Six new houses and three cow-sheds were constructed during the year, and the erection of the cottages will help materially to raise the standard of living. Although tuberculosis is prevalent in some families, the health of the majority is quite fair. The settlers generally take a keen interest in their affairs, and appreciate the benefits they have received from the Department. There is always keen rivalry as to who can obtain the best weights for fat lambs.

Live-stock consisted of 293 dairy cows, 154 other dairy stock, 1,300 breeding-ewes, 68 dry sheep, and 100 head of run cattle.

Kawhia: Mangaora.

Situated on the shores of the Kawhia Harbour, this farm comprises an area of 741 acres. The land is good limestone country, but, being rather steep and short of water, it is not suitable for dairying. At present development operations are concentrated upon approximately 500 acres. The whole area is suitable for development with the exception of approximately 40 acres which must remain in bush to conserve water.

During the year 169 acres of bush have been felled and sown down. Road access to the centre of the block was very difficult, but the Public Works Department has recently completed 62 chains of road-formation with the assistance of Native unemployed labour. This road is to be metalled, and will greatly facilitate the development of the area. Good manuka firewood, which was formerly impossible to get out, can now be cut and sold.

A new foreman was recently appointed, and a house to accommodate him is nearing completion. The scheme maintains twenty-three adults and thirty-five children, and the health of the community during the year has been fairly good.

Live-stock as at 31st March, 1938, consisted of 316 breeding-ewes, 183 dry sheep, 48 Polled Angus and Hereford young stock, and 66 other run cattle. Stock do particularly well on this country, and the ewe lambs carried over from last year are in exceptionally good condition.

Te Kuiti.

Te Kuiti base farm is situated four miles from the Township of Te Kuiti, which is the centre of the King-country land development schemes. The area, comprising 618 acres, was taken over from the Waikato-Maniapoto District Maori Land Board in 1932. Of this area, approximately 588 acres are eminently suitable for sheep and cattle grazing. The pasture land consists of good strong clay country well watered by running streams. There are approximately 500 acres in good pasture, 85 acres in poor grass, while the balance is in rough grass, patches of bush, and steep faces. About one-half of the property is ploughable.

Excellent work has been carried out during the year by one permanent hand and two unemployed Natives who have eight dependants. Thirty tons of hay were cut and harvested, and a new wool-shed, measuring 35 ft. by 35 ft., and sheep-yards were constructed during the year.

Live-stock at the 31st March comprised 200 run cattle, 989 breeding-ewes, 443 dry sheep, and 3 horses.

This farm has been efficiently managed by one of the local supervisors who resides on the property, and the accounts for the year show a satisfactory financial position.

Mahoenui.

Located thirty miles south of Te Kuiti, on the main New Plymouth highway, this scheme comprises a compact area of 6,120 acres. The country is classified as easy lying hills with wide valleys, and contains 300 acres of flat land. Approximately 3,000 acres are of light loam, and the balance of clay formation. The whole of the area is good healthy grazing country very suitable for run cattle. To date the Department has brought in 3,600 acres, and a further 2,400 is suitable for development. Of the area developed, 3,000 acres are in fair to good grass, with the balance in poor pasture. With heavier stocking and adequate top-dressing, the whole of the grassed area has shown a decided improvement. The main activities during the year included the clearing on a face of 973 acres of bush and scrub and the ploughing of 193 acres, making a total of 1,134 acres sown in grass. An excellent crop of swedes has been conserved. Fifteen North Auckland Natives with their families were brought on this scheme during the year, and, together with twenty-eight local men, have done excellent work.

At present the scheme, including two settlers' properties, supports thirty-five men who have dependent upon them ninety women, children, and old people. The health of the community has been excellent.

During the year new stock-yards, measuring 110 ft. by 33 ft., were constructed, ten new workmen's huts were erected, and repairs and additions carried out on two cottages. Live-stock on the scheme and settlers' properties are all in good condition, and comprised 4,195 sheep, 661 run cattle, 40 cows, and 12 other dairy stock, together with 17 horses. The main scheme produced sixty-one bales of wool, totalling 26,980 lb., while the settlers' properties have sold eighteen bales, comprising 7,002 lb. Owing to an exceptionally dry season, only forty-nine fat cattle were sold.

Two settlers have been established on an area of 240 acres, one of whom is milking 40 cows and running 348 sheep. On the other settler's property 130 sheep are being grazed, and, later, dairying will be attempted. The future prospects of the scheme are considered good.