

67. Is it all speculation—are there no *bona fide* sales?—Yes, there are *bona fide* sales, and we are guided by *bona fide* sales. *Bona fide* sales are generally followed by the erection of houses and the carrying-out of improvements.

68. I think you stated that you had not seen this land. The Auckland Crown Lands Commissioner's idea was that the values were not high enough: is that not so?—Hardly. The Commissioner's suggestion was that the State should reap the benefit of an alleged prospective value which he assumes attaches to this land, and that this value should be a factor in our valuation. I could not permit that for reasons already stated. Who knows what the future value will be? It may be a decreased value.

69. Have you any reason to think that land in New Lynn will be of less value in 30½ years than it is to-day?—No; but, as I have said already, if the trend of future legislation is to be as much in the direction of burdening land with taxation and rating as has been the case during the last fifteen or twenty years, land is inevitably bound to come down in value.

70. We are dealing with the New Lynn cases now. Do you think there is any possibility of the value being less in thirty years than it is to-day?—I cannot say, and no man living can say. We have instances of townships which flourished twenty years ago, and they are paper townships to-day. The least circumstance may affect land-values. As Valuer-General I never prophesy at all in returning values.

71. Do you not think that by giving the freehold, by and by the State will be left with the worst lands and also the worst tenants?—I cannot say.

72. And that the tenants will only buy where there is a large prospective value?—I cannot say. That is a question very difficult to answer.

73. You do not think the tenant would buy unless there was a prospective value?—I do not know, because I am unaware of a tenant's reason for buying.

74. These sections at New Lynn could be cut up into smaller areas and sold, could they not?—They could be cut up, but it is another question whether they could be sold. At the Hutt to-day there are sections cut up for sale, and there are no buyers even at reduced prices.

75. I am speaking of New Lynn?—I cannot give you any answer to your question unless it is based upon experience in other localities.

76. You do not think that these people are buying in order to sell out as speculators?—I cannot say. I do not know the lessees. On points affecting the value of the land and intentions of the lessees the District Valuer, Mr. Morgan, is in a better position to give evidence than I.

77. How do your Department's valuations compare as a rule with those of the Crown Land Rangers with regard to improvements?—You can hardly make a comparison, because the value of improvements under the Land Act is not the same as under the Valuation of Land Act. There is a more liberal allowance under the former Act, as a rule, for obvious reasons.

78. You think that the man who sells his goodwill is doing better than the man who is purchasing his freehold?—Immeasurably better.

79. *Mr. Robertson.*] How do you distinguish between a speculative price and a *bona fide* price?—The Department has the means of ascertaining who are the persons who are at the root of land transactions. Records of sales are kept, the terms and conditions of sales are inquired into, and the valuer in travelling through the district notes all the information which he becomes possessed of regarding the properties which have changed hands. If there are no indications within a reasonable period that improvements are being effected, we have a suspicion that the land is not bought for *bona fide* occupation.

80. Merely waiting for a rise in value?—That is so. We do not put up values, and thus assist the speculator, until there is evidence of *bona fide* occupation.

81. It is possible, of course, that they may be holding it for speculative purposes even if they make improvements?—Yes, in isolated instances. As long as a city or district is in what is called a flourishing condition—plenty of employment and cheap money available—so long will the speculator be in evidence.

82. In fact, most values are more or less speculative?—I would not say that, because I know of agricultural districts in New Zealand where the values are not speculative. For instance, in parts of Otago it is easy to value. The farmers have resisted the temptation to sell out, consequently there is little, if any, speculation in land. I regret to say that in some parts of the South Island the abnormal price given for land is due in a large measure to speculation.

83. Where development is taking place the value will always be more or less speculative?—Where development takes place consistently there is less speculation, for you may depend upon it that the farmers are more concerned with legitimate pursuits than with speculation.

84. *Mr. Guthrie.*] I understood you to say that in making those valuations you were very careful in all cases to conserve the Government's interests?—I carried out the duty imposed on me by Act—that is, to return the fair selling-value of the land.

85. Therefore in every valuation that you or your Department are called upon to make and submit to the Government, you feel that the interests of the State have been conserved?—Yes. I certify to the correctness of the valuation.

86. In connection with these New Lynn leases, the whole matter has been through your hands and the valuation has been under your supervision?—Yes.

87. And when you submitted those valuations you considered you were submitting valuations that conserved the whole interests of the State?—Quite so.

88. The values that you have put upon these lands appear to be considerably below what has been stated in the papers to be the present-day selling-value of other sections?—Yes.

89. In making your valuation I take it you assessed the tenants' interests in those leases that the State had no interest in at all for the time being?—In computing the purchase-money nothing more was apportioned to the lessees than was their due according to law, and nothing less was apportioned to the State than was its due according to law.