The net liabilities owing to the State, aggregating £225,000 in respect of the 241 settled properties (31,000 acres) and £120,000 in the case of the development areas, have been reduced during the year. The live-stock tallies were: dairy cows, 5,700; other dairy stock, 3,200; run cattle, 4,400; and sheep, 49,000.

Native Housing.—It was possible to complete, in spite of material and labour shortages, six cottages for settlers. A great field of endeavour in respect to Native housing will no doubt be opened up when the new housing organization is able to function under normal conditions. Even to-day there is an amount of £5,000 representing applications which have been authorized but which it has not yet been possible to meet.

Waiariki Maori Land Board District

Wartime exigencies of lack of manures, continued shortage of labour, and delays in the supply of many essential materials such as iron, timber, and wire have added to the difficulties of both land-development and farming during the year. Despite these setbacks, it is possible to report progress in many of our activities. There has been an increase to the Department in receipts from all sources, the total for last year being £229,689, while this year it is £247,564. The net liability on all development operations twelve months ago was £828,496; in 1935 it was £335,677; while to-day it is £800,640. The schemes to-day are on a purely maintenance basis.

The wool produced during the twelve months shows a small increase from 2,075 bales to 2,082 bales.

The live-stock carried to-day, compared with the 1935 figures, shown in parentheses, will indicate a considerable measure of progress in the carrying-capacity of the Native lands of the district: 17,156 (9,915) dairy stock of all classes, 1,231 (465) horses of working quality, 12,283 (3,942) run cattle, 50,887 breeding-ewes, and 59,029 (28,000 in all) other sheep. A further example of the expansion that has resulted in this brief period can be gauged from the fact that for the year 1935 our cash receipts amounted to £29,000, while this year alone the figure is in the vicinity of £250,000.

In many cases the Department has been able to reduce its percentage of the cream cheque retained from the individual settler. This applies particularly at Ruatoki, the biggest settlement we have under our control. Even though a number of the loan accounts have been paid off, the farmers continue to seek the assistance of the Department in such communal activities as purchasing, roading, and water-supply, and this service is still made available to them.

Numerous settlers are showing enthusiasm and displaying initiative in an endeavour to improve their holdings. Every encouragement is given to them to acquire a full understanding of their financial obligations, as well as the main task of teaching them scientific farm husbandry.

The special committee of investigation to review the ability of certain of the Horohoro settlers to carry on, recommended remissions of portion of the interest over the next five years. By appealing to tribal relationship through the factor of chieftainship and leadership, we hope to secure either a revivifying effect on delinquent settlers to farm well and prosper, or else to arrange for new nominations for certain of the holdings.

Third place in the Ahuwhenua Trophy competition went to a settler in the Horohoro area. This endeavour has particular merit, in that the management of the farm was carried on by the wife of the settler after he joined the Armed Forces.

Every encouragement has been given to those Maori farmers who desired to assist in the Maori war effort. Enlistments in this district have at times retarded the production programme, but very few appeals have been lodged for postponement of service. As part of the primary production aspect of the war effort, interest in the cropping of potatoes, kumaras, pumpkins, and onions has been encouraged. It is pleasing to record that several of our settlers who have seen active military service have gone back to their farms.

In some districts where ragwort has become a menace it has been necessary to introduce small flocks of cull ewes to assist other control measures being adopted to combat the pest.

The respective County Councils have again met the departmental officers with regard to county rates, and satisfactory settlements of the various claims have been made. All rating claims on development-scheme lands have now been adjusted up to 31st March, 1944.

Greater culling of herds has been carried out in an endeavour to improve the production of fat per cow. Assistance has been given in several cases to enable settlers to acquire a better type of pigs and piggeries. Butterfat-production showed a substantial decline this past year, contributory causes being the continued shortage of manures and adverse climatic conditions throughout the whole of the district. Several of our dairy-farmers suffered damage to property and loss of production when serious floods swept the Whakatane district. Where on some areas further consolidation of cultivated pastures is required, the policy of stocking up with wethers and heavy bullocks has been continued. Large drafts of fat stock have been taken from these areas during the year. On some of the coast stations only dry stock can be run, and, moreover, losses of stock have been heavy, due to the broken and rough contour of the country. A special investigation was carried out this year, and every endeavour is being made to reduce the losses. The Ruatahuna Settlement, with its large population, also presents special difficulties. For a time this year it was isolated by flood from both Rotorua and Wairoa.