GENERAL REPORT.

In presenting its report for the financial year ended 31st March, 1938, the Board of Native Affairs furnishes a résumé of the varied activities connected with the development and settlement of Native lands, and outlines the measures taken for improving the living conditions of the Maori race. The report, which is in continuation of previous statements presented to both Houses of the General Assembly during the past seven years, provides a summary of the progress achieved in maintaining and extending the agricultural and pastoral schemes which were initiated in 1930 with the object of establishing and settling the Maori people upon their own lands as farming members of the community, and refers to other operations financed by State or Trust funds and inaugurated for the benefit and welfare of the Natives, including the provision of better housing conditions.

The policy of developing unproductive Native lands with the assistance of funds provided by the State, and thus affording the Maori people the opportunity of living under conditions most suited to the race and at the same time enabling them to become self-reliant members of the community, has been fully maintained throughout the year, which was marked by the commencement of thirty-two new land settlement projects and the extension of twenty-five existing schemes. These undertakings, which are administered and controlled by the Native Department, embrace a total area of \$10,100 acres, of which 214,800 acres are in the course of being developed and improved or are being farmed as settled holdings. The number of individual settlers established at the 31st March last under this Native small-farm plan was 1,722, an increase of 240 over the previous year, and it is estimated that these settlers, together with some three thousand farm workers, maintain over sixteen thousand dependants; or, expressed in other terms, the funds at the disposal of the Board now provide for one-quarter of the Maori population of the Dominion.

A gratifying feature of the year's activities was the satisfactory increase in the returns from the State development schemes, which, despite the decline in prices realized for wool, were the highest yet recorded. Revenue receipts from all sources amounted to £223,876, in comparison with £169,590 for the previous season, an increase of 32 per cent. the principal items being butterfat. £93,841, as compared with £77,032 for 1936–37, the Department's share of the cream returns being usually one-third of the total output; wool sales, £22,903, as against £33,131 for the last year's clip; and proceeds from live-stock, £93,991, whereas in the corresponding previous year the returns from sheep and cattle sold amounted to £49,700. There has been a welcome increase in the volume of production from dairying operations, the butterfat poundage for the year under review being 3,957,510 lb., equivalent to 2,151 tons of butter, as compared with 3,430,200 lb. of butterfat, or 1,864 tons of butter, for the year ended 31st March, 1937. On the Native Trust and Maori Land Board stations the wool-clip of 1,853 bales realized £26,034 and the proceeds from live-stock amounted to £36,515.

Climatic conditions varied widely throughout the different districts of the North Island, but generally the weather was favourable for crops, pastures, and live-stock, and production was well maintained. In North Auckland a wet winter with heavy floods was followed by a warm spring which benefited pastures, but dry conditions prevailed during the summer months and production was somewhat checked until the autumn, when beneficial rains resulted in a good growth of feed. A mild winter followed by a dry summer was experienced in the Waikato and King-country districts, but good autumn rains followed. In the Rotorua, Bay of Plenty, East Coast, and Hawke's Bay districts the rainfall was slightly below the average and there were several dry spells until February, when heavy rains resulted in severe flooding and consequent damage to grass-lands and improvements. Fortunately, shearing operations were not delayed to any great extent, and in most districts satisfactory provision was made for winter fodder. The lambing season was only fair, but surplus stock was sold in good condition and at favourable prices.