Prior to the Department commencing operations, the property generally was in a very neglected condition, being for the greater part overgrown with fern, scrub, and blackberry, the only attempt—for several years previous—in the way of control of these pests being by indiscriminate burning (without previous cutting), which is, except in rare instances, the very worst method of dealing with these different growths.

Originally—say, about 1912 to 1917—the property was well subdivided by substantial post and wire fences, but partly as a result of lack of attention, but principally due to the indiscriminate burning of standing scrub and fern, the fencing, of which there was roughly about thirty-five miles, had deteriorated, until in 1933 there was less than half a mile which could be described as sheep-proof, and, probably, of about twenty miles very little remained but the wires lying on the ground.

No cultivation of any kind had been carried out for several years—probably since 1921—and what pastures had been laid down then were almost completely exhausted, and the land becoming overgrown with scrub and pimelia or tauwhiriwhiri.

(2) Since taking over the property, the Department has done the following work under the various headings:—

10,690 acres cleared and burned.

10,690 acres grassed.

11 miles of new fencing erected.

 $24\frac{1}{2}$ miles of original fencing re-erected.

40 chains of drains constructed.

270 acres ploughed, of which 136 acres were land never previously ploughed and 134 acres were of old pastures.

The work in progress at the present time, and which it is hoped to have completed by 31st March-1936, comprises clearing, burning, and grassing 1,200 acres at a cost of £2,000.

- (3) See separate statement attached.
- (4) I am not in a position to say definitely what the carrying-capacity of the property was when it was taken over by the Department, but upon the authority of the contractor who has done the shearing here every season except two since 1912 (twenty-three years) I can say that for several seasons immediately prior to 1932 the total number of sheep and lambs shorn ranged between 9,000 and 11,000; as the number of lambs would probably range between 2,000 and 2,500, I should estimate that the property was probably carrying 3,000 to 3,500 ewes, with their resultant crop of lambs, and from 4,000 to 5,000 dry sheep, and also about 500 cattle. I was once informed by Mr. F. G. Bee that the largest number of cattle ever running on the property was 800, but a very severe drought and the numbers that escaped into the adjoining rough country reduced this number by more than half.
- (5) The number of stock at present on the property is approximately 11,500 grown sheep, 3,000 lambs, 1,350 grown cattle (including 25 dairy cows), and 50 calves; 450 wether lambs were sent to freezing-works at end of last month.

But the property is not at present stocked to its full carrying-capacity. I consider that the present safe carrying-capacity is not less than 14,000 grown sheep and 3,000 lambs besides 1,500 head of cattle, and I estimate that when the property is fully developed and subdivided it should carry, and do well, 20,000 grown sheep and 1,500 station cattle and 400 dairy cows.

In framing my estimate of the future carrying-capacity, I am assuming that the term "fully developed" will be understood to mean fully subdivided and all the available gently undulating and readily accessible ploughable country broken up and laid down in permanent pastures, and a reasonable amount of top-dressing with suitable manures carried out every season. I consider my estimate framed on conservative lines, and, with top-dressing such as is practised in some districts, the carrying-capacity would be very much more than I have estimated.

I should perhaps here interpose that my estimate of the ultimate carrying-capacity is to some extent confirmed by some information I have received from the previously mentioned shearing contractor, who informed me that when he first commenced shearing at Kakariki in 1912 the total number of sheep and lambs shorn was 12,000, and this number gradually increased during the next three or four years to 17,000, and the owner at that time, Mr. Ryder, quite confidently asserted that he would ultimately be shearing 20,000 sheep on the block. Unfortunately, he sold the property before it was fully developed, and the methods subsequently adopted were not conducive to increasing the carrying-capacity.

(6) I consider that the completion of the railway would be of almost incalculable benefit to the block as a whole, and I firmly believe that, with the railway completed or assured, the competition for the various sections would be very keen indeed. I am assuming, of course, that the proposed road commencing at the main road at Block 5, and giving direct access to Blocks 2, 4, 3, and 1, would also be ultimately completed, as this would make for almost direct access to the proposed Kotemaori Railway-station.

As will be realized from my estimate of the carrying-capacity, I consider that not less than 1,200 acres would be suitable for dairying, and I estimate that this area, with up-to-date farming, would carry not less than 400 cows, and possibly 500. I do not suggest that this area should be devoted exclusively to dairying or separated from the other areas and settled as dairy-farms exclusively: with the exception of 100 acres in Block 4, all the dairying-land is adjacent to the main road and railway, and my idea is that dairying would be carried on in conjunction with sheep-farming on each of the several blocks in the suggested subdivision.