H.—8.

likely to keep so. Since March the Kekerangu flock has passed inspections satisfactorily, and a

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clean certificate granted.

The sheep that appear on the infected list in the Grey and Buller Subdivision are now returned clean: in fact, all the flocks on the infected return are simply awaiting the necessary three months from the last dipping to elapse prior to their final examination. No actually scabby sheep have been seen in them for some time; and it is confidently hoped that at the spring muster no infected flock will be returned. A final muster of the country upon which scabby sheep and stragglers have been killed should give finality to the scab-question.

The North Island being now clean, I am of opinion that existing regulations having reference to sheep shipped and landed for butchers' use might be modified without risk of further infection

in consequence.

The west coast of the Middle Island is almost wholly dependent upon Wanganui for its supplies of fat stock, which are shipped to the different West Coast ports. Occasionally a month's supply will arrive in different vessels within a few days of each other, and all not slaughtered within ten days must of a necessity be dipped, causing loss of condition and depreciation in value of the stock. The steamers carrying these sheep trade as a rule only between Wanganui and the West Coast; and, as all sheep going from the North Island are clean, a special concession might with safety be granted here by extending the time prior to dipping. This would confer a great boon on the slaughtermen without any risk to other flocks.

Owing to the increase of flocks in South Canterbury, together with reported danger from rabbit-pest, it has been deemed advisable to divide the Southern and Christchurch Subdivisions into three; the newly-formed subdivision to extend from the Rakaia River to Opihi River, and back to the dividing range. This new district will ensure a necessary and a better inspection

of the flocks than has hitherto been possible, as well as guard against an increase of rabbits, which are reported as sparsely scattered throughout a great deal of this country.

Last summer having been very dry and hot both lung-worm and foot-rot are reported to be less prevalent than in former seasons.

More than the average lambing is reported, and good clips experienced.

Statistical information will be furnished as soon as compiled.

I have, &c.,
BENJAMIN P. BAYLY, Superintending Inspector.

The Hon. the Colonial Secretary, Wellington.