

our view, that they are not exonerated by the Judge's action. Much of the future trouble has been due to the failure of the Minister and Head Office to take a comprehensive view of the Te Kao Dairy Scheme at the right time.

33. It is unnecessary for us in this report to follow the development operations in detail. The Tokerau Maori Land Board established at Te Kao a complete community settlement with a cream-lorry service, a store, and a hall. The cream-lorry service was necessary. The store also seems to have been useful and necessary as a means of enabling the people to buy stores at moderate prices. It seems also to have helped in creating a community spirit in a settlement divided by religious and other differences. The hall was intended to heal the divisions of opinion in the community, and was justified for that reason in the mind of the Judge. With such aid as the Board obtained from the intermittent visits of the Instructor in Agriculture and from the services of the schoolmaster-supervisor of the scheme, Mr. Watt, the Board advanced thousand of pounds from its funds to enable the scheme to proceed. On occasions the Board overspent its authority. Judge Acheson claimed that he had the oral authority of Mr. Coates to go ahead, and there is nothing in writing from the Minister requiring the Judge to obtain precedent approval of his expenditure until the Minister's letter of the 31st October, 1928.

34. No steps appear to have been taken between June, 1926, and July, 1927, to ascertain the Board's position so that the Minister would be able to judge whether further advances should be approved or not. The first evidence of inquiry on this point is contained in the Under-Secretary's letter to the Board of the 9th July, 1927, which inquired, *inter alia*, as to the estimated maximum amount required to be spent to bring the scheme to a self-supporting stage; the approximate headings under which it was considered the expenditure would require to be made; and the estimated amount required to complete the scheme fully. The Registrar replied on the 15th July that the President estimated—

- (a) That the maximum amount still required to be spent to make the scheme self-supporting was about £4,000; and
- (b) That the Board was aiming at keeping the total expenditure on the whole scheme down to a maximum of £10,000.

35. In July, 1927, the Native Minister approved further advances, making the total approved to that date £4,300, subject to the Board being satisfied with the security. At the end of July, 1927, the Under-Secretary, on the Minister's authority, requested the Department of Agriculture to send an officer to inspect the work at Te Kao and advise if the expenditure proposed by the Board might safely be embarked upon. In September, 1927, Mr. C. J. Hamblyn, Instructor in Agriculture at Whangarei, who had accompanied Mr. Patterson of the same Department on his inspection in 1925, reported on a recent visit of inspection of the Te Kao Scheme.

36. Mr. Hamblyn's was a depressing report, both with regard to the quality of the land and the quality of the people as farm-workers. It was a report which differed greatly from the original reports on which the scheme was started. Mr. Hamblyn said:

"There is no doubt in my mind that the present rate of progress and the proportionate cost per acre of breaking in the land cannot be considered promising of ultimate success."

The report attributed the disappointing results to the following causes: Poor land; severe flooding after the sowing in the autumn of 1926; poor preparation of the land after ploughing; the failure of the Natives to realize the need for economy and for work without immediate reward save sustenance; the fact that the habits of a gum-digging life made it difficult for the Natives to be persistent; the break-downs of the truck; the lack of continual personal supervision by a qualified instructor; and the fact that the schoolmaster, who acted as supervisor, had not had the necessary farming experience. (It appears from Judge Acheson's evidence that there was also a defection of the "Ratana" people at a critical stage of the work.) Mr. Hamblyn considered, however, that to abandon the scheme would mean the loss of the money invested in pastures and drainage and a return of the Natives to gum-digging with its attendant loss of infants and other hardships. He accordingly outlined a procedure for the next three years limited to an area of 500 acres or 600 acres capable, with top-dressing, of carrying about 200 cows.

With regard to this proposal, Mr. Hamblyn made several points—viz., that close supervision and direct and personal instruction on the spot was necessary; that the annual charge for top-dressing would be £300, and that this would have to be continued for a number of years; that kikuyu grass would enable the poorer sections to be grassed at little cost; that provision would have to be made for wintering stock on areas outside the settlement proper; that fencing would be a costly item and had not been sufficiently allowed for in the Registrar's estimates; that no estimate of the cost of bringing in sufficient land to support the whole of the Te Kao families was possible on an ordinary farming basis as the labour was inexperienced and not well organized; that he did not think a further £4,000 was sufficient to reach the Board's objective and that before anything else was done he and Mr. Watt, the supervisor, should hold a further conference. Mr. Hamblyn's report concluded as follows:—

"In conclusion, I would say that the object of the Board in settling the Natives of Te Kao on their land so that they can eventually earn a living from it can be achieved, but, in view of the circumstances outlined above, I am not prepared to say that with the expenditure on the scheme of £10,000 the Board would have an asset in land, improvements, stock, implements, &c., worth that amount to the Board. But with the continued work of the Natives in bringing in further areas invested in the Board, in future years, after they have once got a start, the lands at Te Kao would be worth much more than this amount in themselves."