

This course might obviate the abandonment of some areas, and give a greater probability of these being thoroughly cleaned, as well as afford labour and utilise country that would otherwise be left idle. Under present conditions it must be patent that the amount of fines levied per year must eventually dissipate the estate upon which they are levied without arriving at a thoroughly satisfactory termination of the scab question. Granting my deductions to be correct, and force of circumstances compel owners to throw up their holdings, the question arises, Who will take their places or responsibilities? The course suggested means an improvement of State property, and the money so advanced affords actually a greater security to mortgagees where property is encumbered, as with this advance the tenant has a greater probability of cleaning his flocks, whilst the interest on the amount so advanced cannot possibly be more than a tithe in comparison with cost of fines and extra expenditure entailed in working scabby flocks.

In previous reports I have referred to the necessity for amending some sections of the present Sheep Act. I would again express an opinion that from section 45 the word "negligently" should be expunged. The introduction of this word has hitherto been the means of retarding the eradication of disease; and now that the area of infected country is being gradually narrowed, it becomes imperative that no loophole should be left by which the owners of scabby sheep can evade the consequences of, under any circumstances, allowing infected sheep to stray. It is further my opinion that section 26 should be amended so that the owners of infected flocks should not only be prevented from breeding lambs, but the possibility of their introducing foreign sheep on to their country, while remaining infected, should also be precluded. I look upon the introduction of strange sheep as fraught with more danger to surrounding owners than the fact of breeding on infected runs. With the above exceptions I see no further need for alteration in the present Act; so much having been effected under its provisions, it should, with alterations as indicated, suffice to complete the eradication of what scab now remains in the colony. I may further state that during the past year the Act has been strictly enforced, and where prosecutions have been instituted, with one or two exceptions, convictions have been obtained and fines inflicted; and further, all fines previously in abeyance have been collected.

The total amount of fines which have been inflicted for breaches of "The Sheep Act, 1878," since that measure became law, up to the 31st March last, is £6,406 15s. 4d., of which sum fines amounting to £1,161 12s. have been remitted, leaving a balance of £5,245 3s. 4d.

The amended Act of last session dealing with lice is doing much good, the objectionable practice of driving or taking lousy sheep to sale-yards has been put a stop to, and negligent owners compelled to dip their sheep where found to be infested.

The frozen-meat trade has nearly doubled itself during the year, the number of carcasses exported being 243,294 in excess of previous annual return; but the Home price now ruling being somewhat lower than that previously received, unless freight and other charges can be materially reduced, our maximum export in this direction may be considered as attained.

It is satisfactory to observe that an increase of sheep is again shown in Otago; but two counties show any decrease this year; these embrace the roughest as well as the most rabbit-infested country in Otago, especially the Lake country.

I deem it expedient to refer again this year to the "kea" question. The losses caused annually by this pest on runs in high country is still great—in fact, of such proportions that constant destruction of these birds should be carried out. The subsidy granted for this purpose two years since afforded great assistance to those who have to contend with this plague; and I would strongly urge the Government to again place a sum on the estimates, so that one shilling per beak may be paid, as previously, for all keas destroyed.

Reviewing last year's operations, I submit that very fair work has been done in the eradication of scab. I believe the North Island now to be free from disease, and what remains in the South Island is wholly confined to rough, mountainous, and for the greater part poor country, which has been a refuge for wild sheep and stragglers for many years past. The difficulty in dealing with these lays in the fact that the adjoining country was not fenced, and until this is completed, the prospect of thoroughly cleaning the country is uncertain. As fencing has progressed so the adjoining waste lands have been or are being scoured. A good deal in this direction still remains to be done before thorough security can be attained. I can safely assert that the country for many years has not been so free from scab as at the present time, or with a greater certainty of its being eradicated at no very distant period.

In conclusion, I may report the flocks generally throughout the colony are healthy, with a fair season's clip; severe weather during the lambing season, in many localities, reduced the general average, while in other places where for some years past the rabbit-plague permitted but poor returns, last year as much as 80 per cent. of lambs and full clip was obtained.

I have, &c.,

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Superintending Inspector.