

The pakihi development-work in the Westport District has continued fairly satisfactorily, and over 1,000 acres in a compact block are now in hand. The results to date are encouraging, so far as they go, but the farming of this class of country is more or less experimental, and the Board has decided not to extend the work any further until there has been some actual experience of how it will stand up to dairying for a season or two. If dairy stock does well and the land retains its pasture there is ample land of this type in the Nelson Land District for future expansion.

The largest individual area under development by the Board is the Ahuriri Lagoon, 7,595 acres, near Napier, which was raised from the sea during the earthquake of 1931. This is being drained, roaded, and developed, with a view to its ultimate subdivision and settlement. The main gravity outfall has been completed, the electric pumps being in operation, and the whole area behind the stop-banks being dewatered. The subsidiary drainage of the 5,000 acres (approximately) to the north of the main gravity outfall is being proceeded with, and the ring-fencing of this area is being hastened with a view to stocking as soon as possible.

On portions of the southern end the salt content has decreased sufficiently to sow grass during last autumn. Two hundred and eighty acres is being put in permanent pasture, and 24 acres is being sown in barley and oats. An area of approximately 750 acres on which it is not yet considered advisable to fill in subsidiary drains is being sown in temporary pasture to provide grazing for stock, and thus check weed-growth. The area south of the main gravity outfall, 2,000 acres approximately, is being ring-fenced preparatory to stocking. Experimental cropping will be carried out next spring on an area of 60 acres to serve as a guide in the development of further areas in the future. Altogether the work is proceeding very satisfactorily.

The original small-farms-scheme holdings of 5 acres to 10 acres are gradually diminishing in numbers, due mainly to the occupiers resuming their former occupations, although in some cases where the terms of the agreements to lease are expiring the Board has decided not to renew, because of the uneconomic nature of the holdings. Altogether twenty-seven of these holdings have been closed during the year.

Since the beginning of the scheme 810 men have received sustenance allowances from the Employment Promotion Fund, but as at the 31st March, 1937, only 101 men were on sustenance, indicating a steady improvement in the revenue derived by the occupiers.

Results of the Scheme to the 31st March, 1937, are tabulated as under:—

Operations under Original Scheme (mostly 5-acre and 10-acre Sections).

Holdings established	488
Number of such holdings since closed	136
Share milkers' cottage loans approved	265
Share milkers' cottage loans repaid	22

Operations since Small Farms Board constituted.

	Number.	Area (Acres).
Individual holdings established	365	24,522
Sections included in blocks under development	594	53,799
Area under development, but not sectionized	5,761
Share milkers' cottage loans approved	66	..
Average number of men employed on development-work during year	1,067
Total number who have received sustenance	810
Number in receipt of sustenance at 31st March, 1937	101

Further details in regard to operations under the small-farms scheme are given in Appendices III and IV in the reports of the Chief Drainage Engineer, and of the Superintendent of Land Development, Te Kuiti, respectively.

Full statements of accounts are published in parliamentary paper B.-1 [Part IV].

SPECIAL SETTLEMENT OF INFERIOR LANDS.

The following summary of the lands dealt with during the year is furnished in accordance with the provisions of section 223 (14) of the Land Act, 1924.

(a) Aggregate area of land set apart : Nil.

(b) Number of allotments and aggregate area disposed of : Nil.

The total number of allotments taken up and the area held as at 31st March, 1937, was thirty-five allotments, 7,256 acres.