G.—10.

occupy and improve his idle territory, to settle and cultivate the remnants of his tribal inheritance, and with the assistance of State funds to rehabilitate and

establish him as a producing and self-reliant citizen.

Nearly three-quarters of a million acres of Native land have now been brought under the development provisions of the Native Land Act, and of this area 177,000 acres are in the process of cultivation and improvement, or are being farmed as settled holdings. Twenty-one new groups for development and settlement, embracing an area of 36,000 acres, were brought into operation during the year under review, bringing the total number up to ninety-four of these schemes. The number of individual farmers or units already established at the 31st March, 1937, was 1,482, and it is estimated that these settlers, combined with other farm workers, support a population of sixteen thousand people. Satisfactory progress has been maintained throughout the year in the task of bringing in virgin country, preparing the land for permanent pasture, maintaining grasslands already established, controlling the spread of noxious weeds, and improving and developing the allotments of individual settlers. On unit holdings the necessary work of fencing, draining, cultivating, top-dressing, installing water systems, planting shelter-belts, and erecting outbuildings has been steadily advanced, and due attention has been given to proper methods of stock husbandry and conservation of winter feed. One hundred and eighty-two new cottages were built for settlers during the twelve months covered in this statement.

The most welcome feature of the farming year was the high prices realized for wool and lamb, which, together with a satisfactory increase in the volume of production, both from the dairying and pastoral operations on the State schemes controlled by the Board, are reflected in the record returns for the year. receipts from all sources amounted to £169,590, in comparison with £129,787 for the previous year; the department's proportion from dairy-produce—usually onethird of the total butterfat sales—was £77,032, as compared with £51,334 for the season before; wool sales realized £33,131, as against £11,656, an increase of £21,475; and the proceeds from sheep were £41,406, whereas in the corresponding previous year the sales amounted to £34,431. Altogether farming returns from the State schemes show an increase of 30 per cent. over the year 1935-36. the Native Trust and Maori Land Board stations, which also come under the jurisdiction of the Board of Native Affairs, the steep upward trend in wool-prices resulted in gratifying returns, the total sales from 1,965 bales realizing £41,787 net, in comparison with £21,843 from 1,880 bales for the previous year. Coast Trust stations also benefited as a result of the high prices prevailing, the wool-clip returning £43,383, as compared with £22,880 for the 1936 season.

During the year most districts were favoured with climatic conditions suitable for those engaged in dairying and pastoral pursuits. A comparatively mild winter followed by an early spring resulted in dairy herds coming into profit in good condition, and the production of butterfat was well maintained. The generous rainfall experienced throughout the year caused good pasture growth and a plentiful supply of green feed was available for stock purposes, but in some districts broken weather affected haymaking operations and the supply of winter fodder. The lambing season was satisfactory, and owing to the excellent summer growth of grass no difficulty was experienced in fattening surplus stock on development

schemes and other properties.

The Ahuwhenua, "Son of the Soil," Trophy presented by Lord Bledisloe during his term as Governor-General of New Zealand for competition by Maori farmers on Native-land-development schemes was awarded last year to a sheep-farming member of the Ngati-Porou tribe residing at Horoera, near East Cape, in the Waiapu County. This competition, which is held annually, is a definite incentive in fostering a spirit of emulation and friendly rivalry in farming among the Maori people, and the dedicatory inscription on the Cup, freely translated, reads appropriately thus: "The triumph of the warrior may fade, but he who conquers the soil gains a lasting victory." In stating that there was very little difference between the first six contestants, the judge, in making his award, commented on the general high standard attained in regard to management of stock and pastures, control of weeds, and maintenance of properties.