

The prices obtained for the various classes of wool sold during the season and the averages per bale are shown in the table appended at the end of Part III of this report.

During the year one of the leading owners was set up in a portion of the land which at present is excluded from the area worked as a station. The finance was provided from Native Trust Funds and the settler is under the control and supervision of the Department's Supervisor. A new home was built for him, the necessary stock purchased, and it is hoped that under the care and teaching of the Office this Native will make good progress in establishing himself as a sheep farmer. He has commenced with a flock of 500 ewes.

The wool-shed which has been on the property from the beginning has reached the stage when repair or patching up is no longer advisable or possible, and it is intended to erect a new building in time to allow of its use for shearing this coming season.

At the time the question of placing Aohanga under the control of the Native Trustee was under consideration an undertaking was given to the Maori owners that the Office would pay them in, anticipation of profits, an annual payment equivalent to what had been paid under the lease which had expired, and, despite working losses in several years, this payment has been maintained. Advantage was, however, taken of the 20 per centum reduction provided for in the National Expenditure Adjustment Act, 1932, but this deduction was restored to the owners in the payment made to them in December, 1936. The results of the running of the property have shown marked improvement, and as accumulated losses will be fully recouped from the season's returns it has been decided to increase the rental payments by 33½ per centum.

As a result of the year's working a net profit of £8,320 remains after clearing off the balance of the losses of previous years, indicating that the policy adopted by the Native Trustee for the rehabilitation of this big area of land is proving itself to be sound and satisfactory.

East Coast Maori Soldiers' Fund.

When the two stations which form the assets of the above fund were handed over to the Native Trustee in 1925, under section 23 of the Appropriation Act, 1925, it was realised that affairs were in such a state that it would be many years before the unsatisfactory position could be righted. It was essential during the earlier years of the running of the properties to advance considerable sums on mortgage or current account, and after an extensive review in 1932 it was realized that an adjustment of the finances was necessary, and it was decided to write off part of the accumulated losses and advance further funds for development purposes. The position has slowly improved, and for the year under review very satisfactory profits have been made after allowing for all working-expenses, interest and charges. The rehabilitation of the fund is somewhat complicated by the fact that both properties are leaseholds—Hoia station consists of several Native leaseholds, some of which have expired and steps have been taken to assess the compensation for improvements in terms of the leases, whilst the leases of the other blocks in the station expire at different dates, one as late as 1953. The land comprising Hereheretau Station is Crown land, and is occupied under a renewable lease, the first term of which expires in 1955.

Special valuations made in March, 1936, by the Chief Supervisor and the Farm Supervisor to the East Coast Commissioner disclose that the values of the improvements and stocks are more than sufficient to cover the liability for advances made by the Native Trustee.

The rents under the leases of the Native blocks are still the subject of litigation, but it is hoped that finality will be reached when the applications under the Mortgagors and Tenants Rehabilitation Act, 1936, have been dealt with.

Hoia Station is situated at Hicks Bay and comprises 6,514 acres. The progress that has been made under the management by the Native Trustee is indicated by the summary below showing the winter carrying-capacity for the first year and for the year under review.

			Sheep.		Cattle.		Wool.	
			Breeding-ewes.	Others.	Breeding-cows.	Others.	Bales.	Proceeds.
1925-26	..	..	1,500	556	56	168	43	£ 584
1936-37	..	..	3,150	2,115	300	354	109	2,415

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The progressive improvement of the property has been interrupted by the fact that the leases have expired or will do so shortly, but whenever possible unemployment-relief contracts are being arranged for the benefit of the local Maoris. During the year 50 acres were stumped; 1½ miles of access tracks were formed; 80 chains of new fencing erected; and other general improvements, such as river-protection, chipping wiwi, erection of cow shed and yards, and 280 chains of fence renewals, were effected.

The station has been farmed for many years, and there is not now the scope for the development as is the case with Hereheretau Station. However, the returns under the present market conditions are quite satisfactory.

Hereheretau Station comprises 3,838 acres and is situated eighteen miles from Wairoa. The actual access is poor for the last three miles, the road being unmetalled and in parts unformed.