

*Purchase of Lands.*

The item "Purchase of freehold and leasehold interests in lands" accounts for £26,639, of which £8,157 was expended from Maori Land Board funds. The Waikato-Maniapoto Board took over Somerville's farm near Te Kuiti under its mortgage at £7,920. The farm has been converted into a base farm for the grazing and supply of stock to development schemes in the King-country. Purchases paid for out of Native Development Account are as follows:—

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Motatau Base Farm (leasehold), Bay of Islands	3,713	A base farm for the North Auckland district.
Waipapa Bush (freehold), at Oruanui, Taupo ..	2,500	A base for the supply of fencing-timber for the Rotorua district.
Mourea (leasehold and freehold) .. ..	3,300	A base farm for the Rotorua district.
Ngatiawa (freehold) .. ..	6,976	To enlarge the Native holdings and establish an economic unit near Whakatane.
Opape Base Farm (leasehold) .. ..	1,993	A base farm for the Opotiki district.
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	£18,482	

Half of this amount represents the reacquisition of Native leaseholds.

*Base Farms.*

The policy of establishing farms on which young stock may be bred or held pending distribution to development units was decided upon last year as a necessary part of the organization of the schemes. This has enabled the Department to acquire good stock, particularly dairy heifer weaners, at a low price. It is now proposed to establish dairy herds of good quality on three of the base farms, on which stock of high butterfat-production may be bred and from which such stock may be distributed to selected Maori dairy-farmers in the respective localities. Maori youths showing promise will be trained on these farms so that they may take up sections on some of the development schemes.

The Waipapa Bush of 91 acres is situated near Oruanui, Taupo. At the time of purchase it was estimated that 120,000 totara posts and 250,000 matai posts could be obtained from the section, a quantity more than sufficient for the needs of all State development schemes in the Rotorua district. A party of Maoris from the Horohoro Development Scheme has been splitting totara posts and strainers in this bush since April last. The policy of controlling the supply of necessary fencing-material from forest to fencing-line has already resulted in reducing the delivered cost to all local schemes by nearly one-third, and this after allowing a royalty of £2 a hundred posts and for transport.

*Implements.*

Up to the end of August last farm and dairy implements, motor-vehicles, including tractors, tractor-implements, other implements, tools, and equipment had cost £11,796. Tractors and accompanying implements were required and have been used on all schemes where the extent of arable land justified their employment. On areas throughout the pumice belt they have been considered indispensable to large-scale development, where the object was to establish as quickly as possible a sufficient number of farm units. The policy is that as soon as development reaches a stage where it is desirable to subdivide an area into small farms for individual occupation, the heavy machines and implements are transferred to other schemes controlled by the Maori Land Boards or by the Native Department. The cost is then apportioned between the schemes concerned. Thus the tractor and implements, with which nearly 600 acres of land were broken into pasture on the Waipipi and Kaihau Schemes within twenty months of the commencement of operations, have been transferred to the Onewhero Scheme. On adjustment of the cost of the machine and implements, one-fifth was charged to the completed schemes, while four-fifths were debited to the new scheme. If at the end of their work on the Onewhero Scheme the implements are still serviceable and available for use on other lands, a further adjustment of the cost will be made.

Men have been found on every scheme capable of handling modern machinery and agricultural implements in all development operations, thus evidencing the mechanical ability of the Maori. The best results were obtained by the tractor-driver on Waipipi and Kaihau. With a caterpillar tractor and implements he ploughed, disked, harrowed, and sowed nearly 600 acres of land, some of which was sloping, broken, and pitted ground. Although the tractor was in constant use for nearly twenty months, yet the cost of repairs was less than £7. On the other hand the cost of repairs to the tractors employed on Horohoro, near Rotorua, exceeded the price of a new caterpillar tractor.

*Fencing-material.*

With the exception of those in the Tairāwhiti Maori Land District, the Native development schemes are well served in the matter of posts, strainers, and battens. Every effort is made to exploit the advantage of conveniently situated timber-supplies, and of the voluntary labour of Maori settlers, who are only too anxious to earn the assistance of the Department in regard to wire, grass-seed, and fertilizers, items that are beyond their financial resources. Reference has already been made to the policy adopted in the purchase of Waipapa Bush for the supply of fencing-timber direct from the forest to fencing-lines, thereby saving unnecessary costs of handling and middlemen's profits.