

The Department's share of the cream returns is obtained by way of orders on the dairy factories in respect of the individual settler's output, and varies as to the proportion according to the circumstances of the particular settler in relation to his production and loan liability, but in the great majority of cases is fixed at from one-quarter to one-third. The cream collections in the course of time can be looked to to provide the principal means of payment of interest on the funds employed and for repayment of the money advanced, and it will be seen that it should not be unreasonable to anticipate that the cream collections alone will be sufficient for these purposes in the near future, apart from other sources of revenue. It has to be borne in mind, however, that at present only a proportion of the total area under development has reached the stage of production, and it can be contemplated that returns each year for some time will show a sound increase in the volume and value of production.

The prospects for the present year for farm-produce are excellent, and it can be confidently anticipated that the result of the year's operations will prove to be highly successful.

The Board of Native Affairs Act, 1934-35, which became law on the 5th April, 1935, constituted the Board of Native Affairs and vested in that Board, as successor to the Native Land Settlement Board, the control and direction of the Native-land development and the control over expenditure on all farming operations undertaken or approved by the Native Trustee and the Maori Land Boards, also the control of the operations of the East Coast Commissioner in relation to the expenditure or investment of any moneys or to giving mortgages over any property vested in him.

The Board of Native Affairs Act made provision also for the appointment of "district committees" to comprise three members, of whom one shall be the Judge of the Native Land Court, who shall be Chairman of the Committee. The functions of the district committees shall be to exercise, subject to the control of the Board of Native Affairs, such powers and duties as may be lawfully delegated to it by the Board and to inquire into and report upon such matters as may be referred to the committees by the Board.

MAORI UNEMPLOYMENT RELIEF.

The Board of Native Affairs has continued to avail itself of the opportunity of obtaining and utilizing to the fullest extent the moneys provided for the relief of Maori unemployed. It is realized that the only permanent solution of the problem of Maori unemployment (as well as European unemployed) is to establish an industry which will at once be reproductive and absorb the largest possible number of men. In the case of the Maori, possessed as he is of considerable landed interests, the solution appears to be his settlement on his land. The Board has therefore directed its expenditure of unemployment funds available for relief of Maori unemployed upon the development of Native lands either included in the Department's development schemes or upon Native-owned lands being developed from the resources of the owners.

The number of Natives assisted during the year was 2,635, and the average earning of each man was £18 18s.

GEO. W. FORBES, Chairman.