

HORACE BAKER examined.

38. *The Chairman.*] What are you?—I am a land and estate agent and valuer, Napier.

39. You have been a good many years engaged in the land business?—Over thirty years on this particular coast.

40. At one time you were Commissioner of Crown Lands?—Yes.

41. I suppose you have an intimate knowledge of the country?—Yes.

42. And of the Te Aute district?—Yes.

43. Were you instructed by the trustees to make a valuation to guide them on the question of leasing to the Archdeacon?—I was.

44. Your statement has been produced. Were these statements in the valuation truthful statements? Was it a faithful opinion on your part as to the value of the land?—Absolutely.

45. And it was made by you for the purpose of guiding the trustees on the question of giving a new lease to the Archdeacon?—I was not told that. I was told to make a valuation for a seven or twelve years' lease.

46. And you are still of the same opinion with regard to the value as expressed in your written report?—Yes.

47. You know that the trustees afterwards gave a lease for twelve years at £2,200 a year?—I have heard it since.

48. Having regard to the whole of the circumstances as they existed at the time, in August, 1903—having regard to the price of wool and all the surrounding circumstances—do you consider the trustees in granting the lease did a reasonable and proper thing in the interests of the trust?—Certainly, all the circumstances being considered. I have read in the evidence the circumstances under which the lease was granted. I was totally unaware of the exact position when I made my valuation.

49. It has been suggested that they should have cut the property up into small farms and let them by public tender or public auction—leases with improvement clauses?—I do not think the trustees would have benefited by subdividing the property. As a former witness has said, there certainly would have had to be an improvement clause in the leases in order to let them. I made my valuation in 1900. At that time property was not sought after in the same way as it is at the present time. There was not the same demand for land. As a land agent I know what I am talking about.

50. I suppose the trustees would have to enter into a covenant themselves for the improvements?—I do not know. They would have to provide a sinking fund out of the rents. They had no available money as far as I know. I do not know the full particulars of the trust. If I may express an opinion with reference to the subdivision of land in Hawke's Bay, I would say this: We have had a cycle of particularly favourable years for Hawke's Bay, suitable for the small farmer. But it may come—as it has already done in my experience—that we may have six or ten years of heavy westerly weather, and in such case I am certain the Government will have to reduce the rents. If we have that spell of westerly weather it will be bad for the settler. A great many of the settlers who have taken up land have perhaps not had experience of a series of westerly winds in Hawke's Bay. The last six or more summers there has been extremely favourable weather for dairying in Hawke's Bay, but a change may come.

51. Do you consider that the Te Aute land is suitable for dairying?—Only a very small portion of it.

52. Do you know the land that was exchanged?—Yes.

53. What do you say about the exchange?—I say in my report on the subject that I consider it is slightly to the advantage of the trustees.

54. *Mr. Hogg.*] On what did you base the value of the land?—On the sheep-carrying capacity of the land.

55. You ascertained how many sheep to the acre it carried?—Yes.

56. There was a difference between your first estimate of areas and what you ascertained subsequently?—Yes.

57. What was the difference?—Somewhere about 900 acres. I will explain that. The late Mr. Cotterill wrote to me on the 21st June, 1900, as follows: "Messrs. Baker and Tabuteau, Napier.—DEAR SIRS,—The valuation made by Mr. Baker of the Te Aute College property for leasing purposes is based upon the assumption that the property consists of 5,955 acres, carrying 7,500 sheep, 900 cattle, and sixty horses; whereas the correct area is 6,909 acres, carrying the above amount of stock. Under the circumstances we return the valuation, so that it may be revised by Mr. Baker if he thinks fit.—Yours faithfully, COTTERILL AND HUMPHRIES.—P.S. We enclose a tracing of the property.—C. and H." This is my reply to that letter: "7th July, 1900.—Reply to yours of the 21st ultimo. I find there is an error in the area of the Te Aute College Estate as given in my valuation amounting to 914 acres. My figures were taken from a plan supplied to me with the instructions to survey the proposed exchange of land, on which the area of the large block is stated to be 4,244 acres. In making out my estimate of the letting value I have worked out the figures from the stock-carrying capacity of the land, comparing the results with the rentals at which other estates in Hawke's Bay have recently been leased, and see no reason for altering my estimate of the annual letting value of the estate. I have altered the figures in my report.—Yours sincerely, HORACE BAKER."

58. Notwithstanding the fact that you found the area was about 1,000 acres more than you originally understood it to be, you did not think it necessary to alter your valuation?—No; if I had done anything, I should have decreased it, because there were 900 acres more land carrying the same number of stock. I would put it in this way: We will say that 5,000 acres was producing a net income of so-much; then if there were 6,000 acres instead of 5,000 you would have to divide the net income by the number of acres; and you would have found that the rental would have been re-