

The development of this latter area is providing work at slightly better than relief rates for approximately 1,200 men, and from their ranks will be drawn the future occupiers of the 459 farms.

The policy of the Small Farms Board is to select blocks of unimproved or partially improved land (Crown or private) to develop it with "unemployed" labour, and to allocate the subdivisions by holding a ballot among the suitable married men employed on the block.

This policy ensures that the prospective settlers will be established at a cost which should ensure their success even if prices for produce do not greatly exceed their present low level. But it also restricts the scheme largely to those localities, principally in the North Island, where Crown land is available or where low-priced partially-developed lands can be purchased. This accounts for the fact that the small-farms scheme has had practically no application to the highly improved districts of the Dominion. The reason for this will be obvious to those versed in such matters. Under existing economic conditions not only is it necessary to provide the small-farm settler with land and improvements at a minimum price, but also to place him in such a position that he himself, by virtue of his labour in the early years of his occupation, will be able to establish an equity in his property. This cannot be done in districts where the initial price of the land is high, or where there is little work of a developmental nature to be done by which the settler can capitalize his labour.

Apart from the provision of work for the unemployed and their ultimate establishment in farming on their own account the scheme has a definite national value in the restoration of deteriorated or rapidly reverting Crown leaseholds or mortgage securities, some of which have been abandoned, while others are held in too large areas by settlers fighting a losing battle against second growth and noxious weeds. In the latter cases the Board takes over parts of the holdings, and, using unemployed labour, develops and resubdivides them, and, at the same time, develops portions of the areas retained by the original settlers, who are thus given a fresh start on holdings within their capacity to work. An example of this type of work is in operation at Mairoa, Te Kuiti, where several Crown leaseholds and properties subject to Crown mortgages are grouped in one locality; a prime essential of such a scheme being, of course, the provision of a compact block for working.

The small-farms scheme has also made possible the bringing into production of some thousands of acres of unoccupied Crown land which otherwise would not have been capable of economic development.

There is another channel through which unemployed have been placed in remunerative work in the country. This is known as the "Share-milking Scheme," and is also administered by the Small Farms Board as part of the small-farms scheme. The idea is that a landowner should agree to employ an unemployed man to milk an additional herd of cows, either at a minimum wage of £2 per week or on shares with a guaranteed minimum of £104 per annum. In such circumstances the Board will provide up to £300 for the erection of a cottage and/or a cow-shed for the share milker so employed. Three hundred and twenty-six loans have been granted under this scheme.

There can be no doubt that the small-farms scheme is providing a satisfactory avenue for the employment of surplus labour, and that it will prove of value to the Dominion as a whole. The question of extending it on more comprehensive lines is, of course, one of policy involving such considerations as that of still further expanding our production at a time when produce-prices are exceedingly low and when serious marketing problems are facing the Dominion.

SUMMARY.

Operations under Original Scheme (mostly 5 Acres to 10 Acres).

Holdings established	488
Number of such holdings since closed	79
	409
Share milkers' building loans approved	265
Loans repaid	4
	261

Operations since Inception of Small Farms Board.

	Number.	Area (Acres).
Individual full-time holdings established	356	23,635
Sections included in blocks under development	459	35,364
Share milkers' building loans approved	61	..
		£ s. d.
Total expenditure from inception to 31st March, 1934	290,830	17 3
Total expenditure from 1st April, 1934, to 31st March, 1935	225,534	0 0
Grand total	£516,364	17 3

Details of land-development operations in the Auckland and North Auckland districts under the small-farms scheme are given in Appendix III in the report of the Land Drainage Branch of the Department.

LAND-DEVELOPMENT.

Although the Lands Development Board has not undertaken the development of any new blocks of Crown land, work has been continued on certain blocks where more extensive development is necessary prior to offering the land for selection or where for other reasons it has been considered expedient to defer offering the land for the present.

The extent of the expenditure is disclosed by the figures given below. Farming-operations being undertaken by the Board, on the Galatea, Kakariki, Tapuwae, and Ngakuru Blocks have proved beneficial in maintaining and controlling newly established pasture, and, except in the case of the dairying operations, financial results have been satisfactory.

New loans to Crown tenants under the provisions of the Land Laws Amendment Act, 1929, have been granted in thirty-three cases, and a number of additional loans for improvements and for live-