has gone up too. I admit our stock brings better prices, but it costs us more to keep it. In the Mokotua, if a man works his farm properly he has a 5s.-an-acre rate for manure alone. That is quite apart from putting on lime, and it is absolutely useless to try and fatten cattle without putting on lime. My land was originally red tussock. I have put on 150 tons of lime, and every farmer here has done the same. Of course, I admit there are some farmers who do not trouble much about it, but where farms are limed there is grass. Where we are it costs us 5s. a ton cartage for every ton of lime, and for manure the same, and I think it is unfair to rate us as much as a person within reach of the railway. Since I limed I can carry twice the stock and can turn out fat cattle. Without drains some of the land is no good. Two of us can cut a chain of drain in a day, but it is not all like that. Drains cost a lot of money, and put on the land far more by way of improvement than we get credit for. I reckon a man who makes use of his land and keeps it clean should have the same unimproved value as a man who does not keep his land well. Farmers are losing the help of their sons by not getting encouragement to keep them on the land. I do not say we could ever pay our boys the same wages they get in the cities.

2. Your argument is that sufficient is not allowed for what is put on the land?—Yes.

3. Do you treat lime as an improvement?—We are allowed that in the Assessment Court now.

4. How long does lime last?—The manager of Wright-Stephenson's said it would last a lifetime. I would not go so far as that, but I will say that it lasts for many years. Every time the land is broken up it should be limed, but to lime the crop without manuring is to ruin the land in a short time.

5. You were reduced by £2 an acre. Was that taken off the improved value?—I think it was taken off the capital value, and the unimproved value was left as it was. I have not the papers with me, but I will send them to you.

6. *Mr. Anderson.*] When the valuation was made did the valuers go on to the property and consult with you?—Yes, they asked me about the improvements, and I told them.

7. When a farm is improved, how many acres does it take to keep a cow and a calf?— $1\frac{1}{2}$ to 2 acres.

8. So that there is practically 8 acres of improvements to the owner?—Yes.

9. *The Valuer-General.*] What concessions do the farmers get from the general public in the carriage of lime?—We get it carried free.

10. What is the cost?—15s. a ton on the truck, and it costs us 5s. a ton cartage from the railway, costing about £1 a ton on the land. We put between 25 cwt. and 30 cwt. to the acre. Then, of course, it has to be spread.

11. *Mr. Campbell.*] What is the best, shell or ground lime?—If guaranteed ground lime is burnt I would take the burnt lime, but I have had it when the boxes have got wet, and the boxes have burst. Limestone that is not burnt is about twice as heavy as lime that is burnt.

WILLIAM LANE KERR examined.

1. *The Chairman.*] What is your position?—I am a farmer at Mokotua, owning 452 acres of freehold. I was on the farm forty years before I objected to the rates. My first objection was to the assessment made in 1909—that is, the second-to-last valuation. That valuation was £3,270 capital value; improvements, £810; unimproved value, £2,460. I objected to that valuation, and went to the Court and put in this estimate of improvements: £2,218 15s., which works out at £4 17s. 10d. per acre. The Assessment Court made the capital value £9 per acre, and the unimproved value £4 10s. and the improved value £4 10s. per acre.

2. First of all they only allowed you on the whole lot £765?—Yes.

3. There was still 7s. difference between you and the Assessment Court?—Yes.

4. Were you satisfied with the reduction you got?—Yes, fairly so.

5. What was the 1913 valuation?—£4,622 capital value, £1,726 improvements, and £2,896 unimproved value, working out at per acre: Capital value, £10 4s. 6d.; unimproved value, £6 8s. 1d.; improved, £3 16s. 4d. I objected, and got an amended valuation, in which all the valuations are increased: Capital value, £11 8s. 9d.; unimproved value, £7 2s. 9d.; improvements, £4 6s. 10d. The Magistrate questioned whether the valuer had the right to increase. In 1909 there was only one other objector before the Court, but after the 1913 valuation there were between sixty and seventy objectors. That showed in itself there was something wrong. The Court would not accept the Department's amended valuation, and I got no reduction on the first valuation of the Department. It is extraordinary that my improvements should have gone down from £4 10s. to £3 16s. 4d. in four years after all the work of myself and my sons, whilst at the same time the unimproved value has gone up from £4 10s. to £6 8s. 1d. If we are to be valued on an unimproved value let it be an unimproved value in reality. What is the use of cutting down the improvements so as to put it on to the land?

6. Had there been any sales in the neighbourhood?—There had been a sale of one small place just before the Assessment Court sat, and it was a good deal taken notice of. There were a good many things given in with the place, which reduced the price by £1 per acre. Then it was not a cash sale.

7. The Act says "a sale if reasonable terms are allowed"?—Yes, but why should our improvements be kept down as they are.

8. Had any of the improvements got exhausted in the meantime?—No; we have been keeping them all up and in good repair, and we have put fresh ones on. £2,769 worth of improvements had been put on, as against £2,112 four years before.

9. Did the Assessment Court consider this?—Yes, but they did not give me any reduction. I do not know why. There is one thing I would like to draw attention to. The valuers drive down the road-line. Our property runs a mile to the west and 60 chains to the east, and they think they can make a fair valuation. I think that, to save the expense of a man going through the country, they could sit in their office in Invercargill and put down the values much better than a man could by simply riding past the property.

10. But the valuers get particulars from you as to improvements?—No. I gave him my previous year's valuation.

11. *The Valuer-General.*] What do you mean by saying the valuer has never been over the property? Do you mean that he was not on the property at all?—He has never been over it.

12. Would you say he has never been over it on a previous occasion?—Not to my knowledge since I have been there.

13. How long have you been there?—Since 1862.

14. And you say deliberately the valuer has never been over the property?—Yes. The house is within 5 or 6 chains of the road, and he came in to dinner, and that is all the property he went over.

15. The Court did not treat you fairly?—No.

16. Why did they make an exception in your case when the others state that the Court treated them fairly?—I cannot say, I am sure.

JAMES ROBERTSON MUNRO examined.

1. *The Chairman.*] What is your position?—I am a farmer, of Mokotua, where I have a farm of 337 acres, freehold. A neighbour of mine gave double the value of the land, because it was a case of really wanting the land for a purpose. I did not go to the Court as an objector. I believe that Mr. Smaill got his values down from the Valuer-General in Wellington, with instructions to keep the owners to them. From Invercargill to Matura Flat seven-eighths of the rate-

payers would have objected, and we could not all have been dunderheads. My unimproved value was increased from £3 14s. to £8; and it proves that the values come pretty well from Wellington, when sales registered in Wellington are brought up and used in the Assessment Court in Invercargill. I called on Mr. Flanagan and told him that he could have the land at his own valuation. Lime may only last a certain time, but when you tile drain it will last for ever. This land in its tussock state would hardly feed a lark.

JAMES EDWARD JERCOATE examined.

1. *The Chairman.*] What is your position?—I am a farmer, of Mokotua, holding 200 acres. I was one of those who objected at the Assessment Court, and, in common with others, I did not object to the capital value, but to the adjustment of the valuation as between the improved and the unimproved. The Magistrate was very courteous to us all, but at the same time I came away dissatisfied. My improvements were valued at £4 12s., and they were increased by the Court to £6 2s. I put all my money into improvements, and I maintain we are not getting these improvements allowed to us. The Department valued my unimproved value at £7 8s. an acre, and the Court award gave me £6 3s. The capital value is £12 5s. per acre. I would not be dissatisfied if it were even a little higher. I think that the property-owners should get all the details of the valuation. The Department demand from us the details of our improvements, but we cannot get from them the details of their valuation. There are one or two peculiarities in comparing my valuation with that of the Department. I put 150 tons of lime on my place in seven years, for which I was allowed £50—a very very small allowance. My own valuation was £360. Then I was allowed £50 for two miles of tile drains. I put the work down at £100, which was a low estimate. I valued my plantations at £50, and I was allowed £5 by Mr. Smaill, and he also told the Magistrate that these trees were really a nuisance. With our weather, trees are not a nuisance; we want many more.

2. *Mr. Campbell.*] What plantations have you?—3½ acres in different places. I can show you that liming lasts twenty years. It would be an improvement if a local man was appointed to assist the valuer. We want to be quite fair, and we believe that the valuer wants to be quite fair. If a local man was appointed to assist the valuer, and there was some one to speak for us at the Court, it would be a great help.

3. What would be the difficulty in getting an intelligent farmer to plead the case of any number of objects?—There is no reason why that should not be done. At the last sitting of the Assessment Court there were such a large number of objections filed that some of us had to wait two days. Our time is quite as valuable as that of other people, and it could be arranged that so many cases would be taken on a certain day. We were interrupted by the civil business of the Magistrates' Court, and had to wait till it was disposed of. The civil business of the Magistrates' Court interfered with the business of the Assessment Court.

4. *Mr. Anderson.*] Did the valuer go over the property?—He came on to the property, but he did not get out of the trap.

5. *Mr. Rutherford.*] Did he go over the land?—Just so far as is necessary to go to the house from the road. He never saw the back of the farm, and refused to do so. The impression is on my mind that the valuers do not want to have too much to do with the owners.

6. *The Valuer-General.*] Supposing the district valuer and this local man disagreed, who is to decide?—That is a point. I do not know whether it would be practicable.

7. *Mr. Rutherford.*] Who should appoint the assessor, the Government or the ratepayers?—I should think it would be all right for the Government to do it. It is only a suggestion, and I may be wrong.

GEORGE THOMAS COOMBES examined.

1. *The Chairman.*] What is your position?—I am a farmer, of Mokotua, where I have 150 acres freehold. I went to the Valuation Office and objected to my valuation, and was told by the clerk that so many objections had come in that there would be a readjustment of the values, and I need not go to the Court. I was in that way put off going to the Court, but when I saw they were getting reductions through the Court I thought there would be no readjustment, and I then applied, but it was too late. My 1914 valuation was: Capital value, £1,660; unimproved, £1,140; improvements, £520. Under the old valuation I was valued at £450 unimproved. People round here who went to the Court got their unimproved value reduced to £6 an acre, and I have to pay on £7 14s. 5d. because I did not go to the Court to get it reduced. We all seem to think that our unimproved value is too high and our improved value not enough.

2. *The Valuer-General.*] I suppose you know that the clerk in Invercargill had no right to tell you that there would be a readjustment of values?—No doubt that is so, but he told me there would in all probability be a readjustment, and his saying so is responsible for my not putting in an objection in time.

3. *The Chairman.*] Did you ask for a special valuation?—I was not aware I could have a special valuation made even on the payment of a fee. I do not think the valuer put a foot on my property. He never saw me, and no question was asked me.

4. *Mr. Campbell.*] Has land risen here in the last few years?—It has been going up about £1 per acre a year.

5. *Mr. Anderson.*] What do you think puts up the value?—It is a speculative value, mostly.

Mr. Anderson (to Mr. Smaill, district valuer): Did you receive any instructions from Wellington to put up the valuations?

Mr. Smaill: I have been fifteen years in the service, and never received a hint of such a thing.

Mr. Anderson (to the Valuer-General): Have you given any instructions to any valuers in Southland to put up the values in the last valuation?

The Valuer-General: I have never given any instruction to put up values in any part of New Zealand, nor has any Minister of the Crown ever suggested such a thing to me.

Mr. Anderson: Were these valuations made under the Act of 1912 or under the previous Act?

The Valuer-General: Under the previous Act. The coming into operation of the Valuation of Land Amendment Act, 1912, was postponed until the following April because a number of districts had been partly revalued, and it was a case of starting *de novo* and losing all the money that had been spent on them or postponing the Act, and postponing was decided on.

Mr. Anderson: Whatever benefits have arisen through the latter Act were not applied to that valuation?

The Valuer-General: No. We could not do it under the law.

JOHN SMAILL examined.

1. *The Chairman*.] What is your position?—I am district valuer of Gore.

2. *The Valuer-General*.] It has been stated that you did not inspect the properties. The opinion uppermost in the minds of the persons who do not know the district is that you did not know these properties?—I know the district thoroughly. I have been valuing all over this district for fifteen years, and it is absolutely unnecessary for me to go over every acre of any farm in my district. At one time or another I have been over the greater part of them. Even if I have to value for loan purposes, where we have to be most careful, unless a man desired me particularly to go over, I would not spend the time to do so, because I think it not necessary.

3. Have I ever issued instructions asking a valuer to be liberal with the owner's improvements?—Yes. My instructions are to be liberal.

4. *Mr. Campbell*.] You have carried them out?—To the best of my ability. Of course, the valuer has to depend to a large extent on the farmer to assist him in the matter of drains and other improvements not noticeable on the surface, and I must say I have been very much assisted by the great majority of farmers in arriving at the value of improvements.

5. *Mr. Anderson*.] How can a valuer give a valuation of improvements if he does not go and see if the improvements are there?—In most cases I find farmers are men who can be relied on, and I think I can say I have never been seriously misled by any of them.

6. Why do you reduce the farmer's valuation of his improvements: do you go and see them, or do you not believe the farmer?—I never get any lists like we have heard about to-day. With regard to Mr. Kerr's, that was altered by the Assessment Court. As far as I can remember, in 1909 Mr. Kerr gave a list of his improvements to the Assessment Court, and they were adopted.

7. Do farmers ever show you their books as to what has been spent on improvements?—No.

8. Do you ever ask for it?—No. It would be no use, because farmers do not keep books as a rule.

INVERCARGILL, 18TH DECEMBER, 1914.

EDWIN RICHARD KIDD examined.

1. *The Chairman*. What is your position?—I am a farmer at Wendon, in the Wallace County. I wish to draw the Commission's attention to a serious alteration in our valuations in the term of four years. The area is 1,477 acres of freehold land. In 1911-12 the Government valuation was: Capital value, £3,225; unimproved, £2,585. The present valuation is: Capital value, £7,616; unimproved, £5,788, an increase in the unimproved value in that time of £3,203, and there had been no improvement in roads. In fact, we had a bridge washed away, and it has not been rebuilt. I objected and got a reduction of £988 off the unimproved value. I admit that the first valuation of £2,000 was too low.

2. Were you satisfied with the reduction through the Court?—No; I wanted £1,900 off.

3. No alteration was made in the improved value by the Court; it was only off the unimproved value?—That is so. I have 450 acres still in its native state. The land adjoining this on three sides is let at from 10d. to 1s. 2d. per acre. I value it at £1 per acre, because there is very little of it that it is possible to improve. The next 400 acres is river flat, and part of it is liable to flood. I value that 400 acres at £3 per acre unimproved value. Then there is 627 acres of ridge and swamp under cultivation, which I reckon at £3 10s. an acre. I estimate my unimproved value at £3,844 10s. In 1912 my improvements were put down at £640, and a surveyor estimated my improved value at £1,152. Since that time I have put fencing on to the amount of £256 16s.; working up out of the tussock and sowing in English grass, £894; buildings, £685; bringing my improvements up to £2,988, at March, 1914.

4. Were you satisfied with the amended assessment of improvements at £1,828?—Of course, I applied for £2,000 reduction, not having then totalled up the improvements on the place.

5. *Mr. Campbell*.] Are all these estimates of improvements made by surveyors?—No; they are all our own. A surveyor gives us the measurements.

6. What does your fencing cost?—About £60 a mile.

7. Do you get the posts out of your own bush?—No.

8. How many wires?—Six and seven, and, of course, all are wire-netted.

9. *The Chairman*.] On what system are the local rates struck?—Capital value.

10. *Mr. Campbell*.] Were you satisfied with the total capital value?—No, it was too much.

11. What did you think it ought to be?—£6,832. In this district land has gone down £1 to £1 10s. in the last few years.

12. What is the cause?—The bad years, and this is not much better. The land adjoining me was open at £4 an acre, and since then the owner has spent 10s. to £1 an acre, and it can be bought at less money. It was offered to my son at £3 10s. an acre.

13. Is it equal to yours?—Not taking it right through. There is better land in it than in mine, but there is more third-class land.

14. In the natural state what would be the value?—About equal, or at most 5s. an acre difference.

15. If your land was put up to-day it would not fetch the money?—I am quite sure it would not.

16. *The Valuer-General.*] The Assessment Court added £1,000 to your improvements?—Yes.

17. In the objection form you sent in to the Department you stated your unimproved value as £6,670 and improvements £2,250, and the Court gave you an advance upon that. It gave you, in addition to your own estimate of the improvements, nearly £700 more—£2,812?—It was a reduction of £900 odd.

18. The Court put a higher value on your improvements than you did yourself?—I only had a few days in which to put in my objection, and was not able to get all the details.

19. How is the Department to arrive at fair values if they do not get a fair estimate from the owners?—I could not get the full details.

20. The Court gave you £364 more than you valued your improvements at?—That is so, on the objection I put in.

21. Did you put all these figures before the Assessment Court?—I think I did.

22. How long have you had this land?—Four years next May. I paid £3 17s. 6d. per acre.

23. What do you value it at now?—Not more than £5 an acre.

24. Supposing the Crown wanted the property to-morrow, would you sell on the roll value?—Yes, if they would take the crops and pay for them and give me time to sell the stock.

25. *Mr. Campbell.*] You reckon the crops and turnips and other improvements are worth £1,500?—Yes.

JAMES PETERSON examined.

1. *The Chairman.*] What is your position?—I am a carpenter, residing at North Invercargill. My wife and I have two Corporation leases of half an acre each. One is valued at £45 and the other at £80, and they are absolutely identical. They are in the same street, with a block between them. I consider both are overvalued, but £80 is outrageous. The rent of each is £2 per annum. There are buildings on each, a four-roomed house on one costing £420. I understand that the buildings have got nothing to do with the unimproved value.

2. They have in regard to a lease. Do you know how long the leases have to run?—So far as I know, both have ten years to run. My wife paid £85 for hers, and I paid £120 for mine. I put two rooms to the house on my section, and considerably improved it. The £80 section is valued the same as the section alongside of it.

3. *The Valuer-General.*] Did you put any improvements on these lands during the last twelve months?—Not on the land; only on the house on my wife's section.

4. What kind of an improvement was it?—An addition of two rooms in front.

5. When were the improvements finished?—They are not quite finished yet. They are not painted.

HENRY STEPHEN SHEAT examined.

1. *The Chairman.*] What is your position?—I am a farmer, of Morton Mains. The first property I will take is my own, of 786 acres and 13 perches, and in comparison with that take the property of John Collins, of Morton Mains, of 772 acres 1 rood 17 perches. Every one who knows that district knows that in its native state all that land was of the same quality. My unimproved value is approximately £6 16s. an acre, whilst Mr. Collins's farm, just across the road from mine, and exactly the same distance from the railway-station—both places in their natural state identical, except that I have 38 acres of cut-out bush which is regarded as waste land—is valued approximately at £5 12s. an acre. We want to know why there should be this difference. Then, a little farther down the road, Alexander Calder's farm of 500 acres 3 roods 5 perches is valued at £5 18s. unimproved. His land is identical with Collins's, except that it is farther away from the railway. Across the road from Mr. Calder, my brother, E. G. Sheat, has 403 acres, and his unimproved value is approximately £7 5s. an acre, and his land is not of the same value as Mr. Calder's, not having the same amount of frontage. I could quote another case, but it would just be iterating the same thing. Mr. Blackmore, beyond these last-mentioned places, is valued at £6 an acre, and he has a frontage to two roads.

2. Did you, or any of the parties, appeal to the Assessment Court?—We objected to the valuations, and intended going to the Court, but none did. My own was arranged at my house. I was informed that all my neighbours had agreed to the revised value. All the figures I have given are the revised valuations.

3. Did you find that all your neighbours had accepted the valuation?—No, only my brother. The rest took a reduced valuation to keep out of Court.

4. £6 16s. was arranged between you and the valuer?—That is so, and all the others too.

5. Might I suggest that the disparity is due to bargains made with the different owners?—That is quite so.

6. *Mr. Campbell.*] Are you satisfied with your capital value now?—It is right enough, provided I had another thousand taken off the unimproved value.

7. *Mr. Rutherford.*] What was your valuation before it was reduced to £6 16s.?—I could not say on the spur of the moment. It makes a difference of £8 10s. in my rates,

8. It is the unimproved value you are objecting to?—We object to both, but at the same time I think the capital value is a long way nearer the mark than the unimproved value.

9. *The Valuer-General.*] I have your objection form here, and I find that you agreed to an unimproved valuation of £5,235. That was a reduction of £753 on the original proposals of the Department. Then you were allowed £300 on your improvements?—That is so, but I agreed under a misapprehension. That is my contention.

JOHN SMAILL examined.

1. *The Valuer-General.*] You are the district valuer, and you valued these properties. Would you say that the values as amended are reasonably uniform?—Yes. I have not my field-book, but I should say that they are uniform.

2. Have you any recollection of this particular property of Mr. Sheat's?—Yes.

3. Do you remember Mr. Collins's property?—Yes.

4. From memory, is there any reason for the difference of £1 an acre between them?—Not unless there is more swamp on the one than on the other. If I had my field-book I could say at once.

5. The mere fact that these properties are near to one another does not lead to the inference naturally that the values should be the same?—No. One may have more swamp than the other.

Mr. Sheat: Most of Mr. Collins's drains are piped and mine are open, and I have 38 acres of cut-out bush. I have fully the proportion of swamp Mr. Collins has, and this cut-out bush besides.

WILLIAM JAMIESON examined.

1. *The Chairman.*] What is your position?—I am a farmer at Awarua, Green Hills. I have 516 acres of endowment land of the Borough of Invercargill. About 250 acres is covered with tidal water every day. For that the valuer allows me 100 acres as valueless. The capital value is assessed at £2,194; owner's unimproved value, £1,664; lessce's interest, £530. I consider the value of £4 an acre too much, as the land in its natural state is worth nothing. I should have appeared at the Assessment Court, but my letters were wrongly addressed. I never got my notice of the sitting of the Assessment Court. I know I can get a revaluation by paying a fee, but why should I pay for other people's mistakes. I do not say the letter to me was not posted.

2. *The Valuer-General.*] How do you measure the area under water? First you made it 160 acres, and now you say it is 250 acres?—I told the valuer 150 to 200 acres that the tide ran over, but at that time we had not measured the land over which the tide-waters flowed.

3. You got a letter from the Valuation Office addressed to you at Green Hills?—Yes. That was after I had been in the office and given them my address. I am still waiting for the other one to come. I did not take any notice of what appeared in the newspapers. I was waiting for my official notice of the sitting of the Assessment Court, as promised me.

THOMAS LYONS OSWIN examined.

1. *The Chairman.*] What is your position?—I am officer in charge of the Valuation Department, Invercargill. Letters sent to Mr. Jamieson were addressed to Green Hills. The word "Awarua" may not have been written on the envelope. A letter was sent on the 29th July notifying Mr. Jamieson of the sitting of the Assessment Court. That letter has not come back from the Dead Letter Office. There were four adjourned sittings of the Court, and all were reported in the newspapers.

2. *Mr. Jamieson.*] Were my letters not addressed to Awarua Plains?—No, they were not.

The Chairman: We cannot reduce your valuation, but we will take into consideration the matter of whether we shall recommend or not that you have a revaluation free of cost to you, if you want it.

Percentage of Increase in Rural Land Values in Southland on Revision.

The Valuer-General handed in the following table showing the percentage of increase in rural land values in Southland on revision:—

Year.						Unimproved.	Improvements.
1902	...	...	...	...	...	12·9	12·2
1909	...	...	...	...	...	30·2	20·0
1911	...	...	...	...	...	42·58	35·2
1912	...	...	...	...	...	41·7	39·0
1913	...	...	...	...	...	52·0	43·0
1914	...	...	...	...	...	40·7	58·4

CHRISTCHURCH, 21ST DECEMBER, 1914.

THOMAS ALOYSIUS MURPHY examined.

1. *The Chairman.*] What is your position?—I am a resident of Christchurch, and retired from the Customs Department after forty-three years' service. I was taken seriously ill in June, and no doubt received notice of my valuation, but I have no recollection of it. Last year my rates were £8 19s. 7d.; this year they are £11 11s. 6d. My unimproved value was brought from £400 to £530.

2. Where is this property?—Within a hundred years of this building [Old Provincial Buildings], in Gloucester Street West; 26 perches.

3. How many years ago was the last valuation made which placed you at £400?—That was made in 1907, and the last one was made in 1913, and came into operation on the 1st April, 1914.

4. We are not concerned with the rates, because the City Council may have struck a new rate or increased the rates. We are concerned about the value of the land. Can you tell us what was the capital value?—The unimproved value in March, 1913, was £400, and the capital value £860. For the present year the capital value is £990.

5. Between 1907 and 1913 were any new improvements made on the property?—No. All the improvements made on the property were made before I came up from Lyttelton. Before I bought the property a spade had never been put into it for seventeen years.

6. I see that the improvements were valued the same in 1907 and 1913—in each case £460?—I could not show you a shilling's worth of improvements, except that I have kept the land and a little garden in a nice state for a person to live in.

7. Is there a building on the place?—Yes. I live there.

8. What is the building insured for?—I could not say.

9. What do you value the building at?—The last repairs I made to the building six years ago cost me £370. I had to tear down a good deal of the old building and rearrange it altogether.

10. What is the building worth, do you think?—Not more than £400 or £500, if it is worth that.

11. What is your idea of the value of the whole property?—£900 to £1,000.

12. Do you complain of the capital value—that is, land and buildings—at £990?—No. What I am complaining about is the value on which I pay taxes—an increase from £400 to £530 in one year.

13. On your own figures the valuation seems pretty close?—That is so.

14. *Mr. Murray* (representing the district office of the Valuation Department).] Do you know of any sales near you?—No.

15. Did you know that the Masonic body had bought a part of Mr. Graham's property?—No.

HENRY MURRAY examined.

1. *The Chairman.*] What is your position?—I am district valuer for Christchurch. The valuations of these properties are all based upon the sales of property in the locality. On the opposite side of Mr. Murphy the Masonic people bought a section, 66 ft. by $2\frac{1}{2}$ chains, for £850; and Mr. Dawson, the brewer, has got a section opposite Mr. Murphy's and adjoining the Masonic property, for which he paid over £800, and he has recently built a house on it. Then, a little farther down Mr. Craddock has bought a section for £800, and adjoining him a person has bought at £800. These are all sales within the last two years, and the last two mentioned within the last six or seven months. On those sales the valuations are based.

2. They were unimproved?—Absolutely. There was nothing on them at all.

3. What is the frontage of Mr. Murphy's section?—About 40 ft.

4. What do you value the building at?—£460, and it is high at that. The increase is in the land-value.

5. Has there been an increase in the land-value since 1907?—Yes; it has gone up considerably.

6. *Mr. Murphy.*] Do you know the money that has been spent in repairs on the building next to me, which is valued at £600?—The repairs have been made since the valuation was made.

7. I am 14 perches short of a quarter-acre?—You have 44 ft. frontage.

8. *The Chairman.*] Is there any price per foot?—In the residential area all sales are at per quarter-acre or portion of a quarter-acre.

9. *Mr. Murphy.*] What is the value of Dr. Simes's allotment next to me?—Whatever you are valued at; it is in proportion to all the others.

10. When did you visit my property to value it?—Some time last year.

11. Perhaps you took the opportunity to go there while I was away?—Perhaps you happened to be away when I called.

ARCHIBALD EARSHAMAN examined.

1. *The Chairman.*] What is your position?—I am a sheep-farmer, of Hurunui. I object to the way my land has been valued. I have 3,337 acres in the Hurunui Riding of the Waipara County. My unimproved value is £12,750, and improvements £600. I would like to go back to the valuation before this one. That valuation refers to what is known as Blackhills, originally sold on deferred payment. The Government valuation was from £2 down to £1. My section, with the adjoining one, was valued at £1 10s. an acre. The adjoining section sold for £2 3s. 6d. The section I possess now was valued at £1 10s., and bought for £1 19s. That was thirty-one years ago. Another section that cost £2 6s. was converted into a small grazing-run at $2\frac{1}{2}$ per cent. on the capital value. During this time the unimproved value of the section was £3,200, and the improvements were valued at £1,700. The capital value of the land was less than 10s. an acre. There were five sections which were converted into small grazing-runs. They were valued at £1, and we were paying road rates on £1 10s.

2. How long ago is this?—Twenty-two or twenty-three years ago. My land is now valued at £4 an acre, and I have not room on it to make a garden, whilst on the adjoining section there are 200 acres on which the plough can be put. I can scarcely get a buggy on to my place because of the rocks. And the adjoining place is valued the same as mine.

3. How many sheep do you carry?—This year I have a few more than I should have, but I expect to carry two sheep to 3 acres. I do not know that it would not be better to carry less sheep. It is fifth-grade land. At Culverden there is third-class land carrying a ewe to the acre.

4. Do you object to £600 for improvements?—I pay road rates on the capital value, and do not want to get the improvements too high.

5. *Mr. Campbell.*] How far are you from the railway?—Five miles from the nearest siding.

6. *The Chairman.*] What do you consider your unimproved value should be?—The £600 I am allowed for improvements is what I have actually put on in buildings and fencing, but there are other improvements that cannot be seen.

7. What is your idea of the capital value of the whole property?—£11,679, or about £3 10s. an acre, and I put the improvements down at £679 and the unimproved value at £11,000.

8. There is about £1,000 difference between you and the Valuation Department?—Yes; practically 10s. an acre. I came down and saw Mr. Kelly, and he offered me 5s. I used to appear for Mr. Mackay, but Mr. Bishop, the Magistrate, objected on one occasion, and I had to get a lawyer. If my land is worth £4 an acre, why should Mr. Kelly offer me 5s. an acre reduction?

9. Did you get a reduction at the Assessment Court?—No. I was asked if my section was as good as Turner's, and I said that my section was better by 2s. 6d. an acre, Turner's being south-west country, and consequently they put my land down at the same value—£4—Turner having been refused a reduction. When Mr. Kelly came up to my place he asked me what value I put on the place, and I said it was just as good as the small grazing-runs which had been valued at £2 15s., but I said if I had been a member of the Land Board that valued them I would have put them down at £3, because they were only paying 2 per cent. on the capital value. The man next to me is paying rent on £2 15s., and his land is valued at £4 7s. or £4 8s.

10. *Mr. Campbell.*] Is it a better property than yours?—Most people consider it is, but it just carries the same number of sheep. I consider my property is of equal value to his. I would not have objected if the valuer had said, "You value that property at £3, would you object to your property being valued at £3?" I consider my property was worth £3. That was six years ago. Mr. Kelly reduced the value of the other places 5s., and the Assessment Court reduced Mr. Mackay's 5s., but because I had six partners it would not reduce mine.

11. *Mr. Campbell.*] If your land was put on the market, would it bring what you are valued at?—It is not for sale, but it would fetch the money all right.

12. *Mr. Murray.*] Has this place boundary-fences?—Yes, and it is also fenced in three divisions. There are eleven or twelve miles of boundary-fences of which the adjoining owners paid half. The fencing cost £62 a mile—seven wires.

Mr. Kelly (district valuer): For the information of the Commission I might state that I have given ten miles of fencing, for which I have allowed £500. Any one who knows anything about wire and standards knows that they wear out. I have set down £25 each for the cottage and woolshed, and that is too much. They are not worth anything at all. The whare is not habitable.

Witness: The shed is getting done, but it is just as valuable as a sheep-shed as when it was put up.

JAMES KELLY examined.

1. *The Chairman.*] You are district valuer for North Canterbury?—Yes: Mr. Earshaman said that when he objected to his valuation I offered him a reduction of 5s. an acre. That is perfectly true. I did this with the object of trying to settle with Mr. Earshaman and avoid the necessity of a Court. It was not that I did not think the land was worth what I had valued it at. He would not accept that concession, and had to go to Court. One of the assessors inspected this particular property, and he was quite satisfied that my valuation was a correct one.

2. *Mr. Earshaman.*] Did you ever put a foot on the land?—Most decidedly, yes, and you were with me on one of the properties.

3. Where?—At the woolshed property. How could I know what the buildings and fences are like if I had never been on the property.

CHARLES ALLISON examined.

1. *The Chairman.*] What is your position?—I am an architect, practising in Christchurch. I was valuer for the Sydenham district for about twenty years, and have been approached by a number of people with grievances with regard to their valuations. On inquiry I found that in the majority of cases the grievance was against the unimproved valuation. As a rule, the valuation was less than an allowance even for reasonable depreciation. I have a grievance myself of the same nature. In most cases I pointed out the Act provided for the valuers doing what they were doing. Section 4 of the Government Valuation of Land Act, 1912, goes to the root of the whole matter. My own case is typical of many others. In consequence of my being a valuer I was not in a position to object to the principle of the Act. I had an acre of land facing Colombo Street, with a frontage of 220 ft. When I bought it the land was a swamp and was from 1 ft. to 18 in. below the then level of the street. Before I could put a building on it it cost me £200 to £300 to fill up. Under the Act the Department held that that was an exhausted improvement, and therefore the cost could not be taken off the unimproved value. The result is that my valuation all the time has been increased by the cost of that improvement. On this ground I erected eight houses between eight and nine years ago. I have since sold five of them. When I erected the houses I received 12s. 6d. for each house per week, but for many years before I sold them I was not able to get more than 8s. a week for them. These houses filled up the frontage of the section, 8 ft. space being allowed between each house. The rent was reduced by one-third, yet the value of the property was supposed to be going up. Then came rating

on unimproved value. Just before that I had sold the five houses, so that I only had left 44 ft. of the land. On that I had three houses and shops which cost me between £1,300 and £1,400. They are insured for £1,200 at the present moment. For these improvements the last valuation allowed me £525, and the capital value was put at £1,845. That allowed £30 a foot for the value of the land. On appeal I got that reduced to £25 a foot. Having been a valuer I can see how the Department is tied up. They are bound by a section in the Act which is inequitable in its operation. It does not allow for money spent in filling up nor for the value of improvements being deducted from the total value. They assume a property being absolutely naked, and what it would realize as that if sold in the ordinary way. Is it fair to people who are rated on the unimproved value that they should only get credit for one-third of the value of the improvements effected? The total value of my property at £1,845 is not very far wrong, because it is producing interest and some sinking fund on that sum. If the producing-value is the real test, the value of the improvements should be deducted from the land. It depends, too, on what they consider is depreciation. Part of the buildings was twenty years old, but the two shops were only nine or ten years old. I think a mistake is made in many valuations in this way: a few people buy land at high rates, and because of those few sales the valuers think it sufficient ground to put up all the values in the locality to those rates. That will not apply generally. Take this particular street I am referring to. Just opposite my property are eleven shops, which cost, I believe, about £9,000. An average of three, and probably four, has always been unlet. The rentals, as supplied to me by the agent, come to £608 a year. The improvements are valued at £8,330, and the whole property only produces 7 per cent. on £8,225, or a little over £100 less than the buildings themselves cost.

2. Without making any allowance for the three shops unoccupied?—Yes. Because a man's buildings do not suit the modern taste he should not be compelled to pay on the modern taste.

3. How do you think the unimproved value should be arrived at, taking the definition in the Act as it is?—It would be difficult to lay down a general rule. Any practical valuer knows that values differ not only in different streets, but in different portions of the same street. There has been no real increase in the value of land in Christchurch, except in the business part and in a few residential parts, in the last thirty years.

4. *Mr. Campbell.*] Do you mean that land will not bring more now?—Some parts will produce more.

5. I mean the selling-value?—The selling-value and the producing-value are quite different. If I were a valuer I would set down all the properties in a particular locality that were reasonably occupied with buildings, and ascertain, first of all, what they are producing. Then, if they were sound and let for all they were worth, I should say that the value of those properties was that amount capitalized.

6. *The Chairman.*] At what rate of interest?—At the rate current at the time. If I found that sales were a good deal higher than these were letting at I should probably put a little on to the capital value as fixed by the rental process, but should never think of putting the capital value at the extreme value other places were sold at.

7. How would you arrive at the unimproved value?—Having got the total value, I should then deduct the value of the buildings.

8. Do you think that process would have the effect of making the unimproved values different per foot or per section in the same street?—Yes. Take Sydenham: it has more than doubled in the last eight or nine years, and yet the rents are not, as a rule, 10 per cent. higher than they were fifteen years ago.

9. How do you account for that? You are speaking, of course, of the real values?—Yes. It is accounted for by the fact that there is a craze for a house in the bungalow style, and unless a house is of the bungalow style people will not live in it. People also like new houses, and the result is that they buy off speculative builders at prices that are too high.

10. Do they get a fair return?—Yes, at the start, but not after the polish goes off.

11. If rents have only gone up 10 per cent., how can property have increased two or three times in value?—It is the fictitious value given by people who do not know the value.

12. By people living in the houses?—Many of the sales are on deferred payment, and in many cases the people who buy are not people who understand values.

13. If you were valuer under the definition you have stated to us, how would you arrive at the unimproved value, bearing in mind that the Act says, "the sum the land would be expected to realize if offered for sale on such reasonable terms and conditions as a seller would be likely to impose"?—As the Act stands I would probably find myself bound as the valuers are bound, and fix the values at something like they are fixed at; but the valuer should make a large discount off the sales that take place.

14. Assuming that you take the selling-value, not the extreme value: then you value the improvements, making all proper deductions for depreciation, and you add that to the selling-value of the land, and the two together come to more than the selling capital value for a place in that position, how would you proceed?—I should modify the Act as far as I could contrary to law, and get an average of values, and see how they compare with the selling-values, and probably split the difference.

15. Assuming you have found the unimproved value by reference to sales, but that you do not take the extreme selling-value, and then you value the improvements separately and add the two sums together and find that they come to more than the true capital value of the property, what would be your next step? Would you value the properties at more than the capital value if you were a district valuer?—No.

16. How would you bring it down to the true capital value?—I should probably bring it down to the value at which sales have taken place.

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.

OSCAR MONRAD examined.

1. *The Chairman.*] What is your position?—I am a farmer and valuer, residing at Palmerston North.

2. *Mr. Skerrett.*] Will you state exactly your experience in valuing agricultural and pastoral lands?—I have been entrusted with numerous subdivisions by various syndicates to cut up their estates, and to give them some idea of what their estates will bring under the hammer.

3. You are recognized as a competent valuer in your own district?—Yes.

4. In November, 1914, were you instructed to make a valuation of Mangaohane Estate?—I was instructed by Mrs. La Morte, Mr. Donnelly's daughter, to value this estate at its value—not for loan purposes, but for its value in the market as between buyer and seller.

5. Did you go up and inspect the property?—Yes.

6. Were you shown over it?—Yes, all over it.

7. How many days were occupied?—Only one full day.

8. You reduced your valuation to writing?—Yes, it was as follows:—

“Palmerston North, 3rd November, 1914.

“James McLean, Esq., Manager, National Bank of New Zealand, Wellington.

“DEAR SIR,—

“According to instructions from Mr. T. Cross and Mrs. La Morte I have just completed an inspection of Mrs. La Morte's Mangaohane Estate of 16,000 acres, situated about forty-five miles from Taihape and eighty miles from Hastings. In good weather the property can be reached by motor-car from either side. It took about three hours and a quarter to motor from Taihape, but the roads have hardly ever before been so good for this time of the year. Owing to the dry weather we were able to motor through the Rangitikei River, which runs between Mangaohane and Taihape, thirty miles from Taihape and fifteen miles from Mangaohane. I also motored from Mangaohane to Hastings. This, on the whole, must be considered a very fair road, being a good motor-road all the summer and parts of the winter. The road is, of course, hilly, being steep and narrow in places, but, generally speaking, the grade is good and surface fair. While describing the road, I may as well mention that for nearly fifty miles the road passes through land that is valueless, or practically so. This, of course, has no direct bearing on the value of Mangaohane, but indirectly must affect the value slightly. It took from four and a half to five hours to motor from Mangaohane to Hastings.

“General Description of Mangaohane

“*Altitude.*—This estate runs from 2,000 ft. to 4,000 ft.; much of it is subject to snow during the winter. Where the snow lies for any length of time the country is not worth much, so this has been taken into consideration and has been valued accordingly. Where the best pasture is the snow does not remain for a long period. As far as I could gather it is unusual for it to lie more than two to three days.

“*Soil.*—Generally speaking, it is a light-black loam of, say, 2 in. to 8 in.; underneath it a layer of brown chocolate light loam varying, say, from 1 ft. to 6 ft.; and underneath that again a yellow clay. In the valleys and low flats the soil is, generally speaking, of greater density, and consequently better quality.

“*Wind.*—This element is not usually taken into consideration when valuing a property, but in this case it cannot be overlooked, as it plays its part in the value, and has, of course, been taken into consideration where the damaging effect is noticeable. Owing to the light nature of the soil (which is most pronounced on the higher levels), coupled with the limited herbage, and, I suppose, the action of the frost, which has the tendency of crumbling and breaking the surface, the wind, which blows very frequently and often with great force, has had a very damaging effect on the high country. Please understand that all this has been taken into consideration, but I wish to give my reasons why I put the value so low in some cases. If there were little or no wind this high country would still be poor, but would have some slight herbage growing between the tussock where now it is bare soil and small holes.

“*Herbage.*—The whole estate has more or less tussocks in all the paddocks except where the plough has been. Speaking generally, where the most and thickest tussock is there one will find the best pasture. The tussock is an asset on this country, as it shelters the grass from the wind and the frosts, and when there is snow about the stock can get the grass on the sheltered side or underneath the overhanging bushes. Generally speaking, danthonia is the mainstay of the estate. Some of the ground near the homestead has been ploughed and laid in English grasses, and they appear to be doing fairly well; but we must take into consideration that this portion is only about 2,000 ft. above the sea, and there is only a small area at that level. Even there the danthonia is pushing its way very quickly, and most of it will be back into that grass shortly. On the 2,500 ft. level there has also been a portion ploughed and sown in English grasses. It is giving a nice sweet little bite, but there is no body in it, and when winter comes there is nothing left, whereas the hardy native grasses give feed right through the winter.

“*Formation.*—Generally speaking, the country is pleasing to the eyes, the low-lying portions nice flats and easy hills, and the higher portion, though bold and high, has small flats and valleys at the bottom. By following the best ridges one can ride with comfort all over the run. Here and there are a few rock bluffs.

“*Scrub and Weeds.*—There is nothing to trouble one in that direction; practically no scrub and no weeds. Saw some California thistle, but this does not grow very strong, and the sheep seem to eat it readily.

“Further Improvements.”—Generally speaking, there is not much room for further improvements. The country is probably subdivided as much as is practical and necessary. However, I think something might be done with Section 32, of 4,507 acres, if the owner felt so disposed. On this section there is a large block of flat and easy country, where the benefit of shelter would probably pay interest on outlay. *Pinus insignis* grows splendidly and, when once established, very quickly. The land is cheap, but the cost of carting firewood and fencing-material very heavy. A few wide belts of plantation, with trees suitable for these purposes, would be very useful for shelter, and would prove of enormous value to the estate in the future. Probably ploughing might also be profitable, but I would not like to say so with confidence, owing to the heavy expenditure in getting manure to the estate (I understand it costs £5 per ton cartage), also the present difficulty in procuring suitable labour. It would probably be waste of time to plough without the use of manure; consequently, with these expenses, the chances are that the turnip-crop would cost you more than its actual feeding-value. On the other hand, if by having a good crop of turnips each year you are able to rear big strong hoggets, and so improve the general condition of your flock and increase the weight of the wool all round by only 1 lb. per sheep, it would pay more than actual grazing-value.

“Building Improvements.”—To work this estate by itself money would have to be spent on buildings. A woolshed and probably a couple of cottages and a stable would be required. At present it is being worked from Mr. Donnelly's homestead.

“Water.”—There is plenty of good permanent water in all the main paddocks.

“Rain.”—Generally get all that is required, but October this year has been dry.

“Fences.”—The fences generally are in good order.

“Stock.”—This estate winters about 7,500 sheep, but as the conditions are harder than on land which is not so cold, one cannot expect such good returns. There will also be a greater percentage of deaths. It also winters 100 head of cattle.

“Description of Sections.”—Square top, Section 23, 1,457 acres: Winters 1,300 hoggets. About 400 acres of good danthonia; balance poor, parts wind-blown. Altitude, 3,000–3,500 ft. Ngatiki (Section 22, 2,091 acres 2 roods 24 perches): Winters 600 hoggets. About 100 acres in small patches of danthonia; balance very poor and wind-blown. Altitude, above 3,500 ft. Subject to snowfall. The Hermitage (Section 21, 4,201 acres 3 roods 32 perches): Winters 1,000 dry two-tooth ewes. No danthonia; very poor and nearly all wind-blown. Altitude, 3,500–4,000 ft. Subject to heavy snowfall. Hogget Block (Section 24, 2,773 acres 2 roods 24 perches): Winters 1,465 breeding-ewes. 500 acres good danthonia; balance poor and more or less wind-blown. Altitude, about 2,500–3,000 ft. Part subject to snow. Mangaohane Block (Section No. 32; 4,507 acres 1 rood 16 perches): Winters 2,500 breeding-ewes. Altitude, 2,500–3,000 ft.; one-quarter being flat, undulating, and ploughable. Homestead Block (Sections Nos. 25, 26, 27, 28, 29, 30, 31; 1,004 acres 1 rood 24 perches): Subdivided into nine paddocks. 255 acres ploughed and in grass. Further 100 acres ploughable. Winters 700 breeding-ewes. There is also an old six-roomed house in fair condition—worth, say, £400. Sheep-yards and woolwashing outfit worth, say, £75. Altitude, 2,000–3,000 ft. There are some nice plantations round the homestead and several paddocks in English grass, which are previously referred to.

Re Rabbits.—Hardly any rabbits, but still they require attention.

“I value the sections as follows: Homestead Block (Sections 25, 26, 27, 28, 29, 30, and 31; 1,004 acres 1 rood 24 perches), at £6 per acre, £6,026 8s.; Mangaohane Block (Section 32; 4,507 acres 1 rood 16 perches), at £3 5s. per acre, £14,648 17s. 6d.; Hogget Block (Section 24; 2,737 acres 2 roods 24 perches), at £2 per acre, £5,475 6s.; Square Top Block (Section 23; 1,457 acres), at £1 15s. per acre, £2,549 15s.; Ngakiti Block (Section 22; 2,091 acres 2 roods 24 perches), at 11s. per acre, £1,150 8s.; the Hermitage (Section 21; 4,021 acres 3 roods 32 perches), at 9s. per acre, £1,890 18s.: total value, £31,741 12s. 6d.

“Acreage.”—Homestead Block, 1,004 acres 1 rood 24 perches; Mangaohane Block, 4,507 acres 1 rood 16 perches; Hogget Block, 2,737 acres 2 roods 24 perches; Square Top Block, 1,457 acres; Ngakiti Block, 2,091 acres 2 roods 24 perches; the Hermitage, 4,201 acres 3 roods 32 perches: total, 16,000 acres.”

There is one item I altogether overlooked, but which I think should be taken into consideration. I have not taken into sufficient consideration the cartage of wool. As I go on I will show you the takings and expenditure. I had in my mind that the team on the station would be able to cart the wool, but that is too much to expect, and I have allowed something for that and capitalized it. Cartage will cost £5 a ton. I do not wish to charge the estate with the full cost, because they have a team to assist, but I charge £3 a ton, which on 23½ tons comes to about £70, and capitalizing that at 5 per cent. it comes to £1,400, which I wish to deduct from my capital valuation.

9. And your valuation, after deducting £1,400, represents the true value of the property?—Yes. I now proceed with my written statement in regard to the estate:—

“In support of my valuation I will now give particulars of the amount of stock this property should carry if worked absolutely by itself: 3,800 breeding-ewes, 2,730 lambs or hoggets, 1,300 two-tooth ewes to carry over for following season—making a total of 7,830 sheep. You will notice I have only allowed 2,730 lambs for the 3,800 ewes, which works out at an average of over 70 per cent., which is probably near the average for the last five years, or, if anything, up to 5 per cent. too low an estimate, as they may have averaged out nearly 75 per cent. The property also winters easily 100 head of cattle. You will also notice that the number of sheep on the credit side amounts to only 2,300, as against an increase of 2,730: it leaves a margin for deaths of 430, which works out at between 5 per cent. and 6 per cent. On the whole flock I think this a fair average when you take a hard winter into consideration,

"The following are the takings and the expenditure: *Credit*—7,830 sheep shearing 7lb., at 10d. per pound, £2,283 15s.; 1,200 two-tooth wethers, at 16s., £960; 1,100 five-year ewes, at 15s., £825; profit on 100 head cattle at £2, £200—£4,268 15s. *Debit*—Land-tax on, say, £20,000, unimproved value, £81; graduated land-tax on same amount, £39; material for upkeep of fences, and general upkeep, telephone, repairs to harness, implements, &c., £150; keep for nine men at 14s. per week for year, £327 12s.; £6,000 worth of stock, interest at 6 per cent., £360; interest on £31,741 12s. 6d., at 5 per cent., £1,587 1s. 6d.; manager, £250; two shepherds at £1 15s. each per week, £182; one fencer at £1 15s., £91; one cowman at £1 5s., £65; one rabbitier at £1 10s., £78; one cook at £1 10s., £78; extra labour for shearing, &c., £100; shearing, £100; woolpacks, oil, and extras, £50; one teamster and ploughman combined, at £1 15s., £92; county rates, say, ½d. in the pound on £31,700, £74 7s. 6d.: making a total of £3,705 1s. *Credit*, £4,268 15s.; *debit*, £3,705 1s.: surplus, £563 14s.

"If the owner were to put all the capital invested in stock and land at 6½ per cent. it would show no surplus. In my opinion, it would be difficult to increase the takings, but there is always some risk of a decline, as the prices at present for wool and stock are on the highest side. Of course, there is a chance of stock going higher, but when the prices ruling are high the chances are that they are more likely to drop than to rise. Taking for granted that my figures are correct, then 6½ per cent. must be considered reasonable, especially when the element of risk is taken into consideration. I value the 16,000 acres at £31,741 12s. 6d.

"Yours faithfully,

"OSCAR MONRAD, Valuer."

10. *Mr. Skerrett.*] In arriving at your valuation, I think you were informed as to the carrying of stock on the different parts of the block?—Yes.

11. With the exception of those, all the figures are your own?—Yes.

[Witness described from plan the boundaries of the block under consideration, and pointed out that Mr. Donnelly owned or occupied land which completely surrounded the block.]

Mr. Skerrett: I put in the last Government valuation of this block, 1907. The capital value is £22,444; unimproved value, £16,244; improvements, £6,200. I put in also the present valuation: Capital value, £46,245; unimproved, £36,500; improvements, £9,745. What I desire the Commission to note is that in the six years the increase in value is: Capital value, £23,800; unimproved, £20,256; and improvements, £3,545. We make no objection on the improvements side.

The Chairman: Is there one occupier under the rating Act for the whole of this Mangaohane Block?

Mr. Skerrett: Yes.

The Chairman: Who is it?

Mr. Skerrett: Mr. G. P. Donnelly.

The Chairman: The witness has spoken of this property as being valued by itself. Every property under the Valuation of Land Act has to be valued as one holding.

Mr. Skerrett: This is valued as one holding.

12. *The Chairman.*] I understand it is worked with other holdings?—Yes, Mr. Donnelly has some interest in it under the will.

HUGH MILLS examined.

1. *The Chairman.*] What is your position?—I am head shepherd on the Mangaohane Estate.

2. *Mr. Skerrett.*] How long have you occupied that position?—Eight years.

3. Will you tell the Commission what the actual carrying-capacity this year of this block is in sheep and cattle?—About 7,500 sheep and 100 head of cattle. The cattle are not permanently carried on it.

4. Has it ever carried higher?—No.

5. Has it ever carried more sheep?—In 1908 we tried to carry more. We carried 7,700.

6. Did it prove to be good farming?—No.

7. The sheep went back, I suppose?—Yes.

8. What have you got to say about ploughing?—Ploughing is of no use to us. When it is ploughed the ground all blows away, and you kill the tussock, which is useful in the winter-time for protecting the ground.

9. What other result has ploughing?—The land will take English grass for one year only, but it will not hold it. It goes right out with the frost.

10. The main pasturage is danthonia, the native grass?—Yes.

11. What about getting your wool out?—The roads are very bad.

12. Which will be your ultimate railway-station for the wool?—Pahiatua is, at present.

13. Will it continue to be Pahiatua?—I cannot say.

14. Is there any probability of increased road access from Hastings?—The country through which that road traverses is very bad country.

15. So that it is unlikely that the progress of the district will give you a better road from Hastings?—That is so.

16. *The Chairman.*] What do you say on the subject of the possibility of improving Section 32, 4,507 acres, in the way of planting *Pinus insignis*?—The planting of trees would improve it, but it would cost a lot of money to plant them, and it would be very hard to get them to grow.

17. *Mr. Campbell.*] Would not the wind be apt to blow them clean out in the exposed places?—Yes.

18. *Mr. Skerrett.*] You gave the details of the sheep-carrying capacity of the various blocks in the estate to Mr. Monrad: you heard the particulars of the sheep read out by Mr. Monrad: are they correct?—No, there is one inaccuracy. Section 21, the Hermitage Block, some years does not carry any sheep at all.

19. Why will it not carry sheep some years?—It is very high country, and the snow is very heavy. It is the end of the range, and there is no grass on it, but there is snow-grass, and mountain daisy, and a little danthonia in a few gullies.

20. I may take it that the carrying-capacity of the various blocks given by Mr. Monrad, with the exception of Section 21, is correct?—Yes.

21. And Section 21 is overestimated?—That is so.

STATEMENT ON BEHALF OF VALUATION DEPARTMENT.

Cyrus James Lovatt (Chief Clerk, Valuation Department): I have no witnesses to call. I just want to make a statement. Mangaohane Block was valued on the 31st March last, during the revision of Erewhon Riding of the Hawke's Bay County. The valuation roll was put on public inspection, and that fact was duly advertised in the local papers. In addition, the valuation notice was sent to the owner, care of W. J. Stratton, accountant, Hastings. No objection was lodged, and the valuation was affirmed in the usual way. Evidence is now being brought before this Commission to show that the valuation is excessive. I would suggest that the owner make application for a revaluation under section 36 of the Valuation of Land Act, and whatever the result of that revaluation is, due notice will be served on the owner, and the right of objection given. It has been stated that if the valuation is not altered the owner will not have the right of appeal, but that has never been the attitude of the Department in the case of revaluations under section 36 of the Act. If an application for a new valuation is made in this case, notice will be issued in the ordinary way, and the full right of objection given, with recourse to the Assessment Court if considered necessary.

1. *The Chairman.*] Which valuer made the valuation?—Mr. Lloyd, district valuer of Hastings.

2. What do you say on the question of the original valuer making the revaluation?—It has been the practice to send the valuer who has jurisdiction in the district. There is nothing to prevent the Valuer-General sending another valuer.

3. In the course of our inquiries we had a case at Westport where the valuation was complained of, and the Department sent a different valuer to make a revaluation?—That is so. It has been done in certain cases where the Valuer-General has felt it was in the interests of the Department to do so.

4. It is not a uniform rule?—No. Each case is dealt with on its merits. In regard to the Westport case, I should say that the valuer in charge of the district is the district valuer at Nelson, and the valuer who made the first value was merely a local valuer working under him.

5. *Mr. Campbell.*] For which the district valuer was responsible?—Yes.

6. The owner of the property has no right to object to the same valuer being sent?—No.

7. It lies entirely with the Department whether they choose to send the same valuer or not?—That is quite true.

8. *Mr. Skerrett.*] Do you consider in this case it would be proper to send an independent valuer, with the facts now within your knowledge?—That is really a matter for the Valuer-General to pass an opinion on, but, personally, I do not see that there is any reason why the same valuer should not be sent to make that revaluation, seeing that the owner has the full right of objection and recourse to the Assessment Court.

9. He pays for something which he knows is a mere formal step in the proceedings?—It may not be. If the valuer finds he has made a mistake he will alter it.

REQUEST OF THE MANGAOHANE TRUSTEES STATED.

The Chairman (to Mr. Skerrett): What do you ask the Commission specifically?

Mr. C. P. Skerrett, K.C.: I understood that under the order of reference you had power to inquire into individual cases. I apprehend it would be open to this Commission to consider whether in this case it should not recommend the employment of an independent valuer on the part of the Valuation Department upon any application for a new valuation being made. Our reason for coming to the Commission mainly was that, in the view I took of the statute, if upon a revaluation the Government valuer did not alter his valuation there was no appeal to the Assessment Court. The reason I say there is no appeal to the Assessment Court is that appeal only lies in an alteration in the assessment roll. The next matter I desire to point out is that we are in the hands of the Department to a large extent as to whether we shall get an Assessment Court. This matter is one of great urgency. There are no provisions for constituting these Assessment Courts for considering appeals from revision, and the Department may delay setting up the Court. Anyway, we have to wait until the Department chooses to set up the Assessment Court. It is not a regular Assessment Court, but an extraordinary Assessment Court, arising from an alteration in the assessment roll.

WELLINGTON, 19TH JANUARY, 1914.

HARRY CLIFTON GIBBONS examined.

1. *The Chairman.*] What is your position?—I am a nurseryman, and appear before you with regard to the rating of my property at Upper Hutt, in the Upper Hutt Town Board District. I do not think that my valuation is too high, but the difficulty with us out there seems to be the amount that the local body collect in rates out of what we can actually make off the land. Some three or four years ago the district changed its system of rating to rating on unimproved value, and it seems to press unduly hard upon small farmers, who, unfortunately, find their land situated within the Town Board area. When we bought the land we were under the Hutt County Council, and the rates then were quite moderate. The total income I can make off my land for grazing purposes is £124 4s. per annum. The total rates on this particular piece of land amount to £92 17s. 4d. In addition, I have a matter of £225 per annum to pay for interest. In case you might think that this land may have been taken up for speculative purposes, I may mention that I was in business as a nurseryman at Lower Hutt. The rates there promised to come so high under the rating on unimproved-value system that I was compelled to look round for cheaper land and where the rates were likely to be reasonable. With this in view, some eight years ago I selected this ground at Upper Hutt, then under the Hutt County Council. If I remember rightly, the rates then were something like £24 a year. They gradually increased, and last year I was paying £46, and for the year ending the 21st March, 1915, my rates are £92 17s. 4d.

2. What is the acreage?—Roughly speaking, 48 acres. I have five allotments, and the total unimproved value comes to £5,405. I have given you the rates and the revenue, and the annual loss, apart from land-tax, is £338 18s.

3. How did you arrive at the annual loss, apart from land-tax?—There is the annual loss after allowing for rates and interest.

4. Do you complain that the unimproved value is too high?—No. The difficulty is that the rates the local body collects are too high in proportion to the income. There is no limit to it, apparently. A town district is to some extent limited in its borrowing powers, but still they take polls for loans, and a majority of the ratepayers, who live on small sections, vote for any loan they please. To show how the position presses on a man with 50 acres, I may mention that my water rates run into £36 per annum without having the water turned on.

5. The matter of local rating is outside the scope of our Commission, and I think we must refer you to the Upper Hutt Town Board on that question?—I thought the Commission was chiefly to adjust the equity of valuation and rates. If the rates can be allowed to go so high, surely the valuation should be lower.

6. Neither the Valuation Department nor the Commission has anything to do with that. The Department values the land, and the local body has limits of rating, and it is a matter for the local body, or really for the electors who elect the local body, to say what rates shall be struck.

7. *Mr. Campbell.*] Can your land be used for any other purpose that would return more?—Unfortunately not. I have spent any amount of money in advertising it. I have a large board on it now, splendidly printed, saying that I will take no deposit if a person will put up a building of the value of £200, and they can take what acreage within reason they like. I have done my best, and in eight years I have sold one small section and received a deposit of £100. I may say that the land proved unsuitable for the purpose for which I bought it. On account of the early and late frosts, we found that we could not grow nursery stuff there properly. I have said that I do not consider the valuation too high. I would like to qualify that by saying that I consider it rather high on the present rates.

PHILIP DAVID DAVIS examined.

1. *The Chairman.*] What is your position?—I am the owner of a section comprising 81 acres 1 rood 28 perches. The rates are unduly heavy, and I think the unimproved value is too high. There are only 25 acres of flat land, and the rest is all manuka hills. I am paying £18 to the local body, and the land-tax brings the rates and taxes up to £25. All I can get for the section, if I let it, is £25 a year, and I am working it to the best advantage. I am not altogether objecting to the valuation of the back portion of the property, but I am objecting to the valuation of £200 an acre on the road frontage. That land if put on the market to-morrow on a forced sale would not bring £200 per acre.

2. What could you realize if the sale were not forced?—I offered the whole section to the Town Board recently for £1,300. The Government capital valuation is £1,200, and the unimproved value £1,090. I could not sell it for £1,300. I would ask for a reduction of at least £250. The land is part Sections 128 and 217, in the Upper Hutt Town Board area.

3. What do you say the valuation on the road frontage should be?—Not more than £100 per acre. I have sold only one section of that portion of the land. It was a corner section, and realized £100.

4. Do you know you have the power, if you object to the valuation, to put on it a lower valuation and ask the Government to take it over at that price or reduce the valuation to it?—Yes. I may mention that before the Court sat last time I asked for a special valuation of this particular property, and paid the two guineas. I was going away for a holiday, and asked at the Valuer-General's office that the valuation might be made within three days or not until a month afterwards. A promise to that effect was given me. I went away after the three days, and the valuation was made in my absence, and notice sent to me to object within fourteen days. The valuation I was then appealing against was £1,600, and the revaluation made a reduction of £200. I was away, and could not attend the Court to object. On my return, I

saw the Valuer-General and asked him to allow me to go to the Court, as faith had not been kept with me by the Department, but the Valuer-General said he was not responsible for anything that might have been said in that way without his authority. Previous to the last valuation I offered the property to the Government at £1,100, and that was why a reduction was made in my valuation to £1,090. I contend that it is still too high. I complained to the valuer when he came round that £200 on the road frontage was too high. It is not a main road, but is a road to the railway goods-shed, and is really a blind road.

5. *Mr. M. Myers* (representing the Valuation Department).] When was it that this special valuation was made?—Two years ago.

6. And the valuation was then reduced?—Yes, from £1,600 to £1,400.

7. And it was then that you wanted the opportunity to object, but could not get that opportunity?—Yes.

8. Do you not know that since then the whole district has been revalued?—Yes.

9. Then, what happened so far as this particular section is concerned on the revaluation of the whole district?—It has been reduced from £1,400 to £1,090.

10. That is the unimproved, and the capital value is £1,200?—Yes.

11. You had an opportunity of objecting then, had you not?—Yes.

12. Did you object?—No.

13. So that, although you say you wanted to object two years ago when the special valuation was made and you had not the opportunity, you did have the opportunity later on when the revaluation of the whole district was made, and you did not object?—That is so.

14. Were you satisfied then with the valuation?—I was partly. I told the valuer that the valuation placed on the frontage was too high.

15. What do you mean by "partly"?—Values are not so good as they were then.

16. You say that the value has gone down in the interval between the date of the revaluation of the whole district and now?—That is so.

17. Is that what you are complaining about?—Yes, and that I am not allowed sufficient for my improvements. I am working the ground in conjunction with the Railway Department as a picnic resort for the Wellington people. I am earning more from it by that means than I could by keeping cows.

18. It is not open to you to complain that the value has gone down in the meantime. I want to know whether or not you had any complaint when the whole district was revalued?—My complaint was that I was not allowed sufficient for my improvements. I have spent £600 in four or five years on the place to make it attractive, which I had not been allowed for.

19. When the last revaluation was made did you think you had reason to complain, so far as the capital value was concerned?—Yes.

20. Did you think it was too high or too low?—Too high.

21. Did you think the unimproved value was too high?—Yes.

22. Why did you not object?—I do not know. I had not got any satisfaction, and had been treated so unfairly by the Department when I came before it that I was tired of it.

23. Was it not that you had got a reduction and were satisfied?—Partly that is so, but the values are not so good now as they were then.

24. How many acres of this land is valued at £1,200?—80 acres.

25. How many acres are there in the front portion that are valued at £200 an acre?—I should say about 5 acres.

26. What was the area you offered to the Town Board for £1,300?—Forty acres, but there is no value in the portion on the hill.

27. Why did you not offer the lot then?—It was no use to the Board.

28. But it was of some use to you?—It might have been worth £40.

29. When did you make that offer?—A few months ago, about September.

30. How many acres do you say you offered to the Valuation Department for £1,100?—The whole of the 80 acres.

31. When was that?—Before the valuation was made.

32. The Valuer-General tells me no offer was made to the Valuation Department: was it made in writing?—Yes.

33. To the Valuer-General?—Yes. I posted it in the ordinary way.

34. To what person did you address it?—To the Valuation Department, Wellington.

35. Have you a copy?—No.

36. And you cannot remember the date?—I cannot quite place the date; it was within the given time allowed.

37. Was the offer made under section 31?—Yes.

38. You must be wrong, because if you offer to the Government under section 31 the Government has either to acquire the property or reduce it?—They did reduce it.

39. Did you go to the Court and object to the valuation?—No, certainly not.

40. Then, if you did not go to the Court and make objection you could not have had the valuation reduced under section 31?—I simply objected within the time prescribed, and the valuer (Mr. Gill) came out. He said, "You are not serious in that price you put on your land." I said, "I am, and you make it any higher than my price and you will see."

41. Mr. Gill is the local valuer?—Yes.

42. It occurs to me that what you have in your mind is some conversation with Mr. Gill which you are confusing with an offer made to the Valuation Department?—I put it in writing that I was prepared to take £1,100.

WILLIAM BROWN examined.

1. *The Chairman.*] What is your position?—I have 27 acres of land in the Upper Hutt Town District. I do not object altogether to the valuation of the land, but for grazing or farming purposes we cannot make money out of it.

2. That is on account of the rates?—Yes. I am paying £28 on the 27 acres.

3. We have allowed considerable latitude on this subject, and it is not within the scope of the Commission. We cannot hear you on the subject of rates?—My object was to show you that it was impossible to live within those areas and keep land at all. It is practically impossible to farm in an area of that description.

4. *Mr. Campbell.*] If you cut your land into smaller areas could you sell it?—Not at present, and even prior to the war we could not. There is no demand for small sections there.

5. The only purpose for which the land could be used is that for which you are using it—that is, for farming purposes?—Yes.

6. *The Chairman.*] Supposing the rates were what you would consider moderate, could you at the value at which your property is assessed make a fair living from the farm?—One could manage to make a living out of it if the rates were as they were under the county.

7. Could you have sold your property before the war at the valuation made by the Valuation Department?—No.

8. Why?—We tried to, on account of the high rates. It has been in the market for some time.

9. Is it unsaleable because there is no demand, or because of the price?—The Government valuation is £100 an acre, and we would have been prepared to take £100 an acre for it, but could not get it.

10. Supposing you could have effected a sale, could you have got £100 an acre?—Of course, we were quite prepared to put it on the market at the Government valuation.

11. Sometimes an article may be worth a certain figure, but you cannot sell it because there is no demand. Which is the case in Upper Hutt—that the values are too high, or there is no demand for the land?—I think it is because there is no demand. I do not altogether object to the unimproved value of the land now.

12. Your land is worth £100 an acre, provided you could get a purchaser?—Provided the rates were lower, but we have got a daily increasing rate, almost.

13. Do you say that the high amount of rates reduces the value of the land?—That is so.

14. *Mr. Campbell.*] If you were back to the old county rate, could you sell it at the value put on it?—I do not doubt it for a moment.

The Valuer-General. I may state for the information of the Commission that in revaluing Upper Hutt district last year the fact of the increase in rates was taken into account in fixing values. The increase in rates is always a factor in fixing values by the Department.

JOHN PEARCE LUKE examined.

1. *The Chairman.*] You are Mayor of the City of Wellington?—Yes. I have come before you on behalf of the citizens. I think the genesis of this Commission was produced in the Wellington City Council. Complaints brought before the City Council by letters and also by representations of a personal character were of such a nature that the Council requested the Government to go into the whole matter of valuation, and I believe that you three gentlemen are here very largely as the outcome of that resolution. With your permission I will deal with a few of the questions, and I hope, if you do not think they are altogether within the scope of your authority, you will not rule them out if they are of any use to the public. I want to compare the position as between Wellington and Auckland, not for any captious reason, but simply as an answer to some who have spoken as to the burden of rates being put on one community as against the lesser burden put on the other. Auckland rates on the annual value, and I am taking the year ending 31st March, 1913. The Auckland annual value was £679,369. That capitalized on a 5-per-cent. basis would give £13,587,038. The amount of rate that was collected was £121,686, or a rate of 3s. 3d. in the pound. That is approximately correct. I am not dealing with water, for that is a rate on the annual letting-value. In Wellington, for a like period, the capital value was £18,754,349, the unimproved value of which was £10,106,365, leaving improvements £8,652,262. The rates collected in Wellington that year were £153,053. If that was on the annual value, the basis this city would have to rate on would be £1,125,261, and it would work out at 2s. 9d. in the pound. In other words, if we rated on the same basis as Auckland we should be paying in this city about 2s. 9d. as against in Auckland 3s. 3d. When you consider that the public utilities of this city are far more advanced—and I say it advisedly, because, while we admire the spirit of the Auckland people in completing the whole of their public utilities and services, you must admit that at the present time Auckland people are carrying out the completion of their drainage system, whilst we have completed ours a considerable time. There are other things I need not mention. However, the system of rating does not matter much one way or the other. What does matter is the valuation, and that is where I think the people are very much concerned. They do not so much mind whether the rating is on the unimproved or on the capital value, but they do want to pay what is a fair rate, and nothing more. If you take the new valuation of the City of Wellington just completed, the capital value is £19,760,942, or an increase of £599,517; the unimproved value is £11,170,089, or an increase on the previous unimproved valuation of £1,078,889. The peculiarity of the position is this: that the value of improvements was £8,590,853, or a decrease of £479,372—nearly half a million. There is another peculiar thing about this: that during that year there were added by way of new buildings £258,801, making a total shrinkage of £738,173—practically three-quarters of a million shrinkage on the improvements notwithstanding the increase

in the capital value; the surplus, of course, was a charge on the land. The shrinkage of three-quarters of a million in Wellington's improvements and the increase on unimproved value has had the effect of increasing land-values, and another side of the machinery of the Government will profit by that increase. Not only are people paying high rates, but they are also being hit by this high valuation for the purpose of paying increased land-tax. That is a matter we should be very much concerned about. Another thing is that the major portion of the rates in Wellington are collected on the unimproved value. We collect about £120,000 out of the total of £153,000 on that basis, which shows that it must hit people again on the basis of the land-tax. I think the Assessment Court could be improved. My own opinion may not be worth very much, but it is that the Assessment Court should be constituted with a Judge at the head. I am in favour of the Judge, because I consider that the man to review the position should be thoroughly capable and rank with a Judge of the Supreme Court. There should also be two permanent assessors appointed. The present system of appointing a man from the community—the Government on the one hand and the local authority on the other—has not given the best results to the people. The local authority may appoint a man who, according to their opinion, would be as capable as any man to be selected in the community, yet such a man may lack the special training. If two permanent assessors are appointed, the whole of the Dominion should be their circuit. The Court then would be constantly sitting. The assessing the valuation of the lands of the people is in many respects more important than many cases that come before the Supreme Court. It is of the highest importance to the community. If you make a recommendation to have this permanent Court these two assessors would be selected for their general capacity and knowledge. I do not say that such a Court should sit at centres of small population, but it would sit at all the principal centres and the principal centres in the country districts, and a Court so constituted and sitting practically continuously would result to the benefit of all concerned. I am not here to defend the unimproved value as against the capital or the annual value as the basis of rating, but I will say, in connection with rating on unimproved values in cities and towns, that after a certain period of its existence it loses its effect. In Wellington it was a tremendous lever for the purpose of getting spaces built on that were held for speculative purposes. At the same time, it has had a tendency to overcrowd, and the only way to obviate overcrowding is to have judicious by-laws to deal with it. But rating on unimproved value has encouraged the people to part with the little open spaces and land held as gardens. In fact, now, in this city, people have charges levied on them simply because they have an open space around their home. I would suggest that these gardens and open spaces should be exempt. I am not talking of large areas. A garden is for the benefit of the community as much as an individual benefit. The areas to be exempted could be limited. In the case of any place in the City of Wellington that is being occupied really for the purpose of a home, and is not being held for the purpose of increment in value, I say it would be very much better for the State to recognize that it is not only an individual benefit, but a community value, to have these open spaces. Then, in the case of any land that might be held for a scheme of development, that should also, I think, be considered in the matter of taxation. The Valuer-General would have a great deal of work thrown on him, but at the same time we know there have been places in the city that are not held for the selfish reason of getting the increment of value, but they are homes being kept together while the boys and girls are growing up, so that later on the property might be cut up and the children enter into the reward of the parents' industry. Recreation-grounds also, to my mind, should be exempt under suitable conditions. With reference to leases in this city, I would say that if there is one section of people being pressed with high valuations it is the people holding leases from the different local authorities in the city. I know there is a feeling in Wellington that some of the leases are low and that the community is not getting its full pound of flesh. I know a number of the lessees who are getting up in years, and possibly their business may be undergoing a change, and it is necessary for them to get out of their present premises—

Mr. Myers: That is opening up a very wide question. It is introducing before the Commission the question of what is really a dispute between the lessees and the Corporation. It does not appear to affect the question of valuations, which this Commission is set up to consider.

The Chairman: If it is a mere question as between the lessees and the landlord, it is not within the scope of our Commission, but any matter referring to the principle on which leases ought to be valued is within the scope. I may say we have had a good deal of evidence on that point already from Mr. Tripp and other witnesses on the first day of our sitting.

Witness: Very well, I will not press the matter. I just wanted to say there should be some elasticity in dealing with these leases.

2. *The Chairman.*] By the Valuation Department?—Yes.

3. *Mr. Myers.*] Or by the arbitrators?—I will not pursue it.

4. *The Chairman.*] The shrinkage in the improved value of Wellington that you referred to, I take it that that was the decrease in the valuation of improvements plus the value of the new buildings?—Yes.

5. Were these buildings all erected during the valuation period?—Yes.

6. With regard to the permanent Assessment Court. Assessment Courts are held all over the Dominion and sometimes in comparatively small places, and you instanced that the Assessment Court would have to be held in Wellington for the surrounding district?—It is better for two or three aggrieved people to come to a centre than for the Court to perambulate to adjacent small places.

7. What about the country?—I do not think there would be any difficulty there.

8. Who do you suggest should appoint the permanent assessors?—The Government could do it. I have sufficient faith in any Government to believe that they would appoint men suitable for the position.

9. You do not think that the property-owners would consider that the interest of the assessors would be to keep up the Government valuation?—If there was any trouble about that, then let the different local authorities elect the assessor; but I am not objecting to the two assessors being appointed by the Government or by the Judge himself. The responsibility of a Judge of the Supreme Court is of such a character that I would not at all object to the assessors being appointed by him.

10. Of course, if permanent assessors were appointed they would not have local knowledge of the various districts until after they had perambulated the Dominion?—They would be a Court always in existence. You might just as well say that a Judge of the Supreme Court has not local knowledge. I know that Judges of the Supreme Court in compensation cases have taken the trouble over and over again to go on to the spot that is the subject of the arbitration.

11. *Mr. Campbell.*] At the present time the evidence before the Commission shows that there is grave dissatisfaction with the Assessment Court as now constituted. All over the country the strong objection taken to it is that the local body appoint one assessor and the Government appoint the other, and both these parties are interested, so the people who object to the constitution of the Court say, in keeping up the values, and the effect of that, so far as we can see, on the ratepayers is that they have no confidence in the Court. I have been much interested in your suggestion, but is there no difficulty in getting the people to the Court in a country district?—I threw it out as a suggestion, and it might be that two Courts will be required for the work. I am merely dealing with the principle, and not trying to set up the machinery for carrying it out. Whether one Court can cover the whole area is another matter altogether, but I do believe in a continuous responsibility to the Crown on the one hand, and to the people on the other. The main essential of an assessor is that he should have knowledge and ability and be able to concentrate it on any evidence given. It is always open to bring in a local expert to give evidence, and what is required on the Court are men who can weigh that evidence, and I think the Court I have suggested would be such a one.

12. Your opinion is that the Assessment Court has not that standing in the country you think it should have, and that the Court you suggest, if set up, would have a higher and better standing in the country?—Undoubtedly.

13. *Mr. Rutherford.*] Would it not tend to prevent people in the country raising objection, because of the expense of bringing witnesses to the Court?—As far as the country is concerned, I am willing to admit that the Court may have to sit in places more adjacent to each other, but I do not think a farmer would object to going six or eight miles to the Court.

14. In scattered districts, how could these people object if they had to bring witnesses a long distance?—I do not expect that the Court is only going to sit at places a hundred miles distant from each other. My contention is that it is better to bring people to a strong Court than to bring to the community a Court that is not strong.

15. Take the City of Auckland: there people very often object to the valuations and go to the Assessment Court, and have to employ a solicitor to get a reduction of £5, and sometimes no reduction at all, and as the valuation is every twelve months the valuation is jumped up again at the next valuation. The result is that a great many of them pay the extra rate rather than object, because, as a rule, they get such a small reduction?—Hundreds of people objected to me about their valuations this year for rating purposes. What was the position. They were struck with an increase and wanted an explanation, but they would not lose half a day to go down to the Court to get £5 or £10 off, and most knew they would get no reduction. But with a Court such as I suggest, having the confidence of the community, provision would be made for an equitable assessment.

16. *Mr. Myers.*] You are here, I take it, in your capacity as Mayor of the City?—Yes, partly.

17. I suppose the Commission may take it that really it does not matter to the City Council whether the valuations are increased or not?—That is so. The Council obtain the revenue by a greater or lesser rate, according to the valuation.

18. The moneys that the Council require for a particular year are the same whether the valuations are high or whether they are low?—Not exactly that. If you have a certain income coming in by way of rates you carry out works according to that.

19. The City Council knew this year when they struck the rate that the valuations had been increased?—They assumed they would be high.

20. Did you not have before you the total, at all events, of the valuation?—We did not get it till very late. It would require a lot of explanation to go into it at the present time. We got advance information from the Valuer-General to help us to compile our rates, but it was not sufficient for us to do it. We could not do much until we got the valuation.

21. At all events, you knew that the valuation was to be substantially increased?—I do not know what you are asking the question for.

22. It does not matter what the object of it is. It is the fact, is it not, that when the Council struck the rates for the current year it was known to the Council that the revaluation was nearly completed, and that it showed a very substantial increase?—But we could not strike the rates until we knew what it was.

23. When the rates were struck you knew the amount of the valuation?—Yes.

24. You knew you required a certain amount of money for the purpose of the Corporation during the year, did you not? You had your estimates?—Yes, of course. It is only a matter of so-much in the pound.

25. Did it, therefore, matter to the City Council whether the valuations were high or low?—Of course, the City Council are really the guardians of the people, whether people recognize it or not. The thing is that if we had a high valuation and assumed the same rate as the

previous year, there would be a greater amount of money taken out of the people for rating purposes. 2½d. on £17,000,000 would produce one sum and 2⅓d. on £19,500,000 would give another sum, and that has to come out of the people.

26. Are the rates this year higher or lower in the pound than they were last year?—They are just the same in the pound, but they bring in a great deal more money.

27. What was the reason why, seeing that the valuations were increased by such a very large amount, the rate in the pound was not reduced?—That is a matter on which there is a difference of opinion. I might say that my view was that we should strike a rate such as would produce an income about equal to the amount of money we received the previous year, but that proposal was not agreed to.

28. If your view had been carried into effect the ratepayers would have no complaint to make of the increase in valuations, so far as the rates are concerned. Their sole objection, if they had one at all, would be to the increase in the land-tax?—So far as that is concerned, the position is that I am not here complaining about the rates at all. I am here more particularly to say there is a general discontent with the system of assessment, and I have suggested what I consider would be a remedy for it. My comparison between Auckland and Wellington is that the Commissioners may see that in the relative systems of rating mentioned there is little or no difference regarding the amount to be paid by the ratepayer.

29. Is it not a fact that a great many people complain of the increase in valuation because it involves a consequent increase in rates?—Of course. A great many people say the increase in valuations is too high.

30. The increase is not a very great item, except in the case of very large holdings?—This hits every one more or less. The most critical person we have to deal with is the man who has had his rates raised by only a few shillings.

31. That may be, but you will agree with me that the main objection people have to the increase of the valuations is that it involves them, as a rule, in an increase in their rates?—That is so, generally.

32. If the view you proposed had been adopted by the City Council, then does it not follow that the main objection of the Wellington people to the increase in valuations would have been removed?—No. It is one of those difficult questions to answer. I have met men who did not want to sell, and they said the valuation was too high, whilst there are property-holders who want to sell, and there is strong support of the Valuation Department from them.

33. My point is this: that the real objection that a great many of these people have is not so much to what the Valuation Department do, but as to what the local body does in the face of an increase in the valuation?—The difficulty in that is that there is differentiation in valuation, and you cannot differentiate in rates.

34. But you were overruled by the City Council?—Yes, they wanted the same rate.

35. That was done with the full knowledge that the valuations had been increased?—Yes.

36. You say that there was a big increase in the valuations in Wellington: is it not a fact that the bulk of that increase, if not the whole of it, was in what may be called the business area?—Some of the suburbs got considerable increases, and some were lowered.

37. The bulk of it was in the business area?—Largely in the centre of the city, yes.

38. It has been suggested, I need not say by whom, that the City Council sent the City Solicitor down to the Assessment Court for the express object of helping to boost up the values of the properties. Is that a fair suggestion?—No. He was not sent there for any such thing. The City Solicitor is there to interpret the intention of the City Council. I have been connected with the City Council for fifteen years, and never heard it suggested at any time that the City Council desired to have high values maintained.

CHARLES MANLEY LUKE examined.

1. *The Chairman.*] What is your position, Mr. Luke?—I am a director of Luke Company (Limited), and President of the Central Chamber of Commerce, Wellington. I desire to speak about the constitution of the Assessment Court more particularly. A good deal of the ground I intended to cover has been covered by Mr. Tripp and others who gave evidence at an earlier stage of the Commission. My objection to the constitution of the Court is that the objectors have no means at all of voicing themselves other than by evidence that they may bring forward, and that they feel that the Court is, consciously or unconsciously, a biased Court. The two assessors are often gentlemen who are identified either with dealings in land or interested in the keeping up of the values of property. Especially has that been the case, without mentioning any particular Court, in one or two of the Courts in recent years. I had no idea what the view of my brother (Mr. J. P. Luke) was as to the reform of the constitution of the Court. I came here with my own idea of what I consider would be an improvement in the Court, and that is that the Court should be presided over by the senior Magistrate or a Judge, if that is possible, and that the taxing department, with the City Council or local body, should agree between themselves as to one of the assessors, and that the taxpayers and ratepayers together should have the privilege and right of appointing the other assessor. A Court for assessment purposes should be based on the principle of arbitration, so that the interests of both parties will receive that consideration which is due to the parties. In our Court as at present constituted the two assessors are appointed, one by the Government taxing department and the other by the local taxing department. Each goes there feeling that it is his duty, as a servant of the Crown or of the local body, to maintain as far as possible the valuations of the Department. I am sure that feeling will not be allayed until some reformation takes place. I am not prejudiced against the scheme propounded by the Mayor. It is an improvement on the Court as now constituted, but I do see the difficulty of such a Court dealing with small country districts. Even those difficulties

might be removed, but, taking the conditions of the Dominion as a whole, a Court constituted in the manner I have suggested may meet the position better than the one suggested by the Mayor. There should be a means whereby the small taxpayer can make himself heard before the Court with as little inconvenience, loss of time, and cost to himself as is possible. At present there are a great number—I believe the vast majority, certainly in number if not in value—who are excluded from the Court by force of circumstances. They are small ratepayers and small taxpayers, and they know from past experience of going to the Court that they have to attend perhaps five or six times, which to a working-man means the loss of half a day or perhaps a whole day, and, in addition, perhaps he has to employ counsel and a valuer. The cost is so great that even if a reduction is obtained it is no redress at all. It is more profitable for him to pay the extra tax or the extra rates than give time and incur expense in an endeavour to get redress. This was brought particularly under my notice recently in Wellington. I saw a lady who attended the Court five times before her case was reached. The Government should appoint a solicitor, either from the Crown Law Office or from outside, to represent those individuals who cannot afford to engage counsel, and an outside valuer should also be appointed at the cost of the Crown to represent such people. The Court should then arrange for hearing objectors in alphabetical order, specific days being set apart, always being assured that the time would be sufficient to deal with the cases set down for a particular day. In that way I believe a great grievance would be removed that exists in the minds of hundreds of people in this city. I was Mayor of Wellington some years ago, and I remember how general the complaints were as to the valuations, especially on the part of small people, and the Government should see to it that the smallest individual in our midst should have the easiest means possible to redress a wrong, and at the least possible expense. I think, too, that the system of arriving at the value of a property is a decidedly wrong one. I have attended this Court off and on for thirty years. I have wasted days there, and got a reduction which meant a saving of perhaps £3 in a year, which in five years would represent an amount of £15, and I may have lost in my business anything from £50 to £100 over the matter. But I got tired of appearing before the Assessment Court until recently, when I have had a little more time, I have put in an appearance again. The result of one's experience is distinctly discouraging. The Department for the most part hit on a property that has been sold in a particular locality for a special purpose which may have a special value for the person who buys it. It may be for a bank, or for a mercantile or hotel purpose, but it gives a special value to that property, and it forms the basis of values in that particular district. I think that is wrong. We have had Upper Hutt mentioned this morning, and I use that as an example. A few people go to Upper Hutt to live—week-ends for the most part (probably they are professional people)—and it gives a special value to the whole district, which for many years must be a farming district. The value of that place for many years to come must be the productivity of the land from the common use to which the land is put. That is the basis of what the valuation should be. In regard to special lands, a particular site may be bought for a special purpose, or a piece of land suitable for a special purpose is held by a man for that purpose until the opportunity for its use comes along, and its sale then enhances the value of land all round. There is no corresponding value between the freehold and the leasehold. Leasehold lands are loaded with many disabilities. They are loaded, first of all, for borrowing purposes by a very large amount. The average investor will not invest his money in leasehold property. In a word, there is a margin of value of 20 or 30 per cent. between leasehold and freehold land. Then leaseholds in this city which were commonly understood to be Glasgow leases, but are not such, are really leases with a fixed tenure and expire, some in twenty-one years, others in forty-two years, and the interest of the leaseholder in these lands is a diminishing one and in many cases approaching vanishing-point, whilst his interest is shown, according to the tax return, as an increasing interest. It is not consistent at all. One case came under my own observation. For about ten years we have had Harbour Board leases. For the first two or three years there was no real commercial need for it, but under the conditions of lease we were compelled, in common with others, to build. In the first place, we took this lease for the purpose of shifting our engineering plant, because where the works were situated the land was of such a value and the rating was so high as to preclude us carrying on our business profitably. Unfortunately the values went down, and we could not sell at that time, and we were saddled with those additional leases. Any sane man under these conditions would have let the leased land remain idle, but the conditions of lease compelled us to erect a building in keeping with the character of those in the neighbourhood. For two or three years we could not find a tenant at all. We have since been able to find a tenant, but about half the time the building has been unoccupied. In the face of that, our values have been going up the whole time. One property, let all the time, returned £345 a year. The cost of that property, reckoning 6 per cent. on the value of the building, is £421 10s. 2d. per annum. In spite of that the valuation has gone up a fairly considerable amount. We would take to-morrow from 10 to 15 per cent. less than the valuation of these properties.

2. *The Valuer-General.*] Why not offer it to the Government?—There is no provision under the Act, as it is leasehold land. The provision by which a freeholder has some remedy is a very wise and a very fair one, and what I want to impress on the Commission is that some similar provision should be made in the case of leasehold land. With a provision of that nature I will offer these properties to the Valuer-General to-day for 10 to 15 per cent. less than his own valuation. It is an injustice that a condition of things should exist in this Dominion without any remedy or redress. I have hopes that this Commission, comprised as it is of men of experience and judgment, will be able to point out to the Government or the responsible authorities some possible means by which there will be a remedy for these things. In regard to the property I have cited, I want to tell you that the tenant left a month after the valuation came out, and

it has been empty ever since, and may be empty for years. With regard to the rate struck, it is not necessary that a local body should continue to rate at the old rate per pound when the valuations have gone up; but I am an old public man, and have sat on public bodies so often that I want to say emphatically that the disposition among local bodies is to get the same rate per pound and take advantage of the increase that occurs for the carrying-out of extra but not always necessary works. I know that part of the remedy is the rating question, and in itself may be the cause at times of taxation bearing unduly on the persons who are carrying the properties for the time being. I do not know what the experiences are elsewhere, but I can cite places like Wellington Suburbs and Hutt, where the valuations are excessive.

3. *The Chairman.*] It has been suggested to us that there was an exceptionally large number of objectors at the last Wellington Assessment Court?—I think there were. I think a great many came the first two days, and then gave it up disgusted and disappointed.

4. Do you think that for average Assessment Courts it would be necessary to break up the case-lists in the way you suggest?—Yes, even in ordinary times.

5. *Mr. Myers.*] Or bring the objectors on in streets or blocks?—Yes. Either would be a remedy.

6. *The Chairman.*] Section 31 does not apply to leaseholds, and this suggestion was made at our original sitting in Wellington by Mr. Tripp, I think: the Act provides that there is no appeal from the Assessment Court on value, but only on points of law, seeing that the lessee has no right to offer his property to the Government under section 31 he should be given the right of appeal to the Supreme Court on the question only of value. How does that suggestion strike you?—I think it is a very desirable one.

7. Do you think it would be sufficient for the protection of the lessee, instead of giving him the right to offer to the Government?—No. I do not like the idea of a person being forced into the Supreme Court first of all for a remedy. I think there should be an intermediate step, and that step should be the one by which they can offer their property to the Government, and, failing an amicable decision, the Supreme Court should be the Court of Appeal.

8. If that were done the leaseholder would be more favoured than the freeholder. Mr. Tripp suggested that for the leaseholder there should be an appeal to the Court on the question of valuation?—Yes; but I should prefer that the leaseholder should first have the right to offer to the Government, but no doubt the Government would not care about being loaded up with a number of leaseholds.

9. *Mr. Myers.*] What do you think of the suggestion that section 31 should be altered by providing that a freeholder, when he objects to the decision of the Assessment Court, should be required to state not only the capital value, but the unimproved value and the value of his improvements, and that the Crown should have the right to purchase the land at the unimproved value, leaving the improvements to be subject of arbitration? That would be fair to the Crown and not unfair to the freeholder, and it would prevent the freeholder from trying unfairly to place a big value on his improvements and too small a value on the unimproved?—I see your point. I do not think a person should be enabled to force the Government to purchase improvements at an inflated value in order to get rid of the responsibility of land which is overvalued. I think that is the only equitable way by which you could arrive at the value of the improvements. By arriving at the value of the improvements by a process of arbitration you get at what is a fair market value.

10. You were present during the greater part of the sitting of the Assessment Court at Wellington?—Yes.

11. You are aware, are you not, that on the main question—namely, the value of land in the business area of Wellington—a very considerable body of evidence on both sides was submitted to the Court?—Yes.

12. I think you yourself were a witness?—Yes.

13. You would know also that evidence as to a great many sales right through the business area was given?—Yes.

14. You will admit, then, will you not, that the decision of the Court did not depend upon an isolated sale, but that there had been a number of sales in each section of the locality, and that these sales ranged over a period of years?—For the most part I think that the sales that took place, as evidenced in the Court, were sales more or less inflated because of some peculiar personal requirement for the purpose for which the land was to be put.

15. Every sale that could be found was brought before the Court?—I cannot say that.

16. Do you not know, as a matter of fact, that the values which were placed upon the city lands were really less than the price that these sold lands had brought?—I know that was so in relation to one or two sales that came under my observation.

17. *Mr. Campbell.*] Do you know of places sold here at prices really under the Government valuation?—I know of no such sales of my own knowledge.

18. In the country, at Hutt, do you know of any?—In the Hutt I do. And I know of a good many properties that would be sold at 20 per cent. under the Government valuation. I know a person who would sell at 50 per cent. under the Government valuation of two or more years ago.

SYDNEY KIRKCALDIE examined.

1. *The Chairman.*] What is your position?—I am a member of the firm of Kirkcaldie and Stains (Limited). I understand that the object of this inquiry is to obtain both general and specific evidence in the working of the Valuation of Land Act, and also as to the manner of apportioning the individual interests in the unimproved value of the freeholder and leaseholder in cases where land is leased. I am interested in the working of the Act both as a freeholder and as a leaseholder, and both as a lessor and lessee. I was one of those who lodged objections to

the recent valuations of Wellington City lands, and was present at the hearing, which was conducted by Mr. Skerrett. Mr. Skerrett contended that the cost of building in Wellington had materially increased since the previous valuation in 1906; that rentals had declined; and that modern buildings erected upon city lands during recent years were not returning adequate interest to their owners; and that the majority of sales upon which the Department based its values were either sales of land to adjoining owners or to companies or firms requiring land for special services. Conclusive evidence along these lines was submitted to the Court by him, but in all cases the valuations were sustained, although no evidence was submitted by the Valuation Department to controvert the figures submitted to the Assessment Court by Mr. Skerrett. I have been present at three different arbitration proceedings for determining the rentals payable by tenants to the City Corporation, and know that tabulated statements were prepared and submitted to the arbitrators, showing that both Corporation tenants and freeholders who had recently erected buildings for letting purposes were not receiving a fair return upon their expenditure. In no case did the Corporation attempt to prove to the arbitrators that the present valuations could be sustained by any evidence in its possession other than that of recent sales. The conclusion I have come to, therefore, is that the unimproved value in Wellington is too high, and that the Department relies solely upon the sums paid for land irrespective of its producing-value as the sole basis of its valuation. I contend that this is wrong in principle, as the price paid for city lands must necessarily comprise not only the present value, but also a proportion of the future value of such land. I think it is quite fair to contend that where suitable buildings are erected upon city land there can be no increase in the unimproved value until an adequate return is being obtained upon the value of the improvements. The necessity for considering the producing-value of land is disclosed by the fact that Government valuations for taxing purposes are no longer regarded as suitable valuations upon which advances can be made. It is perfectly obvious, also, that the ultimate test of value, and the only test by which a true unimproved value can be arrived at, is by determining the income available after deducting such a sum as would constitute a fair return upon the improvements effected upon the land. The present composition of the Assessment Court is not a fair one to the property-holder. As two of the assessors represent the taxing authorities the third one is powerless to protect the owner. I submit that it is impossible for an assessor acting for the Department or for the Corporation to forget that any reduction in value would be inimical to the interests of the authority which appointed him. I think that there should be one assessor only for the Department and one for the property-holder, with a Magistrate or Judge of the Supreme Court for umpire, and that the Municipality should be bound to accept the roll and not be allowed a voice in determining the question of value. Section 31 in the Act does not, to my mind, go far enough. The present method appears to be this: Valuations are made and sent out, notice of objection is given, and interviews take place between the valuers and owners, and ultimately recourse is had to the Assessment Court. Those who take advantage of section 31 are afforded another opportunity of debate after the Court has determined the majority of the valuations, and any adjustments are made privately. I think that section 31 should be amended so that the Government would determine at the hearing of the objection whether it should reduce to the owners estimate of value or take over, and that the values placed upon contiguous lands should be adjusted accordingly. It is desirable also, in my opinion, that the City Corporation lessees should have the right of use of section 31. At present we have no power to submit a leasehold property to the Crown, and in cases where freehold and leasehold properties are in the same occupation section 31 provides no security against overvaluation. The method of computing the leaseholder's interest in unimproved value in the Corporation leases requires revision. These leases are renewable every fourteen years, and all the interest the tenant has is the right of occupancy for fourteen years, with a perpetual right of renewal at an unknown rent at the end of each term. The rental that is obtainable by the Corporation is the amount of the rent the arbitrators consider a prudent man would give for the land under the terms and conditions of the lease. The method of assessing the lessee's interest under the Valuation of Land Act is to take the present worth of the difference between 5 per cent. per annum upon the capital value, less the rental prescribed in the lease. This computation gives a taxable interest by the lessee which will be seldom if ever realized, and I consider an amendment of the Act should be made so that the tenant is only taxed on the value of the goodwill of his lease. I am assuming the unimproved value of the two sections we have just had reassessed for rent to be—35 ft. to Lambton Quay, £250 = £8,750; 30 ft. to Johnston Street, £150 = £4,500: total, £13,250. The term of the lease is fourteen years; the rental, £192 10s. I have to divide the respective interests as between landlord and tenants so that these interests capitalized at 5 per cent. amount to £13,250. The lessor's interest is the present worth of a lease for fourteen years at £192 10s.— $192.5 \times 9.899 = £1,905.5575$, plus his interest in the reversion. The reversionary value is the present worth of £13,250 fourteen years hence, or £6,691.25. The lessees' interest is the present worth of the difference between 5 per cent. per annum upon the capital value, £13,250—i.e., £662 10s., less the rental prescribed in the lease, £192 10s., which is £470 \times fourteen years. The present worth of £470 for fourteen years is $9.899 \times 470 = £4,652.53$ —a total of £6,558.08. It requires the reversionary value to balance, but the question still remains, to whom does it belong? The reversionary value is £6,691.25, making altogether £13,249.33.

2. In arriving at the lessee's £4,562, is anything valued for his rights at the end of the term?—He has got no rights. There is the reversionary interest, which must be valued to the lessor.

3. The lessee's interest is taken, first of all, as the difference between an arbitrary 5 per cent. on the fee-simple, less the actual rental he pays, and then the section says, "plus the present value of any right to compensation under the lease." Do you know if your figures include any such valuable consideration under the lease?—I do not see that there is any valuable consideration. He gets nothing except the right to renew his lease at an unknown

rental. What I have given is merely the difference between the actual value of the lease and the value as compared under the provisions of the Valuation of Land Act. That seems to me, as far as the leaseholder is concerned, to be a position that should be cleared up. It seems altogether wrong that we should be taxed on the taxable interest of a property valued under the Act at £4,652 when you have got no market for it. There is no possible chance of converting that into figures. It is a value that is created by the statute and not by any possible experience.

4. The statute says that if you have a lease on which you are paying less than 5 per cent. on the fee-simple you have that much benefit. If the rent is equal to 5 per cent. the lessee is not taxed at all, but if the rental is less than 5 per cent. the statute considers the lease has got a value?—Yes, but the test of that question would be whether he has got a marketable value, in the same way as the test of the freehold value is the market value.

5. That affects not only leasehold land but freehold land. The statute gives the definition of unimproved value of a piece of land as "the sum which the owner's estate or interest therein, if unencumbered by any mortgage or other charge thereon, and if no improvements existed on that particular piece of land, might be expected to realize at the time of valuation if offered for sale on such reasonable terms and conditions as a *bona fide* seller might be expected to require." Suppose there is no market?—Then you cannot sustain the unimproved value. If you value the freehold interest too high and have no market you have to reduce your valuation.

6. Supposing the value of the property leased is approved as being fair, do you object to a 5-per-cent. rental on that valuation?—No; I do not object to assessing the lessee's interest upon a 5-per-cent. basis, provided the lessee has an interest that is convertible into cash. It all boils down to this: that the unimproved value of land in Wellington cannot be sustained.

7. Do you object to the lessee being taxed on the difference between his actual rental and 5 per cent., assuming that the unimproved value is not overvalued in your estimation?—Assuming that the unimproved value was a fair value, there would not be any objection, consideration of course being given to the terms of the lease.

8. You assume that a property should bring in 5 per cent.?—Yes.

9. Then the objection to section 36 really goes back to the other objection—that you, like some other witnesses, consider that the unimproved value is put higher than it really should be?—That is so.

10. You have also this point: that you consider your rates high as they are?—I am not going to debate that question here.

11. Why do you say that a lease is not convertible? Leases are sold, are they not?—Other leases are sold, but you cannot sell Corporation leases to-day.

12. *Mr. Myers.*] Are there any in the market?—Yes.

13. *The Chairman.*] We can only deal with Corporation leases as one branch of ordinary leases. Is it not a fact that most people who hold them are in business, and do not want to sell them?—There are vacant sections for which the Corporation have been repeatedly calling for applicants. I think it will be within the knowledge of the Department that the Wellington Harbour Board some time ago accepted the cancellation of some of the leases they had granted—leases which contained covenants to build, and which the lessees were glad enough to get rid of, although they had to enter into an agreement to pay the rates until the leases were disposed of by the Board to some other person.

14. We take it that your evidence amounts to this: you do not say that leases in general are not marketable, but you say that Corporation leases are not marketable?—I would rather say both Harbour Board and Corporation leases.

15. *Mr. Myers.*] Do you mean vacant land, or lands that have been leased and in the use of the lessees?—Both. I can offer the Department a section of land with a modern building upon it at the Government valuation plus the value of the improvements. I am speaking of the Civil Service Club property.

16. That is a freehold property?—That is so. I should like to postulate this theory. The contributing factors that go towards establishing any increase in the unimproved value of land in New Zealand are, in my opinion—(1) the value of money; (2) the increase in population; (3) the increase in production. The mere spending of money in improvements, unless this is followed by an adequate increase in production, is only adding a burden to the land. I have taken for comparative purposes the years 1906 and 1912, and the figures quoted are those appearing in the New Zealand Year-book. The value of money is from $\frac{1}{2}$ to 1 per cent. higher to-day than in 1906. The population of New Zealand in 1912 (the latest available figures, see page 872), exclusive of Maoris and Pacific Islanders, was 1,052,627; and in 1906 it was 908,726; a difference of 143,902, or an increase in the six years of 16 per cent. The total export trade for 1912 (see page 878) was £21,272,405. In 1906 it was £17,840,346, an increase for the period of £3,432,059, or 19 per cent. It should be noted that the exports for 1906 constituted a record up to that time, and that those of 1912 were only £670,000 behind the record year of 1910. The capital value of land (see page 859) in 1913 is given as £340,559,728; and in 1906, £218,422,552: an increase in the period of £122,137,176, or 55 per cent. The unimproved value in 1913 was £212,963,468; and in 1906, £137,168,548: an increase for the period of £75,794,920, or 55 per cent. The total value for improvements in 1913 was £127,596,260; and in 1906, £81,254,004: an increase of £46,342,256, or 57 per cent. I do not think that the increase in the unimproved value is justified by the amount of increase in our exports and population.

17. *The Chairman.*] What have you to say about the statutory definition that the Department has to value at what the property is expected to realize if offered for sale on reasonable conditions?—In order to arrive at a reliable valuation the fair market price must be not only fair to the seller but fair to the buyer, and the buyer must be able to show, and the Department should be able to show, that the buyer is able to receive from his investment a fair return in

interest. The statement put before you by Mr. Tripp, showing numerous city properties that are not returning a fair return, is enough evidence that the unimproved value is too high. It must be admitted that some paid too high a price, but they are buying not only the present but the future value as well.

18. Is not your objection to the statute as it now stands?—To the definition of “value” as it stands in the statute.

19. You think it works out unfairly in practice?—It makes for a fictitious forcing-up of values, and when these prices are paid the security is no longer a 5-per-cent. security. I would call attention to the number of mortgagee sales that have taken place in Wellington in the last few years. Unfortunately, I have been interested in some of them myself, and in practically every instance the mortgagees had as much as they could do to get out of their securities without loss.

20. You and other witnesses have spoken about sales for special purposes and at fancy prices. Supposing those sales were properly discounted by the values—and they tell us in different parts of the Dominion that if they know of a sale that has been made at too high a figure they discount it—and the valuers go by the sales in the ordinary way, not by forced sales on the one hand, nor by fancy prices on the other: do you think that those sales ought to represent the taxable value?—I say the Department should go further than that, and show by the productivity of contiguous lands that they are able to justify the valuations they have put upon these properties.

21. You put it on the ground of productivity?—Yes.

22. The Act says they must go by sales?—I quite admit the Department is going by the Act. I do not criticize the Department, because I think they are administering the Act as they find it. It is the Act I am offering my criticism against. Take Dalgety's corner, for which they paid £200 a foot a few years ago. Adjacent there is a vacant section which has been in the market for a considerable time at the same price. On the opposite side of the road you have Routh's Building, on a Corporation lease, and as to the productivity of which you have had evidence from Mr. Tripp, showing that it does not justify a valuation of anything like £200 a foot.

23. What is the property that is for sale?—Turnbull's property, in Featherston Street. I say that Dalgety's was a special sale for their own special purposes. I do not think that a fair sale is a sale of a property to a firm or company for its own use, but a fair sale would, in my opinion, be a sale made to an investor for letting purposes with the object of getting a sure 5-per-cent. return on his investment in the property. That should be the fair test of the market value of city lands.

24. Is there any other matter you would like to bring before us?—Mr. C. M. Luke made a suggestion that section 31 should be extended to allow a lessee to have the right to offer his property to the Government at the unimproved valuation, and that the value of the improvements should be the subject of arbitration afterwards. In the main I approve of that, but the offer to the Government should operate in this way: that where a property is offered to the Crown the Crown should have the right to take over the property at the price at which it is offered to them, or effect a proportionate reduction between the unimproved and improved valuations until an agreement is come to for the acquisition of the property, or agreement by the owner to accept the Government valuation. Supposing my unimproved value is £5,000, and the value of the improvements £10,000: if I object to the unimproved value of £5,000 and require that it be reduced to £4,000, the Government should have an equal right to reduce my value for improvements from £10,000 to £8,000, and either take it over at my price or I must accept their reduced valuation. One reason why I put that forward is this: The Valuation Department is required to ascertain the capital value, and then to assess the value of improvements and the unimproved value, and the unimproved value and the value of improvements must total the capital value of the property. Seeing that the Valuation Department must deal specifically with the valuation of improvements, if that valuation is accepted by the owner the Valuation Department can have no right or reason to claim that in any acquisition of the property by the Crown their own valuation of improvements, as agreed to by the owner, should become a matter for revision by arbitration.

25. Where the landowner has not objected to the value of the improvements, but only to the unimproved value and gets a reduction, it should come off the unimproved value?—Precisely.

26. *Mr. Campbell.* As a general thing, do freeholds in the town sell above or below the capital value?—There have been so few sales in the last few years of any consequence that it is rather difficult to express an opinion. I do not know of any sales that have taken place below the Government valuation, but I know of a great many that have been made round about the Government valuations, and which the present owners find they cannot make a profit out of at the prices paid.

27. Still, the properties sold at the Government valuation?—Yes, and unwisely, it seems.

28. *Mr. Myers.* I suppose we may take it that you are really giving evidence both as a freeholder and a leaseholder?—Yes.

29. Do I take it that in your opinion a fair rental for a lease is 5 per cent. on the fair unimproved value?—It would depend entirely on the terms and conditions of the lease.

30. Do you not see that that is the very trouble that has arisen under the Corporation leases here?—Is it not a trouble that has arisen in the Valuation Department.

31. It is the fact, is it not, that the Corporation lessees, perhaps rightly, for all I know, contend that it would be unfair to compel them to pay 5 per cent. on the unimproved value of the land because of the peculiar terms of the lease?—Yes, because of the fact that they have not got a realizable interest.

32. It follows, therefore, does it not, that if less than 5 per cent. is fixed as the rental, under the terms of section 39 there must be an amount assessed against the lessee for land-tax

purposes?—The lessees cannot tell what is in the minds of the arbitrators who fix these rentals—whether they are fixed on a basis of 5 per cent. or not. They might be dealing with a lower unimproved value.

33. Assuming that the arbitrators have fixed less than 5 per cent. as the rental upon the fair unimproved value, then it follows, does it not, that there must be something assessed under section 39 against the lessee for land-tax purposes?—Yes, under section 39; but I point out that the effect of section 39 is adverse to the real interest of the leaseholder.

34. Your objection is against section 39?—Yes.

35. You do not contend that either in respect to leases of lands, such as Corporation lands, or in respect to ordinary leases, the valuers have done anything else than follow the terms of the Act?—They have followed the terms of the Act as far as they must, but they have not gone as far as they might. There seems to be a discretion allowed to the Department, according to the Valuer-General's explanatory article in his "Memorandum for Valuers."

36. You say that the Government valuations are not fair for mortgage purposes?—Yes.

37. You are speaking there not as a leaseholder, but as a freeholder?—As a freeholder, and as one who lends money.

38. Do you not know that in, say, forty-nine cases out of fifty the valuations for mortgage purposes exceed the Government valuation?—I could not say that. I only know that in advancing money on mortgage I would not accept the Government valuation.

39. Is it not a fact that private valuations for mortgage purposes exceed those of the Government Valuation Department?—I cannot say; but I know if I put a private valuer on to value a property, productivity is taken into consideration, and I am not sure that that has been done in the case of the Government valuation.

40. You say that valuations are too high in Wellington. I will take a specific case. Do you know a piece of land next the Public Trust Office?—Yes.

41. Do you know the Government valuation of that land?—£130 a foot.

42. Do you not know that the owner places upon that land a value of £200 a foot, and offered it to the Public Trustee at that price?—Yes.

43. Do you know that the Public Trustee was prepared to pay £150 or thereabouts per foot?—I do.

44. Do you know that the owner refused £150 a foot?—Yes.

45. Do you know that when the owner refused £150 a foot and wanted £200 a foot, and would not sell for less, he at the same time obtained options over the adjoining pieces of land on the basis of £160 a foot?—Yes.

46. Do you say that in that case the Government valuer was wrong in assessing the value at £130 a foot, or that he valued it too high?—I do not say so in regard to that particular property.

47. Is it not a fact that that is really typical of the valuations along that particular street?—I would not say that. As the owner of that particular piece of land I thought I had a purchaser in the Public Trustee who would pay my price, and could afford to pay my price.

48. The Public Trustee offered you £150 a foot, or thereabouts, and you thought it better to build upon the land and let the property?—Yes. The position is this: We had leased a portion of the building we were erecting on that site. We had had previous interviews with the Public Trustee with regard to the sale of the property to him, and after we had commenced the building we had an offer from the Public Trustee to take over the contract for the building, to take over the tenant we had arranged for for the building, and to pay us £150 a foot for the land. But the price we had put on the land was £200 a foot, the Public Trustee to take over the contract and deal with the tenant. Had he paid the price he would have got an area exactly equal to what he has got at the present time. He could have paid our price of £200 a foot, and completed the building, and doubled his accommodation at a little more than half the cost of the present Public Trust Building here.

49. Do you not see that at the same time you were placing £160 a foot as your value upon land of the same value adjoining that same property?—No, I was not.

50. You took an option?—That does not mean taking the land. You have quoted the price I asked for this section; I did not get it.

51. If you had sold that property for £200 a foot would you have exercised your option and bought the adjoining piece for £160 a foot?—I do not know that I would.

52. What was your idea of taking an option at £160?—To submit to the Public Trustee as evidence of contiguous value.

53. At all events, you do not think that £130 a foot is too high a price to put on that land?—I do not know that I am going to make interest on it at £130 a foot.

54. Will it sell for it?—No doubt it would at £130 a foot.

55. Do you not admit that the valuers have valued it on a fairly uniform basis?—Yes; but I do not see how Section 31 comes in.

56. If you do not take any exception to £130 a foot for that particular piece of land, and the land has been valued on a uniform basis, where does the objection come in to the valuations?—Take the adjoining section that you quoted as being offered to me at £165 a foot. If you will give the return for that property I think the Commission will very soon be satisfied whether £130 a foot is a fair price for it.

STATEMENT BY THE VALUER-GENERAL.

The Valuer-General (Mr. F. W. Flanagan): I would like to make one or two observations on the subject of paragraphs (d) and (e) in the order of reference. Paragraph (d) refers to the Assessment Court. I had the privilege of accompanying the Commission to several districts in the Dominion, and I think almost every witness who tendered evidence made some observations with reference to the constitution of the Assessment Court. Any person not acquainted with the

working of the Valuation of Land Act or of the Court would come to the conclusion that the Assessment Courts were a species of Star Chamber at which it was quite useless for any objector to values to appear with a prospect of either having his grievance listened to or of getting justice done. During my experience as Valuer-General, which extends from 1910, I must say that up to about eighteen months ago there were no objections received by the Department either to the proceedings of the Assessment Courts or to their constitution. About eighteen months ago a suggestion was made from a local body in the Auckland District to the effect that the constitution of the Assessment Court was unsatisfactory in that it did not allow of direct representation of objectors. A resolution on the subject was passed by that local body and communicated to other local bodies until eventually it came to be regarded as a semi-political question. It was about that stage that representations were made to the Government to alter the constitution of the Court. The recommendation was that each objector should be allowed a special representative who would take his seat on the Bench as soon as his (the objector's) case came on. Of course, the thing was impracticable. Some months elapsed, and nothing more was heard on the subject until the Assessment Court sat in Wellington lately, when it was raised again, and in a more serious way than hitherto, because the increased values in the lands of the Dominion brought into the category of land-tax payers a number of owners who had hitherto escaped paying land-tax. In making a change in the constitution of the Assessment Court one has to consider more than the complaints of a few objectors. One would gain the idea from what has been written in the Press and from the evidence before the Commission that Assessment Courts have not been appealed to very largely in the past in regard to valuations. I have had the following return prepared showing the number of Courts held during the last three years, and number of objections heard:—

Return showing the Number of Local Districts revised during the Period 1911 to 1914 (inclusive), the Number of Separate Properties valued, the Number of Objections lodged, the Number of Objections referred to the Court, and the Percentage of Valuations reduced by the Court, &c.

	Year.	Auckland.	Hawke's Bay, Taranaki, Wellington, Nelson, Marlborough, Westland.	Christchurch.	Otago.	Southland.	Total.
Number of districts revised	1911	16	16	6	6	5	49
	1912	18	30	7	4	5	64
	1913	19	24	7	4	3	57
	1914	19	33	12	5	4	73
Number of districts where Assessment Courts were held	1911	5	6	2	3	4	20
	1912	8	3	1	..	4	16
	1913	10	10	2	3	1	26
	1914	16	20	8	2	3	49
Number of districts where it was found unnecessary to set up Assessment Courts	1911	11	10	4	3	1	29
	1912	10	27	6	4	1	48
	1913	9	14	5	1	2	31
	1914	3	13	4	3	1	24
Number of separate properties re-valued	1911	18,759	22,944	5,996	5,100	8,428	61,227
	1912	24,573	21,554	4,344	2,904	3,220	56,595
	1913	27,212	29,896	7,828	4,481	5,922	75,339
	1914	21,081	48,676	24,958	3,387	5,108	103,210
Number of objections lodged	1911	..	..	..	..	..	..
	1912	1,085	344	124	69	71	1,693
	1913	1,344	2,046	307	178	308	4,183
	1914	1,252	3,686	1,239	158	139	6,474
Number of objections settled by valuers	1911	..	..	..	..	..	..
	1912	818	302	108	69	32	1,329
	1913	839	1,309	252	140	186	2,726
	1914	795	1,731	849	72	58	3,505
Number of objections referred to Assessment Courts	1911	136	366	48	21	23	594
	1912	267	42	16	..	39	364
	1913	505	737	55	38	122	1,457
	1914	457	1,955	390	86	81	2,969
Percentage of valuations referred to Assessment Courts	1911	0.8	1.6	0.8	0.4	0.3	0.9
	1912	1.1	0.2	0.4	..	1.2	0.6
	1913	1.8	2.5	0.7	0.9	2.1	1.9
	1914	2.1	4	1.6	2.6	1.5	2.9
Number of valuations reduced by Assessment Courts	1911	46	41	34	7	8	136
	1912	33	3	..	..	5	41
	1913	81	78	9	10	30	208
	1914	29	164	83	8	18	302
Percentage of valuations reduced by Assessment Courts	1911	0.2	0.2	0.6	0.1	0.1	0.2
	1912	0.1	0.01	..	..	0.1	0.08
	1913	0.3	0.3	0.1	0.2	0.5	0.3
	1914	0.1	0.3	0.3	0.2	0.3	0.3

If that return is carefully studied it will show, instead of a disposition to regard the Assessment Courts as unpoular, that, considering the large amount by which the value of land has increased during recent years, the Assessment Courts are—if one might use the expression—more popular than they have ever been. So far as Assessment Courts' decisions are concerned it is not the objector who has been at a disadvantage; it is really the State. I have certain cases in my mind's eye where reductions were made by the Assessment Court not really because a reduction was due, but really to show that it was not a matter of impossibility to come to the Court and obtain a reduction. The history of the Court itself shows, too, that the constitution of the present Court has not been regarded with disfavour by the public. Prior to 1900 the Assessment Court under the Government Valuation of Land Act and under the Rating Act consisted of one member called the Judge of the Assessment Court, and who, under the former Act, was the Magistrate for the district, and under the latter Act was either the Magistrate for the district or "such other fit person as the Governor shall appoint." The Court in each case was clearly a judicial Court set up to fix valuations on the evidence brought before it. In 1900 two assessors, appointed by the Governor, were added to the Court set up under the Government Valuation of Land Act, the intention doubtless being to give the Court the benefit of the expert knowledge of these two lay members—knowledge which the Magistrate alone could not be expected to have acquired. The Court still preserved its judicial character. In 1906 the constitution of the Court was altered by allowing one of the assessors to be nominated by the local authority whose district was being revised. Landowners welcomed the amendment as giving them direct representation on the Court. The Court as constituted, however, does not suit certain objectors, who now claim the right to appoint one assessor themselves. In other words, they want a Court of Arbitration rather than an Assessment Court. Their belief is that a greater percentage of reductions would result. They, however, ignore the rights of non-objectors, whose lands are valued on the same relative basis of unimproved values, and who are financially concerned in having the roll values relatively uniform. It is doubtless to preserve uniformity that the Act places the onus of proof on the objector. Any alteration in the direction sought would only tend to unduly increase the number of objections lodged, and to interfere with the judicial nature of the Court, with the result that the dissatisfaction which at present exists would extend to non-objectors. The amendment to the Rating Act in 1910 altered the constitution of the Assessment Court under that Act to agree with the Court as constituted under the Valuation of Land Act, with the provision that where two assessors are appointed at the request of the local authority the local authority is responsible for paying both assessors' fees. That very change in the constitution of the Court under the Rating Act shows that in the opinion of local authorities who rate on annual value, at any rate, the constitution of the Court under the Government Valuation of Land Act is a perfectly fair one. I had intended, in connection with this matter, making a suggestion to the Commission to the effect that the Court as constituted at present does not quite fulfil all that is required of it, not because of any defect in the personnel of the Court. I do not suppose you will find in any Court in the country—I speak of the Government assessors—a body of men better qualified for their duties, or who bring their ability to bear on their duties more efficiently than they do. This country owes a debt of gratitude to the assessors, but I can see that so long as the constitution of the Court remains as it is so long will there be objections to the decisions of the Court. I have come to the conclusion that the Chairman of the Court should be a permanent officer and a barrister, and there should be associated with him two other officers, both appointed by the Crown. These officers would be experts in land-values—not necessarily experts in local values, because I do not consider it necessary that an assessor should be required to have local knowledge of land-values. Being permanently in the position the assessor would be continually in the atmosphere of values, he would become conversant with the Valuation of Land Act and the methods of the Department, and accustomed to weigh evidence of values. Now, the question that probably would deter the Commission from adopting my suggestion is, "How would it be possible for a permanent Court of that nature to conduct all the valuations required by the Department?" This point was referred to this morning in connection with the suggestion of the Mayor of Wellington. I personally am of the opinion that the valuations could be so arranged that the services of one Court would suffice for the whole of the assessment work throughout New Zealand. There is only a portion of the Dominion revalued during twelve months, and it is not necessary that the Court should sit within any special period. The Court might sit, say, from April up till August or September. Within five months it would be quite possible for a permanent Court to do all the work of the present Assessment Courts without any inconvenience to the Department, and it would also be possible for such a Court to visit as many localities, or perhaps more, than are covered by Assessment Courts under existing conditions. The itinerary of the Court could be arranged so as to sit in far-back localities. I believe a Court such as I suggest would meet with the confidence of the public. It would be a strong Court, and I have come to the conclusion that the Assessment Court, to carry weight with the public, must be a strong Court. There is a disposition on the part of a large number of objectors to pay no attention to the Court. Often, after acknowledging the notices sent to them, they will not attend the Court. They will take no action with regard to values until they receive notice from the Land Tax Department or from the local rating office that their taxes or rates have been increased. If the Assessment Court was strengthened, the class of person who dares to-day to assail the existing Court would not dare to do so under the new conditions. The strengthening of the Assessment Court is a matter which has a close connection with the privilege which is allowed owners under section 31 of the Valuation of Land Act. Any person not thoroughly *au fait* with the working of the Act would come to the conclusion that section 31 was a section inserted in the interest of the ordinary settler of the country. Such is not the case. My experience of the working of section 31 is that those

who take advantage of it are speculators, either collectively, in the form of syndicates, or individually. The ordinary farmer in the country or ordinary resident in the city who does not want to dispose of his property will not take advantage of section 31. I need not go further than the City of Wellington for proof of this, where nine out of every ten offers recently made under section 31 were made with the full knowledge that the Government would not take the properties. The Department tries as far as possible to secure uniformity of unimproved value. Owners apply, however, under section 31 knowing that the Government will not accept their offers, and I have to reduce the values to their estimates. Economically, the effect of this is that the burden of rates which these owners should bear is thrown on the other ratepayers in the locality. If I had my way I would delete section 31 from the Act, but, as I know it is difficult to deprive an owner of what he regards as a privilege, I would ask the Commission to take the following proposal into consideration—viz., to add to section 31 the following words after “Governor in Council: “or shall have the right to place the land offered in the hands of any land agent or land agents for sale at the net amount of the Government valuation on reasonable terms and conditions for a period of three months.” I find that an amendment of this nature is necessary as a test of *bona fides*. There is not any chance of land being bought by Government in the City of Wellington, for instance. The only chance is with regard to land in the country, and then it is a most difficult thing to induce a Government to take a person's land under the Valuation of Land Act. Then there is the matter of section 39 of the Valuation of Land Act. I need not enlarge on this matter, because I am aware that the Chairman of the Commission knows now quite as much about the effect of section 39 as I do. Taking section 39 as it stands, I must admit that it imposes a hardship in cases where there are restrictions in a lease which prevent the lessee putting the land to the fullest and best use. I do not know whether you remember a case heard some years ago with regard to land leased to a man named Ward at the Hutt. Ward leased certain lands at the Hutt, and one condition was that the land should not be used for any other than agricultural purposes. In the course of time the surrounding land became very popular for building-sites, and Ward could have made use of the land for the purpose of building-sites, but the conditions of the lease debarred it.

1. *Mr. Campbell.*] Had they a lease for a long-enough period to enable them to lease to others?—I do not know. The question of the term of the lease did not arise. The Department had to value the land as land suitable for building purposes. Section 39 should be amended so that the Department could take into consideration restrictions of the nature I have alluded to. There is another direction in which I think an alteration could be made with advantage. Where onerous conditions are imposed by the lessor on the lessee the Valuer-General should have, in his discretion, the right to allow for these in apportioning interests between lessor and lessee. I think it is only a fair thing. A case occurs to me where a property may be leased with a condition that if the house is burnt down it must be replaced by a house built in brick. It would be very reasonable to modify the lessee's interest in such a case. I have given you a copy of the Valuation Bill introduced into the New South Wales State Parliament. I discussed the Bill with the Officer in Charge of Local Government and the Law Draftsman on my visit to Sydney last year. The Law Draftsman went into the matter very fully, and he decided to adopt the method of apportionment set out in section 39 of our Valuation of Land Act, 1908, with the modifications I have referred to.

2. *The Chairman.*] If onerous conditions are taken into consideration in the interest of the lessee will not that increase the value of the lessor?—It will. It will be a matter for the discretion of the Valuer-General, if he finds in the lease particularly onerous conditions. The Commission, I presume, will also take into consideration the regulations under the Valuation of Land Act. Cases have arisen where a property has been leased, and a notice has been sent to the owner and also the lessee. In some cases the notices of the Department have miscarried, and difficulties and embarrassments have occurred in consequence. A regulation should be made as follows: “If any owner objects to any valuation affecting the interests of any other owner than the objector the Valuer-General shall send to the owner affected a copy of such objection, and shall also give him seven clear days' notice of the time and place of the sitting of the Assessment Court. If on the hearing of the objection the Assessment Court confirms the Government valuation objected to, the President of the Court may make such order as to costs against the objector as he thinks fit.” As regards costs, a case occurred not long ago in connection with the valuation of the Town of New Plymouth. The valuer, in accordance with the practice of the Department, discussed objections with objectors, with the result that only one objector held out, and would not agree to any proposal made by the Department. The Department found it necessary to hold a Court at an expense of £8 or £10 for this one objector, and the Bench had no power to award costs against him. I would also suggest that this other regulation be imported into the existing regulations: “That in any case where notice is given under section 31 of the Valuation of Land Act, 1908, such notice shall show the Department's estimate of capital value, unimproved value, and value of improvements; and also the owner's estimate of capital value, unimproved value, and value of improvements in respect of adjoining parcels of land owned by the same person, which have been separately valued and which are, in the opinion of the Valuer-General, obviously adapted for separate occupation.” Reverting to section 39, which I referred to a few minutes ago, I would put what I suggested in this form: that section 39, subsection (b), be amended by adding after the word “sublessee,” in the last line of the subsection, the words: “minus the interest (if any) of the sublessee and minus the detrimental value of any restrictions in the lease which prevent the lessee from putting the land to the use to which it is best adapted at the date of valuation, and minus also the value of any unfulfilled conditions which in the opinion of the Valuer-General are onerous and for which the lessee is liable under the lease.” With respect to section 31, subsection (b), I would suggest

that the amendment be in these or words to similar effect. After "Governor in Council" to add, "or may place the land for private sale at the net amount of the Government valuation, on reasonable terms and conditions, with a registered land agent for a period of three months before he determines whether the capital value shall be reduced to the amount specified in the notice or the land be acquired on behalf of His Majesty at the sum specified in the notice." I desire to place before you a return showing the system of rating in New Zealand.

System of Rating in New Zealand.

				Capital Value.	Unimproved Value.	Annual Value.
				£	£	£
Number of counties	..	..		84	32	..
Number of road districts	..	..		122	5	..
Number of town districts	..	..		36	18	5
Number of boroughs	..	..		20	63	35
Total	..	..	..	262	118	40

Number of districts revised	...	...	...	1913.	1914.
Number of Courts held	...	...	...	57	158
				26	110

3. *Mr. Campbell.*] Does the valuer see the lease when valuing leased land?—Yes. In all the district offices I keep a special officer for the purpose of searching leases.

4. *The Chairman.*] You suggested that the Assessment Court, if constituted in the way you proposed, could visit more localities than the Assessment Courts now do, and that they could go into the far-back localities. Have you anything to say on this question whether the Magistrate's ordinary civil and criminal jurisdiction duties interfere with the holding of the Assessment Courts?—They do. That is one of the defects in the arrangement by which the Stipendiary Magistrate holds the position of Chairman of the Court—that the assessment-work is made wholly subordinate to his ordinary work. When the Court was held in Wellington recently the whole of the assessment-work could have been finished in two days but for the fact that the Magistrate had to devote a part of each day to Magistrates' Court work. In other cases I may want a Court for a certain district, but the Magistrate may be away on leave, and I have to wait perhaps a month. I might also say this: that in my opinion a Stipendiary Magistrate is an unsatisfactory Chairman. In few cases do I find that he gives that attention to the Valuation of Land Act which will ensure decisions being made in accordance with the Act. There are some Benches where the lay assessors are men with a knowledge of the Valuation of Land Act, and they hold their own, but I am bound to say that in the majority of cases the Chairman dominates the Bench, and dominates it without the necessary knowledge of the Valuation of Land Act, and the result is not satisfactory. That is what influences me in suggesting that the Chairman should be a permanent officer.

5. You suggest that both the permanent assessors should be appointed by the Government. Do you think that these appointments might be open to the feeling on the part of objectors that there is bias in the assessors merely because they are both appointed by the Government, or do you think that the fact that one only is appointed by the Government is the cause of the feeling that undoubtedly exists in the minds of objectors that the Court is biased?—My experience is that there is more distrust engendered by giving one section of the community special representation. I am bound to say that if the Government made the appointments the effect would be more satisfactory.

6. You think the Government could appoint both without objection being raised?—That is so.

7. *Mr. Rutherford.*] The Government would appoint the permanent Chairman and the two assessors?—That is so.

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APPENDICES.

APPENDIX I.

LETTER FROM E. J. BUTTERWORTH, MANUREWA.

Chairman, Valuation of Land Commission.

I HAVE never received any notice that the unimproved value on my 120 acres, part of Clendon's grant, Papapakura Road District, had been raised from £6 per acre to £15 till I received tax-account for £3 11s. 11d. I am quite willing to let the Government have it at that value, with £850 for improvements. This is the value fixed by Mr. Morgan, their own valuator.

I have been to the Land Office in Auckland, and cannot get any satisfaction, and have written to Wellington with the same result.

Manurewa, 3rd December, 1914.

E. J. BUTTERWORTH.

REPORT ON ABOVE BY VALUER-GENERAL.

The Chairman, Valuation of Land Commission, Wellington.

I ENCLOSE herewith, for the information of the Valuation of Land Commission, a memorandum I have received from the officer in charge of this Department at Auckland, in which he replies to statements made by E. J. Butterworth, of Manurewa, in a letter addressed to Mr. Rutherford, a member of the Valuation of Land Commission.

I may state that before the new values were adopted in Manurewa Road District due notice of the proposed new values was forwarded to every owner and occupier whose name was recorded on the district valuation roll.

One of the statutory requirements in connection with revaluations of districts is the publication of the date and place where the new valuation roll is placed for public inspection in a newspaper circulating in the district.

Wellington, 9th January, 1915.

F. W. FLANAGAN, Valuer-General.

REPORT FROM OFFICER IN CHARGE, AUCKLAND.

The Valuer-General, Wellington.

I HAVE to acknowledge receipt of your letter of the 16th instant in this matter, and, in reply, have to advise you as under :—

Mr. Butterworth had let his land with a purchasing clause at £16 per acre. This lease was not registered, so that we had no information about it till he told us of it.

The lessees interest has now been computed, and his land-tax account readjusted.

When he had his loan from the Advances to Settlers' Office readjusted in 1911, and part of the security released, he stated to the valuer that the residue—i.e., the 120 acres—was worth at least £20 per acre.

Auckland, 18th December, 1914.

A. J. MCGOWAN, Officer in Charge.

DECISION OF COMMISSION.

No action to be taken.

21/1/15.

APPENDIX II.

LETTER FROM G. H. ELLIOTT, PALMERSTON NORTH.

SIR,—

Park Road, Palmerston North, 4th December, 1914.

I wish to bring before you, for inquiry, the valuation of my property at Spreydon, Christchurch, which seems to present strange anomalies.

No. 1. *Valuation No. 4/48/576.*—The enclosed slip No. I gives—(1) The original value fixed by the Department; (2) my own valuation; (3) the revised valuation of the Department as an answer to my objection; (4) the valuation finally made either by the Department or Assessment Court for local rates; and (5) the Department's valuation for land-tax.

Attached to this slip No. I is a copy of the objection I made; the revised valuation offered me in answer to this; the Road Board rate notice based on £325 capital value and £160 unimproved value, and also the notice from the Land Tax Department based on unimproved value £120. These variations present an anomaly unintelligible and absurd. It will be noted the Department put the capital value at £325, and I am prepared to take £160 any day for this property.

No. II. Valuation No. 4/48/575.—The enclosed slip No. II gives—(1) The original value fixed by the Department; (2) the value fixed for local rates; and (3) the value fixed for land-tax, giving a difference between the two valuations of £175 on the unimproved value.

Attached to this slip, No. II is the Road Board rate notice based on £390 unimproved value; a copy of the objection I made to the valuation of £565 on unimproved value, and at the back of and attached to slip No. I is the land-tax notice on a valuation of £565 unimproved value. This difference of £175 between the two valuations is absurd, and, as I have tried to show in the objection sent in, the value of £565 is exorbitant.

No. III. Valuation No. 4/28/608: Lots 3/5, 15/20, D.P. 517, R.S. 154, Block XXX, Armagh Street, Christchurch.—The position in regard to this property is as follows; A few years ago I was getting £1 10s. per week rent where now I only get 15s. per week, and my agents—Messrs. H. S. Richards and Son, of Christchurch—assure me it is the highest it is now possible to get. This means that shop property in this street has very much deteriorated in value. The valuation is the same now as in 1906—viz., capital value, £930; unimproved value, £330. My income from this is £39 per annum, and my expenses, based on last year just on £22, made up as follows; Local rates, £9 12s. 2d.; land-tax, £1 7s. 4d.; insurance, £2 0s. 2d.; repairs, £6 5s.; other expenses (commission, &c.), £2 4s. 5d.: total, £21 9s 1d.

This leaves a remaining income of £17-odd on a property which the Department value at £930. I have protested time after time against the injustice of this valuation, but, so far, to no purpose. With regard to the Assessment Court, I would point out that owners are in very many cases under great disabilities owing to their having had to move to other parts of the country and so are unable to attend personally; and in thousands of cases it is impossible, on account of expense or inability to get away when the Court sits. We are thus at the mercy of the Court, who can do just what they like without protest. The whole system, to my mind, is unjust, and something should be devised to obviate these disabilities. Asking for your kind consideration of the above three cases.

I am, &c.,

G. H. ELLIOTT.

The Chairman, Valuation of Land Commission.

No. 1. (Valuation No. 4/48/576.)

ELLIOTT, GEORGE HERBERT, art master, Fritz Street, Palmerston North. No. on valuation roll, 504. Part R.S. 154, Taramea Street (1 rood 2 perches): (1.) Original departmental value—Capital value, £185; unimproved value, £120; value of improvements, £65. (2.) My own value—Capital value, £155; unimproved value, £110; value of improvements, £45. (3.) Department's revised valuation—Capital value, £165; unimproved value, £120; value of improvements, £45. (4.) Department's final valuation for Road Board rates—Capital value, £325; unimproved value, £160. (5.) Department's final valuation for land-tax—Unimproved value, £120.

Copy of Objection.

OBJECTION to valuation of 4/48/576, part R.S. 154, Taramea Street, Spreydon, sent to the Department on the 7th August, 1914:—

The selling-value of the section is relatively lower with the shed on it than if it were bare, and I could have sold it long ago were it not for this. As I cannot sell the section without the shed, the unimproved value is less to me than it otherwise would be. The value of the shed has depreciated. I am quite willing to let the Department have the property for the price put on it, and, more than this, if any higher value is put on it than my own I shall be compelled, if the law allows me, to ask the Department to take it over at their own price.

Answer to Objection.

Valuation Department, Christchurch, 22nd October, 1914

Mr. G. H. Elliott, Park Road, Palmerston North.

I AM in receipt of your objection to the valuation of the land assessed under No. 4/48/575,576, and, in reply, I have to say that I am prepared to offer you a reduction to the figures stated below.

Valuation No.	Area.	Capital Value.	Unimproved Value.		Value of Improvements.	
			Owner's Interest.	Lessee's Interest.	Owner's Interest.	Lessee's Interest.
	A. R. P.	£	£	£	£	£
4/48/575	1 0 17	1,025	565	..	460	..
4/48/576	0 1 2	165	120	..	45	..

As this offer is made without prejudice, I shall be glad if you will advise me on or before the 28th October, 1914, whether you accept it, or whether you desire an Assessment Court set up to determine the values. In the latter case the original values will be referred to the Assessment Court, and will remain in force unless the Court makes any amendment.

F. W. FLANAGAN, Valuer-General.

Rate Notice.—Spreydon Borough Council, West Ward, 1914–15.

To Mr. George H. Elliott, Palmerston North.

I HEREBY demand from you, within fourteen days from the date hereof, the sum of £3 4s. 8d. for rates due by you to the Mayor, Councillors, and burgesses of the Borough of Spreydon, as per particulars below. Payment to be made in one sum at the Spreydon Borough Council Offices, Barrington Street.

MARK W. WOODFIELD, Collector.

Dated this 4th November, 1914.

No. on valuation roll, 504. Capital value, £325. Unimproved value, £160. Rural Section 154, Taramea Street.

	£	s.	d.
General rate of $2\frac{1}{4}$ d. in the pound on unimproved value	1	10	0
Drainage rate, rural area, of $\frac{1}{16}$ d. in the pound on unimproved value ..	0	9	2
Hospital and Charitable Aid rate of $\frac{1}{16}$ d. in the pound on gross value ..	0	4	8
Special rate (for public works loan of £20,000) of $1\frac{9}{16}$ d. in the pound on the unimproved value of the special-rating area, payable on the 1st day of September in each year until paid off	1	0	10
	£3	4	8

No. II. (Valuation No. 4/48/575.)

ELLIOTT, GEORGE HERBERT, art master, Park Road, Palmerston North. No. on valuation roll, 503. Lots 3/5, 15/20, D.P. 517, R.S. 154, Jerrold and Taramea Streets (1 acre and 17 perches): (1.) Original departmental value—Capital value, £1,025; unimproved value, £565; value of improvements, £460. (2.) Department's value for local rates (final)—Unimproved value, £390 (same as in previous years). (3.) Department's value for land-tax—Unimproved value, £565.

Rate Notice.—Spreydon Borough Council, West Ward, 1914–15.

To Mr. George H. Elliott, Palmerston North.

I HEREBY demand from you, within fourteen days from the date hereof, the sum of £8 11s. 9d. for rates due by you to the Mayor, Councillors, and burgesses of the Borough of Spreydon, as per particulars below. Payment to be made in one sum at the Spreydon Borough Council Offices, Barrington Street.

Dated this 4th November, 1914.

MARK W. WOODFIELD, Collector.

No. on valuation roll, 503. Capital value, £850. Unimproved value, £390. Allotments 3/5, 15/20, D.P. 517, Rural Section 154, Taramea and Jerrold Streets.

	£	s.	d.
General rate of $2\frac{1}{4}$ d. in the pound on unimproved value	3	12	3
Drainage rate, rural area, of $\frac{1}{16}$ d. in the pound on unimproved value ..	1	2	4
Hospital and Charitable Aid rate of $\frac{1}{16}$ d. in the pound on gross value ..	0	12	2
Sanitation uniform charge of 14s. 3d. per pan per year	0	14	3
Special rate (for public works loan of £20,000) of $1\frac{9}{16}$ d. in the pound, on the unimproved value of the special-rating area, payable on the 1st day of September in each year until paid off	2	10	9
	£8	11	9

Copy of Objection.

OBJECTION to valuation of 4/48/575, Lots 3/5, 15/20, D.P. 517, R.S. 154, Jerrold and Taramea Streets, Spreydon, Christchurch, sent to the Department on 7/8/14:—

Because the unimproved value of these sections is surely no more than that of the others in the same street, and yet on your own showing you make these sections £11 5s. each, higher value than my other one next to them (*i.e.*, allowing £40 as the value of the 17 perches, which is an outside value). To put £120 on a section of 1 rood 2 perches and £131 5s. on the very next section of 1 rood is curious logic (they are both exactly similar sections). I sold the three sections in Taramea Street at the other end from the ones in question for £345, or an average of £115 each, and this included the corner one, and to say that those at the Jerrold Street end are of the value of £131 5s. each is absurd. Finally, to jump the value of land at a stroke from £390 to £565 is out of all reason.

No. III.—Land-tax Assessment Notice.

Valuation No.	Description.	Area.	Unimproved Value.
		A. R. P.	£
4/28/608	Lots 3/5, 15/20, D.P. 517, R.S. 154, Block XXX, Armagh Street	0 0 6	330
4/48/575	Lots 3/5, 15/20, D.P. 517, R.S. 154, Block XXX, Jerrold and Taramea Streets	1 0 17	565
4/48/576	Part R.S. 154, Block XXX, Jerrold and Taramea Streets ..	0 1 2	190
			£1,015

REPORT ON ABOVE BY VALUER-GENERAL.

Re *G. H. Elliott*.

REFERRING to Mr. G. H. Elliott's letter of the 4th ultimo, addressed to the Chairman of the Valuation of Land Commission, I attach hereto for the information of the Commission a report—(a) of Mr. Valuer Teape, of Christchurch, on Assessments 4/48/576 and 4/48/575 respectively; (b) a report by Mr. District Valuer Murray, of Christchurch, on Mr. Elliott's Armagh Street property.

I may observe that Mr. Elliott, in the concluding paragraph of his letter, describes pretty accurately the general attitude of several objectors towards the Assessment Court. They move about the country knowing the date on which the Assessment Court is to sit, yet absent themselves from the Court and neglect to appoint a representative; or they subordinate the Assessment Court business to their other business. These are the people who complain loudly of being at the mercy of the Court, and subjected to all kinds of disabilities.

F. W. FLANAGAN, Valuer-General.

Valuation Department, Wellington, 12th January, 1915.

REPORT BY DISTRICT VALUER.

Re *Part III of G. H. Elliott's Letter to Chairman, Valuation Commission*.

Memo. for the Officer in Charge, Valuation Department, Christchurch.

4/28/608. Lots 2/5, 15/20, D.P. 517, R.S. 154, Armagh Street: This description is quite wrong; he has evidently got very much mixed over his properties. The proper description of this is Lot 3, D.P. 1622, R.S. 567, Armagh Street, Christchurch, 16 ft. 6 in. by 115 ft.

This property is valued at the same rate per foot as adjoining sections—viz., 16 ft. 6 in., at £20 = capital value, £930; unimproved value, £330; improvements, £600. This is the same valuation as it was eight years ago. Although he says he has protested time after time against the injustice of this valuation, I have never heard anything of such objections. He forgot to mention that he gave £1,150 for this property in 1905.

I admit that the present amount received for this property is only 15s. per week, but it is a ridiculously low rent for such a property.

K. MURRAY, District Valuer.

Valuation Department, Christchurch, 21st December, 1914.

REPORT BY VALUER TEAPE.

DEAR SIR,—

Valuation Department, Christchurch.

Re Parts 1 and 2 of Mr. J. H. Elliott's letter addressed to the Chairman, Valuation Commission.

No. 1. Assessment No. 4/48/576. Original value—capital value, £145; unimproved value, £80; improvements, £65.

Mr. Elliott in his letter states that the Department has placed a capital value of £325 on this property. This is incorrect, as the revised value now stands at—capital value, £165; unimproved value, £120; improvements, £45.

No. 2. Assessment No. 4/48/575. Lots 3/5, 15/20, D.P. 517, R.S. 514. Original value—capital value, £850; unimproved value, £390; improvements, £460; Revised value—capital value, £1,025; unimproved value, £565; improvements, £460.

The unimproved value of this block has been increased to £565, made up as follows: Lots 3 and 4, at £65 each, £130; Lot 5, corner, at £75, £75; 15/20, well planted with fruit-trees in full bearing, three-quarters of an acre at £120 per quarter acre, £360: total, £565.

Nearly two years ago the adjoining quarter acre, without any improvements, was sold for £120, and at the present time £150 to £160 is asked for quarter-acre sections in the immediate vicinity.

As the revaluation of this district was not completed in time, the local borough rates for the current year have been struck on the original values, and the land-tax has been charged on the revised values.

Yours faithfully,

The Officer in Charge, Valuation Department, Christchurch.

T. R. TEAPE, Valuer.

COPY OF LETTER FROM SECRETARY, VALUATION OF LAND COMMISSION.

SIR,—

General Assembly Library Buildings, Wellington, 21st January, 1915.

Adverting to your memorandum of the 4th ultimo, respecting Assessment Nos. 4/48/575 and 576, I have to point out that the apparent discrepancy between the values on which rates were based and land-tax levied at the time mentioned in your memorandum is explained by the fact, that as the revaluation of the district was not completed in time to enable the local body to make use of the revised values, the rates were struck on the old values, and the land-tax has been charged on the revised values.

Next year the unimproved value will be the same in each case.

I have, &c.,

G. H. Elliott, Esq., Park Road, Palmerston North.

N. H. MACKIE, Secretary.

DECISION OF COMMISSION.

Inform Elliott (*re* apparent discrepancy), as explained in Valuer Teape's memo. of 29/12/14, on further action to be taken

21/1/15.

APPENDIX III.

LETTER FROM G. ELLIS.

The Chairman, Valuation of Land Commission.

HAVING to attend Court in town this morning I am unable to be present at your Court. My wife has papers that you might peruse, which will show that I am rated just double the value of the house and land. The house and land is under offer to me by the Government for £495; papers to prove. My place is one of the Government workers' homes. The land, as you will see, is valued at £800 an acre; the house is now just ten years old, and is in a back street off the Great South Road.

Station Road, Otahuhu, 1st December, 1914.

G. ELLIS.

COPY OF GOVERNMENT VALUATION.

[This Valuation takes effect as at the 31st March, 1914.]

The Valuation of Land Act, 1908, and Amendment Act, 1908.

To Mr. George Ellis, Station Road.

TAKE notice that I propose to enter your name on the district valuation roll for the Otahuhu Borough as owner and occupier of the following land at the valuation stated hereunder:—

Valuation No.	Description of Land.	Area.	Capital Value.	Owner's Interest in Unimproved Value.	Lessee's Interest in Unimproved Value.	Owner's Interest in Improvements.	Lessee's Interest in Improvements.
1/117/212	Lot 22, Station Road	A. R. P. 0 1 0	£ 630	£ 200	£ ..	£ 430	£ ..

If you desire to object, your objection should be posted to the Officer in Charge, Valuation Office, Auckland, so that it may be received not later than

Objections should be signed by the objector, and the valuation number clearly stated thereon. They should be written on the official form, which may be obtained at any postal money-order office, or at the Valuation Offices at Auckland, Wellington, Christchurch, Dunedin, and Invercargill.

F. W. FLANAGAN, Valuer-General.

COPY OF LETTER FROM SUPERINTENDENT, WORKERS' DWELLINGS DEPARTMENT.

DEAR SIR,—

Department of Labour, Wellington, 8th August, 1912.

I am in receipt of your letters of the 2nd and 6th instant, *re* the purchase of the worker's dwelling which you at present occupy under a twenty-five years' lease.

Under the lease you are paying rent at the rate of 11s. 3d. per week, and at the end of twenty-five years you will be no better off than when you started. Under the purchase system, however, by paying an additional 3s. 6d. per week, or in all 14s. 9d. per week, at the end of 25½ years the house is your own.

The original value of the property was £510. The valuation has now increased to £555, but the Department is offering the property to you at the original value, less depreciation (£495 11s.), and, moreover, does not require you to make the usual deposit of £10. You can, if you wish, pay off at any time in a lump the total amount owing on the property, or you can pay off at any time an additional amount of £7 or multiple thereof, thus reducing the period of future instalments. In the event of your entering into an agreement or purchase, and subsequently finding that you wish to dispose of the dwelling, you can do so to any person approved by the Board.

Any other information you require you will find in the explanatory pamphlet sent you.

Re grazing: The land on the other side of the railway-line has not yet been set apart under the Workers' Dwellings Act, and is, therefore, still under the control of the Lands Department.

Yours faithfully,

J. LOMAS, Superintendent Workers' Dwellings.

Mr. G. Ellis, Station Road, Otahuhu, Auckland.

REPORT ON ABOVE FROM VALUER-GENERAL.

The Chairman, Valuation of Land Commission, Wellington.

REFERRING to your memorandum of the 18th instant, on the subject of a complaint by G. Ellis, of Otahuhu, that land of which he is the occupier has been raised in value, I have to state that the fact that the Labour Department offers the lessees of workers' homes the freehold of their holdings under the provisions of the Workers' Dwellings Act, 1910, at their original capital value does not influence the Valuation Department in determining values. If it is found on revision that values of the allotments have fallen or have increased, the values are determined accordingly, quite irrespective of any other consideration than that of the maintenance of general uniformity of land-value throughout the locality.

If the objector states that the house on the allotment in question is a jerry-built structure (which I discredit), and the property as a whole has been overvalued, he can apply for a revaluation under section 36 of the Valuation of Land Act, and an opportunity will be afforded him of proving his statements before the Assessment Court.

F. W. FLANAGAN, Valuer-General.

Valuation Department, Wellington, 25th January, 1915.

APPENDIX IV.

LETTER FROM MR. F. G. EWINGTON.

To the Government Commissioner on Land Valuations.

My name is Frederick George Ewington. I am a member of the firm of Ewington and Baker, land and estate agents, Auckland. I founded the business about forty-seven years ago. Of late years my occupation has been almost wholly confined to the valuation of real estate.

I went to the Government Buildings to-day to give evidence on oath to your Commission, but found you had gone to Otahuhu, and were leaving for Wellington to-night; hence I now give my evidence in writing.

I think it is due to the Valuation Department to say that since I have seen something of the pains-taking care with which the Government valuers make their valuations I, as a trustee, have great confidence in lending trust money on their valuation certificates.

My experience in business and my observations of the auction sales and newspaper reports indicate that sales of real estates are generally a little in excess of Government valuations, and a few months ago my firm sold for £6,350 a property which the Valuation Department had valued a few months before at £6,000. From many years experience of making valuations, I think the valuers in the Department in Auckland are overworked.

I would like to say a few words on the question raised by my friend Mr. H. E. Vaile. He said that "objections involving about £1,000,000 were lodged, and reductions of only £2,000 were made." That statement is apt to mislead the Commission unless read in the light of what follows. I was associated with Mr. F. F. Mackenzie in the last Government valuation of the City of Auckland. When the objections came in Mr. Mackenzie and I—often Mr. McGowan, head of the Department, being present—sat day after day for about three or four weeks at the Government Valuation Office, investigating objections, seeing objectors, and, wherever possible, adjusting the valuations fairly to the objectors and the public. Most objectors were satisfied, and only those objections were put before the Assessment Court which we could not settle except by doing what in our consciences we believed would be unjust to the public. Because of that procedure, not many cases went before the Assessment Court, and it must be these latter that Mr. Vaile alludes to. Our instructions from the Department were to be careful not to overvalue properties, but to confer with owners, and do what was fair and just. We therefore tried faithfully to patiently investigate each case, and do what was right between man and man. Subsequent sales have, I believe, justified our estimates.

Mr. Vaile also said that the presiding Magistrate in an Assessment Court is usually guided by the assessors. If that implies that the Magistrate does not carefully exercise his own judgment, that statement does not accord with my experience as an assessor. I always find the Magistrates mentally alert, rather inclined to sympathize with the objector, and very assertive of their own independent judgment.

I suggest that objectors be allowed to be represented in Assessment Courts by their agents.

In anything I have said I do not intend that any reflection should be cast on Mr. Vaile. We look at this matter from a different standpoint.

As regards Mr. Robert Smith, who gave evidence yesterday about One-tree Hill District valuations, I may say that he told the Commission only half-truths, which are generally misleading. Judging from the newspaper report of his evidence, he tried to make out that he had a grievance, and that I sat as an assessor to sustain my own valuations. I did not. I sat to adjudicate judicially on the Government valuation made by the Government valuer. It is true I was appointed by the One-tree Hill Road Board to confer with the Government valuer about a few properties in the district difficult to value and to act as the Board's assessor. I was specially anxious to do the strictest possible justice to Mr. Smith because he had the reputation of being a man impossible to please. As soon as I got to his house I met him for the first time in my life, and as soon as Mr. Mackenzie introduced me Mr. Smith made a very insulting remark, which I affected not to notice. We went out to his property three times and tried our very hardest to arrive at a fair and equitable estimate and understanding, but he wanted what seemed to us to be so barefacedly unjust to other taxpayers that we could not avoid letting his case go before the Assessment Court. In the Court he insulted me again by saying that although I was a religious man I was not above being bribed to put up valuations. Then, when the Court sat he objected to my sitting. Mr. Cutten, the presiding Magistrate, heard all he had to say, and then ruled as follows: He said, "I do not see any difference in Mr. Ewington doing what he did and Judges of the Supreme Court going and inspecting properties they have to adjudicate upon in Compensation Courts." Then Mr. Smith gave some evidence, and his case was dealt with. Without prejudice, ill-will, or impatience, we all tried our very best to satisfy Mr. Smith and do him justice, but we could not satisfy him. He has no real grievance as regards his valuation.

I sincerely and solemnly declare the above to be true, to the best of my belief.

Auckland, 3rd December, 1914.

F. G. EWINGTON.

Declared before me, this 3rd day of December, 1914.—Chas. Watson Harris, J.P.

APPENDIX V.

EXTRACTS FROM LETTER FROM SECRETARY, VALUATION OF LAND COMMISSION.

SIR,—

24th November, 1914.

Referring to your memorandum of the 10th instant to Mr. T. F. Martin, I have to advise you that the Valuation of Land Commission set up to inquire into and report upon certain matters relating

to the valuation of land in New Zealand will not sit nearer Foxton than Wellington, but the Commission will be prepared to consider any written communication if you do not desire to appear personally or by representative.

The first sitting will be held at 10 a.m. on Wednesday, 25th November, 1914, in the Old Parliamentary Buildings, Wellington, to hear evidence *re* a Wellington petition. The sitting will probably take some few days, but I would be glad to hear from you at your earliest convenience as to whether you desire to place any evidence before the Commission.

The Town Clerk, Foxton.

I have, &c.,

N. H. MACKIE, Secretary.

LETTER FROM TOWN CLERK, FOXTON.

DEAR SIR,—

Foxton Borough Council, Foxton, 26th November, 1914.

In reply to yours of the 24th instant, I beg to state that my Council has several objections to offer as regards the workings of the Valuation Department. For instance, though the Council applied for a revaluation of the borough in May last, so that we could have a more equitable one for the coming year, we have not been able to obtain this, notwithstanding that a large number of the ratepayers are not satisfied at all with their valuations. For instance, a property-owner who bought his property at £20 per acre, and is valued at £30-odd, and is even willing to sell at £20 per acre, cannot get this rectified. A section in Main Street for which there is no demand whatever is valued at £948, yet the owner of the same would take £400 to get rid of it. In another instance an acre and a half-acre in Harbour Street adjoining each other are both valued at the same amount. Again, 2 acres in one part of the town are valued by more than £100 than the value of a property of 15 to 25 acres, from which a man is making his living by cows, while the 2 acres in question are merely open paddocks for which there is no demand. The valuation of the whole borough is most unsatisfactory, and I have been informed that there are sections in the borough that have never been valued yet. My Council therefore feels that when an application is made for a revaluation, and backed up by so many objections as ours is, that the Valuer-General should not have the power to refuse to accede to the wish of a local body.

Trusting that the Commission will give this matter its very earnest consideration.

I have, &c.,

C. J. KENT JOHNSTON, Town Clerk.

The Chairman, Valuation of Land Commission, Wellington.

REPORT ON ABOVE BY VALUER-GENERAL.

Re Application of Town Clerk, Borough of Foxton.

The Secretary, Valuation of Land Commission, Wellington.

REFERRING to your memorandum of the 18th instant, forwarding copy of letter received by the Chairman of the Valuation of Land Commission from the Town Clerk of the Borough of Foxton, I have to state that considerable correspondence has taken place between the Town Clerk and the Department with regard to his request that a complete revaluation be made of the borough.

I advised the Town Clerk on the 25th September last that owing to the war in Europe no revaluation-work is to be undertaken by the Department.

The statements made in the Town Clerk's letter are subject to verification by this Department. There are so many unsupported, irresponsible statements made in small boroughs with regard to values that little reliance can be placed upon them.

When revaluations are resumed the Borough of Foxton will be revalued.

F. W. FLANAGAN, Valuer-General.

Valuation Department, Wellington, 21st January, 1915.

DECISION OF COMMISSION.

Recommendation that revaluation be made when revaluations resumed.

26/1/15.

APPENDIX VI.

LETTER FROM MESSRS. W. B. GIRLING AND CO. (LIMITED), BLENHEIM.

DEAR SIR,—

23rd November, 1914.

We are pleased to read in the Wellington papers that a Valuation Commission has been set up to inquire into complaints made in different parts of New Zealand to the high values placed on some properties in comparison with others, and also to look into conditions that appear to appreciate or depreciate values. We trust the Commission will include Blenheim in its itinerary, as there is much dissatisfaction here since the last valuation of the town was made, and especially through William Carr being allowed a big concession by the assessors on account of filling in having been done on his property, but which was no greater than the filling in done in other parts of the town against

which no objection to the value was raised as it was not considered it would influence the unimproved value for building purposes.

Trusting to hear in due course that a visit will be paid to Blenheim by the Commissioners,
W. B. GIRLING, Director of W. B. Girling and Co. (Limited).
The Valuer-General, Wellington.

REFERRED to the Valuation Commission by the direction of the Right Hon. the Prime Minister.—
F. W. FLANAGAN, Valuer-General, 26/11/1914.

LETTER FROM SECRETARY, VALUATION OF LAND COMMISSION.

GENTLEMEN,—

Government Buildings, Auckland, 2nd December, 1914.

Adverting to my memo. to you of the 27th ultimo, I am directed by the Commissioners to ask you to be good enough to inform me approximately what number of property-owners are in the same category as Mr. William Carr, and how many other cases there are where no filling was allowed for. Further, was the filling apparent at the time the valuation was made.

On receipt of your reply the Commission will consider *re* sitting in Blenheim.

Please address your reply to me at General Assembly Library Buildings, Wellington.

I have, &c.,

Messrs. W. B. Girling and Co. (Limited), Blenheim.

N. H. MACKIE, Secretary.

LETTER FROM MESSRS. GIRLING AND CO. (LIMITED), BLENHEIM.

DEAR SIR,—

Blenheim, 7th December, 1914

In reply to yours of the 2nd instant, which only reached us on the 5th, the following are some of the property-owners affected similarly to Mr. Carr: Messrs. Adams Bros., E. Parker (several), H. L. Jackson, Griffiths and Son, J. Scott, J. J. Conolly, Clouston and Co., A. Bell, Mrs. Wanden, and others as well as ourselves.

The filling in may have been apparent in some and not in others.

Yours faithfully,

W. B. GIRLING, Director of W. B. Girling and Co. (Limited).

Secretary, Land Valuation Commission, Wellington.

REPORT ON ABOVE BY VALUER-GENERAL.

Re Messrs. W. B. Girling and Co. (Limited), Blenheim.

The Secretary, Valuation of Land Commission, Wellington.

REFERRING to the letter of Messrs. W. B. Girling and Co. (Limited), drapers, of Blenheim, dated 23rd November, 1914, addressed to the Valuer-General, stating that there is dissatisfaction at Blenheim since the last valuation of the town was made, through William Carr being allowed a big concession by the assessors on account of filling in that had been done on his property, I instructed Mr. District Valuer Martin, of Wellington, to visit Blenheim and inquire into the case.

Mr. Martin has made a personal inspection of Mr. Carr's property, and obtained information relating to the improvements thereon, and his opinion is that the Assessment Court, owing to the omission of the departmental representative, missed the weak point in Mr. Carr's evidence which resulted in his being allowed too large a sum for filling in.

The fact that Mr. Carr obtained a more liberal allowance for filling in than he was entitled to is the motive which has prompted Messrs. Girling and Co. to bring the matter under notice, otherwise he is perfectly satisfied with his valuation.

Messrs. Girling and Co. and the other owners in Blenheim to whom they refer in their letter did not make any application to the Assessment Court for allowance for filling in as they allege they were under the impression that their applications would not effect the unimproved value for building purposes. It is most difficult for the valuer to ascertain where filling in has been done unless it is specially brought under his notice.

In the circumstances, I will have Messrs. Girling and Co.'s case and the other cases inquired into, and equitable allowances will be made for filling in, although Mr. Martin states that in his opinion such allowances will not greatly affect existing values, seeing that the amount and value of the filling in is not readily ascertainable owing to the owners' inability to give details of the work done.

F. W. FLANAGAN, Valuer-General.

Valuation Department, Wellington, 26th January, 1915.

DECISION OF COMMISSION.

No further action.
26/1/15.

APPENDIX VII.

COPY OF VALUATION AS AT 31ST MARCH, 1909.

Assessment No.	Description.	Area.	Capital Value, including Improvements.	Unimproved Value.	Value of Improvements.
		A. B. P.	£	£	£
1/117/490	Lots 26 and 27, N. Otahuhu ..	10 1 7	515	470	45
1/117/491	Lot 32, N. Otahuhu ..	2 1 32	350	150	200

PARTICULARS BY MR. ALEXANDER GRAY.

Owners : Alexander Gray, Walter West, F. Sanderson.

Situation : 1 mile 25 chains from Otahuhu Railway-station.

Present valuation—Lot 26 ; area, 5 acres and 7 perches ; unimproved value, £750. Lot 27 ; area, 5 acres 1 rood ; unimproved value, £830. Lot 32 ; area, 2 acres 1 rood 32 perches ; unimproved value, £525. Total unimproved value, £2,105.

REPORT ON ABOVE BY DISTRICT VALUER.

Re Lots 26, 27, 32, Otahuhu.

The Officer in Charge, Valuation Office.

In reply to memo. from Head Office of 16/12/14, *re* information supplied by Mr. A. Gray to the Chairman of the Valuation of Land Commission, I beg to state that it does not appear to be correct.

In the 1909–10 revision, Lots 26 and 27 were valued together as follows : Area, 10 acres 1 rood 7 perches ; capital value, £860 ; unimproved value, £820 ; improvements, £40. They were sold on 24/7/11 to separate purchasers, and an office subdivision was made putting half the value to each. Lot 26, containing 5 acres and 23 perches, was sold practically in an unimproved condition on 24/7/11 for £650, and resold in the same state, 1/5/12, for £850. It was revalued in the 1913–14 revision at £750, and reduced after the Assessment Court to £725. Lot 27, containing 5 acres 1 rood 35 perches, was sold practically in an unimproved condition on 24/7/11 for £750. It was valued in the 1913–14 revision at £880, and reduced by the Assessment Court by £50 on account of erosion, and now stands on the roll at £830.

More than a year before the last revision the owner of Lot 27 refused £1,800 for the property, the improvements being valued at £620, an amount the owner stated was too high, as it was above the cost.

Lot 32, containing 2 acres 1 rood 32 perches, was valued in the 1909–10 revision at—Capital value, £480 ; unimproved value, £250 ; improvements, £230 ; and was sold on 24/7/11 for £650.

I think all three lots were in one estate, and were sold by auction in 1911. The reason for a greater proportionate increase in the valuation of Lot 32 is that at the time of the 1909–10 revision there was no demand for lesser areas than it contains. Since then, however, there has been evidence of a demand for smaller areas, and this lot, having a greater proportionate frontage, increased in value in consequence.

The comparison of values are as follows :—

—				Area.	Capital Value.	Unimproved Value.	Improvements.
1909–10.				A. B. P.	£	£	£
Lots 26 and 27	..	..	..	10 1 7	860	820	40
Lot 32	..	..	..	2 1 12	480	250	230
						1,070	
1913–14.							
Lot 26	..	..	..	5 0 23	..	725	..
Lot 27	..	..	..	5 1 35	..	830	..
Lot 32	..	..	..	2 1 32	..	525	..
						2,080	

It may be noted also that there is a slight increase in the area.

EDWARD MORGAN, District Valuer.

Auckland, 2nd January, 1915.

APPENDIX VIII.

LETTER FROM SECRETARY OF HAMILTON CHAMBER OF COMMERCE.

DEAR SIR,—

Hamilton, 22nd December, 1914.

I have the honour, by instruction, to forward you copy of resolution passed at a special meeting of the members of the above Chamber held Monday, 21st December—viz., “That representations be made to the Valuation Commission that it report to the Government the urgent need for an amendment in the constitution of the Assessment Courts, so that objectors to valuations may have direct representation upon the Bench of the Assessment Court.”

Trusting that the subject will receive your consideration,

I have, &c.,

J. A. HARRIS, Secretary.

The Chairman, Valuation Commission, Valuation Department, Wellington.

APPENDIX IX.

COVERING LETTER FROM THE TOWN CLERK, INVERCARGILL.

SIR,—

Town Hall, Invercargill, 18th December, 1914.

I enclose telegram just received from the lessee, Invercargill municipal endowment in Block XXII, Invercargill Hundred, containing 1,087 acres. The telegram speaks for itself.

Yours faithfully,

The Chairman, Valuation Commission, Invercargill.

A. WALKER, Town Clerk.

TELEGRAM FROM TWENTYMEN HODGSON TO TOWN CLERK, INVERCARGILL.

“Mr. Walker, Town Clerk, Invercargill.

“KINDLY see Land Commission to-day *re* rates on endowments being doubled. Not be back for a week.

TWENTYMEN HODGSON.”

18th December, 1914.

REPORT ON ABOVE BY VALUER-GENERAL.

Twentymen Hodgson.

The Secretary, Valuation of Land Commission, Wellington.

REFERRING to your memorandum of the 18th instant, asking for a report for the Valuation of Land Commission on a protest by Mr. Twentymen Hodgson, of Invercargill, against the increased value assigned to a municipal reserve situated in Block XXII, Invercargill Hundred, containing 1,087½ acres, I have to state that the value of the land in question was raised from £1 to £3 per acre to bring it into uniformity with the value of surrounding land.

Mr. Hodgson was notified of the increased value of the land, but he did not furnish an objection thereto.

Mr. Hodgson, being the tenant of the land in question, is responsible for the payment of the full rates thereon.

F. W. FLANAGAN, Valuer-General.

Valuation Department, Wellington, 25th January, 1915.

DECISION OF COMMISSION.

No action.

3/2/15.

APPENDIX X.

LETTER FROM MRS. JANET HUNTER.

MRS. JANET HUNTER, of Karamea, wrote to the Valuation of Land Commission on the 29th November, 1914, complaining—(a) That in respect of two small properties in Karamea of which she is the owner the rates thereon have been paid by her under protest owing to the alleged excessive valuation; (b) that after having three valuations made by the same valuer, on the last occasion the values were reduced from £25 per acre to £15 per acre, a reduction of £10 per acre; (c) that £15 per acre in her opinion, and also that of practical farmers, is three times its fair value; (d) that there is no prospective value attaching to the property.

No. on valuation roll, 127; Sq. 152; Section (part) 5, Block XIII, 10 acres. No. on valuation roll, 74; Section 38, Block IX, 56 acres.

REPORT ON ABOVE BY VALUER-GENERAL.

Mrs. Janet Hunter, Karamea.

The Secretary, Valuation of Land Commission, Wellington.

REFERRING to the protest of Mrs. Janet Hunter, of Karamea, against the valuation assigned to areas of 56 acres and 10 acres respectively, situated in the Karamea Riding, Buller County, I find on looking over the correspondence on the subject that when the Karamea Riding was revalued as at March, 1913, Mrs. Hunter was duly notified of the new values, and she forwarded an objection only with respect to the area of 56 acres, but omitted to furnish her estimate of its value.

In accordance with the usual practice of the Department I referred Mrs Hunter's objection to the valuer—the late Mr. Meyrick Jones—for reconsideration, and he returned it to me, directing my attention to the fact that the value which Mrs. Hunter objected to was the value on which she had borrowed money from the State-guaranteed Advances Department.

I replied to Mrs. Hunter on the 7th November, 1913 (copy of which is attached hereto), declining to reduce the valuation. Incidentally I may state that I had several opportunities of testing Mr. Jones's ability as a valuer while I was Commissioner of Crown Lands in the Nelson District. I always found his judgment sound.

F. W. FLANAGAN, Valuer-General.

Valuation Department, Wellington, 12th January, 1915.

COPY OF LETTER FROM VALUER-GENERAL TO MRS. HUNTER, DATED 7TH NOVEMBER, 1915.

DEAR MADAM,—

Referring to your letter of the 9th instant, protesting against the value assigned on revision to an area of 56 acres situated in the Karamea Riding, I have to inform you that your objection was referred to the late Mr. Jones, and he, after careful consideration, stated that he could not conscientiously reduce the value of the area.

Surely you cannot urge that your property is worth less than its value for mortgage purposes.

There appears to be an opinion current that land is valued low for taxation or rating purposes and high for mortgage purposes. As a matter of fact, land can only have one value.

I have, &c.,

Mrs. Janet Hunter, Karamea.

F. W. FLANAGAN, Valuer-General.

DECISION OF COMMISSION.

No recommendation to make.

21/1/15.

APPENDIX XI.

LETTER FROM MR. HALYBURTON JOHNSTONE.

DEAR SIR,—

Ngatea, Hauraki Plains, 27th December, 1914.

I did not know when you were sitting in Auckland, or I should have given evidence.

I had a section at Birkenhead which was valued by the Government valuer for £730, and he would not reduce it without going to Court. In the Court the valuer came to me and said, "If you like to leave the Court I will make it £475." I left the Court. He was to meet me half-way with the other sections. When I got the new valuation he made one £500, which I offered him for £400, and did not reduce the others at all. He even went so far as to write and say he would meet me half-way with the other sections. When I met him by appointment he was very rude, and said his word was as good as mine. I had to make the best deal I could, he taking off only a few pounds.

Another instance: I bought some Native land for £2 an acre, and sold it for £2, and the expenses were not to be more than £40. The land was valued at £1 10s. an acre when I bought. When the deal was nearly finished the Government valuer put the value up to £2 5s., and they would neither take the land nor reduce the valuation. I offered it to the Land Purchase Department at cost price, but they refused to buy it. I offered it to them at £2, and they would not take it at that. This proves how inefficient the Valuation Department is; some of the officers do not know what they are doing.

There should be one assessor on the Bench to look after the owners' interests, and not as it is now—two for the Government and one for the Council.

Yours faithfully,

HALYBURTON JOHNSTONE.

The Chairman, Valuation of Land Commission, Wellington.

REPORT ON ABOVE BY VALUER-GENERAL.

Re Halyburton Johnstone, Hauraki Plains, Auckland.

The Secretary, Valuation of Land Commission, Wellington.

REFERRING to Mr. Halyburton Johnstone's letter of the 22nd ultimo, bringing under the notice of the Valuation of Land Commission two instances of injustices he alleges he has been subjected to by the Valuation Department, I attach hereto—(1) Report by the Officer in Charge, Auckland, on the Birkenhead Borough valuation; (2) copy of a letter addressed to Mr. Johnstone by the Right Hon. the Prime Minister in regard to the valuation of portion of Turaponga Native block.

The Turaponga Block is the Native land to which Mr. Johnstone refers in the second paragraph of his letter, although he has not mentioned the name of it. In this case the Department refused to make the valuation square with the private arrangements which had been made for the purchase of the block before the transaction was submitted for the approval of the Maori Land Board.

F. W. FLANAGAN, Valuer-General.

Valuation Department, Wellington, 14th January, 1915.

COPY OF REPORT FROM OFFICER IN CHARGE, AUCKLAND.

Halyburton Johnstone, Birkenhead Borough Valuation, 1/55/217.

The Valuer-General, Wellington.

IN reply to your memo. of the 6th instant, enclosing copy of a letter from Mr. H. Johnstone *re* the valuation of his lands in Birkenhead Borough, the revision of the borough was done by Mr. District Valuer Mackenzie as at 31st March, 1914, and the matter of complaint is the result of a misunderstanding by Johnstone of what the valuer offered him in reduction of the valuations of his sections. The arrangement was made in the Court-room just before the Magistrate and assessors took their seats, and was probably done in a hurry; but the reductions that were offered to Mr. Johnstone were, as far as the valuer intended to be, to reduce the unimproved value of No. 217 to £500, and take £25 off the improvements of the other valuations of his that he objected to, and this is borne out by the Clerk, Mr. Rowe, who was up at the Courthouse to note any alterations that were to be made in the rolls that the valuer arranged with the objectors for before the Court sat, and these are the figures that he noted on Johnstone's objections.

Afterwards Mr. Johnstone called at this office and complained that the reductions as made on the roll were not what he was promised and agreed to. I referred him to the valuer, who met him by appointment and tried to come to some amicable arrangement, the result of which was that a further reduction was made in the large property to £475, the others to stand.

So far as Mr. Johnstone's statement that the valuer was very rude, I think it very possible, knowing what a difficult man Mr. Johnstone is to deal with, that the rudeness would not be all on the side of the valuer.

I do not think Mr. Johnstone has any serious cause of complaint. The valuer went as far as ever he could to meet him knowing that he was a very difficult man to deal with, and the reductions made were liberal.

As Mr. Mackenzie is now away on sick-leave I have not asked him for a report, as it would take some time to reach him, and possibly the information I have given will be sufficient. Should you still desire a report from Mr. Mackenzie I will endeavour to get one from him.

8th January, 1915.

A. MCGOWAN, Officer in Charge.

COPY OF LETTER TO H. JOHNSTONE FROM PRIME MINISTER.

DEAR SIR,—

17th June, 1914.

Referring to your letter of the 17th April last, urging that the value assigned by the Valuation Department to the block of land described by you as portion of Turaponga Block, but known under the official designation of "Putataka 1c 5A Block," be reduced to £2 per acre, the Valuer-General informed me that a similar request was made to the Department on the 1st April last by Messrs. Earl and Kent, solicitors, acting on behalf of the person who purchased the block from the Natives, and the request was refused.

In view of the facts that the valuation was made for the Maori Land Board, and submitted to the District Valuer for careful reconsideration before the Valuer-General issued the certificate of value required by the Native Land Act, and that it was endorsed by the Board—a body exercising functions of a judicial nature—it is manifest that it would be improper for me to reopen the question. A certificate of value is issued under statute, and a person who considers himself prejudiced by the certificate can seek relief by way of petition to the House of Representatives.

It is unfortunate that the agreement to purchase the block in question from the Natives should have been based upon the values shown on the valuation roll at March, 1911. It is provided under the Native Land Act that an up-to-date valuation of land shall be made and furnished to the Maori Land Board, or Native Land Court, as the case may be, as evidence of the value of the land.

Yours faithfully,

Halyburton Johnstone, Esq., Howick, Auckland.

W. F. MASSEY, Prime Minister.

DECISION OF COMMISSION.

No action to be taken.

21/1/15.

APPENDIX XII.

LETTER FROM PRIME MINISTER TO VALUER-GENERAL.

Memorandum for the Valuer-General.

THE following is an extract from a letter dated 29th ultimo, received from Mr. E. A. King, Rural Mail Route, Wellsford, Auckland:—

"The Advances to Settlers Board are most discourteous. They receive applicant's fees for valuation, but will not give any reason for refusing a loan. Even asked what the valuation is they will not

give it, but refer me to the Valuation Department, and to get it I have to pay another fee. I claim that a man is entitled to know what a valuation is when he has paid for same, without having to pay another fee, but that is what I had to do. At latter end of 1911 District Valuer Morgan valued my property for rating purposes at £430, being 139, 139A, and 209, Parish of Tauhoa, Rodney County; 255 acres 1 rood 38 perches. Since 1911 I have effected over £200 worth of improvements. Grass in place of tea-tree and scrub, &c., and I then applied for a loan from the Advances to Settlers Department. District Valuer Morgan came on 20th June, 1914, and valued the property at £450, being an increase of £10 unimproved value and £10 for the (£200) additional improvements. Of course, the Advances Department refused to grant a loan, but that was no reason why they should have put me to further expense and trouble to get to know what the valuation was. Simply red-tape, that is all. I reported Mr. Morgan to the Valuer-General, and asked for an investigation. He (the Valuer-General) got a report from Morgan, who told him (the Valuer-General) that the work I had done was wasted labour and expense, which I most emphatically deny. He reported that he made a careful inspection, which was false. I saw him on a ridge, being at work at the time he came, and it was very little indeed that he inspected after that; but his demeanour and the remarks he made convinced me that he was no good to me. It is not that I did not get an advance that I care about, but the fact that a Government official has ruthlessly condemned my property. I have had practical farmers over the place, and they say that he (Morgan) knows nothing about valuing a farm, and they put it, at a low estimate, £200 above Morgan's valuation—viz., £650 at least. I am informed on good authority that Morgan was at one time a photo-canvasser, afterwards an unsuccessful farmer."

Please report.

W. F. M.

Prime Minister's Office, Wellington, 16th November, 1914.

REFERRED to the Valuation Commission by direction of the Right Hon. the Prime Minister.

F. W. FLANAGAN, Valuer General, 27/11/1914.

LETTER FROM E. A. KING, WELLSFORD.

DEAR SIR,—

Rural Mail Route, Wellsford, Auckland, 13/1/15.

I would like to know if your Commission are moving in the matter of District Valuer Morgan's unjust valuation of my property (139, 139A, and 209, 355 acres 1 rood 38 perches, Parish of Tauhoa, Rodney County) on the 20th June, 1914, for purpose of Advances to Settlers Department, not that I mind so much about an advance from the Government (except that I have just as much right to any Government provision as any one else in the Dominion), but this is the point: I went to Manager of the Bank of New Zealand, and I showed him the valuation certificate of general valuation, 1911. He figured it out, but could not advance on it. I then showed him certificate of Mr. Morgan's valuation (£10 unimproved value and £10 improvement—£20). He figured it out again, but could not do it. Had Mr. Morgan done me justice, and given me credit for £200 improvements instead of £10 improvements, he (the Manager) would have advanced me the amount required.

I have improved the property, but, no matter, I am branded with a Government valuation which is unjust; and people who have money to lend do not question the Government valuation, notwithstanding that every one else who has seen the property says that Mr. Morgan's valuation is ridiculous.

Mr. Morgan, in his report to the Valuer-General, has quite misrepresented the property. Land of the same class a little more than a mile from here, before we get to main road, recently sold for £9 per acre, and the purchaser could have had £100 on his bargain of 80 acres. My land is as good as that; at least, the greater portion of it.

If I am required to meet the Commission and Mr. Morgan in Auckland I can do so, but I cannot come to Wellington; I cannot afford it. The most satisfactory way is for the Commission to come and see the land themselves, and if I am in the wrong I will pay their expenses; but I shall never, never, never let this matter rest until I have received justice.

I have, &c.,

The Chairman, Valuation of Land Commission, Wellington.

E. A. KING.

VALUER-GENERAL'S REPORT ON ABOVE.

Re *E. A. King, Wellsford, Auckland.*

The Secretary, Valuation of Land Commission, Wellington.

REFERRING to your memorandum of the 18th instant, I forward herewith, for the information of the Valuation of Land Commission, copy of a letter I forwarded to Mr. King on the 1st October, 1914, from which can be gleaned the precise nature of the matter in dispute between Mr. King and the Department. I may state that Mr. King applied for a loan from the State Advances Department, and the District Valuer's estimate of the total value of the property was considered insufficient as security for the loan.

Mr. King alleges that both the value of his land and the value of improvements are undervalued.

F. W. FLANAGAN, Valuer-General.

Valuation Department, Wellington, 25th January, 1915.

COPY OF LETTER SENT TO E. A. KING BY VALUER-GENERAL.

DEAR SIR,—

Valuation Department, Wellington, 1st October, 1914.

REFERRING to your letter of the 26th August last, complaining that your freehold land situated in the Parish of Tauhoa, Rodney County, containing 355 acres 1 rood 38 perches, and the

improvements thereon, have been undervalued, I have to inform you that Mr. District Valuer Morgan has furnished me with a report on the subject, in which he states that he made a careful inspection of your property on the 20th June last for the purpose of the State Advances Department, and estimated the value of both land and improvements as at that date irrespective of what they may have been worth when he made his previous valuation in 1911.

You appear to be under an erroneous belief that the value of your labour in clearing tea-tree scrub and the cost of seeding subsequent to 1911 should be added to the value of the improvements effected previous to that year, and that the total sum represents the present-day value of the improvements. As a matter of fact, the value of improvements is the added value they give to the land, not, as you apparently presume to be the case, the total expenditure in labour and capital by the settler. For instance, if a settler were to spend £500 in the hope of improving poor land, and the venture proved unsuccessful, he could not claim an allowance of £500 for improvements, because the expenditure did not increase the value of the land.

In your case Mr. District Valuer Morgan, who has had practical experience in farming, reports as regards the improvements as follows: "The quality of the land is not such that it can be profitably cleared and surface-sown, with the exception of quite a few acres, and I pointed that out to Mr. King at the time of my visit. The greater part of the land could be profitably tilled, and the necessary clearing preceding the first ploughing could have been done at a nominal cost by firing without much previous cutting. The broken parts could be brought into profit only by firing and sowing danthonia, because with the exception of the few acres previously mentioned the quality of the land is not good enough to warrant the expense of chopping."

As regards the value of the land itself Mr. Morgan states, "If it would carry 150 sheep or anything like that number the stock that was on it would have looked in a much more thriving condition than they were doing. I do not know the adjacent land to which Mr. King refers, but I do know this: that there are farms that I would sooner have at £10 per acre than I would Mr. King's at my valuation, particularly if I had no capital to develop it with."

If you are dissatisfied with the existing roll values you have the right to apply for a new valuation under section 36 of the Valuation of Land Act, 1908, and on payment of a fee a revaluation will be made. The new values would not be available for taxes and rates until after the 1st April, 1915.

I have, &c.,

Mr. E. A. King, Wellsford, Auckland.

F. W. FLANAGAN, Valuer-General.

DECISION OF COMMISSION.

No further action.

26/1/15.

APPENDIX XIII.

LETTER FROM F. M. KING, BIRKENHEAD.

SIR,—

"Ora Noa," Birkenhead, 8th December, 1914.

It was my intention to give evidence before your Commission when in Auckland, but unavoidable circumstances prevented my doing so.

I therefore respectfully request the Commission to accept this letter as evidence from me upon this important subject.

Under separate cover I forward to you a copy of the Report of the Department of Taxes and Assessments of New York, and would respectfully request you to record in your report the method of valuation adopted in New York, as this is the first governing body which has adopted a scientific method of arriving at land-values, and the Glasgow City Council has lately sent its chief valuator to New York to study the method used by the Tax Commissioners.

I am of the opinion that if the Government of New Zealand sent a tax expert to New York, the complaints of objectors could be more equitably settled, as the basis of valuation would then be fixed by a unit of value for a given district, and one valuation could not be altered without reference to that value.

It is unnecessary for me to enlarge upon the method adopted in New York, as it is fully explained in the report forwarded with this letter, and I will be greatly obliged if you will embody pages 91 to 106 inclusive as evidence given by me to your Commission.

If you cannot do this without a personal interview I shall be glad to appear before your Commission at any time you are in or near Auckland.

I have, &c.,

F. M. KING, Manufacturer, Auckland.

The Chairman of the Valuation of Land Commission, Wellington.

THE ASSESSMENT OF REAL ESTATE.

THE head of the Department of Taxes and Assessments is a Board of seven Commissioners appointed by the Mayor, who hold office at his pleasure. The Board of Tax Commissioners act as a Board of review of assessments. Any person aggrieved by the assessment of real estate may make application in writing to the Board of Tax Commissioners to have the assessment reduced.

Assessments are made by Deputy Tax Commissioners. The Deputy Tax Commissioners are appointed by the Board of Tax Commissioners from a Civil Service eligible list prepared by the

Municipal Civil Service Commission after examination of applicants for the position. Examinations are generally held about once in four years. The questions are of such character as to eliminate about half the applicants. No one unfamiliar with methods of real estate appraisal can successfully pass the examination. Deputy Tax Commissioners may only be dismissed from the Department for cause by the Board of Tax Commissioners and only after a hearing has been afforded them to explain the charges made against them. When appointed a Deputy Tax Commissioner is paid \$2,400 a year. It is the policy of the Department, when the appropriation is sufficient, to advance the salaries of Deputy Tax Commissioners \$150 every two years so long as their work is satisfactory until they have reached a salary of \$3,000 a year; thereafter they may be increased to \$3,250 or \$3,500; generally, however, only after a very long term of service.

For the assessment of real estate the Board of Tax Commissioners divides the city into districts of appropriate size, and assigns a Deputy Tax Commissioner to each district; each Deputy so assigned is assisted by a clerk. The districts vary in size and number of separate parcels of real estate to be assessed in accordance with the difficulty of the work and the number of parcels. Where values are very high, as in Manhattan, districts are smaller in area and have a smaller number of parcels than where the values are lower. Where the area is very great, again the number of parcels must be reduced. At present the city is divided as follows:—

Borough.			Number of Districts.	Average Number of Parcels.	Average Value per Parcel.	Average Area of each District, in Square Miles.
Manhattan	..	..	16	5,881	\$ 50,228	1.38
The Bronx	..	..	12	5,496	8,850	3.42
Brooklyn	..	..	23	9,271	7,336	3.39
Queens	..	..	18	7,451	3,310	6.52
Richmond	..	..	6	5,671	2,247	9.53
Total	..	..	75	7,221	13,683	4.20

The Deputy Tax Commissioners are engaged throughout the year in studying the districts to which they are assigned, and preserving memoranda of all evidences of value they can obtain. The assessment period fixed by law is from the 1st April to the 1st October. On the 1st April each Deputy Tax Commissioner assigned to a district commences his field-work, and makes his first entry in his field-book on that day.

The field-book is the Deputy's note-book, and is arranged so that he may have before him the assessments for previous years and the land-values for two years. The width of the page of the field-book is 15¾ in. and its length is 19¾ in. The field-book contains columns and headings as follows:—

Field-book—Department of Taxes and Assessments—The City of New York.

Borough of Manhattan.				Section No.		Volume		Block									
Between				and		Avenues.		Between		and		Streets.					
Owner or Occupant.	Size of Lot.	Description of Property.			House No.	Ward, Lot, or Map No.	Value of Real Estate unimproved,		1914.	1915.	1916.	1917.	1918.	1919.	Conveyance.	Mortgage.	Remarks.
		Size of House.	Stories High.	No. Houses on Lot.			191	191									

During the next few days the Deputy usually traverses his district so that he may have the general conditions and changes since the last year in his mind. His first duty is to study the land values and determine from the evidence in his possession where the land-value units must be changed. As he reaches conclusions concerning appropriate land-value units he commences to prepare his land-value maps.

Land-value Maps.

The land-value maps are so prepared as to show on every side of every block the value per front foot of lots of standard size and lying normally with reference to the grade of the street. In the suburban sections of the city where the separate parcels are sometimes of several acres in extent and are unplotted, the unit placed upon the maps represents the value per acre. The standard size of lots in Manhattan, The Bronx, and Richmond is 25 x 100, and in Brooklyn and Queens 20 x 100. Throughout the city the standard depth is 100 ft. and the units always have reference to the depth of 100 ft. If a lot is below grade, and worth less than the unit would indicate, the unit nevertheless

represents the value that the lot would have if it were on grade. The same statement is true if there should be so much rock on a lot that its actual value is greatly depreciated below the unit. On some streets the lots may all be shorter than 100 ft. or deeper; nevertheless, the unit represents the value that the lots would have if exactly 100 ft. deep. Some blocks are so short that the value of every foot of land is influenced by proximity to a corner; nevertheless, the unit represents the value that a lot would have at that location uninfluenced by proximity to a corner. When the units are thus properly determined every unit is comparable with every other unit, because peculiarities of depth, topography, and proximity to corners are eliminated, and all units are reduced to the same standard.

When the value of any particular lot is determined proper account is taken of depth, topography, and proximity to a corner; also weight is given to variations from standard size. If a lot is but 50 ft. deep its value would ordinarily be reduced to two-thirds of value that it would have if 100 ft. deep, in accordance with the rule in common use known as the "Hoffman-Neill rule." This rule assigns a certain proportion of value of a lot 100 ft. deep to every depth less than 100 ft. deep. Neither this rule, however, nor any other, is regarded as controlling upon the judgment of the Deputy. In one section of the city a lot 50 ft. deep may be worth more than two-thirds the value of a standard lot, and other sections it may be worth less. The rule is valuable as furnishing a guide to the commonly accepted proportions of value. If a lot is more than 100 ft. in depth its value is computed and the judgment of the Deputy is guided by similar rules; one such rule assigns the following proportions of value to greater depths:—

	In Addition to Value of Lot of Standard Size.
For the first 25 ft. beyond 100 ft.	9 per cent.
For the second 25 ft. beyond 100 ft.	8 per cent.
For the third 25 ft. beyond 100 ft.	7 per cent.
For the fourth 25 ft. beyond 100 ft.	6 per cent.

If the lot under consideration has rock upon it, its value is reduced by some proportion of the cost of rock removal. In some cases there may be sufficient demand for rock to render it probable that the owner of the lot could procure the removal of the rock for less than the cost of removal. In some cases the cost of rock removal would be greater than the value of a standard lot at grade; in such a case it does not follow that the lot has no market value, but its value is much less than the value of the lot at grade.

If a lot is so much below grade as to require filling, its value is ordinarily depreciated by the cost of filling it, but it may be so situated that its value is actually greater than that of a lot at grade, because payment may be obtained for the privilege of using the lot as a dumping-place.

The question of the extent to which a lot may be depreciated in value by being above or below grade must be considered with reference to all the surrounding conditions. The unit, however, always represents the value that a lot would have if it lay normally with reference to the grade of the street.

When a lot is situated at the corner of two intersecting streets, its value is greater than when it is at some distance from the corner. The appreciation due to its corner position varies in accordance with the relative value of the intersecting streets and the character of the neighbourhood. In a suburban section where the appropriate development is by the erection of detached houses, the appreciation because of corner position may not be more than 25 per cent. for a lot 25 x 100; on the other hand, when the lot is at the corner of two streets, both of which are good retail-shopping streets, the increment of value of a lot 25 x 100 may be more than 200 per cent. over the value of an adjacent interior lot. The appropriate increment of value due to corner position must be considered with reference to the actual earning-power and consequent selling-value of corner lots in the particular section. The distance from a corner to which the influence upon value of proximity to the corner extends depends upon the character of development appropriate for the neighbourhood. Where a lot 100 ft. square is the appropriate size for a building the corner influence extends to the whole 100 ft.; on the other hand, where a vacant plot 100 ft. square at a corner would be improved with four or more buildings, the corner influence extends no further than the width of the first lot.

Where the appropriate improvement of a section demands lots of standard size, a lot of greater width than standard size has no more relative value than a lot of standard size; but where the appropriate building for that section requires a plot of greater depth the larger plot has a greater relative value than the standard lot. In such cases an appropriate addition must be made to the value above that indicated by the unit according to the size of the particular lot to be valued. In a tenement-house section in Manhattan a lot 37½ ft. wide is worth relatively more than a lot 25 ft. wide, because a tenement house under the law cannot profitably be built on a lot 25 ft. wide, whereas an economical tenement house can be erected on a lot 37½ ft. wide. In a territory suitable for lofts a lot 50 ft. wide is worth more than twice as much as a lot 25 ft. wide, and generally a lot 100 ft. wide would be worth more than twice as much as a lot 50 ft. wide. The appropriate increase for plottage must be considered with reference to the actual conditions prevailing in the section where the lot is situated. An addition for plottage may be as great as 20 per cent., or even more. Conversely, if an appropriate improvement cannot be erected on a lot less than 25 ft. in width a reduction must be made below the value which would be produced by the unit, varying with the degree of depreciation due to the unusable character of the land in question.

When from all the evidence in his possession a Deputy has determined to the best of his ability the unit values throughout the district, it is his duty to prepare his land-value maps and submit them to the Deputy in charge of the borough on or before the 1st August for transmission to the Surveyor. Draughtsmen in the Surveyor's Bureau prepare fair copies of the maps sent in by the Deputies, when they are sent to the Supervisor of the City Record. The Supervisor of the City Record is the official in charge of the printing department of the city. He procures the publication of the land-value maps in a book 9 in. by 14 in. in size and containing 142 plates. The Supervisor causes to be printed five hundred copies of the land-value maps for the use of the Department, and delivers the plates upon the order of the Tax Department to the real-estate publication known as the "Record and Guide." The Tax Department has an arrangement with the publishers of the "Record and Guide" by which they print sufficient copies of the land-value maps to deliver one copy to each of their subscribers free of charge, and to supply the demand for maps by others at the rate of one dollar a copy. The purpose of the arrangement with the "Record and Guide" is the widest possible distribution of the maps to those most interested, in order that the greatest publicity may be given to the unit values fixed by the Deputy Tax Commissioners.

The "Record and Guide" distributes the land-value maps to its subscribers about the 1st October, so that they may be ready for use by taxpayers and others during the grievance period.

Tax Maps and Lot Valuation.

When the Deputies have determined their land-value units, their next duty is to compute the value of every lot as shown upon the tax maps. The tax maps show the dimensions of every parcel of land in the city. The parcels are numbered by the use of three or more numbers. In Manhattan, The Bronx, and Brooklyn the territory is all divided into sections, numbered from 1 up. There are eight sections in Manhattan, ten sections in The Bronx, and twenty-five sections in Brooklyn. The territory is further divided into blocks, numbered consecutively from 1 up. Each block is bounded by streets, or such permanent boundaries as waterways. The blocks are ordinarily 200 x 800 ft., and may contain more than one plot of land entirely surrounded by streets. Within each block the lots are numbered consecutively, commencing at the lower left-hand corner looking north. The numbers run in order east, north, west, and south to the place of beginning. A lot is described as Lot 1, Block 1, Section 1; such designation imports into the assessment roll the description, dimensions, area, and location shown on the tax maps and on the annual record of assessed valuations.

Buildings and other Improvements.

It is the duty of the Deputies throughout the year to enter in their field-books a record of all new buildings obtained from the Superintendent of Buildings of each borough, also the record of alterations for which plans are filed with the Superintendent of Buildings. The estimated cost of new buildings or of alterations is filed with the Superintendent and reported to the Department, and is used for what it may be worth. Its value is little more than an indication of the approximate character of the building or alteration.

When the Deputy considers the value of buildings he must take into account the depreciation of old buildings by age and obsolescence which may have taken place since his last assessment. In valuing new buildings he must rely largely upon the approximate cost of reproduction of such buildings. The knowledge of the cost of reproduction is gained by the study of the actual cost of producing certain particular buildings and from estimates of cost obtained from builders, architects, and others. The deputies are guided by the use of factors of value. The factors used by the Department are ordinarily the value per square foot of floor-space, instead of the value per cubic foot of contents. In the case of some of the most costly buildings both factors are used. Ordinarily, however, buildings of the same type differ but little the one from the other in height of floors and in arrangement. The factor per square foot of floor-surface is more easily determined and is found to be a reliable mode of comparison. It is obvious that a standard unit must be employed in order that buildings of different size may be compared readily.

The use of a factor enables the Deputies and Commissioners to compare one building with any other immediately, without any further computation; for example, a loft building 50 ft. wide, 90 ft. deep, and ten stories high, contains 45,000 square feet of floor-area. A good loft building can be erected for \$2.50 per square foot, and the cost of a loft building of this size would be \$112,500. If it became desirable to compare this loft building with another which was 75 ft. wide and 85 ft. deep, it would be impossible to compare the total value of each without reducing them to a common unit. If it were found that the latter building was assessed at \$2.75 and the former at \$2.50 per square foot, it would be possible to make comparison at once. The Deputies are required to set down in their field-books the factor of value of all buildings in order that comparisons may readily be made.

Reports.

Commencing 1st June each Deputy is required to report weekly until the 10th September, except during his vacation period, the changes in the assessed value of every lot, together with the aggregate increase and the aggregate decrease for the week. Examiners check these increases for new buildings with the list of new buildings obtained from the Superintendents of Buildings. The examiners also check all changes of over \$1,000 for the attention of the Deputy in Charge. The aggregate of the increases and of the decreases for the season as reported weekly are computed after the last report, and the total increase must agree with the aggregate of the weekly increases, and the total decrease must agree with the aggregate of the weekly decreases as reported.

It is the duty of the Deputies to examine all properties which have theretofore been exempt from taxation with reference to changes of ownership or condition which may render such property taxable. They are required to make a report of all exempt properties by classes, of which there are about fifty-seven.

Before the 1st October the annual record of the assessed valuation of real estate must be completed, and on the 1st October it is opened to public inspection. The annual record contains columns and headings as follows:—

<i>Annual Record of Assessed Valuation of Real Estate, the City of New York, 1914.</i>										
Borough of Manhattan.				Section	Volume	Block No.				
Between		and		Avenues.		Between		and		Streets.
Owner or Occupant.	Description of Property.				Street No.	Ward, Lot, or Map No.	Value of Real Estate, unimproved.	Value of Real Estate with Improvements thereon.	Corrected Amount.	Remarks.
	Size of Lot.	Size of House.	Stories high.	Houses on Lot.						

The width of the page of the annual record is 17½ in. and the page 21 in. long. It is the duty of the Deputies and their clerks to count all buildings and to report the number of buildings in each of the ten classes scheduled in the annual report.

Publication of Assessments and of Exempt Property.

It is the duty of the Deputy Tax Commissioners and their clerks to prepare the copy for the annual publication of the assessments of real estate. This publication is made in May by the Board of City Record. It is published as supplements to the City Record, one supplement for each section or ward. In the entire city there are about forty-eight such supplements. The publication is a copy of the annual record of the assessed valuation of real estate, omitting only the size of the house and the number of houses on the lot.

It is the duty of the Deputy and his clerk to read and correct the proof of this publication.

The Deputies and their clerks have the further duty in July and August of preparing the copy for the publication of the description and valuation of all property exempted from taxation. They must prepare the copy and read and revise the proofs for this publication.

Public Inspection of the Annual Record.

During the month of October and the first half of November the annual record is open for public inspection, and during that time persons may make application in writing for the reduction of the assessed valuation of any parcel in which they are interested. During this time the Deputies attend at the counter on which the books are displayed, and answer questions by taxpayers concerning assessed values. They are expected to explain the mode by which the assessed value of any property was reached, exhibiting the unit of land-value and the method of computing the value of a particular lot, the factor of value used for the building, and any other information in their possession which the taxpayer may request. In many cases where assessments have been increased the explanation furnished to the taxpayer by the Deputy satisfies the taxpayer that his assessment is not in excess of the market value of the property and is in harmony with the assessment of other property in the neighbourhood. If the taxpayer is not satisfied and desires to appeal to the Commissioners he is given a blank which contains appropriate questions to be answered concerning the character and value of the property. When such applications are filed they are recorded by the Deputy in Charge of the Borough and delivered to the Deputy who made the assessment, with instructions to revisit the property and report in writing on the back of the application the facts concerning the property and appropriate answers to the criticisms or objections made by the taxpayer. Upon such a reinspection it not infrequently happens that the Deputy revises his judgment and recommends a reduction. If he does not recommend a reduction he is expected to correct the statements of fact made by the taxpayer or explain why his conclusions are erroneous. About the 1st December the Commissioners commence to hear the applications of persons who asked for an oral hearing by the Commissioners. Oral hearings are only afforded when requested. In the great majority of cases applicants for a reduction do not ask to be heard in person.

At the hearings by the Commissioners the Deputy whose district is under consideration attends with his field-book and map prepared to answer questions concerning the assessments under consideration. These hearings continue during the months of December and January. On the 1st February the annual record of the assessed valuation of real estate closes, and during February the Deputies and their clerks prepare the assessment rolls. The assessment rolls are a copy of the annual record with certain details omitted. All that is really necessary in the assessment roll is the description of the property by lot numbers with the assessed value. The assessment rolls must be finished in February. When they are finished they are signed by all the Commissioners. As soon

as practicable in February the total assessed values are transmitted to the Comptroller in order that the tax-rate ordinance may be prepared for submission to the Board of Aldermen. The Board of Aldermen meet on the 1st March, and pass the ordinance fixing the tax rate. Immediately the Deputies and their clerks compute the taxes which must be paid in respect of each separately assessed parcel of real estate. For this purpose rate cards are used, which show the amount of the tax on each amount from \$1 to \$100 and on multiples; in such fashion the computation of taxes is rendered as easy as possible.

During the year the Deputies and their clerks prepare new field-books, and as early as practicable commence the preparation of the next annual record and new assessment rolls.

Real Estate of Corporations.

Two Deputies are assigned to the assessment of the real estate of corporations, and are assisted by clerks. The class of property thus described consists of all improvements in streets, waterways, and public places other than special franchises, also of all rights-of-way of public service corporations which extend throughout more than one block. Where the right-of-way of a railroad runs into a station or freight house, such property is assigned to the Deputy in charge of the real estate of corporations. The Deputy Tax Commissioners are required to report the value of the land of the rights-of-way of public service corporations computed in harmony with the value of adjacent land. The Deputy in charge of the assessment of this property uses the values so reported to him and adds the value of the improvements whatever they may be. The Deputy in charge of this bureau, moreover, is required to confer from time to time with the employees of the State Board of Tax Commissioners, and furnish them with any information in his possession concerning special franchises, and to obtain from the State Board any information useful to him in the determination of the value of the property he is assigned to assess.

Special Franchises.

Special franchises consist of rails, pipes, wires, and the like situated in streets, waterways, and public places, together with the privilege of building, maintaining, and operating the public service performed by the aid of such improvements. The special franchise, therefore, includes both the tangible property in streets and public places of the character described and the value of the privilege of operating it. The State Board of Tax Commissioners assesses special franchises as real estate, and certifies the assessments to the local assessors; the local assessors include the special franchise assessments in the local assessment rolls. It is thereupon taxed at the same rate and in the same manner as other real estate. It is the duty of the State Board of Tax Commissioners in assessing special franchises to assess them at their full value, and then to equalize such assessments with the other real property in the particular tax district. Thus if the State Board finds that other real property is assessed at 90 per cent. of its full value, the special franchise assessments are reduced to 90 per cent. of the full value found by the State Board of Tax Commissioners.

The Preparation of Tax Maps.

At the time the City of New York as now constituted was created in 1898 by the consolidation of the cities of New York, Brooklyn, Long Island City, and other municipalities, the Department of Taxes and Assessments was created, and it was made the custodian of all books, maps, assessment rolls, files, and records relating to assessments which were in use in any of the municipal Corporations consolidated. Prior to consolidation in a large part of the territory there were no tax maps at all. Assessments were made as in most country towns throughout the State of New York to-day by arranging in alphabetical order the names of the owners of real estate and opposite the name of each owner a description of the various parcels of land owned by him. By the charter, which applied to the consolidated city, it was provided that assessments thereafter should be *in rem*—that is to say, against the land itself and not against the owner by name. It became necessary, therefore, to provide tax maps wherever they did not exist, and the charter gave broad general powers for the making of such tax maps and for assessment against the property itself. The Deputy Tax Commissioners were required by the charter to assess each parcel of real estate, giving "street, lot, ward, town, and map number of such real estate embraced within their districts, together with the name of the owner or occupant if known." The Department of Taxes and Assessments was required to appoint a Surveyor whose duty it should be to make necessary surveys and corrections of the ward maps, and also to make all new maps which might be required for the more accurate assessment of real estate within the territory of the city.

In the old City of New York there had been instituted by chapter 166 of the laws of 1890 a system of recording and indexing instruments affecting land. In substance this system was established for the assessment of real estate by chapter 542 of the laws of 1892. This latter chapter provided for tax maps upon which are exhibited in sections and section numbers, block and block numbers, the separate lots or parcels of land taxed within each of the blocks. It is provided that the block once established shall not be changed unless it may be absolutely necessary by reason of changes in the boundary-lines. By the act of consolidation chapter 542 of the laws of 1892 was extended to apply to the whole city, but it was not made incumbent upon the Tax Department to establish the permanent tax maps required by this Act immediately. The actual procedure adopted was to make what are called tentative maps for the suburban territory wherever no maps existed, and to use the maps formerly in use wherever they were reasonably adequate for the purpose.

Since consolidation the permanent tax maps have gradually been made, until to-day all of the Borough of Brooklyn is permanently mapped and all of The Bronx west of the Bronx River. As yet

Queens and Richmond have tentative maps. Permanent maps will not be made in any section until the location of streets has been definitely determined, so that blocks may be laid out with a reasonable prospect that they may continue unchanged indefinitely. The permanent maps are made on a scale of 50 ft. to the inch, but the tentative maps covering territory held in large parcels, much of it farm land, are made on a smaller scale, and the scale varies somewhat, being from 80 ft. to 200 ft. to the inch.

The division on the permanent map into sections as well as into blocks and lots is advantageous among other reasons for the publication of statistics. The block is so small in area, and the number of blocks is so large, that comparison of assessment of areas requires a division into larger areas than are contained in blocks. The ordinary block contains about 160,000 square feet, being usually about 200 x 800 ft. The block must always be bounded by permanent streets or waterfront.

The lots within a block are numbered consecutively, commencing at the lower left-hand corner looking north; starting at that point the lots are numbered consecutively from west to east, then north, then west, then south to the place of beginning. If there is but one lot within the block it bears the number 1. If, thereafter, a small parcel is carved out of the block it is not necessarily numbered 2, but receives the number which it would be likely to receive if the whole block were cut into standard lots.

If a block is divided into lots of about standard size, and the lots are numbered consecutively, and thereafter one of the lots is divided, the part of the lot on the side of the lower number retains the old number and the new lot is designated by the same number with a fraction, or the old number with the addition of a letter. When two lots are consolidated the higher number is dropped. As changes occur in lot divisions the tax maps are altered by the use of different-coloured ink and the addition of the year for which the alteration is made. If two lots are consolidated the dividing-line is crossed out by small crosses, a dotted line is drawn in the street in front of the lots in a semicircle to indicate the consolidation, and at the centre of that dotted line is inserted the year date. If a new lot is carved out of an old one the new division-line is made with a different-coloured ink, and opposite the line the year date is inserted. The tentative tax maps usually have very much larger divisions than the permanent tax maps, to avoid the use of arbitrary lines and the splitting of parcels held in one ownership. A territory of considerable area may be designated as a plot, and when that territory is divided the lots are carved out of it and designated by numbers in the same manner as lots are designated within blocks of the size shown on the permanent tax maps. When a territory becomes settled and the permanent street layout is determined, the permanent tax maps are extended over the territory formerly covered by the tentative tax maps, the large plot is cut into blocks, and those blocks again into lots. When such a change is made cross indices are prepared, so that the lots shown on the tentative maps may be readily identified with the lots shown on the permanent tax maps. For the use of the Tax Department there are two sets of maps, one set which is preserved in the offices of the several boroughs, and another set for the use of the Deputy Tax Commissioners to carry with them in the field. The field-maps are bound in volumes of just half the size of the office-maps. In the front of the map volumes is placed a key-map made to a scale of from 300 to 700 ft. to the inch, showing all of the territory comprised within that volume. The length of all boundary-lines is shown on the maps in feet and inches, and on valuable lots of irregular shape the area is shown in square feet. On larger parcels the area is shown in lots or acres.

As the tax maps are the basis of the assessment of real estate, it is, above all things, necessary that they shall be accurate. The charter provides in reference to the assessment roll that "real estate shall be described therein by the numbers by which such property is designated on the tax maps and in the annual record of assessed valuations, and such numbers shall import into the assessment roll of real estate any necessary identifying description shown by the tax maps."

Legislation of 1914.—Preparation of Assessment Roll.—Sections 6, 8, 21, and 34 of the Tax Law amended.

In 1911, section 21, which contained the form of the assessment roll, was amended in important respects, and the old provisions of the law setting forth the number of columns of the assessment roll and what they should contain was retained. In practice this worked badly, and it was obvious that greater elasticity should be provided to meet the various conditions in different parts of the State. The essential feature of the 1911 amendment was the provision for the *in rem* assessment of real property—that is to say, an assessment which would be valid even though the name of the owner was not stated, providing the property was adequately described. It was essential to preserve the assessment roll in two or more parts, so that personal assessments should not be mixed with real-estate assessments. Personal assessments must be set down in alphabetical order, whereas real-estate assessments should be set down in geographical order or the order of the location of the parcels of real property. Section 21 formerly contained two provisions which really had no proper place in that section, but both of them were very important. The first provision is that in the assessment of personal property, the owner shall be allowed the deduction of his just debts. The second provision was in relation to the taxation of rents reserved by which a rule of valuation was established.

Chapter 277 of the laws of 1914 amends section 6 by inserting at that point the provision-for-debt deduction in personal assessments, and amends section 8 by inserting the rule of valuation for rents reserved. Section 21 is amended by prescribing that the assessments of real property, other than special franchises, shall be carried in a separate part of the roll from the assessments of personal property, and that in substantially all other respects the form of the roll shall be prescribed by the State Board of Tax Commissioners. Chapter 277 amends sections 6, 8, 21, and 34 to read as follows:—

Section 6. (No deduction allowed for indebtedness fraudulently contracted).—*The assessment of real and personal property. All real and personal property subject to taxation shall be assessed at the full*

value thereof, provided, however, that the owner of personal property shall be allowed a deduction from the full value of all his taxable personal property to the extent of the just debts owing by him, but (No) no such deduction shall be allowed (in the assessment of personal property) by reason of the indebtedness of the owner contracted or incurred in the purchase of non-taxable property or securities owned by him or held for his benefit, nor for or on account of any indirect liability as surety, guarantor, endorser, or otherwise, nor for or on account of any debt or liability contracted or incurred for the purpose of evading taxation.

Section 8. Place of taxation of property of residents. Every person shall be taxed, in the tax district where he resides when the assessment for taxation is made, for all personal property owned by him or under his control as agent, trustee, guardian, executor, or administrator. Where taxable personal property is in the possession or under the control of two or more agents, trustees, guardians, executors, or administrators residing in different tax districts, each shall be taxed for an equal portion of the value of such property so held by them. Rents reserved in any lease in fee or for one or more lives, or for a term more than twenty-one years, and chargeable upon real property within the state, shall be taxable to the person entitled to receive the same, as personal property in the tax district where such real property is situated, *at a principal sum, the interest of which at the legal rate per annum shall produce a sum equal to such annual rents, and if payable in anything except money at the value of the rents in money to be ascertained by the assessors, the value of each rent to be assessed separately,* and for the purpose of the taxation thereof such person is to be deemed a resident of such tax district. When a person shall have acquired a residence in a tax district, and shall have been taxed therein, such residence shall be presumed to continue for the purpose of taxation until he shall have acquired another residence in this state or shall have removed from this state. The residence of a person on the 1st July shall be deemed his residence for the purpose of assessment and taxation during that year. If he shall have actually and in good faith changed his residence after the 1st July and before the 1st August in any year, from one tax district to another, and shall make proof to the assessors at or before their last meeting for the correction of the assessment roll of such change of residence, and that he is assessed in the tax district to which he has removed, his name and the assessment of his personal property shall be stricken from the assessment roll of the tax district where he resided on the 1st July. In case of any controversy as to the proper place of taxation within the state of any person, his residence for purposes of taxation may be determined by the State Board of Tax Commissioners, subject to review by the Court.

Section 21. Preparation of assessment roll. *They shall prepare an assessment roll or rolls, the form of which shall be prescribed or approved by the State Board of Tax Commissioners, so classified and arranged with respect to number of parts and number of columns in each part, and which such entries and descriptions as shall be sufficient to identify each separately assessed parcel or portion of real estate with the approximate quantity of the square feet, square rods, or acres contained in such parcel or portion or a statement of the linear dimensions thereof; each special franchise and the names of all persons and corporations taxable on personal property, capital stock, or capital invested in business. Assessments of real property, other than special franchises, shall be carried in a separate part of the roll from the assessments of personal property.*

The form of assessment roll prescribed or approved by the State Board of Tax Commissioners shall provide for the indication thereon, in appropriate columns, of the name of the village, if in a village, the number of the school district and the name or number of any special district in which a special tax is levied for district purposes, in which each parcel or portion of real property and each special franchise described on such roll is situated or in which each person or corporation subject to taxation for personal property in the tax district pursuant to this chapter resides, carries on business, has its principal place of business or in which its operations are carried on or where the personal property is located, as the case may be, and shall also provide for the entry of the assessments of real property, special franchises, and personal property respectively, made pursuant to this chapter, and of the appointments made pursuant to section forty of this chapter. Provision shall also be made thereon for the separate entry of the amount of tax levied respectively for State, county, city, town, highway, or special district purposes, against each parcel or portion of real property, each special franchise and each person or corporation for personal property, together with the date of payment thereof and such other items and detail as may be required. The State Board of Tax Commissioners shall adopt regulations for the preparation of the assessment roll, and shall advise with and instruct Boards of Assessors and other officers as to their duties in respect thereto.

Section 34. Assessment of omitted property. The assessors of any tax district shall, upon their own motion, or upon the application of any taxpayer therein, enter in the assessment roll of the current year any property shown to have been omitted from the assessment roll of the preceding year, at the valuation of that year, or, if not then valued, at such valuation as the assessors shall determine for the preceding year (and such valuation shall be stated in a separate line from the valuation of the current year).

Note.—New matter is in italics and the old matter omitted is in parentheses.

Subdivision 5, Section 4 of the Tax Law.—Exemption of Real Property purchased with the Proceeds of a Pension.

This subdivision formerly required that real property to be exempt when purchased with pension-money must be owned and occupied by the pensioner or by his wife or widow. The requirement that it must be occupied is stricken out. Formerly there was no limitation as to the amount which might be exempted. The exemption is now limited to \$5,000. Real property, therefore, when owned by a pensioner or by his wife or widow, may be exempted by proper procedure to the value to which pension-money has entered into its purchase, but in no event to a value in excess of \$5,000. (Chapter 278.)

Receipts for Taxes.

Section 94 is amended so as to require every Collector of Taxes to deliver tax receipts by mail, upon request. (Chapter 483.)

Real Property purchased at a Tax Sale by any County.

Subdivision 2 of section 50 is made to apply to all the counties in the state instead of to those counties only which have a certain population. It provides that real property bought by the county at a tax sale shall be excluded from the tax rolls. (Chapter 397.)

Transfer Offices of Corporations must be registered with the Comptroller.

Section 275A, which was enacted in 1913, and designed to require every corporation to register its transfer office, has been further amended to make the intent perfectly clear. Every corporation which transfers its own stock must be registered with the Comptroller's office where its stock is transferred. Every person, firm, or corporation engaged in negotiating sales of stock must register its office. (Chapter 206.)

Refunding of Mortgage Taxes erroneously paid.

Section 263 is amended to provide the procedure for refunding mortgage taxes erroneously collected. (Chapter 398.)

Tax Bills having only a Local Application.

Section 261 is amended to require the Treasurer of Bronx County to pay mortgage-tax moneys to the City Chamberlain in the same manner as the treasurers of other counties within the City of New York. (Chapter 399.)

Section 150 adds Suffolk County to those counties which need not sell land for unpaid taxes until the taxes, with interest, amount to \$2.00.

Section 21B is amended to include Herkimer County with Suffolk County as a county in which, under certain circumstances, assessors are required to apportion tracts of land into several parcels. (Chapter 484.)

Section 184 is amended so as to exempt from the State tax upon gross earnings ferry companies operating between any of the boroughs of the City of New York under a lease granted by the city. (Chapter 334.)

DECISION OF COMMISSION.

Pages 91 to 106 (inclusive) from copy of "Report of Commissioners of Taxes and Assessments of New York" to be printed in Commission's report.

Recommended for consideration of Valuation Department for application to cities only.
21/1/15.

APPENDIX XIV.

LETTER FROM VALUER-GENERAL.

Re *Mr. Laing, of Brooklyn.*

The Secretary, Valuation of Land Commission, Wellington.

I HAVE received from Mr. District Valuer Morgan the accompanying memorandum, commenting on statements made by Mr. Laing, of Brooklyn, during the course of his evidence volunteered to the Valuation of Land Commission during their sitting at Otahuhu.

F. W. FLANAGAN, Valuer-General.

Valuation Department, Wellington, 9th January, 1915.

REPORT FROM DISTRICT VALUER MORGAN.

Re *Valuation of Land Commission.*

The Officer in Charge, Valuation Office.

MR. LAING, of Brooklyn, in giving evidence before the Commission, stated that his mother's property to which he had objected to the value was worth £6 per acre—£3 per acre for the land and £3 per acre for improvements: total of £4,480 for 747 acres.

I find in looking up the papers that his estimate of value at the time of objection, which was for the term 31/3/14, was as follows: 747 acres—Unimproved value, £1,494; improvements, £1,494: capital value, £2,988. This is £1,492 less than his estimate before the Commission.

The great discrepancy between the two estimates is another evidence of the unreliable statements that are made on matters of land-valuation, showing that if it suits their purpose there are some who can vary their estimates to an astonishing degree.

My estimate of value is £6,500, £5,250, £1,250; Mr. Lang's last estimate—£4,480, £2,240, £2,240; Mr. Lang's previous estimate—£2,988, £1,494, £1,494.

Another step forward, and he may reach the higher figures.

Will you please forward this on.

Auckland, 2/4/15.

EDWARD MORGAN, District Valuer.

APPENDIX XV.

LETTER FROM M. McKINLEY, WHANGAREI.

SIR,—

Kara, Whangarei, 4th December, 1914.

Kindly allow me to bring to your notice the manner in which my land has been valued for the purpose of taxation.

I am the owner of Sections 24, 25, 1, 2, 3, 6, Block X, Purua S.D., containing 448 acres, more or less. The unimproved value has been set at £1,489, and the capital value at about double that amount. I am unable to understand how the unimproved value came to be so high in proportion to the capital value. My farm is practically all improved, and the improvements are worth many times more than the land would be worth in its natural state, as a very large percentage of it is gum land. The valuator seems to have valued the capital value and placed the unimproved value at half the capital value.

There are several sections in this district where the unimproved value is exactly half of the capital value. This is not the proper value for the unimproved value, as the improvements are worth considerably more than they have been placed at. But, in my case, the unimproved value has been placed ridiculously high, while the improvements have been valued far below their value.

There is no good bringing the matter before an Assessment Court, because the Magistrate will ask you if you will sell for the valuation, and if you say "No," the valuation is upheld. Now, this is not a fair way of dealing with an objection, as a man who (as in my case) has worked all his life on his farm wants it for a home in his old age, and in many instances would not sell it for double its value.

In my case the valuation of the unimproved value was under £500 before the last valuation, and I am unable to understand how it rose so high in a few years. I think it would be a good plan if the valuers were changed to a new district after every valuation.

I always understood that the Government did not wish to tax the farmer for his improvements, but if improvements brought about by a man's own hard work will raise the unimproved value of his farm so that it can be taxed, then improvements are taxed indirectly.

I have the grazing rights of 117 acres leased from one of my sons, and this, with my own farm, can only carry, although it is practically all improved, fifty-nine dairy cows, eleven yearling heifers, thirty calves, twenty sheep, four horses, and three hacks, so you will see the quality of the land cannot be very good.

Now, how can the unimproved value of land of this description that is practically all improved be worth as much as the improvements.

I have, &c.,

The Chairman, Valuation of Land Commission, Wellington.

M. McKINLEY, per T. M.

COPY OF REPORT BY DISTRICT VALUER THOMPSON.

Re *Moses McKinley, Purua Survey District.*

Officer in Charge, Valuation Office, Auckland.

REFERRING to the enclosed copy of a letter addressed by the above-named to the Chairman of the Land Valuation Commission, I have to state that as far as Mr. McKinley's letter is concerned, containing as it does only a rambling unsupported statement, there is very little to reply to. However, the reasonable impression to be gathered from the letter is, while not objecting to the capital value, he considers that insufficient value has been allowed for improvements. Before going into details I might mention that when I valued the place last February I discussed the separate values with McKinley in the presence of his sons, showed him the value I was putting on each item of improvements, also the unimproved and capital values, and to all of which he expressed his entire satisfaction. It might not, however, be out of the way to mention that since last February the system of local rating has been changed from the capital to the unimproved value. I have my field-book before me and will just touch on each item of improvements.

House of six or seven rooms, well and strongly built, two years old; could be built at the present time for £500; valued at £400.

Two sheds, ordinary, useful outbuildings; valued at £100.

200 chains of wire fencing in fairly good order; valued at 15s. per chain, £150.

240 acres cleared from bush and fern and partly ploughed; £400.

240 acres of grass; £200.

The foregoing values refer only to Sections 1, 2, 3, and 6.

260 acres, a large portion of which is rich river-flat, and valued at a little over £5 per acre unimproved value.

Section 24 (51 acres) has on it 50 chains of fencing, in fair order—£20; 10 acres ploughed and grassed; £20.

Section 25 (138 acres): 50 chains of fencing medium, £20; 50 acres ploughed, £50; 50 acres grass, £30.

The unimproved value of Sections 24 and 25 is £1 and 15s. per acre respectively. The adjoining section which has better access is valued at £7 per acre. (G. Nobes, Sections 4 and 5, &c.).

I must state honestly that Mr. McKinley has no reasonable grounds to complain.

I am quite prepared and should welcome any further investigation in the matter, and pending such I must again state that the value placed on McKinley's property is fair and reasonable. As to his remarks as to valuers being changed after each valuation, they are just on a par with his other statements, as, after experience, local knowledge is one of the greatest essentials in a successful valuer.

Whangarei, 29th December, 1914.

W. F. THOMPSON.

DECISION OF COMMISSION.

Insufficient evidence to enable Commission to make any recommendation.

21/1/15.

APPENDIX XVI.

LETTER FROM MRS. ELIZABETH MARTIN, UPPER HUTT.

SIR,—

Upper Hutt, 18th January, 1915.

On account of advanced age and ill health, I am unable to attend personally at the sitting of Land Commission, and my son (J. Martin), in Railway employ, is unable to obtain leave from the Department unless some hour of notification has been sent in.

I beg to make a statement in writing in reference to farm land situated in the Town Board district of Upper Hutt, in which since the death of my late husband I have had a life interest.

The farm contains 73 acres, a small portion not being ploughable on account of a gravel ridge. The rent I receive is £120 per annum, which I think fair, as a tenant must necessarily get a living and keep a youth to assist.

The unimproved value of the land is £4,590, on which I pay £20 land-tax; the Town Board rate is £78 17s. 11d.; and after deducting the above amount from rent I am left £21 2s. 1d., which I consider very unjust after my life's hard work. I have owned the land fifty years, and it appears to me that before many more years pass the land must be taken from myself and family if the present state of affairs is allowed to go unchecked.

Trusting that something may be done in this matter, and thanking the members of the Land Commission,

I remain, &c.,

The Chairman, Valuation of Land Commission.

ELIZABETH MARTIN.

REPORT ON ABOVE BY VALUER-GENERAL.

SIR,—

Valuation Department, Wellington, 2nd February, 1915.

Referring to your request minuted on letter received from Elizabeth Martin, of the Upper Hutt, regarding the excessive rates she is called upon to pay on her property, I have to state that the Martin Estate comprises 74 acres 3 roods 16 perches, being portions of Sections 117 and 118, Block I, Rimutaka Survey District.

I have to state that this land was valued in 1908 for revision purposes at—Capital value, £7,500; unimproved value, £6,815; value of improvements, £685.

In 1912 the value of the improvements was increased to £737, the unimproved value remaining the same as in 1908, making a capital value of £7,552.

In 1913 a special valuation under section 36 of the Valuation of Land Act, 1908 was made at the request of the owners. The values were as follows: Capital value, £7,415; unimproved value, £6,815; value of improvements, £600. This value was objected to, and carried to the Assessment Court for determination. The Court upheld the Government valuation. The owners then offered the property to the Government at a capital value fixed by themselves of £5,250 (a reduction of £2,165 on the Government valuation), but as the property was unsuitable for purchase I had to reduce the Government valuation in accordance with law to £5,250, capital value.

The Department apportioned the reduced capital value between unimproved value and value of improvements, fixing the former at £4,826, and the latter at £424. This apportionment was objected to by the owner, referred to the Court under section 32 of the Act, and the Department's apportionment was upheld.

Mrs. Martin should have directed her appeal to the local authority, as there can be no possible complaint against the existing roll values; in fact, the unimproved value was practically fixed by the owners themselves.

Mrs. Martin's letter and the rate notice returned herewith.

I have, &c.,

F. W. FLANNIGAN, Valuer-General.

T. F. Martin, Esq., Chairman, Valuation of Land Commission, Wellington.

DECISION OF COMMISSION.

No further action, as present roll assessment is the owner's own valuation.
3/2/15.

APPENDIX XVII.

LETTER FROM SECRETARY, OTOROHANGA CHAMBER OF COMMERCE.

DEAR SIR,—

Otorohanga, 23rd December, 1914.

At the request of my Chamber, I wired to you in Auckland, and also to the Minister of Lands, asking if you could arrange for a sitting of your Commission in Otorohanga or Te Kuiti. The former wire did not reach you, and the Minister has wired me in reply to the second one to write you in Wellington.

My Chamber respectfully asks that a sitting of the Commission be held either here or in Te Kuiti. We wish to adduce evidence to show the unfair working of section 39 of the Valuation of Land Act, 1908, in regard to the interest given to a lessor in the improvements of his tenant, for which interest the tenant, when freeholding Native land, has to pay again before he can obtain confirmation of his transfer.

The enclosed circular will show the position. If it is possible for the Commission to sit, I would be glad if you will wire to me, so that I can arrange for evidence to be placed before you.

I remain, &c.,

The Chairman Land Valuation Commission, Wellington.

S. A. Cook.

DEAR SIR,—

Otorohanga Chamber of Commerce,
Otorohanga, 25th November, 1914.

The attention of this Chamber has been drawn to many recent cases of hardship through the working of the Valuation of Land Act, 1908.

Section 39 of that Act provides for the valuing of the respective interest of lessor and lessee under a lease, and provides for the lessor obtaining an interest in the improvements effected by the lessee as well as the interest the lessor has in the land irrespective of the improvements.

In the case of land held under Native leases this can easily work great hardship. The lessee can buy the freehold, provided the owners will sell, at the Government valuation of the owners' interest as long as that is equal to or more than the rent value. Thus, a person with a lease at 1s. per acre should be able to buy the freehold at £1, and if the Government value of the lessors' interest is over £1 he will have to pay that excess. The lessee by effecting improvements naturally enhances the unimproved value, and the position would be bearable if the lessee could purchase at the owners' interest in the unimproved value, whereby the owners would benefit by the improvements and obtain the unearned increment; but the lessee also has to pay for a mythical interest of the owners in the improvements the lessee has himself effected.

Two cases have lately been drawn to our notice: one in which the lessee of land at 1s. per acre arranged to purchase the freehold at £1 10s. per acre, which was the then Government value of the unimproved value of the land. On applying for confirmation by the Maori Land Board he found that he would have to pay a further 10s. per acre for a mythical interest of the owners in the improvements, in spite of the fact that the owners were willing to accept the £1 10s. per acre. In the other case the lessee under a lease at 2s. per acre arranged with the owners to purchase the freehold at £2 2s. 6d., and then found he would have to pay another £400 for his own improvements. As the law now stands the Maori Land Board cannot pass the transfers unless the price is equal to the "owners' interest" shown on the valuation certificate.

As you will readily see, it is not in the interest of lessees to effect any improvements at all where there is a chance of being penalized for their energy when they try to buy the freehold. The man who does nothing is in a far better position than the man who improves his holding, and thus a premium is set on inactivity, and settlement is retarded.

We do not ask that the rights of the parties under the lease should be altered. In the case of Crown lands you can buy the freehold at a 5-per-cent. basis on the original rental. This we do not ask, but think it only equitable that if the owners will sell then the lessee should not have to pay more for the land than the present owners' interest in the unimproved value, provided that is at least equal to the rental capitalized at 5 per cent. In most cases the leases are from forty-two to fifty years, and the improvements are certainly not of such a permanent character as to last until the expiration of the lease. Why, then, should the owner be given a greater price than he is willing to accept?

This Chamber thinks this an opportune time to bring up the subject, and would ask your hearty support in devising a scheme for the amendment of the Act. We would suggest that you obtain the views on this subject of all candidates for Parliament, and that you obtain a resolution from your Chamber of Commerce or branch of the Farmers' Union in favour of an amendment on the lines suggested, and forward a copy of your resolution to us. We would point out that between now and the election is the best time to act, and we have from now till the opening of Parliament to bring pressure to bear to achieve the desired object.

We are, &c.,

W. H. CLARKE,
F. W. WHYTE,
F. O. R. PHILLIPS, } Committee.

LETTER TO SECRETARY, OTOROHANGA CHAMBER OF COMMERCE, FROM CHAIRMAN, VALUATION OF LAND COMMISSION.

DEAR SIR,—

24th December, 1914.

I am in receipt of your letter of the 23rd instant and of the circular. The Commission has sat in different places from Auckland to Invercargill, and proposes to hold only one other sitting, which will be held in Wellington early in January. At the same time, I may say that we have heard a considerable amount of evidence already on the subject of the working of section 39. We think we can sufficiently deal with your application by means of correspondence.

I gather from your letter and from the circular that your Chamber's grievance lies in lessees having to pay for their improvements when they purchase the freehold reversion from the Natives. Section 39 directs that the interest of a lessor is to be taken at the present value of the net rent under the lease for the unexpired term, plus the present value of his reversion. I gather from the circular that the lessees have no right to compensation at the end of the term. The circular also says that in most cases the improvements are not of such a permanent nature as to last until the expiration of the lease. It seems to me that this should be taken into account by the valuer when valuing the present value of the reversion. If this were done, then apparently the lessees would not suffer any injustice.

It is true that under section 39 the division of the lessor's interest as between unimproved value and improvements is made as the basis of the value of the improvements as at the time of valuation;

but this should rather operate to the advantage of the lessees, seeing that taxes and, in certain cases, rates are payable at the unimproved value. But as the lessees, when purchasing the fee-simple, pay the value of the lessor's interest in the capital value, this question of the adjustment as between the two values does not appear to affect your position.

If the valuations of the lessor's interests include too much for improvements, and the lessees when purchasing have to pay the excess, then this seems to me, on such consideration as I have been able to give to your letter at the moment, to be rather a question of faulty valuation than of faulty legislation.

I should be glad if you would write to me again, and let me know how far I have appreciated your real difficulty. You might also tell me what class of Native land is leased in your district. I have been assuming that section 223, Native Land Act, 1909, and section 85 of the Amendment Act of 1913 apply to your cases.

Yours faithfully,

T. F. MARTIN,

Chairman, Valuation of Land Commission.

Please excuse absence of typewriting, as the clerks are away for the vacation.

S. A. Cook, Esq., Secretary, Chamber of Commerce, Otorohanga.

LETTER FROM SECRETARY OF THE OTOROHANGA CHAMBER OF COMMERCE.

DEAR SIR,—

Otorohanga, 6th January, 1915.

I am in receipt of your letter of the 24th ultimo.

If the Commission can deal with the matter by correspondence my Chamber has no wish to put the country to the expense of another sitting. We trust that you will consider our representations with other evidence that has been taken by the Commission.

The grievance that we complain of is, as you state, that lessees, when purchasing the freehold reversion of Native leases, have to pay again for their own improvements. Section 39 (2) (a), quoted by you, fixes the interest of the lessor as the present value of the net rent for the unexpired term plus the present value of the reversion. With this we have no quarrel—it is the manner of computing the present value of the reversion that causes the injustice to the lessees.

As stated in the circular, leases here are usually for forty-two years; some are for twenty-one years with the right of renewal, and a few are for fifty years. The rents for the last half of the term, insisted on by the Board for some years past, are always at least double the rental for the first few years of the term, or else the last half is fixed at 5 per cent. on the unimproved value (which would include owners and lessees' interest in the unimproved value) as ascertained during the beginning of the latter portion of the term. The local Board has not allowed compensation for improvements for a greater amount than £3 per acre. Very few leases contain any compensation clause at all save leases under Part XIV of the Native Land Act, 1909 (which, so far, cannot be freeholded save by purchase through the Crown), and leases under the Native Townships Act, 1910 (which can be freeholded in the discretion of the Board), both of which classes of lease provide for full compensation for improvements. Therefore, in over 90 per cent. of the cases when a lessee freeholds he does not get the advantage of the present value or any right of compensation, as there is none in his lease.

You will notice that under section 39 (2) (b) the lessee's interest is fixed as on the capital value, including improvements he has effected and the land itself, plus the present value of any right of compensation or purchase. The Board has not for some four years confirmed leases where there is a right of purchase, so that the cases where a lessee gets the benefit of the present value of such a right are practically nil.

The improvements usually consist of clearing, grassing, fencing, and buildings, the most permanent being the buildings, of which the best could not be expected to last much longer than half the usual term of the leases. This country consists mostly of tea-tree bush and fern country, so that if you grass your farm and then neglect it the country reverts to its original state in a few years. The value forty years hence of grass now existing on fern land is negligible. If this could be taken into account when valuing, as suggested in page 2 of your letter, it might be possible to justly compute the present value of the reversionary interest in the improvements. But subsection (d) arbitrarily fixes the manner of fixing the respective present values of the owners and lessee's interest in the proportion the capital value bears to the improvements and the unimproved value.

The valuer makes his report, and states what he considers the unimproved value of the land, and catalogues and values the improvements. The respective interests of owners and lessees are then fixed by the departmental officers in Auckland or Wellington in accordance with section 39 (d), and irrespective of the temporary character of the improvements or the length of the term. The valuer has to report on the actual present value of the improvements, or rather the sum by which he considers the improvements increase the value of the land (section 2). He cannot, as the Act now stands, fix the respective interests of owners and lessees in those improvements according to their permanency.

It is true that taxes, and in some cases rates, are payable on the unimproved value, but this is not on the owner's or lessee's interest in the unimproved value as fixed by section 39, but on the total unimproved value, so that section 39 does not benefit the lessee in regard to rates and taxes.

As you assume, section 223 of the Native Land Act, 1909, and section 85 of the Act of 1913 apply to our cases. The Board always insists on a new valuation made within six months of the execution of the instrument, and under section 223 is bound to insist on a price equal to the owners' interest as shown in the certificate.

At the last sitting of the local Board in Te Kuiti, the President, Judge Holland, stated that he had been into the matter with the officers of the Valuation Department in Auckland, but they stated they were bound by the Act, and had to allow the interest in the improvements to the owners.

As you are aware, the unimproved value is continually being enhanced by the lessee's improvements, and not only does the lessee have to pay the full unimproved value, which he has helped to increase to his own present detriment, but also has to pay for the owners' interest in the improvements computed under section 39, irrespective of the real reversionary interest in them.

An amendment of the Native Land Act, 1909, by which lessees could purchase the freehold reversion on paying the owner's interest in the unimproved value, provided the price was equal to the present value of the net rent for the unexpired term, would meet the case. We are confident that Natives are so capable of looking after their own interests that no hardship could be inflicted by an owner, in some exceptional case, parting with an interest in improvements.

This is probably beyond the scope of the Commission, and we would suggest as an alternative that the present value of the lessee's and the owner's interests in the improvements be valued according to the permanency of the improvements considered in relation to the length of the term, and allowing credit for any right of compensation or renewal or purchase.

The circular I sent you was sent to all Chambers of Commerce in the North Island and to all Farmers' Union branches in the Auckland Province. From many of them I have received replies, with resolutions in favour of the suggested amendment of the Act, and others have written direct to the Valuation Department or to the Native Minister.

I shall be glad to hear from you further, and can, if required, furnish the actual figures in several instances where lessees have had to pay again for their improvements.

Yours truly,
S. ARTHUR COOK, Secretary.

The Chairman, Valuation of Land Commission, Wellington.

Memo.—The lessees apparently desire that the Native owners shall have nothing for the improvements.—S.A.C., 15/1/15.

REPORT ON ABOVE BY VALUER-GENERAL.

SIR,—

Valuation Department, Wellington, 11th January, 1915.

I have read the correspondence that has taken place between the Otorohanga Chamber of Commerce and the Chairman of the Valuation of Land Commission, which you forwarded to me under cover of your memorandum of the 7th instant.

The proposal contained in the printed memorandum of the Otorohanga Chamber of Commerce, that section 39 of the Valuation of Land Act, 1908, be amended in the direction of assessing the whole of the improvements effected by the lessee as the lessee's interest regardless of the specific provisions of the lease, is an impracticable one. It is essential that all computations of the interests of lessors, lessees, and sublessees be made in accordance with the rights of each party under the leases. To adopt any other basis for assessment would produce anomalies and over-assessment of the lessee's interest which would constitute a hardship in assessments for death duty of leasehold estates, and render leasehold assessments unreliable as a basis for lending money or for the purchase of leasehold interests.

The alleged recent cases of hardship referred to by the Otorohanga Chamber of Commerce would require a careful independent investigation before one could determine whether such cases really existed. These transactions relate to the acquisition of the freehold of Native lands, and I know something of the Oriental procedure practised in connection therewith.

I know instances where the opinion has been expressed by those desirous of acquiring the freehold of Native lands that the cost of legal proceedings and incidental expenditure involved in acquiring the land should be deducted from the unimproved value in estimating the purchase price, and no doubt advocates of this method would regard it as only right that the improvements effected on the land by the lessee should become the property of the latter quite irrespective of the terms of the lease.

The proposal of the Otorohanga Chamber of Commerce is one for the consideration of the Hon. the Native Minister. Any amendment of the law would be made in the Native Land Act, for obviously the Valuation of Land Act, which applies to all lands (freehold, Crown, and Native), could not be altered to meet particular cases such as those referred to by the Chairman of the Chamber of Commerce.

I have, &c.,

F. W. FLANAGAN, Valuer-General.

The Secretary, Valuation of Land Commission, Wellington.

FURTHER REPORT BY VALUER-GENERAL.

Otorohanga Chamber of Commerce.

The Secretary, Valuation of Land Commission, Wellington

REFERRING to your memorandum of the 18th instant, forwarding copy of letter addressed to the Chairman of the Valuation of Land Commission by the Secretary of the Otorohanga Chamber of Commerce, I have only to add to the letter I forwarded you on the 11th idem that the alleged disabilities to which lessees of Native lands are subjected are, in my opinion, matters for the investigation of the Native Affairs Committee of the House of Representatives.

It may be pointed out that there are instances where Native lands have been leased with right of purchase, and no provision was made for compensating the lessees for improvements effected by them.

Some Natives allege that if compensation for improvements had been provided for in leases the lessees would have had to pay higher rentals.

There is such an obliquity of moral vision revealed in connection with Native-land leases that *ex parte* statements of either lessors or lessees are of little value. In order to get at the real facts the Native version of the story will require to be heard.

F. W. FLANAGAN, Valuer-General.

Valuation Department, Wellington, 21st January, 1915.

APPENDIX XVIII.

LETTER FROM H. SMYTH, WAIKUMETE.

DEAR SIR,—

Waikumete P.O., 4th December, 1914.

I am the owner of part of Allotment 27 and part of Allotment 50, Parish of Waikumete, containing 325 acres 2 roods 15 perches. About four years ago it was valued by the Government at £848, £673 being the unimproved value and the value of improvements £175. The original valuation was more than this, and on my objection it was reduced by something over £200. I enclose the rate notice showing that these figures are correct.

This year the valuation of the property has been increased to £4,875 as follows: Unimproved value, £4,550; value of improvements, £325: total, £4,875. The increased value of the improvements was to some extent justified by the fact that I had put into grass an area of about 10 acres.

At the Assessment Court which was held in Auckland on the 15th June last, and which was presided over by Mr. Fraser, S.M., I was represented by counsel in support of my objection to the increased valuation, a copy of which I now enclose. My counsel asked leave to call the Government valuer, Mr. Morgan, but his request was refused. I then gave evidence, in the course of which I pointed out that, with the exception of the 10 acres which had been sown in grass, the land was precisely in the same condition as it was at the time of the previous valuation; that I had sold within the last three years an area of 101 acres immediately adjoining my present property of 325 acres at £6 per acre; and that there had been no other sales of land anywhere near my property for many years past.

The valuation was sustained.

I may mention that Mr. Morgan, the Government valuer, came to my house about March last for the purpose of preparing the new valuation of the property. He did not, however, inspect it; in fact, he walked from the gate to the house, a distance of about a chain, and back again. It was impossible for him to have seen the property from where he was. He informed me when in my house on that occasion that he valued the property at £10 per acre. I said that that sum was too high, and he said, "Very well, I will not make it heavier for you."

I should like to point out that I did not know until last night that the Commission was sitting in this district. Had I received an earlier notice I should certainly have attended and placed these facts before you.

Yours faithfully,

The Chairman, Valuation of Land Commission, Wellington.

H. SMYTH.

COPY OF REPORT OF DISTRICT VALUER MORGAN.

Re H. Smyth, Waikumete.

Auckland, 2nd January, 1915.

In reply to memo. from Head Office covering letter to the Chairman of the Valuation of Land Commission, I beg to report as follows:—

First, *re* the refusal to first call me to your evidence: The Court informed Mr. Smyth, or his solicitor, that he would have the opportunity of cross-questioning me when I gave evidence, as that was the Court procedure. Every facility was given to the objector, but he is such a peculiar man that his counsel probably wanted to do without calling him to give evidence at all.

The statement that he sold 101 acres adjoining at £6 per acre three years ago is probably correct, but this land was not then and is not now so valuable as the land he still holds, in that it is not so accessible.

The statement that there had been no other sales anywhere near for many years past is quite incorrect, as there have been a great many—some actually adjoining and others near by—and all at prices much higher than my value of his place.

The statement that I did not inspect the property is quite incorrect. I was over both back and front. The house is about 30 chains from the road, not 1 chain, as would be thought by the letter.

The statement *re* my estimate of value is misleading. I did point out to him that it would be better to agree to a reasonable value than to have all the trouble of appealing to the Assessment Court, but he would not agree to anything of the sort. I was willing to meet him in a reasonable way. There are some who like to object to their valuation however low it may be.

There has been a very great increase of value all about the vicinity of this property, and its nearness to Auckland City justifies this. At the time of the previous revision of the district settlement was very backward. The same assessors dealt with the objections at the last Court as did at the previous one referred to by Mr. Smyth, but not the same Magistrate. The assessor for the local body is well acquainted with the property, and since the Court sat he informed me that he had very satisfactory evidence that Mr. Smyth would not sell any of his land at my value. He is making very little use of the land, as can be inferred by the low value of the improvements, and the district's growth is being retarded by his inaction.

The latest record that was available at the time of valuation was a piece of about 8 acres, unimproved, adjoining Mr. Smyth, sold at £40 per acre. Although this and other sales indicated the demand that existed, I did not base my estimate of value on prices anything like so high as that.

The Officer in Charge, Valuation Office.

EDWARD MORGAN, District Valuer.

COPY OF TELEGRAM FROM OFFICER IN CHARGE, VALUATION OFFICE, AUCKLAND.

Re Hibernia Smyth, Morgan gave evidence and was cross-examined in this case.

A. J. McGOWAN.

DECISION OF COMMISSION.

No further action, as case was before the Assessment Court.
26/1/15.

APPENDIX XIX.

LETTER FROM J. THORNES

DEAR SIR,—

Auckland, 9th December, 1914.

I regret that absence from business the time your Commission was sitting in Auckland prevented my appearing.

What I wished to bring before your Commission was that in numerous instances no notice is received by either owner or agent of the amount of valuation placed upon his property until he receives notice requesting payment of rates on the valuation he would most certainly have opposed had he known that the property had been valued at such an amount.

I beg leave to give you a typical instance: I am part owner of an estate called Sunny Park Estate, at Frankton Junction, of which I forward you a plan herewith. The part 72 outlined in red is the portion owned by me; the portions marked 68, 69, 70, and 71 were owned by Mrs. Thornes. She sold the larger portion of her property in January of this year.

On the 15th of September the Waipa County Council sent a claim demanding from me payment of the rates on 68, 69, 70, 71, and 72 (although 72 was the only one I owned). I replied on the 16th September (as shown in enclosed letter, marked "A").

Receiving no reply, I again wrote on the 23rd October (copy of which letter I also enclose, marked "B"). To this the Clerk of Waipa County Council wrote on the 24th October, and I enclose copy of his letter, marked "C." On receipt of this letter I wrote to the Valuation Department at Hamilton (on the 30th October), and enclose copy of the letter I sent them, marked "D." Receiving no reply to this, I again wrote on the 7th December (copy of which I also enclose, marked "E"), but up to now have received no answer whatever.

So I am left in this position: that I have never received from the Valuation or any other Department any information of the amount with which they intend to assess me, and so have been unable to appeal. The Waipa County Council refuses to make any alteration, although I am not, and never was, the owner of the property for which I am rated. They also decline to reduce the amount, although the property was sold in January this year. The Valuation Department give me no redress, and apparently I have no remedy. I have therefore to pay about five times as much in rates as I am entitled to pay, and claim what I can from somebody else, against whom I cannot legally enforce payment of a penny.

This is typical of scores of cases which have come to my knowledge, where neither owner nor agent have ever received notice of the amount it was intended to assess them at, and have therefore been unable to appeal against the assessment, however unjust it is.

I trust you will bring this protest before your Commission, and shall be pleased to support it in person if your Commission should find it necessary to sit again in this district

I have, &c.,

The Chairman, Valuation of Land Commission, Wellington.

J. THORNES.

A.

COPY OF LETTER FROM J. THORNES TO WAIPA COUNTY COUNCIL, TE AWAMUTU.

No. 77 on Valuation Roll—£4,500.

DEAR SIR,—

Auckland, 16th September, 1914.

You appear to have charged me assessment on Lots 68-72, Parish of Pukete. I do not own 68, 69, 70, or 71. I only own a part of Lot 72, and for the whole of it £3,000 was given in an exchange, its true value being considerably less. I returned the unimproved value at £2,000, and this is an excessive price.

Mr. Gilbert Baird owns nearly all 68, 69, 70, and 71, and the balance belongs to Mrs. Thornes. Kindly separate the assessments, and let me have correct account.

Yours faithfully,

J. THORNES.

Charles Bowden, Esq., Waipa County Council Office, Te Awamutu.

B.

COPY OF LETTER FROM J. THORNES TO WAIPA COUNTY COUNCIL.

DEAR SIR,—

Auckland, 23rd October, 1914.

On the 16th September I wrote you explaining the ownership of Lots 68 to 72, and asking you to separate the rates on the different blocks between Gilbert Baird, Mrs. Thornes, and myself. I have had no reply. Until you separate these items, I cannot pay you.

Charles Bowden, Esq., Clerk, Waipa County Council, Te Awamutu.

Yours faithfully,
J. THORNES.

C.

LETTER FROM THE COUNTY CLERK, WAIPA COUNTY COUNCIL, TO MR. J. THORNES.

Re *Lots, Parts 68-72, Pukete.*

DEAR SIR,—

Te Awamutu, 24th October, 1914.

I have nothing whatever to do with separating these sections; it is a matter for the Valuation Department to deal with. The present entry on the roll is "J. Thornes: Parts 68-72, Pukete, 201 acres 2 roods 33 perches; capital value, £4,500." Alterations to the roll between the 1st April, 1914, and the 31st March, 1915, do not affect the current year's rates. If you have made sales it is for you to arrange with the purchasers to pay you their proportion of the current year's rates, not for the Council. If we undertook these matters, our hands would be pretty full.

Your course is to notify the Council concerning all transfers required, and the Council transmit to the Valuation Department alterations—as stated above to take effect from 1st April next.

Mr. J. Thornes, Auckland.

P.S.—I would refer you to section 63 of the Rating Act, 1908.

Yours truly,
A. BOWDEN.

D.

COPY OF LETTER SENT BY J. THORNES TO DISTRICT VALUER HYDE, HAMILTON.

Re *Lots, Parts 68-72, Pukete Parish.*

DEAR SIR,—

Auckland, 30th October, 1914.

I have received from the Waipa County Council a demand for payment of rates on the above blocks. I have explained to them that I never did own 68, 69, 70, or 71; these were owned by Mrs. Thornes, but the bulk of them were sold prior to the 31st March, 1914. The Council's reply is that the Valuation Department have assessed me for the whole of this at a capital value of £4,500, and they cannot alter it.

The only allotment I own is part of Lot 72, and I returned the full value of this in the return of property held by me on the 31st March last. Please say how you came to assess me for the whole of this, and what I am to do under the circumstances to have this mistake rectified.

Awaiting your esteemed reply,
The Valuation Department, Hamilton.I have, &c.,
J. THORNES.

E.

COPY OF LETTER FROM J. THORNES TO DISTRICT VALUER HYDE, HAMILTON.

Lots, Parts 68-72, Pukete Parish.

DEAR SIR,—

Auckland, 7th December, 1914.

On the 30th October, I wrote you concerning rates charged by the Waipa Council on this block, and asked you to amend these assessments, and rate me for what I own. I have had no reply to this. Kindly let me have an answer at your earliest convenience.

The Valuation Department, Hamilton.

Yours faithfully,
J. THORNES, per S.T.

COPY OF LETTER FROM J. THORNES TO COMMISSION.

DEAR SIR,—

Auckland, 14th December, 1914.

Since I wrote Mr. Martin on the 9th December, I have received a letter from Mr. Hyde (it arrived on the 11th), in which he reminds me that he paid me a visit and obtained a plan of Sunny Park, which visit had slipped my memory.

I hasten to express my regret that in my letter of the 9th to Mr. Martin I stated that I had received no reply to my letter of 30th October addressed to the Valuation Department at Hamilton. I remember that Mr. Hyde's visit to me was in reply to that. He now informs me he advised the Valuation Department of his apportionment of the respective amounts, and, on calling at the Auckland office of the Valuation Department on Saturday, I ascertained that this apportionment was approved, and that the Auckland office would duly notify the Waipa Council of the alteration; so in this case, I am now in a fair way to obtain an equitable demand for the rates.

This is my first experience of obtaining redress when I have complained of not having received any notice of the amount it was proposed to assess me at. The stereotyped answer usually being that "as I had not appealed, no alteration could be made."

I am much obliged for the attention Mr. Hyde has given to my complaint, and correspondingly sorry that his attention slipped my memory, and that I should have consequently blamed the Valuation Department when they were actually taking steps to remedy the wrong. I wish Mr. Hyde had written me when he apportioned the amounts, or a little quicker reply to mine of 7th December. I should then have known what steps were being taken to put the matter right, and should not have written your Commission giving this as an instance of neglect, which turns out to be quite the reverse.

In some cases I received notice of the intention to assess, but in other cases received no notice, and the same experience has happened to a large number of owners, for whom I am agent, the sore point being that the time goes by for them to appeal, while they are left in ignorance of the amount they are being assessed at. I hope your Commission will be able to make some recommendation to remedy cases of this sort.

I think it would assist matters if it were obligatory on the Department to announce, through the medium of the Press circulating most in the district, that the Assessment Court would sit on a certain date, that objections must be lodged so many days prior to the sitting, and that all parties who had not received notice of the amount they were to be assessed at, should apply immediately for the information. Let that notice give ample time to enable these people to get the information, and lodge their objections. But it should also be the duty of the Department to send out notices of the amount of proposed assessment to every owner, or the recognized agent for such owner.

The plan omitted from mine of 9th was sent afterwards, and, no doubt, you will have received it ere this.

Yours faithfully,

Secretary, Valuation of Lands Commission, Wellington.

J. THORNES.

REPORT ON ABOVE BY OFFICER IN CHARGE OF VALUATION DEPARTMENT, AUCKLAND.

The Valuer-General, Wellington.

19th December, 1914.

I HAVE to acknowledge receipt of your letter of the 16th instant, enclosing copy of an extract from a letter addressed by Mr. J. Thornes to the Chairman of the Valuation of Land Commission, and also correspondence which has passed between Mr. Thornes and the Waipa County Council. I have to advise you in this matter as under.

1/158/77 : This property was revalued in 1913 (204 acres 1 rood 3 perches) at £5,100 capital value, £3,715 unimproved value, £1,385 improvements, in the joint names of David and Elizabeth Baillie. For 1914-15 the District Valuer received notice of a sale of a portion of the property (2 acres 2 roods 12 perches) to one M. H. Clark, machinist, Frankton, which was transferred to him, and the residue was put on the roll at 201 acres 2 roods 33 perches—£4,500 capital value, £3,575 unimproved value, and £985 improvements. Subsequently the valuer advised this office of the sale of the residue to Joseph Thornes, agent, Auckland, and the roll was altered accordingly.

On the 2nd November we were further advised of the distribution of this estate to the various parties who had purchased—that is, long after the local roll had been made up and forwarded to the county. The sales were as follows:—

Area.			Capital Value.	Unimproved Value.	Improvements.	—
A.	R.	P.	£	£	£	
136	3	15	3,420	2,720	700	To Baird Gilbert.
0	1	0	35	35	..	To Rogers and Stace.
36	0	25	2,160	1,360	800	To Joseph Thornes.
21	0	11	630	530	100	To Amy T. Thornes.

You will see from the foregoing that the valuation has not been altered since revision, and the alterations were made on the roll as soon as possible after we were advised of the true state of affairs. Mr. Thornes could have avoided any trouble to himself if he had forwarded the necessary information when the sale from Baillie was made. As he is a land agent, and a fairly large land speculator, the information given by Mr. Baillie that he had sold out to Thornes was probably all that he knew at the time.

Mr. Thornes in his letters to the County Clerk, or the Valuation Department, Hamilton, gives no definite information as to the disposal of the land, and it was only on the District Valuer coming to Auckland and interviewing him that he got the information necessary to make the adjustment.

19th December, 1914.

A. J. MCGOWAN, Officer in Charge.

DECISION OF COMMISSION.

No further action.
6/1/15.

. 19—B. 17B.

APPENDIX XX.

LETTER FROM W. WALTERS, PAKAKURA.

Mr. Rutherford, Member of the Valuation of Land Commission.

I NOTICE in to-day's *Herald* that your Commission has started sitting on the land-valuation business.

What I want to know is: Are we to be valued on a prospective value of about ten years or more time, or on the present value of farming land? I sold a piece of land to the Otahuhu Trotting Club for a racecourse. They could not get a piece between here and Auckland, so I put a bit on more than it was worth—viz., £65 and £40 per acre. They only paid a little cash, and they have the whole frontage to the railway of the one-half of the racecourse; you know the piece. The other half faces the Papakura Valley Road. All this farm at present is just worth what it is for farming.

Mr. Morgan, the valuer, puts the unimproved value at £33 per acre. I offered to let him the farm at 5 per cent. on that value—viz., £1 13s. per acre. He said he could not pay it. I then asked how did he expect me to do it, let alone not counting the value of improvements for nothing. He then said, "Look what it will be worth for building-sites." I told him not in his time or my own, and it was time enough then to value it at that rate.

Within two years there have been over two hundred sections sold around Papakura Station, and there are not more than twenty new houses put up.

At Takanini 50 acres were cut up right in the station and sold twelve months ago. About twenty sections sold in quarter-acre to $1\frac{1}{2}$ acres, and not one house built as yet. The syndicate who put it up bought most of them to keep the price; one of them I know (as he told me) bought five of the sections, and Mr. E. D. McLennan bought one to put his horse in.

When the Appeal Court sat they posted me the notice the day before they sat. I received the letter the afternoon it was all over. My son offered them one property of 70 acres, and I offered them another of over 50 acres to take at their valuation. The answer I received was, I should have been at the Court. Will you please show this letter to your Commission?

Glenora Park, Papakura, 3rd December, 1914.

W. WATERS.

REPORT ON ABOVE BY DISTRICT VALUER MORGAN.

W. Waters, Papakura.

The Officer in Charge, Valuation Office.

IN reply to memo. from Head Office of 16/12/14, covering a copy of a letter sent by Mr. W. Walters to Mr. Rutherford of the Valuation Commission, and asking for any comment thereon, I beg to say Mr. Walters mentions land sold by him a few years back at £65 and £40 per acre—56 acres 1 rood 14 perches, for £3,505—over £62 per acre. Mr. Walters has admitted since this sale that had he known that Takanini Station was to be established he would have asked more. He mentions the large amount of railway frontage that the piece has, but does not mention the small amount of their available road frontage. This land was then part of the least valuable of Mr. Walters's holding.

Mr. Walters's statement *re* leasing the farm is inaccurate. I did not say that I could not pay the rental, but I did say that I did not care for the leasehold tenure, and that the leasehold value was not necessarily a criterion of the freehold selling-value.

His statement *re* what I said is misleading. His remarks would infer that I valued his land on a building-lot basis, when he must know that such was not the case, for one of his sons has a home-stead lot of about 6 acres adjacent, which has an unimproved value of £50 per acre, and was not objected to, presumably because he will not have any land-tax to pay.

I think the other matters of complaint in Mr. Walters's letter have been fully covered by the previous letter on the subject.

It may perhaps be noted that the portion offered by Mr. Walters to the Department was at our valuation, plus 10 per cent. If the valuation is really excessive, and Mr. Walters has some land that he would sell, why did he not offer it at less than the Department's valuation, and so prove his *bona fides*.

I would again like to emphasize the fact that when I was on the property, after fully discussing the question, Mr. Walters agreed to a valuation of £40 per acre, plus the value of the buildings, and said that he thought it would be very reasonable, and, notwithstanding that, I fixed it at about £37 10s.

There are some landowners who always object when any increase is made on their previous valuation. I have valued Mr. Walters's property on three occasions, on each of which he has lodged objections.

On the occasion previous to the last he acknowledged in the Assessment Court that it was not above its selling-value, but was above its farming-value, which he then stated was from £8 to £10 per acre unimproved basis. The place was then very badly farmed. He has since improved his methods, and now allows that it is worth £20 per acre unimproved value. When he has further improved his methods, and has the whole of his land in profitable use, he may admit that it is worth over £30 just for farming purposes, and independent of its site value.

Auckland, 21st January, 1915.

EDWARD MORGAN, District Valuer.

DECISION OF COMMISSION.

Considers revaluation should be made by another valuer. If, on revaluation, the original valuation not sustained the fee to be returned.

Considers the property overvalued for farming purposes. Owner is to blame for neglect to complete objection forms.

Re sitting of Assessment Court, more than one insertion should be made in newspapers. "Local" also to be attached to advertisement for insertion.

21/1/15.

APPENDIX XXI.

LETTER FROM MRS. E. WEISS, ONEHUNGA.

DEAR SIR,—

Geneva Villa, Church Street, Onehunga.

Finding by enclosed notice in *New Zealand Herald* that you are the member for the Auckland Commission *re* valuation of land, may I trespass upon your valuable time to make a few remarks regarding the same.

I am not quite sure whether or not your inquiries deal with house properties or with large land estates only.

With your kind permission, I will simply state my experience, and leave you to judge if I am right or wrong. I came to Auckland five years ago, and purchased 2 acres of land in Queen Street, Onehunga, with a seven-roomed house upon it, for £1,400. I made some considerable improvements upon both the house and grounds, and later on I built three four-roomed houses upon the frontage of the land.

I understand that the Government valuation is now £2,100. It seems to me that one has to pay for our own expenditure upon improvements, notwithstanding loss by non-payments of rental by tenants, and all necessary repairs, rates, taxes, &c. I think one is better off to leave cash at the bank at 4 per cent. interest and incur no worry. I thought rent might have brought in a little living for self and family.

My Borough Council rates are £18 13s. 10d. per year; and my rents, without furniture, bring in £3 5s. weekly, not counting bad tenants (£27) and repairs (£25) last year. So there is not much left in house property but worry.

Mr. J. G. Rutherford.

Yours respectfully,

E. WEISS.

REPORT ON ABOVE BY VALUER-GENERAL.

Re *Mrs. E. Weiss, Onehunga.*

The Chairman, Valuation of Land Commission, Wellington.

I ENCLOSE herewith extract from the valuation roll of the Borough of Onehunga, showing the values assigned to Mrs. Elizabeth Weiss's properties.

Mrs. Weiss's property has been valued on the same basis as all the other properties of ratepayers in the Borough of Onehunga. In her letter to Mr. J. G. Rutherford she complains more about the losses ensuing by investing money in house property, which she attributes—and no doubt rightly so—to the increased rating of local bodies.

I do not know that there is anything in Mrs. Weiss's letter for this Department to answer.

F. W. FLANAGAN, Valuer-General.

Valuation Department, Wellington, 4th February, 1915.

EXTRACTS FROM VALUATION ROLL.

1/66/526. Part Lot 2 of 1A of Section 20, Church and Hill Streets, Onehunga. Area, 15 perches; capital value, £330; unimproved value, £100; improvements, £230.

1/66/1096. Allotments 8 and 9 of Section 41, Queen Street, Onehunga. Area, 300 ft. by 300 ft.; capital value, £2,100; unimproved value, £1,050; improvements, £1,050.

DECISION OF COMMISSION.

No action.

4/2/15.

APPENDIX XXII.

LETTER FROM ARNOLD E. WHITE, OWAKA.

DEAR SIR,—

Owaka, Otago, 19th December, 1914.

Seeing by the papers that the Land Valuation Commission is now sitting in Wellington, I determined to put my case before it, as I consider that I have been treated with gross injustice.

I am the lessee of an education reserve, part Section 37, Block VIII, Glenomaru Survey District (about a mile and a half from the Township of Owaka). When I took up this land it was all dense bush and unfenced. I worked on the place in my spare time, as I was (and am) a poor man. For years I kept the place. I paid rent and county rates, and never got a penny in return.

I was trying to make a home to retire on when I was too old for the labour-market. The rent I paid was 1s. per acre. I had it for two terms of fourteen years. At the expiration of the first term it was put up by public auction, burdened with valuation for improvements; but, mark this, not full valuation. I am only to get full valuation for fencing and fixtures, and half valuation for clearing. Even those who have had no personal experience of the matter must be aware of the hard labour involved in felling and clearing heavy bush.

When it was put up by auction I was the only bidder, and got it for a further term of fourteen years at the same rent. That term expired last year. A Ranger was sent to revalue the land, and I was informed that I will have to pay 4s. per acre rent, but that the term of the lease will be increased

to twenty-one years with perpetual right of renewal for similar periods, the rent to be fixed by arbitration or public auction as the then lessee may elect; or I might have the rent fixed by arbitration for 14 years—I to appoint one valuator and the Land Board the other; but in that case I was to have no right of renewal.

I protested, but after a lot of trouble and letter-writing I found that the Land Board was obdurate, so I had to agree to take the place on at four times the rent, as I wanted security of tenure to enable me to make a better bargain if I should wish to transfer my lease.

I am a *bona fide* settler. I have been living on the place for about twenty-four years. I have now arrived at the mature age of sixty-six. My former rent was £4 7s. a year (acreage, 87 acres); now the rent has been raised to £17 8s. My county rates were about £1 1s. 9d.; they have now been raised to £3 9s. 5d. I consider both rent and rates exorbitant, and so do many others. It is quite impossible to go into all details in a letter.

I have lived in this district upwards of thirty-five years, so I am necessarily well known in the district, and I think not unfavourably known.

Hoping that you will see your way to remedy the injustice I am labouring under.

I remain, &c.,

ARNOLD E. WHITE.

The Chairman, Valuation of Land Commission, Wellington.

COPY OF LETTER FROM CHAIRMAN OF COMMISSION.

Re Valuation Commission.

DEAR SIR,—

Wellington, 24th December, 1914.

I received your letter of the 19th instant this morning. The Commission will hold another sitting early in January in this city, when your letter shall be brought before the Commission.

I gather from your letter that the higher rent was fixed by the Ranger of the Land Board. Our Commission has to inquire into valuations made by the Valuation Department for the purposes of collecting land-tax and local rates. It may be, therefore, that your letter deals with a matter beyond the scope of the Commission's powers.

You say that in addition to the rent on your 87 acres having been raised from 1s. to 4s. per acre, your county rates have been increased from £1 1s. 9d. to £3 9s. 5d. This may have been occasioned by the County Council having raised the amount in the pound of the general rates, or from the Council having struck new special rates for loans. We will go further into the matters mentioned in your letter when the Commission meets, but in the meantime it seems to me that the only question coming within the scope of our Commission is the valuation of the Valuation Department on which your local rates are struck.

Will you write to me again saying what that valuation is, and what it was fixed at when the previous valuation was made. Also whether the local rates are struck on the capital value or on the unimproved value. You can get these particulars from your valuation and rate notices. You might also tell us whether you consider the Valuation Department's valuation to be excessive, giving us your reasons.

Yours faithfully,

T. F. MARTIN, Chairman.

P.S.—If you will send me your valuations and rate notices I will see that they are returned to you when the Commission has seen them.—T. F. M.

LETTER FROM ARNOLD E. WHITE.

DEAR SIR,—

Owaka, Otago, 4th January, 1915.

In reply to yours of the 24th December, I regret to say that I have not got my valuation notice (or cannot find it). The capital value of my place on which I pay rates has now been fixed at £500. Previous to this I paid rates on £180. You will see by the enclosed rates receipt that the amount of the general rate has only been raised $\frac{1}{4}$ d. in the pound, so that cannot account for the more than treble increase in my county rates. I certainly think the Valuation Department valuation excessive. My place has certainly not increased four times in value since the previous valuation. The local rates are struck on the capital value—i.e., £500. On the valuation notice it said, "Lessee's interest, £150."

I enclose the only rate receipt I can find. The rate for the year ending 31st March, 1914, was the same.

Yours faithfully,

T. F. Martin, Esq.

ARNOLD E. WHITE.

REPORT ON ABOVE BY VALUER-GENERAL.

The Secretary, Valuation of Land Commission, Wellington.

REFERRING to your memorandum of the 7th ultimo, forwarding correspondence between the Chairman of the Valuation of Land Commission and Mr. Arnold White, of Owaka, respecting the value of an area of $87\frac{1}{4}$ acres, situated in Block VIII, Glenomaru Survey District, a mile and a half from the Town of Owaka, I have to state that the rental paid by Mr. White to the Land Board for the land in question was not fixed by this Department.

I have, however, ascertained that Mr. White has occupied the land for many years—first under lease from the Otago School Commissioners, and, subsequently, as from the 1st July, 1914, from the Otago Land Board. The rental paid for the first fourteen years—i.e., from the 1st May, 1900—was £4 7s. per annum. The new lease taken out from the Land Board is for a period of twenty-one years

dating from the 1st July, 1914, at a rental of £17 8s. per annum. The new lease contains covenants for payment of all then existing improvements effected by the lessee, but compensation for improvements effected since the commencement of the lease can be claimed only with the consent of the Land Board.

With regard to the unimproved value assigned to the land in question by this Department, I find from the records that in 1901 it was a nominal value of 6s. 10d. per acre; in 1906 the value was 6s. 10d. per acre; but in 1914 it was increased to £4 per acre. The increased land-value during the last eight years is due to the opening-up of the district by rail and road and to the extension of closer settlement.

F. W. FLANAGAN, Valuer-General.

Valuation Department, Wellington, 2nd February, 1915.

DECISION OF COMMISSION.

No action.
3/2/15.

APPENDIX XXIII.

WAREATEA RIDING, 3/105. —LIST OF ASSESSMENTS REDUCED FOR THE 1914-15 VALUATION ROLL.
(Supplied by Mr. A. A. Wilson, of Westport).

Occupier.	Section.	Area.			Capital Value.	Unimproved Value.	Value of Improvements.
		A.	R.	P.	£	£	£
Williams, William ..	Sec. 1, pt. 12, Blk. III, Kawatiri ..	11	0	0	411	359	52
Arnott, Martha ..	Sec. 2, pt. 3, pt. 12, Blk. III, Kawatiri	15	1	6	342	300	42
Harder, Peter ..	Sec. 13, pt. 5, Blk. III, Kawatiri ..	15	2	3	642	292	350
Jackson, Thomas E.	Lot 2/5, D.P. 258, pt. Sec. 6, Sq. 141, Blk. III, Kawatiri	2	2	0	332	75	257
Adams, P. H. ..	Sec. 7/8, Blk. III, Kawatiri ..	10	0	0	264	150	114
Shields, John ..	Lot 2, Sec. 14, Sq. 141, Blk. III, Kawatiri	0	2	0	205	40	165
McGill, Elizabeth (estate of)	Lot 4, Sec. 14, Sq. 141, Blk. III, Kawatiri	0	2	0	75	75	..
Jorgenson, Neil ..	Sec. pt. 15, Sq. 141, Blk. III, Kawatiri	1	1	1	84	40	44
" ..	Ditto	6	1	20	569	120	449
Rooney, Hugh ..	"	2	2	12	334	100	234
Champion, William ..	Sec. 69, Sq. 141, Blk. III, Kawatiri ..	7	0	30	483	105	378
Morris, G. and J. ..	Sec. 70, 213, Sq. 141, Blk. III, Kawatiri	28	1	12	804	400	404
Munson, Job L. ..	Sec. 214, Blk. III, Kawatiri ..	16	3	8	640	455	185
Morris, G. and J. ..	Sec. 215, Blk. III, Kawatiri ..	17	2	0	385	350	35
Suisted, Florrie and Janet	Lot 10, N.R. 45, Blk. III, Orowaite	9	3	26	248	120	128
Suisted, James and E.	Lot 11/12, N.R. 45, Blk. III, Orowaite	14	3	9	322	183	139
Turley, Alfred ..	Lot 13, N.R. 45, Blk. III, Orowaite	4	3	23	88	75	13
Anderson, Samuel ..	Lot 14/15, N.R. 45, Blk. III, Orowaite	4	2	21	498	90	408
Riley, Samuel G. ..	Sec. 7A, Blk. VII, Kawatiri ..	5	1	30	475	150	325
Dalkie, William ..	Sec. 29, Sq. 141, Blk. VII, Kawatiri	5	0	0	795	175	620
Green, Eliza ..	Secs. 32/4, 41/2, Blk. VII, Kawatiri	29	3	0	925	306	619
" ..	Sec. 40, Blk. VII, Kawatiri ..	4	0	0	58	40	18
Slowey, James ..	Sec. 35/36, Blk. VII, Kawatiri ..	10	0	0	421	200	221
" ..	Sec. 74, Blk. VII, Kawatiri ..	16	2	10	1,265	320	945
Keily, William A. ..	Sec. pt. 247/9, Blk. VII, Kawatiri ..	35	0	23	1,265	565	700

REPORT ON ABOVE BY VALUER-GENERAL.

Re *Valuations in Waraatea Riding, Buller County, under Section 36 of the Valuation of Land Act, 1908.*

The Secretary, Valuation of Land Commission, Wellington.

REFERRING to your letter of the 12th ultimo, enclosing a schedule of assessments reduced by revaluations under section 36 of the Valuation of Land Act, 1908, forwarded to the Valuation Commission

by Mr. A. A. Wilson, solicitor, Westport, I have to state that the figures on the schedule referred to, showing capital value, unimproved value, and value for improvements, are the values resultant from the revaluation made at the request of the owners under section 36 of the Valuation of Land Act, 1908.

The values differ materially from the previous values, the explanation being that the land-market in Wareatea Riding is wholly governed by the continuously changing conditions which affect the coal-mining industry. It is therefore impossible to maintain values for any length of time in lands suburban to Westport.

Nearly all the land in the Wareatea Riding is held on long leases in small areas by labourers, ex-miners, and speculators, and no attempt is made to farm it in an honest manner. There were periodical evidences of the desire to acquire these lands when I was Commissioner of Crown Lands at Nelson, with the result that competition ensued, values went up and remained up until labour difficulties commenced, when values receded. History is continually repeating itself in this part of the Dominion, but the rates are being increased to such an extent in Buller County that holders of land find it necessary to either abandon the land altogether or else to seek a reduction in its value.

I have no doubt that if the lands in question were revalued to-morrow there would be a further slump in values consequent to the strike that took place at the end of 1913.

F. W. FLANAGAN, Valuer-General.

Valuation Department, Wellington, 13th January, 1915.

LETTER FROM VALUATION OF LAND COMMISSION TO VALUER-GENERAL.

General Assembly Library Buildings, Wellington, 27th January, 1915.

The Valuer-General, Wellington.

REFERRING to your letter of the 13th instant *re* valuations in Wareatea Riding, Buller County, under section 36 of the Valuation of Land Act, 1908, I have to ask you to be good enough to advise the Commission whether it is intended to proceed with the revaluation of that riding, in order to place the values of all the properties on the same basis as disclosed in the list forwarded to you on the 12th ultimo.

N. H. MACKIE, Secretary.

LETTER FROM VALUER-GENERAL.

Wareatea Riding, Buller County.

The Secretary, Valuation of Land Commission, Wellington.

IN reply to your memorandum inquiring on behalf of the Valuation Commission if it is the intention of the Department to proceed with the revision of values in Wareatea Riding, Buller County, I have to state that all general revision work is temporarily suspended owing to the war in Europe. When revision work is resumed, a much larger area than that comprised in Wareatea Riding will have to be revised in order to bring the values into line with the revaluations recently made under section 36 of the Valuation of Land Act, for these values affect coastal lands as far north as Granity.

Apropos of this matter, I have just received from the Westport Council a request for a revaluation of the Borough of Westport, but have declined to revalue the borough at the present time. The Council alleges that values have fallen in Westport, and I do not doubt it. Values are never stable in mining communities, and a revaluation of Westport under existing circumstances would reveal falls in values which would affect not only Wareatea Riding, but a considerable area of country further north. The Westport values are always reflected in the coastal country between Westport and Seddonville.

One difficulty that I have to deal with at the present time is that of making valuations under section 36 of the Valuation of Land Act, for the applications cannot be refused, although I discourage them as much as possible.

F. W. FLANAGAN, Valuer-General.

Valuation Department, Wellington, 1st February, 1915.

DECISION OF COMMISSION.

Recommend revaluation after the war.

3/2/15.

APPENDIX XXIV.

COPY OF LETTER FROM OFFICER IN CHARGE, VALUATION OFFICE, DUNEDIN, TO VALUER-GENERAL.

The Valuer-General, Wellington.

IN reading the reports of sittings of the Commission in the North Island, I find that much stress is made of the statement that the Presidents of the Assessment Courts, as well as the assessors, have been actively hostile to objectors. And if you think it desirable I shall be glad if, in making your final report to the Commission, you would most distinctly emphasize the fact that, at all events so far as Canterbury and Otago are concerned—with which districts I have been intimately connected for the past eighteen years—the attitude of the Assessment Court has always been to give the objector every latitude and assistance. And during the whole of my long experience I cannot recall any single instance in which an objector has had not only every latitude and assistance in conducting his case, but has also received at the hands of the Court the benefit of any doubt that may have arisen. I mentioned this to one of the Commissioners, and it is at his suggestion that I now put this in writing and ask you to communicate it to the Commission.

ARTHUR CLOTHIER, Officer in Charge.

Dunedin, 24th December, 1914.

APPENDIX XXV.

REPORT FROM VALUER-GENERAL *re* C. C. GRAHAM.

The Chairman, Valuation of Land Commission, Wellington.

MR. C. C. GRAHAM and his two daughters are the lessees of a Crown pastoral run situated in Vincent County. The aggregate area of the property held is 101,250 acres, the unimproved value of which is £6,380, or 1s. per acre, the Crown's interest therein being £5,395, and the interest of the lessees £985.

The unimproved value of the runs is based on the estimated average carrying-capacity of the country, allowing for the altitude, average climatic conditions, average lambing percentages, and average death-rate and value of a sheep. The country in question is only fit for merino sheep, consequently the return from the property is confined to the wool-value. It is assumed, however, that the country is worked by settlers who have special knowledge of pastoral farming and high country, for this is indispensable to successful farming. I could quote cases where through bad judgment and neglect a whole flock has been wiped out in one night by a snowstorm.

I understand that Mr. Graham does not work the property himself, but employs a manager.

Prior to the passing of the Rating Amendment Act, 1910, the definition of rateable value of pastoral runs was the annual rental value capitalized at 6 per cent. This definition was repealed in 1910. (See rating Amendment Act, 1910, section 22.)

I presume that Mr. Graham bases his objection to value on the fact of increased rates, he being responsible for the rates payable on the Crown's interest as well as his own.

In valuing the whole of the high pastoral country in Otago and Canterbury, consequent upon the passing of the Rating Amendment Act, 1910, to which I have referred, a great deal of time and trouble was taken by the Department in order to ensure that the valuations in all cases were fair. A few objections were lodged against the proposed values, but in every case the Department proved that it had underestimated rather than overestimated the value of the runs.

F. W. FLANAGAN, Valuer-General.

Valuation Department, Wellington, 4th February, 1915.

APPENDIX XXVI.

LETTER FROM VALUER-GENERAL *re* MR. McKEAGG.

SIR,—

Valuation Department, Wellington, 2nd February, 1915.

I arranged with Mr. McKeagg that Mr. District Valuer Atkinson would inspect his property at Mosgie, and report to me as to whether a concession could reasonably be made to Mr. McKeagg without doing injustice to the owners of adjoining lands in the Borough of Mosgiel. Mr. McKeagg understands the position. The point of dispute between him and the Department is precisely that submitted for the judgment of the Supreme Court of Wellington during the present month—namely, the correct interpretation of section 32 of the Valuation of Land Act, 1908.

I have, &c.,

F. W. FLANAGAN, Valuer-General.

The Chairman, Valuation of Land Commission, Wellington.

DECISION OF COMMISSION.

No further action.

3/2/15.

APPENDIX XXVII.

REPORT FROM VALUER-GENERAL *re* J. McKECHNIE, DUNEDIN.

The Chairman, Valuation of Land Commission, Wellington.

MRS. McKECHNIE's property was formerly portion of the Chapman Estate, situated in Stuart Street, Dunedin, and was purchased by the former at auction on the 24th June, 1910.

When the Department was informed of the purchase the existing roll values of the original property was apportioned in accordance with the method in force under the Valuation of Land Act, 1908, and the apportionments were duly made on the district valuation roll.

The values assigned to Mrs. McKechnie's property were: Unimproved value, £1,000; value of improvements, £2,100: making a capital value of £3,100.

Mr. McKechnie objected to this apportionment on the 30th September, 1911. On the 29th of the same month the Officer in Charge, Dunedin, informed him by memorandum that he could apply for a revaluation under section 36 of the Valuation of Land Act, 1908, on payment of a fee of £2 2s. Mr. McKechnie was also informed on this date that a reduction of £100 had been made in the value of his improvements.

Mr. McKechnie again wrote the Officer in Charge on the 29th January, 1912, asking him if it was the intention of the Department to revalue that part of the city in which Mrs. McKechnie's land was situated.

The Officer in Charge replied that it was not proposed to revise the values of Dunedin City, and enclosed an application form for revaluation. No reply has been received to that letter, which was dated 30th January, 1912.

The method of apportionment of values of subdivisions of original properties, under which the sum total of the apportionment shall not be less in the aggregate than the existing roll value of the original property, did not work out in a satisfactory manner when applied to all properties, particularly Crown and Native lands. I had the Act altered in 1912 (see section 5 of the Valuation of Land Amendment Act, 1912) to permit the Valuer-General making a revaluation of subdivisions of properties sold or leased, with the object of assigning a value to each subdivision uniform with the value of the surrounding land at the date of subdivision.

I doubt if the provision under the Valuation of Land Act, 1912, to which I have referred were applied to Mrs. McKechnie's property that the existing roll value would be altered, seeing that it is uniform with the values of the surrounding properties.

I forward correspondence on this subject between myself and the Officer in Charge, Dunedin, which throws a good deal of light on Mr. McKechnie's evidence.

F. W. FLANAGAN, Valuer-General.

Valuation Department, Wellington, 3rd February, 1915.

REPORT FROM OFFICER IN CHARGE, DUNEDIN.

Values in Dunedin City.

The Valuer-General, Wellington.

IN reply to your wire of yesterday, I beg to say that in the heart of this city there has been very little movement in real property for some years past. In the business part of Princes Street—that is, from High Street to the Octagon—in recent years there have been only two transactions, one of which was the sale of Ferguson and Mitchell's property to Whitcombe and Tombs. The sale price in this case included stock, fittings, and the whole business as a going concern, but in the settlement for stamp duty purposes the freehold was put down at rather less than the roll value. A special valuation was made, and the unimproved value slightly reduced.

The only other transaction of any importance was the renewal of the lease of part of Section 46, Block XIV, a corner section occupied by Hallenstein Bros. (Limited), in which case the twenty-one-years lease which expired in April, 1911, was renewed for twenty-one years from that date, the ground-rental being increased from £410 per annum to £730 per annum.

The total sales in the business part of the city for the past three or four years show an increase of 7·2 per cent. for 1914–15, 1·5 per cent. for 1913–14, 12·2 per cent. for 1912–13, and 4·1 per cent. for 1911–12.

ARTHUR CLOTHIER, Officer in Charge.

Valuation Department, Dunedin, 30th January, 1915.

P.S.—The enclosed summary of valuations for the city were published in the *Times* this morning, and show an increase of 0·8 per cent. for 1915–16 on the annual value in Central Ward.—A.C.

MEMO. FROM VALUER-GENERAL.

The Chairman, Valuation of Land Commission, Wellington.

WITH reference to your question as to whether the values in the heart of the City of Dunedin have been stationary, I have to state that what is known as the heart of the business part of Dunedin City extends from the intersection of Princes Street and High Street to the Octagon—it does not include Stuart Street.

I enclose for your information memorandum I have received on this subject from the Officer in Charge, Dunedin, to which is attached a summary of the rateable value of properties in the city for the year 1915–16. This summary shows the increase to be £6,778.

F. W. FLANAGAN, Valuer-General.

Valuation Department, Wellington, 4th February, 1915.

SUMMARY OF DUNEDIN CITY VALUATIONS (ANNUAL VALUE).

THE Town Clerk submitted to the City Council on the 20th the valuation lists on all rateable properties in the city for the year 1915–16. The figures are set out hereunder, those for the current year being given for purposes of comparison :—

Ward.				1914–15. £	1915–16. £	Increase. £
Central	..	..	..	210,826	212,510	1,684
Leith	..	..	..	170,504	172,352	1,848
Caversham	..	..	..	100,516	102,622	2,106
Valley	..	..	..	37,794	38,160	366
Roslyn	..	..	..	55,128	55,902	774
Totals	..	..	..	£574,768	£581,546	£6,778

APPENDIX XXVIII.

REPORT FROM VALUER-GENERAL *re* ROBERT SMITH, ONEHUNGA.

The Chairman, Valuation of Land Commission, Wellington.

MR. SMITH's property was revised amongst others situated in the One-tree Hill District as at 31st March, 1908, the unimproved value being fixed at £900, and the value of the improvements at £100, making a capital value of £1,000.

The property was revised as at 31st March, 1913, the unimproved value being £2,500, the value of improvements £100, making a total value of £2,600. According to advice received by the Valuation Department from Mr. Smith's solicitors, Mr. Smith paid £1,400 for the property in 1907.

Lands suburban to the City of Auckland have risen at a rapid rate during the last four years, and are still rising.

F. W. FLANAGAN, Valuer-General.

Valuation Department, Wellington, 3rd February, 1915.

APPENDIX XXIX.

MEMO. FROM THE VALUER-GENERAL *re* WELLINGTON CITY LAND VALUES.

The Chairman, Valuation of Land Commission, Wellington.

I AM unable to identify the sales of Wellington City referred to by Mr. Harcourt in his evidence before the Commission, which were sold at prices below the Government valuations.

I have had a search made, however, regarding sales effected in the City of Wellington, notices of which have reached this Department since the recent valuation was concluded, and find that 121 transactions have taken place, the aggregate price realized being £204,300, and the existing Government value £178,543. It will therefore be seen that the prices realized were in excess of the Government valuation by £25,757.

F. W. FLANAGAN, Valuer-General.

Valuation Department, Wellington, 4th February, 1915.

APPENDIX XXX

MEMO. FROM VALUER-GENERAL *re* FEES.

The Chairman, Valuation of Land Commission, Wellington.

THE schedule of fees chargeable to the public for copies of entries in the district valuation roll are printed on the back of the application form.

These fees were fixed by regulations.

The Department exercises discretion in imposing these fees, reducing them in cases where the fixed charge would be excessive.

I enclose copy of application form.

F. W. FLANAGAN, Valuer-General.

Valuation Department, Wellington, 3rd February, 1915.

FEES CHARGEABLE FOR CERTIFIED COPIES OF ENTRIES WHEN NOT VERIFIED BY REVALUATION.

THESE fees have been determined by the Valuer-General under the provisions of clause 14 of the regulations.

For each Entry.

					£	s.	d.
Under £500 capital value*	..	..	..	From 6d. to	0	2	6
£500 capital value and under £1,000	..	..	..	..	0	3	6
£1,000	..	..	..	..	0	4	6
£1,500	..	..	..	..	0	5	6
£2,000	..	..	..	..	0	6	6
£2,500	..	..	..	..	0	7	6
£3,000	..	..	..	..	0	8	6
£3,500	..	..	..	..	0	9	6
£4,000	..	..	..	..	0	10	6
£4,500	..	..	..	..	0	11	6
£5,000	..	..	..	..	0	12	6
£5,500	..	..	..	..	0	13	6
£6,000	..	..	..	..	0	14	6
£6,500	..	..	..	..	0	15	6
£7,000	..	..	..	..	0	16	6
£7,500	..	..	..	..	0	17	6
£8,000	..	..	..	..	0	18	6
£8,500	..	..	..	..	0	19	6
£9,000	..	..	..	..	1	0	6
£9,500 and over ..	..	..	..	..	1	1	0

* The Valuer-General may, at his discretion, charge a less fee than 2s. 6d., *vide* clause (1), in cases where, in his opinion, the payment of a fee of 2s. 6d. in respect of valuations under £500 would be excessive.

APPENDIX XXXI.

MEMO. FROM VALUER-GENERAL *re* COMPUTATION OF LESSOR'S AND LESSEE'S INTERESTS.

THE following is an example of the computations of the interests of lessor and lessee in respect to a property valued at capital value £4,000, unimproved value £3,000, improvements £1,000, leased for twenty-one years at an annual rental of £140, with a right of renewal for a further term of twenty-one years, the rental for the second term to be fixed on valuation. In case (A) the improvements were already on the land at the date of the lease; in case (B) the improvements have all been effected by the lessee, and the rental is paid on the ground-value only. (C.V. = capital value; U.V. = unimproved value; impts. = improvements.)

(A.)		
C.V.	U.V.	Impts.
£	£	£
4,000	3,000	1,000 (effected by owner).

Lease, twenty-one years, at £140 per annum, with right of renewal on valuation for a further period of twenty-one years.

Lessee's interest in capital value = $\left(\frac{£4,000}{20} - £140\right) \times 12.821 = £769.26$.

Apportioned between unimproved value and value of improvements.

C.V.	U.V.	
£4,000	£3,000	576 (lessee's interest in unimproved value).
£769	£576	= £193 (" improvements).
£3,000	£576	= £2,424 (lessor's interest in unimproved value).
£1,000	£193	= £807 (" improvements).

C.V.	U.V.	Impts.
£4,000	..	..
..	Lessor, £2,424	..
..	Lessee, £576	..
..	..	£807
..	..	£193

[or]

Lessor's interest in capital value = (140×12.821) plus reversion $(4,000 \times 0.359) = £1,794.94$, plus £1,436 = £3,231.

Apportioned between unimproved value and value of improvements.

C.V.	U.V.	
£4,000	£3,231	£2,424 (lessor's interest in unimproved value).
£3,231	£2,424	= £807 (" improvements).
£3,000	£2,424	= £576 (lessee's interest in unimproved value).
£1,000	£807	= £193 (" improvements).

C.V.	U.V.	Impts.
£4,000	..	..
..	Lessor, £2,424	..
..	Lessee, £576	..
..	..	£807
..	..	£193

(B.)

C.V.	U.V.	Impts.
£4,000	£3,000	£1,000 (effected by lessee).

Lease, twenty-one years, at £140 per annum ground-rent, with right of renewal for a further term of twenty-one years on valuation. No right to compensation for improvements.

Lessee's interest in unimproved value = $\left(\frac{£3,000}{20} - £140\right) \times 12.821 = £128.21$.

Lessee's interest in improvements = $\left(\frac{£1,000}{20} \times £17.423\right) = £871.15$.

Lessee's interest in capital value = £128 plus £871 = £999.

£3,000 - £128 = £2,872 (lessor's interest in unimproved value).
£1,000 - £871 = £129 (" improvements).

C.V.	U.V.	Impts.
£4,000	..	..
..	Lessor, £2,872	..
..	Lessee, £128	..
..	..	£871

[or]

Lessor's interest in unimproved value = (140×12.821) plus reversion $(£3,000 \times 0.359) = £1,795$, plus £1,077 = £2,872.

Lessor's interest in improvements = $(£1,000 \times 0.129) = £129$.

£3,000 - £2,872 = £128 (lessee's interest in unimproved value).
£1,000 - £129 = £871 (" improvements).

C.V.	U.V.	Impts.
£4,000
..	Lessor, £2,872	..
..	Lessee, £128	..
..	..	£871

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