

Numerous units are established here, but the greater part of the block is under scheme development and it will be necessary to leave it so until the problem of the ragwort is controlled.

At Ruatoki, in the Opouriao Valley, a large tract of very fertile land is under the occupation of some 150 units, with a smaller area of the newer country capable of settling about five returned soldiers being handled by the scheme. A general administration unit, comprising store-shed and office, with residences for the Supervisor and storeman, is centrally situated. Herd-testing improvement has been carried on in conjunction with the Native school, and the knowledge imparted to the younger generation of Maoris will, it is hoped, have a marked effect in future years in the more scientific management of the dairy herds. River erosion, uneconomic unit areas, the upkeep of a water-supply, the settlement roading maintenance, and the ragwort menace have necessitated annual labour subsidies.

Near Opotiki many unit farms are located, particularly at Whakatohea and Torere. It has been found in a number of cases, as at Horohoro near Rotorua, that the necessity exists for running sheep to control the ragwort menace, and to this extent some farms have practically gone out of dairying and into sheep-farming. This is only a remedial measure, however, and as soon as the lands are in a fit state for dairying they will revert to this method of farming. Some of the farms in the back country at Torere have had to be amalgamated with other unit holdings owing to their inability to be successfully farmed as independent holdings.

At Haparapara a reverted leasehold is being handled which, with a back-country run at Ohotu, comprises a block suitable for grazing only.

From Omaio to Cape Runaway the unit areas of Omaio, Te Kaha, Orete, Whangaparaoa, and Te Piki are being closely farmed. These farms have shown a definite financial improvement during the past five years and, despite frequent drought conditions which are an annual occurrence on this part of the coast, many Maori farmers are earning a payable farm income. In this area is situated the Orete II Station, a mountain block suitable only for grazing. The flat, being leasehold land, was acquired by the Department, and on this property, known as the Orete Dairying Section, a share-milker is established. A committee of management of the owners assists the Department in its control.

Te Piki, started in the early years of the depression for the employment of surplus Maori labour, presents a problem in land-development that will exist for many years to come, though its adjoining neighbour, Potikirua, a station proposition only, is a financial success.

Rate obligations to the Counties of Opotiki, Whakatane, Tauranga, and Rotorua were met, as in previous years, by the Department on behalf of the various settlers on those scheme lands where an excess of revenue over maintenance costs resulted. Land-drainage liabilities have been met in the Rangitaiki and Waewaetutuki areas.

Despite a particularly severe drought this summer and many disastrous bush fires, coupled with the reduction of dairy herds by heavy culling through shortage of feed and the necessity to reduce herds to run sheep to control the ragwort menace, the butterfat-production percentage drop is only 11 per cent., which must be considered exceptional considering the difficulties encountered.

Numerous cases of unit occupation have been investigated by the Native Land Court in the past year and recommendations made to the Board of Native Affairs thereon. Wherever practicable, particularly at Horohoro, leases have been granted to successful units. There have been no requests during the past twelve months from units for release from the Native land-development administration.