

improvements thereon, have been undervalued, I have to inform you that Mr. District Valuer Morgan has furnished me with a report on the subject, in which he states that he made a careful inspection of your property on the 20th June last for the purpose of the State Advances Department, and estimated the value of both land and improvements as at that date irrespective of what they may have been worth when he made his previous valuation in 1911.

You appear to be under an erroneous belief that the value of your labour in clearing tea-tree scrub and the cost of seeding subsequent to 1911 should be added to the value of the improvements effected previous to that year, and that the total sum represents the present-day value of the improvements. As a matter of fact, the value of improvements is the added value they give to the land, not, as you apparently presume to be the case, the total expenditure in labour and capital by the settler. For instance, if a settler were to spend £500 in the hope of improving poor land, and the venture proved unsuccessful, he could not claim an allowance of £500 for improvements, because the expenditure did not increase the value of the land.

In your case Mr. District Valuer Morgan, who has had practical experience in farming, reports as regards the improvements as follows: "The quality of the land is not such that it can be profitably cleared and surface-sown, with the exception of quite a few acres, and I pointed that out to Mr. King at the time of my visit. The greater part of the land could be profitably tilled, and the necessary clearing preceding the first ploughing could have been done at a nominal cost by firing without much previous cutting. The broken parts could be brought into profit only by firing and sowing danthonia, because with the exception of the few acres previously mentioned the quality of the land is not good enough to warrant the expense of chopping."

As regards the value of the land itself Mr. Morgan states, "If it would carry 150 sheep or anything like that number the stock that was on it would have looked in a much more thriving condition than they were doing. I do not know the adjacent land to which Mr. King refers, but I do know this: that there are farms that I would sooner have at £10 per acre than I would Mr. King's at my valuation, particularly if I had no capital to develop it with."

If you are dissatisfied with the existing roll values you have the right to apply for a new valuation under section 36 of the Valuation of Land Act, 1908, and on payment of a fee a revaluation will be made. The new values would not be available for taxes and rates until after the 1st April, 1915.

I have, &c.,

Mr. E. A. King, Wellsford, Auckland.

F. W. FLANAGAN, Valuer-General.

DECISION OF COMMISSION.

No further action.

26/1/15.

APPENDIX XIII.

LETTER FROM F. M. KING, BIRKENHEAD.

SIR,—

"Ora Noa," Birkenhead, 8th December, 1914.

It was my intention to give evidence before your Commission when in Auckland, but unavoidable circumstances prevented my doing so.

I therefore respectfully request the Commission to accept this letter as evidence from me upon this important subject.

Under separate cover I forward to you a copy of the Report of the Department of Taxes and Assessments of New York, and would respectfully request you to record in your report the method of valuation adopted in New York, as this is the first governing body which has adopted a scientific method of arriving at land-values, and the Glasgow City Council has lately sent its chief valuator to New York to study the method used by the Tax Commissioners.

I am of the opinion that if the Government of New Zealand sent a tax expert to New York, the complaints of objectors could be more equitably settled, as the basis of valuation would then be fixed by a unit of value for a given district, and one valuation could not be altered without reference to that value.

It is unnecessary for me to enlarge upon the method adopted in New York, as it is fully explained in the report forwarded with this letter, and I will be greatly obliged if you will embody pages 91 to 106 inclusive as evidence given by me to your Commission.

If you cannot do this without a personal interview I shall be glad to appear before your Commission at any time you are in or near Auckland.

I have, &c.,

F. M. KING, Manufacturer, Auckland.

The Chairman of the Valuation of Land Commission, Wellington.

THE ASSESSMENT OF REAL ESTATE.

THE head of the Department of Taxes and Assessments is a Board of seven Commissioners appointed by the Mayor, who hold office at his pleasure. The Board of Tax Commissioners act as a Board of review of assessments. Any person aggrieved by the assessment of real estate may make application in writing to the Board of Tax Commissioners to have the assessment reduced.

Assessments are made by Deputy Tax Commissioners. The Deputy Tax Commissioners are appointed by the Board of Tax Commissioners from a Civil Service eligible list prepared by the