"The following are the takings and the expenditure: *Credit*—7,830 sheep shearing 7lb., at 10d. per pound, £2,283 15s.; 1,200 two-tooth wethers, at 16s., £960; 1,100 five-year ewes, at 15s., £825; profit on 100 head cattle at £2, £200—£4,268 15s. *Debit*—Land-tax on, say, £20,000, unimproved value, £81; graduated land-tax on same amount, £39; material for upkeep of fences, and general upkeep, telephone, repairs to harness, implements, &c., £150; keep for nine men at 14s. per week for year, £327 12s.; £6,000 worth of stock, interest at 6 per cent., £360; interest on £31,741 12s. 6d., at 5 per cent., £1,587 1s. 6d.; manager, £250; two shepherds at £1 15s. each per week, £182; one fencer at £1 15s., £91; one cowman at £1 5s., £65; one rabbiter at £1 10s, £78; one cook at £1 10s., £78; extra labour for shearing, &c., £100; shearing, £100; woolpacks, oil, and extras, £50; one teamster and ploughman combined, at £1 15s., £92; county rates, say, ½d. in the pound on £31,700, £74 7s. 6d.: making a total of £3,705 1s. Credit, £4,268 15s.; debit, £3,705 1s.: surplus, £563 14s.

"If the owner were to put all the capital invested in stock and land at 6¼ per cent. it would show no surplus. In my opinion, it would be difficult to increase the takings, but there is always some risk of a decline, as the prices at present for wool and stock are on the highest side. Of course, there is a chance of stock going higher, but when the prices ruling are high the chances are that they are more likely to drop than to rise. Taking for granted that my figures are correct, then 6¼ per cent. must be considered reasonable, especially when the element of risk is taken into consideration. I value the 16,000 acres at £31,741 12s. 6d.

"Yours faithfully,

"OSCAR MONRAD, Valuer."

10. *Mr. Skerrett.*] In arriving at your valuation, I think you were informed as to the carrying of stock on the different parts of the block?—Yes.

11. With the exception of those, all the figures are your own?—Yes.

[Witness described from plan the boundaries of the block under consideration, and pointed out that Mr. Donnelly owned or occupied land which completely surrounded the block.]

Mr. Skerrett: I put in the last Government valuation of this block, 1907. The capital value is £22,444; unimproved value, £16,244; improvements, £6,200. I put in also the present valuation: Capital value, £46,245; unimproved, £36,500; improvements, £9,745. What I desire the Commission to note is that in the six years the increase in value is: Capital value, £23,800; unimproved, £20,256; and improvements, £3,545. We make no objection on the improvements side.

The Chairman: Is there one occupier under the rating Act for the whole of this Mangaohane Block?

Mr. Skerrett: Yes.

The Chairman: Who is it?

Mr. Skerrett: Mr. G. P. Donnelly.

The Chairman: The witness has spoken of this property as being valued by itself. Every property under the Valuation of Land Act has to be valued as one holding.

Mr. Skerrett: This is valued as one holding.

12. *The Chairman.*] I understand it is worked with other holdings?—Yes, Mr. Donnelly has some interest in it under the will.

HUGH MILLS examined.

1. *The Chairman.*] What is your position?—I am head shepherd on the Mangaohane Estate.

2. *Mr. Skerrett.*] How long have you occupied that position?—Eight years.

3. Will you tell the Commission what the actual carrying-capacity this year of this block is in sheep and cattle?—About 7,500 sheep and 100 head of cattle. The cattle are not permanently carried on it.

4. Has it ever carried higher?—No.

5. Has it ever carried more sheep?—In 1908 we tried to carry more. We carried 7,700.

6. Did it prove to be good farming?—No.

7. The sheep went back, I suppose?—Yes.

8. What have you got to say about ploughing?—Ploughing is of no use to us. When it is ploughed the ground all blows away, and you kill the tussock, which is useful in the winter-time for protecting the ground.

9. What other result has ploughing?—The land will take English grass for one year only, but it will not hold it. It goes right out with the frost.

10. The main pasturage is danthonia, the native grass?—Yes.

11. What about getting your wool out?—The roads are very bad.

12. Which will be your ultimate railway-station for the wool?—Pahiatua is, at present.

13. Will it continue to be Pahiatua?—I cannot say.

14. Is there any probability of increased road access from Hastings?—The country through which that road traverses is very bad country.

15. So that it is unlikely that the progress of the district will give you a better road from Hastings?—That is so.

16. *The Chairman.*] What do you say on the subject of the possibility of improving Section 32, 4,507 acres, in the way of planting *Pinus insignis?*—The planting of trees would improve it, but it would cost a lot of money to plant them, and it would be very hard to get them to grow.