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The Motuti water-supply has been completed by the Public Works Department and gravity water is now laid on to forty farms. An extensive programme has been carried out in the construction of cow-sheds, and at Pawarenga all settlers are now supplied, while in many other localities another couple of years will see all requirements met in this direction.

All villages have been fortunate in exceptionally prolific crops of kumeras, potatoes, and corn, due to the favourable season, and a feeling of security is evident among the Natives for the approaching

winter.

Stock is going into the winter in good condition. The tallies at 31st March, 1938, comprised 5,900 dairy stock, 203 run cattle, and 300 sheep. Supervisors report that at Kaikohe, Waima, Opononi, Panguru, and elsewhere the recently erected buildings have raised the hopes of the people and will no doubt prove to be an incentive to the 257 settlers to carry out their activities in a more workmanlike and efficient manner. The scheme supports a total number of 3,264 persons.

Kaipara.

This scheme comprises numerous scattered areas centring round the Hobson and Otamatea Counties. Altogether there are 10,150 acres under active development, and, of this, 6,296 acres are in grass. Between Tangiteroria and Kaihu there are some thirty individual settlers all fair workers, though their farming knowledge is somewhat deficient and their stock transactions

In the Otamatea County there are also some thirty settlers in scattered localities. On each of these holdings there are areas of good alluvial flats or easy limestone hills. Though not up to European standards, these men are making progress and promise to become successful and independent settlers.

Paspalum is the predominant pasture, and this season the grass developed a fungus which somewhat detrimentally affected the stock. Housing conditions are improving. The Department erected thirteen new houses and effected improvements to several others. Three houses were also erected under Public Works supervision.

This district offers some scope for further development, and new areas will be undertaken

as the land-title position becomes more certain.

Live-stock tallies as at 31st March were 950 dairy cows, 486 other dairy stock, 39 run cattle, and 765 breeding-ewes.

Mangonui.

This scheme embraces the northern portion of the Tokerau district, the southern boundary following a line from Whangape Harbour on the west coast to the Tapuetahi Stream on the east coast.

The Maori population is numerous, and the area of land suitable for development is insufficient to absorb all the unemployed. Nevertheless, some twenty men have migrated to Rotorua and the Bay of Plenty with the State's assistance, and are obtaining work on development

The district has experienced a much drier summer than that obtaining elsewhere, and the lack of rain has been detrimental to the pastures and production. Extensive housing improvements

have been effected during the past twelve months.

Herd-testing was carried out in the areas adjacent to Kaitaia, and the following extract from the report of the Testing Association supervisor indicates the difficulties that are to be overcome before success is achieved:---

"Approximately 1,882 cows contained in 135 settlers' properties have been submitted est. The work has been hampered and its value diminished by the unsatisfactory service rendered by some of the sampling boys, but the boys who are now assisting appear satisfactory. Factors are operating to cause the Native cow production to lag behind the pakeha-owned cows. It is noted that in September only 48 per cent. of the bening the pakena-owned cows. It is noted that in September only 48 per tent, of the total available Native cows were in milk, as against 66 per cent, of the cows of the pakeha section. This position obtained to a lessening extent until January, when all cows of both sections were in milk. February, however, saw a sudden fall in the number of Native cows in milk (86 per cent.), whereas the whole of the cows of the other section were still in milk. The difference for the month of March is even greater, though not included in this report. Consideration of these facts point to the fact that many of the Native-owned cows are brought into milk later than is customary that many of the Native-owned cows are brought into milk later than is customary for the district and are dried off earlier, or, in other words, short-season milkers, which is no doubt chiefly due to mismanagement generally, and in particular to a dislike for the tedium of milking.

"I am of the opinion that in a general way the first season's testing operations can be considered satisfactory. Many difficulties have arisen and have been overcome,

and experience gained can be turned to useful account in the future.'

The unemployment position at Te Hapua is satisfactory. Practically no assistance has been necessary for the past nine months as the kauri-gum industry has experienced a steady season. A number of the younger men have moved to Ngataki, where land development work has been made available on an area of Crown land set aside by the Lands Department for their occupation.

Mangatete Post-splitting Scheme.—By arrangements with the Lands Department, an area of puriri bush at Mangatete was made available as a source of supply for posts. Some 6,000 posts and 1,066 strainers have been obtained here for use on the Ngataki area.