PART II.—MAORI LAND BOARD SCHEMES.

Under this heading is grouped those schemes or farming undertakings which depend on funds provided by the Maori Land Boards. Mention has been made in the G.-10 Report for 1935 that the control and management of farming operations undertaken by the Maori Land Boards is, by virtue of the Board of Native Affairs Act, 1934–35, now vested in the Board of Native Affairs, as successor to the Native Land Settlement Board.

Since coming into operation, the policy of the Board of Native Affairs has been to exercise control over the expenditure incurred on schemes and farming ventures undertaken by the Maori Land Boards. For this purpose an annual budget, or estimate of expenditure, for the ensuing year is submitted in respect of each undertaking, for the approval of the Board of Native Affairs. The direct management of these farming operations is left to the discretion of the Maori Land Board concerned, and the services of farm supervisors attached to the Department are always available.

The following are the principal schemes or farms which are being developed under this heading :—

Morikau Farm.

This property is situated on the Wanganui River, some forty-seven miles from Wanganui, and adjoins the Ranana development scheme. The lands which comprise parts of the Morikau No. 1, Ranana, and Ngarakauwhakarara Blocks, were vested in the Aotea District Maori Land Board by Orders in Council under section 4 of the Maori Land Settlement Act Amendment Act, 1906. During the year 1910 the Board decided, in lieu of leasing the land to Natives, to farm the property under Part XV of the Native Land Act, 1909, and has continued to do so under the provisions of this Act (now Part XV of the Act of 1931). In 1925 the Board embarked upon an active policy of development, and the farming operations showed satisfactory profits until the recent depression.

The farm is managed by a European, and all expenditure is rigidly controlled by the Aotea Board, which also keeps the books of account. The area under pasture is 5,709 acres, while a further area of 181 acres was felled in the course of the year.

In 1931 the Board released to the beneficial owners an area on which the Natives commenced dairying on their own account with the financial assistance of two dairy factories operating in the Wanganui district. This area was subsequently included in the Ranana scheme in 1930, and Morikau Farm now comprises 11,806 acres.

The net profit for the year was £5,754, an increase of £2,075 over the previous year's profit, while the overdraft with the Aotea Board, which was £4,329 as at 1st April, 1935, was reduced to £139. The accumulated profits, after allowing for appropriations for payment by way of dividends to the beneficial owners, and for substantial writings-off of doubtful assets, now total £19,370, and are being used for further development on the farm. With the liquidation of the overdraft with the Board, the only liability of any consequence is the mortgage of £32,000 to the Native Trustee, and it is anticipated that the farm will be in a position from now on to reduce this liability each year. The assets total approximately £54,000, comprising improvements, £35,421 ; live and dead stock, £17,153 ; and sundries, £1,426. According to the reports of the wool-classer, the quality of the Morikau clip is improving each year. Stock, both sheep and cattle, are sought after by buyers, and the quality of the Morikau offering is frequently commented upon in newspaper reports of stock sales. The proceeds from the sale of 6,173 sheep and 271 cattle were £6,026 and £1,095 respectively.

At the Wanganui Agricultural and Pastoral Association Show held in November, 1935, Morikau entries won two first prizes in the fat sheep classes in open competition. One of the entries was also adjudged to have the champion fleece in the show, and this fleece was sent to Wellington by the association, where it was framed and placed on exhibition. The number of bales of wool obtained last season was 333, realizing £3,781.

The farm has, for some years past, been in the position where it has not been necessary to purchase any stock, with the exception of bulls and rams, the natural increase being more than sufficient to maintain the numbers required. The live-stock tallies as at 31st March, 1936, were 13,723 sheep, 1,309 cattle, and 31 horses. The carrying-capacity is estimated at 14,725 sheep and 1,178 cattle. On this property the beneficial owners have a very valuable asset, an asset that will become increasingly valuable as time goes on and access improves, and one that will yield a constant source of income.

The net trading results over the past few years are enumerated hereunder :—

—	Profit.	Loss.
	£	£
To 31st March, 1933	..	2,041
,, 31st March, 1934	6,369	..
,, 31st March, 1935	3,679	..
,, 31st March, 1936	5,754	..
	£15,802	£2,041