

Consolidation, unemployment, and development are the trinity of ideas which faces the Department in this district. Consolidation preceded development, but unemployment is a recent complication, the "slump" conditions of the years of economic depression giving rise to this new problem for which means had to be devised to meet it. The obvious solution was to use the available Maori labour in the development of the idle Native lands, and unemployment-moneys were made available in liberal sums, the application of which has had gratifying results. The policy of the Department, however, has been to regard the expenditure of these moneys as a means to an end and not an end in itself. Native farmers have been subsidized liberally to perform capital improvements on their own lands, and landless unemployed Maoris have been given work on undeveloped Native lands. In spite of an inclination in some uninformed quarters to criticize this aspect of the Department's work, much good has been achieved, and any tendency to wasteful expenditure of earnings by the Natives has been checked.

Undoubtedly an overindulgence in noxious liquors has roused the ire of the European, but is not the motivating factor of such excesses to be traced to the influences of the whalers at a time when the Maori was assimilating European culture? At one time the North boasted many hotels and sly-grog shops, and time, and time alone, will stamp out this unsavoury feature of Native conduct.

A close supervision of the relief expenditure, which amounted to £139,831 at the 31st March, 1937, is essential, and the Natives are being taught to realize that the unemployment benefits may not always be available, that they must not be abused, and that their economic salvation lies in the increased productiveness of their lands and herds. The extent of the problem in the Tokerau district is shown by the increasing population which numbered at the 1936 census 20,642, whereas in 1926 it was 15,227. This steady increase of the Native population not only in the North, but the rest of New Zealand, is a factor which cannot be overlooked by the guardian State. Palliatives are of little use in overcoming the problems to be met, and results of lasting benefit can only be achieved by intensifying the development programme. Development is not an experiment. It has withstood the light of public criticism, and it is a fair claim to make that most of the expenditure involved is fully secured and that the Native race has benefited considerably from the assistance. In several of these northern counties the Native population is equal in numbers to the pakeha, and the future of these people is a problem of paramount importance.

There are 442,000 acres gazetted as being subject to development legislation, while it is estimated that further development assistance can be profitably given over approximately 205,000 acres, which area would be suitable for dairy and sheep farming. At the present time active farming is being pursued on an area of 69,023 acres, of which it is estimated 35,658 acres are in fairly good grass and the balance in rough pasture. At the 31st March, 1937, there were 695 settlers (excluding Te Kao Scheme) with definite tenures, and 297 other Native farmers who received unemployment benefits only. In addition, 605 other workers received some measure of employment. Dependent upon these settlers and other workers were 7,098 adults and children. The number, included in the above, who received assistance from the Employment Promotion Fund totalled 1,410. The total relief received from this source amounted to £66,000, which gave an average per man of £46 for the year.

The receipts from butterfat, being the Department's proportion, averaging one-third, which is the main source of revenue in the Tokerau district for the twelve months ending 31st March, 1937, amounted to £20,694, which gives an increase of £4,498 on the returns from the same source for the previous period. Receipts from all sources amounted to £29,187 for the year, being an advance of £7,107 for the same period last year. Unit and scheme stock being run as at 31st March, 1937, were as follows: 11,491 dairy cows, 4,733 other dairy, 730 run cattle, 647 bulls, 5,740 sheep, 189 working bullocks, 796 horses, and 2,340 pigs. The number of cows in milk at the flush of the season was 10,064, and it is obvious on the returns that extensive culling is required.

Work in the course of completion or completed at the 31st March last for the year under review on unit, scheme, and other properties on land gazetted as under the land-development legislation comprised 2,407 acres of bushfelling; 17,029 acres of clearing; the erection and repairing of 20,964 chains of fencing; the splitting of 37,505 posts, 313 strainers, and 153,550 battens; the construction of 12,820 chains of new drains, with cleaning of 3,470 chains of old drains; the cultivation of 2,622 acres; the formation of 620 chains of roads; the erection of 55 cottages and 58 cow-sheds; and the making of 77 culverts.

During the coming year it is hoped to extend direct financial support to an increased number of unit farmers, and to increase development on some of the larger schemes, and in particular at Waima, Pouto, and Ounuwahao. Herd-testing will be introduced in some districts, and by the increased use of fertilizers it is hoped to reap the fullest benefit from the guaranteed price of butterfat. In addition, an endeavour is to be made to reduce the herds to the true carrying-capacity of the present overstocked pastures. By such intensifications of supervision it is considered that maximum productivity will be achieved, and the Natives educated to be less reliant on unemployment assistance, and more appreciative of the efforts that are being undertaken in their rehabilitation.

### *Bay of Islands.*

In the Bay of Islands and Whangarei Counties Native farmers are being assisted in the following localities: Motatau, Otrira, Waiomio, Pipiwai, Karetu-Waikare, Whangaruru, Rawhiti, Oramahoe, Waimate, Ngawha, Te Ahuahua, Kaikohe, Mataraua, Tautoro, Awarua, Pakotai, Whatitiri, Takahiwai-Otaika, Ngararatunua-Glenbervie, Ngunguru-Pataua, and Ruapekapeka-Whakapara. Under active development are 25,442 acres, of which 19,715 acres are grassed and in rough feed. It is estimated that there would be a further 70,000 acres suitable for development as sheep and dairy land in the Bay of Islands.