whether their value, plus the unimproved value as found by him, is higher or lower than the capital value of the property, thus testing his valuation.

29. Land in a district may be of such different quality as to render it necessary to arrive at more than one standard unimproved value for the district, and we understand that the Valuer-General's directions are so interpreted in practice.

30. It might be thought that it would be better to first apply the method of valuing the unexhausted improvements, and to find the unimproved value by deducting the value of these improvements from the capital value—a method approved by the Supreme Court in the case of Nightcaps Coal Company *v.* Valuer-General (25 New Zealand Law Reports, page 977), under the Valuation Acts then in force. Such a plan, however, is, in our opinion, not always feasible under the present law, seeing that the statute defines "value of improvements" as being that added value which the improvements give to the land irrespectively of their cost. Thus money and labour expended in clearing, draining, ploughing, and other such works will represent, on valuation, the increased value that the property as a whole would sell for, which increased value may be more or less than the value of the money and labour originally expended in effecting those improvements. We think the method suggested by the Valuer-General will in most cases of valuing country lands be found to work well, and will tend to maintain uniformity in the unimproved value of lands of similar character in a district.

31. The provision made in the Valuation of Land Act, 1908, section 3, that the value of improvements should not exceed the cost of such improvements, was repealed by the amending Act of 1912. This repeal would, in our opinion, have applied particularly to the Southland cases that were brought before us. The valuation of these lands was, however, made shortly before the repeal took effect. The amending Act was passed on the 26th October, 1912, but did not come into force until the 1st April, 1913, and we understand that the valuations were being made, in whole or in part, between these dates.

32. We consider that drains that have been made for the purpose of draining, and that have drained, swamp lands should be allowed as an improvement, notwithstanding that the drains have ceased to run by reason of the swamp having been successfully drained. We are clearly of opinion that such drains are within the statutory definition of "improvements," seeing that the benefit the land has obtained from them is not exhausted. We differentiate the case from that of drains made for other purposes, and that have ceased to be of any use to the land, and have not added to its selling-value.

33. As an instance of a case in which the improvements must be valued below their cost we may take the case of a farm having on it a large house formerly occupied by the owner of a station that has been subdivided and sold or leased in comparatively small areas, one of such areas being the farm in question, or the case (an example of which came before us) of an over-improved farm from which other farms owned by the same owner, and situate at some distance therefrom, are worked. In each of these cases the value of the improvements must, in conformity with the statute, be cut down to the added selling-value that they give to the land on which they exist.

34. In addition to the instructions given by the Valuer-General in his memorandum, we have the honour to recommend that the standard unimproved value of land in country areas be fixed by several district valuers acting together, with the assistance of a local valuer appointed by the ratepayers of the district and paid by the local authority. We make the latter part of this recommendation particularly in view of the valuation of improvements, since the cost of fencing, ploughing, and other such works varies much in different localities. We may here add that several of the witnesses suggested that a local valuer should accompany the district valuer when making his valuation, and that the same person should also sit on the bench as the ratepayers' assessor. We consider that the local valuer should be a person other than the ratepayers' assessor, since the Court would not be constituted on judicial lines if a person