

fences, and many other improvements which throw the property-tax valuation entirely out. We rely on our own valuers.

712. Has the interest been kept up promptly?—Yes, it has been kept up well.

713. Look at mortgage 91/44. This is a mortgage for £1,825, and the private valuation is £2,725. There is something curious about that?—There is something out of the common about it. It was a mortgage by ———, of Auckland. The mortgagor could not pay, and, with permission, cut up the place and sold it. Part of it was sold to B——. The arrangement with him was that two-thirds might remain on mortgage. B—— purchased, and mortgaged for the two-thirds to the Public Trustee. B—— in turn could not carry on, and he sold to others. That is a special thing, and the interest is paid up.

714. Here we have mortgage 91/389, an advance of £1,700, on which the property-tax valuation appears to be £1,400. Is there any explanation of that?—Yes. It is in the Tauranga district, and the property was valued at £4,240 at the time. It is now £1,400.

715. I notice the due date of that mortgage has expired?—Yes.

716. Why cannot you get it in?—The man cannot pay. I went over the whole of his property when I was in Tauranga. It is a very nice farm, but there is no chance of realising it; and it appears to me wiser to let the mortgagor remain on it, paying interest, than to sell it.

717. *Mr. Loughrey.*] Has rural property fallen in value there as well as town property?—Yes.

718. *Mr. Macdonald.*] How many acres does that represent?—Four hundred and twenty-four acres. It was valued by my private valuer at £4,640.

719. Here is another one—90/1776?—That is in Gisborne. The value at the time was £1,715, private value. The property-tax value was £752, apparently; but there the circumstances were that improvements had been made to a considerable extent between the property-tax valuation and the loan.

720. There is an advance here in the Wellington Provincial District of £725—mortgage 88/1222—upon which the private valuation is only £1,025?—Yes, that is so. This is a special matter. The mortgagor's affairs are in the office. She built a house on some land belonging to herself, and she had not quite money enough to complete that and do other things which she wanted to do. She applied for a loan. The valuation was duly made, and it went before the Board in due course; and, seeing that the interest of mortgagor's money was receivable by me and payable by me, it appeared to the Board that under the peculiar circumstances of the case, seeing the Public Trustee was absolutely certain of his interest, the loan was to benefit a client of the office, and that no evil result could possibly flow, the loan should be granted, and the Board agreed to make the advance, although the amount was in excess of the rule.

721. Your regulation was broken for special reasons?—Yes; that was so.

722. Then we come to an advance of £700, mortgage 89/1671, in which the property-tax valuation stands at £625?—This is a case where we sent out Mr. B—— to where the property is situate. He valued it at £1,255; £700 was lent. Although the Board sanctioned the £700, it was not paid in full until a further improvement was effected on the property.

723. But your private valuator only values the whole at £1,255?—A cottage has been erected on the property since the loan was granted, which brings the value up to £1,365.

724. You have no explanation why the property-tax values it at £625?—That was probably the value at the time the valuation was made. Houses have since been erected.

725. Here is mortgage 91/495, on which £200 appears to have been advanced on the property-tax valuation of £290?—This was a security which, although it exists now, will not exist in the course of a week; it is going to be paid off.

726. There is a security here, 90/222, on which £900 has been advanced by the department; the property-tax valuation is £720?—£1,829 15s. was the private valuer's valuation. That was made in 1890. The total improvements on this land consist of £100 for a house and £50 for a cottage in the valuation itself: the land, £1,296; buildings, £383 15s.: total, £1,679 15s. £150 is set down for improvements.

727. The property-tax valuation is only £720. As a matter within my own knowledge, these improvements were in existence at the time the valuation was made—there has been no change in the security; yet there is a difference between the private valuation and the Government valuation of £1,100; the Government valuation being £720, or £180 less than the department advanced on the property?—It is a question of veracity between the property-tax valuer and my private valuer.

728. Is it not a question of judgment, not veracity?—Yes; perhaps "judgment" is the better term to use.

729. In the one case your valuer, according to this, has valued the land and given a special value to it as being fit for the erection of villa residences, whereas it should have been valued as a milk-run. Do you not think, when you see that the property-tax valuation is £180 less than the amount you are advancing, that you might make further inquiries into the matter?—My experience has led me to believe that the property-tax values are generally under the market values.

730. Quite right they should be so; but the difference between these two values is so great as to justify an inquiry. I would suggest to you that you should investigate that security, because I do not think an investigation of the facts will bear out the value on which the mortgagor got the money, and you should get the Property-tax Department to put you in communication with the valuer of that particular property, with a view of arriving at a more correct estimate. Here is another property, 91/3837. There is an advance of £180. There is no private valuation apparently, but the property-tax valuation is £275?—The widow wanted particularly to keep this land. It was a special case, outside an ordinary investment, for the protection of the widow.

731. We have here a wide discrepancy as to another mortgage, 91/67. There is an advance of £750, and the property-tax value is £1,010?—Apparently the Board lent £750; but the property-tax valuation then was £1,500. The property-tax valuation now appears to be £1,010.