

There are 213 units being assisted, besides 102 other farmers who received assistance from Unemployment Funds, while some 239 other workers also benefited. The dependants of these farmers and workers number 2,549 adults and children, making a total of 3,103 persons under the scheme.

The carrying-capacity varies, in some parts being one cow to the acre, and in others it may be one cow to three to five acres. Stock carried on unit and base farm properties at the 31st March, 1937, is estimated as follows: 3,881 dairy cows, 2,021 cattle, 781 sheep, 235 horses, 178 bulls, and 823 pigs.

The butterfat proceeds to the Department totalled £5,992, the number of cows in the flush season being 3,161; the wool cheque produced £223; and the cattle and sheep receipts were £191 and £297 respectively.

The necessity exists for closer supervision, the application of more manure to pastures, and the culling of stock, in order to ensure that the production per cow is improved. This is a most important function of the Department's activities, and every endeavour is to be made to obtain maximum production. A programme of building of cottages and cow-sheds is planned, and in time the shortage in this aspect of the developmental activities will be remedied, with consequent benefits reflected in the amelioration of the living conditions, and greater efficiency in the milking-shed management, with a consequent higher grading in cream-production.

The wet season experienced during the past year resulted in excessive flooding in parts, and considerable damage to fences and stock was occasioned. The pastures are in good heart and the stock are going into the winter in prime condition. Some portions of this area are thickly populated, and where this exists the administrative problems are intensified. The main work for the year on unit and scheme properties consists of 257 acres of bushfelling; clearing of 2,141 acres; 2,570 chains of new fencing, with 327 chains of repairs; splitting 4,325 posts, 22,300 battens, and 17 strainers; 1,406 chains of new draining and 385 chains of drain-cleaning; cultivation of 378 acres; 33 chains of roading; and the erection of 9 cottages and 18 cow-sheds. On other Native properties assistance from Unemployment Funds for the following work was granted: 457 acres of bushfelling; 2,832 acres clearing; 2,344 chains of new fencing, with 88 chains of repairs; splitting of 8,550 posts, 32 strainers, and 27,850 battens; 2,109 chains of new drains, with 146 chains of drain-cleaning; 282 acres of cultivation; 141 chains of roading; and the erection of 1 cow-shed and 4 cottages.

Hokianga.

In order that the extent of this area, of which 17,955 acres are under development, may be better visualized, the following localities comprised therein are cited: Waima, Taheke, Omanaia, Utakura, Otua, Whirinaki, Opononi, Waimamaku, Rangiahua, Motukaraka - Te Karae, Panguru, Rangi Point - Mitimiti, Pawarenga, and Mangamuka. The Native population in this area is greater than that in any other part of New Zealand, due, no doubt, to the suitability of the climate for cultivation at a time when the kumara was one of the main items of a food-supply, and an abundance of shell and other fish were always available. A contributing factor in the conservation of the large population has been the reluctance of Europeans to undertake settlement owing to the isolation of the area consequent upon the lack of roading facilities. In the Hokianga district to-day there are several compact Native settlements in the fertile valleys that the Maori has retained, the farms being in first-class condition, while the Natives are fairly well versed in farming practice. The cattle are in good condition, but the herds require to be tested if improved production is to be obtained. The living-conditions of the Natives are more advanced than in less-favoured localities, and consequently the higher standard is reflected in the health of the people.

Loan accounts are not showing any large liability, and thereby allow for further advances to be made to improve the productivity of the farms. The local dairy company, which the development settlers supply, has a larger percentage of Native suppliers than European, while a Maori director on the board of management watches their interests. It is interesting to note that the first Native suppliers to the factory were from the Whirinaki and Panguru settlements which, incidentally, are now the most progressive settlements in the North. At that time the Native interest in farming was practically nil, the main occupations being gum-digging, sawmilling, and bush contracting. Gradually as these occupations diminished in scope the Natives took up dairying, but their resources were limited and their main source of finance was through the dairy companies. That method of financing could be termed elementary compared with the system adopted under developmental measures, but nevertheless it attained its objective and resulted in the establishment of many Natives on their own lands. Since developmental operations commenced some seven years ago butterfat-production has been much increased, but further improvement is expected. In addition to the Natives engaged directly under the Department, there are a large number of Native farmers who receive unemployment assistance in the development of their lands, and this places an added responsibility on supervisors, and, *ipso facto*, detracts from the intense supervision so essential to success. There are 249 settlers established, while 119 other farmers received assistance from unemployment funds and some 276 other workers were engaged on this scheme. Dependent on these people are 2,726 other adults and children.

In the course of the year work on unit and scheme properties consisted of 901 acres of bushfelling; 2,751 acres of clearing; 5,438 chains of fencing, with 1,012 chains of repairs; splitting of 3,700 posts, 27,300 battens, and 32 strainers; 1,385 chains of new draining, with 306 chains of drain-clearing; 667 acres of cultivation; 65 chains of roading; erection of 15 cottages, 18 cow-sheds, and 4 culverts. On other Native properties works of a similar nature were carried out with assistance from the Employment Promotion Fund, and details of these activities are included in the table published on page 12 of this report.

The live-stock carried on unit and scheme properties at 31st March, 1937 was: 3,833 dairy cows, 1,765 other dairy stock, 102 run cattle, 78 working bullocks, 279 horses, 262 bulls, and 984 pigs.