grows on this block, but they have been assessed upon the value of the whole area. Their lease gives the right to cut timber on the land, and nothing more; in fact, it is merely a timber-cutting right that is given in the lease. I may further add that a case of this kind was brought before the Board of Reviewers, who held that they had no jurisdiction, and afterwards, when appealed to, stated that they had no power to alter their decision. Can you give the Committee information on these matters? Will you say, at the same time, how the rate is struck: whether at so much a pound value, or is the rate placed on it by the Government valuator, or is it struck over the whole area?—All lands are valued at the actual value, and the Kauri Timber Company would be assessed for land-tax on the value of their interest in the land. If they had no valuable interest in the land they would not be assessed at anything for land-tax, but for local rating they would be rated on the total actual value. In all cases of lands leased by kauri-timber companies the land has been assessed for local rating at the value, irrespective of any lease or sub-lease. There was one case, that of the Opanake Block, in which the company objected to be rated as occupier, but the Board of Review held that the company was occupier within the meaning of "The Rating Act, 1882," and they declined to remove the name of the company from the roll. My opinion is that the Board of Review made a mistake. The roll had been signed by the chairman of the Board of Review, and I had no power to alter the decision. Perhaps the Committee would hear a memorandum on this subject I have prepared for the Hon. the Premier, which states the case clearly. It is as follows:—

"MEMORANDUM for the Hon. the PREMIER.

"*Kauri Timber Company.*

"Land- and Income-tax Department, Wellington, 29th July, 1892.

"THIS company and the holders of Maori lands will be liable to land-tax and graduated tax, and will not be liable to income-tax on any income derived from the use or produce of such lands derived by themselves; that is to say, they will not be liable for income upon any profit they may derive from the cutting and sale of kauri timber. This exemption is given by the last paragraph of section 16. It appears to me to cover all profits made by the company or any other holder of kauri lands, in making up kauri timber prior to sale; that is to say, if the Kauri Company cuts down trees and sends the logs to Auckland, and has them there cut into planks, and made up in any way, the profits derived from such business will not be liable to income-tax. This shows that the company has no grounds for supposing that they will suffer from being first taxed on the land, including the value of the kauri, and then taxed on the profits they make from their kauri timber. Will you kindly state whether you wish the company to obtain any further relief?

"In their letter forwarded to Mr. Houston they refer to having to pay local rates on the Opanake Block, which is part in Hobson County and part in Hokianga County. The company state that they are not occupiers within the meaning of 'The Rating Act, 1882,' and I agree with them; but it appears that the Board of Review decided that the company was occupier, and declined to remove their name from the roll as occupier. This being the case I have no power (and I have taken the opinion of the Crown Law Officer on this matter) to direct the local body to remove the Kauri Timber Company's name from the roll as occupier.

"I do not know what remedy the company might have in defending an action for the recovery of rates. If the local body is determined to keep the company's name on the roll as occupier I am powerless to interfere. Then the question arises as to whether there should be any appeal from the decisions of the Board of Review. Section 21 of the Land and Income Assessment Act, subsection 3, declares that 'the decision of the Board on all objections coming before it, and on all other matters coming within its cognizance relating to the assessments, shall be final and conclusive.' I consider it would be very dangerous to make any provision for questioning and reconsidering the decisions of the Boards of Review. It must be remembered that Boards have good opportunities for ascertaining the facts and giving a decision thereon; and, indeed, having the parties interested before them, they have a much better opportunity of coming to a correct decision than I have. In a few instances in this assessment, I believe, errors have been committed by the Boards; but I cannot recommend that the law should be amended so as to give persons who feel aggrieved any appeal from the Boards' decisions. "C. M. CROMBIE, Commissioner."

Attached is a letter written to the general manager of the Kauri Timber Company (Limited) on the same subject:—

"SIR,—I find I have no power to call upon the Hobson County Council to amend the roll in the following respects: either to omit the value of the machinery which the Board determined ought to be included in the valuation of the mill, &c., or to remove the name of the Kauri Company from the roll as occupier of certain land of which they were not the occupier within the meaning of the Rating Act of 1882. I have delayed answering your letter in order to take the advice of the Crown Law Officers, and I am now writing in accordance with their advice. The only suggestion I can make to you is, that you should at once make a formal application to the local body to correct the rolls, and, if this should not be done, I shall be glad if you will communicate with me immediately. I regret that I am unable to have the necessary alteration made.—Yours obediently, C. M. CROMBIE, Commissioner."

2. That letter states the case clearly. Have any steps been taken, or are any steps likely to be taken to amend the law in these respects and put these people on a fair footing?—No; I am not aware that any steps have been taken to alter the law. The law stands in this way, at present: that if any person takes a lease of Maori land, or has a beneficial interest in Maori land of which the Native title has not been extinguished, he is liable to be rated on the whole value.

3. *Hon. Mr. Mitchelson.*] This piece of land is held under the Land Transfer Act?—It has been Crown-granted, I believe.