

With the exception of a small amount expended under the Native Housing Act, 1935, the above figures represent expenditure on the development, settlement, cultivation, and improvement of Native lands, and the progress achieved in regard to these activities is indicated in the following statement, which shows the position at the 31st March, 1938 :—

Number of schemes	..	..	..	126
Area gazetted for development (acres)	..	..	..	801,090
Area under development (acres)	..	..	..	214,804
Individual settlers established	..	..	..	1,722
Labourers employed	..	..	..	3,163
Dependants (excluding settlers and labourers)	..	..	..	15,823
Houses erected to date (total)	..	..	..	654
Live-stock tallies—				
Dairy stock	..	..	..	41,817
Sheep	..	..	..	140,327
Run cattle	..	..	..	15,653
Receipts for year—			£	
Butterfat	..	..	..	93,841
Wool	..	..	..	22,903
Live-stock	..	..	..	93,991
Sundries	..	..	..	13,073
				£
				223,808

The development and settlement of Native lands is directed by the Board of Native Affairs and controlled by the Native Department, and a full report dealing with the operations of the Board and the policy adopted to encourage and assist the Maori to follow his natural calling—the cultivation of the soil—is contained in parliamentary paper G.—10.

During the year the Assistant Under-Secretary to the Department, Mr. H. Arthur, retired on account of ill health after thirty-nine years' service, and I have pleasure in recording my appreciation of his services to the Public Service of this Dominion.