

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