

is less subject to drought than other parts of the Hawke's Bay District. Seventy-five miles of substantial wire fences, well put up, have already been erected; about six miles more fencing, of which two miles and a half have been authorised, is required to complete the ring fence, which, with the Manawatu River, will enclose a block of 26,350 acres. Of this area about 22,000 acres are improved, surface-sown, and subdivided into convenient paddocks averaging about 800 acres each; and 4,350 acres are unimproved, mostly covered by scrub and light bush. This block of 4,350 acres should be cleared and sown as soon as possible, not only to complete the area within the ring fence, but because, owing to the Wainui Road passing through its entire length, there is considerable danger of its being permanently injured by accidental fires before it is felled and ready for burning. I may add that by clearing and sowing this scrub-land the increased area of pasture will greatly facilitate the management of the sown fern-lands, while the cost of the work will be proportionately small as compared with the increased returns. When all the land inside the ring fence has been dealt with there will still remain outside the fence about 4,600 acres of scrub and bush. A certain portion of this last might be cleared each year, burnt off, and sown with rape, to supply winter feed for the young stock, as part of the ordinary working-expenses of the run. In this way no ploughing for turnip or other winter feed will be required until the whole of the estate has been put down into pasture. For bush-clearing tenders should be called in January, the work should be commenced by March, and completed not later than the 31st July, to insure a good burn sufficiently early to sow rape. All the fern land on the estate is practically now sown, and, with the exception of the clay spurs above alluded to and perhaps a few portions which were stocked before burning, the result of the surface-sowing is highly satisfactory, and does credit to the management, as, although much may be due to the quality of the soil, there is every evidence of good judgment in the selection of seeds, and of great care both in the sowing and after-treatment of the pastures. The sheep—crossbred Cotswold—are looking fairly well; but I am of opinion that the run at present is fully stocked with the thirty thousand sheep on it, and that this number should certainly not be increased until a larger area of grass is got in. As far as I could judge, about 80 per cent. of lambs should be dropped this year, and with fourteen thousand breeding-ewes the increase will be about eleven thousand five hundred. Ten thousand sheep at least should be disposed of before the next winter, and most, if not all, the wether lambs should be sold, too, soon after weaning, and, say, five thousand cull ewes and old wethers got rid of as soon as they are no longer required to keep down the fern. The Mangatoro flock appears to yield a superior clip of wool, which commands a higher price in the London market than the average run of crossbred wool. Last year twenty-six thousand gave 169,692 lb. of wool, which netted, as per account sales, £5,540 16s. 6d., being an average of over 7½d. per pound, and over 6½ lb. of wool per sheep. During the two previous years the clip averaged over 7 lb. per sheep, and netted over 8d. per pound. I am informed that last season was the worst ever experienced in Hawke's Bay, the clip being consequently reduced both in quality and quantity. Mr. Hamilton seems to be quite confident of being able to maintain the character of his flock by carefully culling his ewes and selecting his rams. A few first-class long-wool rams for the stud flock are much required, and authority should be given to procure these at once. It will be also necessary to decide as soon as possible what the future policy is to be with respect to the further development or otherwise of the run, and whether any steps should be taken to secure the freehold. As regards the further development, I have already stated what I think should be done. I have only now to add—First, the whole of the unimproved land is, as regards soil and its adaptability to carry grass, equal to the best of the land on the estate, and when compared with other land in the Hawke's Bay District it is only inferior to the rich alluvial flats; second, I estimate that an expenditure of about £9,000 will be required to clear, grass, and subdivide the unimproved land inside the ring fence, and that the carrying-capacity of the run will then be increased to forty thousand; third, by clearing 1,000 acres each succeeding year outside the ring fence the number of sheep can be further increased to the extent of fifteen hundred each year until the whole of the estate is sown down in grass, when I estimate it will carry forty-eight thousand, and, say, a thousand head of cattle. By the quarterly returns sent in there seems to have been a very heavy loss of sheep between the 31st March, 1887, and the 31st March, 1888, but I did not discover this until I had returned to Napier and examined the account. I have written to Mr. Hamilton to explain the deficiency, and to carefully check the count during shearing. In conclusion, I may say, after riding over the whole of the estate and thoroughly inspecting it, I consider Mangatoro one of the finest sheep-runs of its size that I have seen in the colony, and regard it as a most valuable property, well worth developing to the utmost extent.—WALTER HUNTER. 2nd November, 1888."

Valuation of Run and Stock on 31st March, 1888.

Land, freehold value—		£	£
22,000 acres in grass at £3 5s. per acre	...	71,500	
8,000 acres scrub at £1 10s. per acre	...	12,000	
			83,500
30,000			
Fencing—75 miles at £100 per mile	7,500
Dwellinghouse, buildings, plantations, &c.	3,000
Live-stock—		£	
30,000 sheep at 6s.	...	9,000	
700 head of cattle at £2 10s.	...	1,750	
			10,750
			104,750

Debt on 31st March, 1888, £68,000.

W. H.