132. *Hon. Mr. Hislop.*] When did you first know Caverhill—know his farm, I mean?—About seven years ago.

133. Was he a careful farmer?—He is looked on as an extravagant farmer. He expended money on improvements. Unfortunately for himself he has lost it all.

134. Was he the original lessee of this piece of land?—I understood so.

135. Is he still?—No; he has lost everything, unfortunately.

136. He was sold up by the Bank?—Yes; I believe so.

137. Were there any unnecessary improvements on this land?—Not on this particular land.

138. Did you take evidence of what he was making on this piece of land?—None whatever.

We went on the same basis for this as if we were valuing for the property-tax—the market value.

139. You said it would carry three sheep to the acre: is that a recognised value in the district?—No; I cannot say that it is. Unfortunately, farmers, as a rule, do not go into minute calculations. They simply go into competition, as a general rule, giving over and above the value, if a man wants a piece of land, without considering what he can make of it.

140. *Hon. the Chairman.*] How many acres did the arbitrators deal with in the case on which you were engaged?—284.

141. The costs are put down at £43 11s. for lease No. 10. There are three leases: Do you know how these costs were made up?—No; I do not.

142. The umpire awarded, did he?—Yes; I know nothing after it was left to the umpire.

143. Where did the arbitrators get their instructions from as to their mode of procedure—as to what matters they were to take into their consideration?—There was a small pamphlet issued, a printed form.

144. What I mean is this: When the arbitrators went into the arbitration what did you have to consider? What was put before you to make you understand what was your special function?—It was to put a fair value on the land, according to the market value at the time.

145. How did you know that that was your business;—what was put before you to tell you what you had to do? Where were you instructed from?—From the Public Trustee's office?

146? Were these instructions in writing?—They were included in the pamphlet, if I remember right. [Printed form produced.] This is what the arbitrators worked on.

147. Does this lay down any rules for leasing, or any covenants to be put into the lease?—I think so. I have not looked at it since. I was not prepared for this examination, or I would have brought some papers with me.

148. Can you tell us from memory what the covenants in the lease are to be?—No.

149. Did you examine this printed form before you came to a determination as to the proper rent?—Yes.

150. *Mr. Peacock.*] I wish to emphasize the answers you have given a little more. Do I understand you to say that, in estimating the value of the land and the rents to be paid for it, you took the market price simply for your guide, and did not go into the carrying or yielding capacity of the land?—All that, of course, is considered to get at the value. If it had been twenty miles from a station, instead of two and a half miles, the value would have been considerably less.

151. Did you go into the question of what the land would produce when you were estimating the market value?—Partly; but we did not rely on that entirely.

152. You took the question of what it would sell at at that particular time?—We considered that was what we had to do.

153. And in estimating what the rent should be for a series of years during which value might increase you took the selling value at the time, rather than the yield of the land, as the basis of your award?—I have already said we considered all these points.

154. *Dr. Fitchett.*] I understand you took the selling value; but to arrive at this you must have had some basis to go upon: what was that?—We arrived at it by considering all those things referred to.

155. *Mr. Seddon.*] Had there been any sales of land in that locality?—Private sales.

156. Did you take that into consideration?—Yes; my opinion was that £8 would be the outside value that it would bring; that was the outside value, including improvements.

157. On that basis you went?—Yes.

158. You did not calculate what it might be worth twenty-five years from that time?—No, unfortunately; farmers thought their fortunes would be made by this time; but they have all had a sad experience, even myself. I did not take that into consideration.

159. Now, on three sheep to the acre: what would be the net profit on that per acre per annum?—About 12s.; 4s. a sheep if you consider the lambs and the wool.

160. Did you go into the statute you were acting under?—Yes, we went into that.

161. It is referred to in that pamphlet?—Yes.

162. *Hon. Captain Kenny.*] Are there any special drawbacks in regard to this land: is there lung disease or foot-rot?—There is lung disease, but very little foot-rot.

163. In this estimate of three sheep to the acre do you include fattening sheep, or is that for sheep in store condition?—I think it would fatten three sheep; for about six months of the year you could sell a portion of them as fat—about one-third of the total number, perhaps.

Mr. Levi requested that the following questions should be put by the Chairman:—

164. *Hon. the Chairman.*] There is an adjoining property belonging to a man named Christie; do you know what Christie paid for his land?—He has bought it recently; he has a lease.

164A. If so, he is a tenant; it is similar land to this land about which we are now inquiring: can you answer?—I think he paid £9 2s. 6d., or perhaps £9 5s. an acre.

165. *Hon. Captain Kenny.*] For the land?—It is similar in some respects; it is more level land: there is a good house on it.