

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.